

# Finance Sub-Committee

## Agenda

---

<b>Date:</b>	<b>Monday, 2nd June, 2025</b>
<b>Time:</b>	<b>2.00 pm</b>
<b>Venue:</b>	<b>Council Chamber, Municipal Buildings, Earle Street, Crewe CW1 2BJ</b>

---

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

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

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

1. **Apologies for Absence**

To note any apologies for absence from Members.

2. **Declarations of Interest**

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

3. **Minutes of Previous Meeting** (Pages 5 - 10)

To approve as a correct record the minutes of the previous meeting held on 10 March 2025.

---

For requests for further information

**Contact:** Nikki Bishop

**Tel:** 01270 686462

**E-Mail:** [CheshireEastDemocraticServices@cheshireeast.gov.uk](mailto:CheshireEastDemocraticServices@cheshireeast.gov.uk)

4. **Public Speaking/Open Session**

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

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

5. **Final Outturn 2024-25** (Pages 11 - 122)

To receive a report which provides an overview of the Cheshire East Council final outturn for the financial year 2024/25.

6. **Medium Term Financial Strategy Assumptions - update 2026/27 to 2029/30 (Finance Sub Committee)** (Pages 123 - 146)

To consider the report on the MTFFS assumptions 2026-27 / 2029-30.

7. **Financial Management Code Update (Finance Sub Committee)** (Pages 147 - 224)

To receive an update on the Council's compliance with CIPFA's Finance Management Code.

8. **Finance Leadership Improvement Plan including progress of actions following the CIPFA Assurance Review** (Pages 225 - 238)

To consider a report in relation to progress made against the Financial Leadership Improvement Plan.

9. **Appointments to Sub-Committees, Working Groups, Panels, Boards and Joint Committees** (Pages 239 - 244)

To appoint a member to the Joint Extra Care Housing Management Board.

10. **Work Programme** (Pages 245 - 250)

To consider the Work Programme and determine any required amendments.

11. **Option Agreement - Land at Longridge, Knutsford** (Pages 251 - 272)

To consider a report in relation to land at Longridge and North Downs, Knutsford.

12. **Acquisitions and Disposal Summary 2024-25** (Pages 273 - 284)

To receive a report on acquisitions and disposals 2024-25.

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

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

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

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

14. **Acquisitions and Disposal Summary 2024-25** (Pages 285 - 288)

To consider Appendix C.

**Membership:** Councillors D Brown, D Clark (Chair), B Drake, S Gardiner, C Hilliard, G Marshall (Vice Chair), C O'Leary and R Vernon

This page is intentionally left blank

**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Finance Sub-Committee**  
held on Monday, 10th March, 2025 in the Capesthorne Room, Macclesfield  
Town Hall

**PRESENT**

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

Councillors D Brown, S Gardiner, B Drake and K Edwards

**OFFICERS IN ATTENDANCE**

Adele Taylor, Interim Executive Director of Resources and S151 Officer  
Helen Charlesworth-May, Executive Director of Adults, Health and Integration  
Dan Coyne, Head of Service: People and Communities  
Julie Gregory, Acting Head of Legal Services  
Nikki Bishop, Democratic Services Officer

**ALSO IN ATTENDANCE**

Cllr M Beanland

**47 APOLOGIES FOR ABSENCE**

Apologies were received from Councillor J Clowes and C O'Leary.  
Councillor S Gardiner was present as substitute.

**48 DECLARATIONS OF INTEREST**

Councillor D Clark declared a non-registerable interest in relation to agenda item 7/8: Beechmere Fire and Renegotiation of PFI contract for Extra Care Housing. Cllr Clark had a distant family relative who previously resided at Beechmere. Cllr Clark would therefore leave the room during the debate and vote.

Councillor L Anderson declared a non-registerable interest in relation to agenda item 7/8: Beechmere Fire and Renegotiation of PFI contract for Extra Care Housing. Cllr Anderson declared that she worked for Virgin Money and that Nationwide were now the parent company of Virgin Money. Cllr Anderson would therefore leave the room during the debate and vote.

**49 MINUTES OF PREVIOUS MEETING**

**RESOLVED:**

That the minutes of the meeting held on Thursday 9 January 2025 be approved as a correct record and signed by the Chair.

**50 PUBLIC SPEAKING/OPEN SESSION**

There were no registered speakers.

**51 SERVICE BUDGETS 2025/26**

The committee considered the report which set out the proposed allocation of approved budgets to each service committee, following approval of the Medium-Term Financial Strategy (MTFS) at Full Council on 26 February 2025.

The committee noted the recommendation to approve the virement of up to £0.7m from the central contingency budget to the children and families budget to cover inflationary pressures in 2025/26 however queried the proposal to recommend to full council the approval of the virement of up to £8m from the central contingency budget to the Adults and Health budget to cover inflationary pressures in 2025/26. The committee felt this was a significant amount and sought assurance that this was a reasonable sum to transfer at present. It was confirmed that the majority of the £8m related to people costs within contracts and packages of care and reflected the nature of the adult social care workforce.

The committee noted that the transformation programme budget lines that were held centrally by the Corporate Policy Committee, however it was anticipated that during 2025-26 these would be transferred to the services which would be responsible for delivery of the savings. It was anticipated that there would be significant savings made during 2025-26 and the committee asked at which point further detail on the proposals under transformation would be shared. It was confirmed that there would be more detailed monitoring around transformation throughout the financial reporting year to all committees as part of the usual budget management reports. It was requested that the financial timetable also included graphics, as done in previous years.

The committee took the opportunity to thank the Interim Executive Director of Resources and S151 for all her hard work during her time with Cheshire East.

**RESOLVED (unanimously):**

That the Finance Sub Committee:

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

## 52 **WORK PROGRAMME**

Consideration was given to the 2025-26 Work Programme.

The committee discussed the timetable of meetings and agreed that a twilight meeting of the sub-committee would be held on 1 September 2025 – 5.30pm start.

### **RESOLVED:**

That the work programme be received and noted.

## 53 **BEECHMERE FIRE AND RENEGOTIATION OF PFI CONTRACT FOR EXTRA CARE HOUSING**

Councillor D Clark and Councillor L Anderson vacated their positions as Chair and Vice Chair for this item due to previously declared pecuniary interests.

It was moved and seconded and subsequently carried that Councillor Ken Edwards be appointed the Chair of the Committee for the remaining items on the agenda. Cllr Edwards took the role of Chair.

The committee considered the Part 1 report which updated member on the Cheshire Extra Care Housing Private Finance Initiative (PFI) contract and the progress and renegotiations of that contract, following the destruction of the Beechmere scheme by fire in 2019.

The committee noted some minor amendments to the report, as set out below in red.

Paragraph 20: *In the meantime, investigations and surveys were carried out on the part of the building that remained after the fire and they revealed that there were construction/design defects which **may have contributed to the spread of the fire, including defective or missing cavity barriers and a lack of roof compartmentation.***

Paragraph 21. *Subsequent surveys undertaken on the remaining four PFI Extra Care Housing schemes revealed that similar fire protection defects were also present in those schemes. **The remedial works in those other PFI Extra Care Housing schemes are now complete.***

Due to potential conflicts of interest, officers shared a revised recommendation 3, as set out below.

Recommendation 3: *Authorise the Executive Director for Adults, Health and Integration in consultation with the Chair of Finance Sub-Committee **(or if necessary, the Chair of the Corporate Policy Committee),** and the Governance, Compliance & Monitoring Officer to negotiate and enter into a settlement agreement with the PFI Provider for the Extra Care Housing contract.*

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

**RESOLVED (unanimously):**

That the Finance Sub Committee

1. Note the progression of negotiations in relation to the Extra Care Housing arrangements in an effort to reach a negotiated settlement for the survival of the project.
2. Note that any settlement agreement is subject to approval from MHCLG and HM Treasury/Infrastructures and Projects Authority.
3. Authorise the Executive Director of Adults, Health and Integration in consultation with the Vice Chair of the Finance Sub Committee (or if necessary, the Chair of the Corporate Policy Committee), and the Governance, Compliance and Monitoring Officer to negotiate and enter into a settlement agreement with the PFI provider for the Extra Care Housing Contract.
4. Authorise the Governance, Compliance and Monitoring Officer to implement any subsequent amendments required to the PFI contract as a result of the settlement agreement.

5. Authorise the Executive Director of Adults, Health and Integration to extend external adviser contacts as needed to achieve the settlement agreement and implementation.

**54 EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED:**

That the press and public be excluded from the meeting during consideration of the final item on the agenda pursuant to Section 100(A) 4 of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3, 5 and 7A of the Local Government Act 1972 and the public interest would not be served in publishing the information.

**55 BEECHMERE FIRE AND RENEGOTIATION OF PFI CONTRACT FOR EXTRA CARE HOUSING**

The committee considered the confidential report relating to the Beechmere Fire and Renegotiation of PFI contract for Extra Care Housing.

**RESOLVED (unanimously):**

That the Finance Sub Committee agree the recommendations as set out within the Part 2 report.

The meeting commenced at 10.10 am and concluded at 11.39 am

Councillor D Clark (Chair)

This page is intentionally left blank

**OPEN**

**Finance Sub Committee**

**2 June 2024**

**Final Outturn 2024/25**

---

**Report of: Executive Director of Resources and S151 Officer**

**Report Reference No: FSC/26/25-26**

**Ward(s) Affected: Not applicable**

**For Decision or Scrutiny: Both**

### **Purpose of Report**

- 1 This report provides members with an overview of the Cheshire East Council final outturn for the financial year 2024/25. Members are being asked to consider the financial performance of the Council. The report also proposes treatment of year end balances that reflects risks identified in the Medium-Term Financial Strategy which was approved by Council on 26 February 2025.
- 2 To highlight financial performance across all Departments, and within Central Budgets shows how the Council is achieving its financial strategies and managing financial control and accountability.
- 3 Reporting the financial outturn at this stage, and in this format supports the Council's vision to be an effective and enabling Council as set out in the Cheshire East Plan 2025 to 2029.

### **Executive Summary**

- 4 This report outlines how the Council managed its resources through sound financial planning, monitoring, and reporting to achieve outcomes and value for money.

- 5 The Outturn is reported as part of the Statutory Accounts and is therefore subject to audit. The audited Accounts will be presented to the Audit and Governance Committee on 4 December 2025.
- 6 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.
- 7 The Third Financial Review (FR3) forecast revenue outturn was an adverse variance of £18.3m (prior to the application of any Exceptional Financial Support), an improvement of £1.8m from FR2.
- 8 Prior to the application of Exceptional Financial Support and a proposed £7.4m transfer to reserves (see para 68 below), the 2024/25 service outturn position is an adverse variance of £9.8m, reflecting an underlying improvement since FR3 of £8.5m, as detailed below in Table 1 (Total Service Expenditure plus Central Budgets).

<b>Table 1</b>	<b>Revised</b>	<b>Outturn</b>	<b>Variance</b>	<b>Forecast</b>	<b>Movement</b>
<b>Outturn 2024/25</b>	<b>Budget</b>			<b>Variance</b>	<b>from FR3 to</b>
	<b>(NET)</b>			<b>FR3</b>	<b>Outturn</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Service Committee</b>					
Adults and Health	137.1	154.7	17.6	20.0	(2.4)
Children and Families	92.6	96.1	3.5	5.4	(1.9)
Corporate Policy	44.2	41.9	(2.2)	2.5	(4.7)
Economy and Growth	27.9	22.7	(5.3)	(3.8)	(1.5)
Environment and Communities	47.8	46.3	(1.5)	(0.6)	(0.9)
Highways and Transport	16.2	14.4	(1.8)	(0.5)	(1.3)
<b>TOTAL SERVICE EXPENDITURE</b>	<b>365.8</b>	<b>376.0</b>	<b>10.2</b>	<b>22.9</b>	<b>(12.7)</b>
<b>Finance Sub:</b>					
Central Budgets	25.0	32.4	7.4	(4.6)	12.0
Funding	(390.8)	(390.8)	(0.0)	-	(0.0)
<b>TOTAL FINANCE SUB</b>	<b>(0.0)</b>	<b>17.6</b>	<b>17.6</b>	<b>18.3</b>	<b>(0.7)</b>
<b>Exceptional Financial Support</b>	<b>-</b>	<b>(17.6)</b>	<b>(17.6)</b>	<b>(17.6)</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.7</b>	<b>(0.7)</b>

- 9 Whilst an improvement on the Third Financial Review position of £8.5m, the service overspend of £9.8m remains a significant financial challenge for the Council. Cost pressures in Adults and Children's services remain a key issue. Details of in year pressures, ongoing impacts into 2025/26 and improvements against FR3 by Committee are reported in paragraphs 30 to 63 below.
- 10 The out-turn position, net of proposed transfers to useable reserves of £7.6m, is an overspend of £17.6m. This includes the setting up of a reserve to set aside sufficient one-off resources to be able to respond to the steps that will be necessary to support the delivery of our transformation, change and improvement activity especially in light of the recent publication of the non-statutory Best Value notice. This will be able to pump prime activities to ensure that change is made at pace to support our longer-term financial sustainability. Any use of this reserve will need to be recommended by the Chief Executive and Executive Director of Resources and any virements will then need to follow the usual approval processes.
- 11 As reported at FR3, in order to address the risk to services from the Council's budgetary pressures, there was an urgent report to Council on the 11 December 2024 on Exceptional Financial Support (EFS). The report sought the authority for the Chief Executive to request that the in-principle EFS of up to £17.6m by way of a capitalisation direction for 2023/24 and 2024/25 be able to be applied only in 2024/25, from the Secretary of State for Housing, Communities and Local Government in order to address the Council's budgetary pressures during the financial year 2024/25. The costs of accepting the EFS support will impact over the medium term and these have been built into the 2025/26-2028/29 MTFs approved in February 2025.
- 12 As indicated in Table 2 below and recognising the request in the urgent report to Council on 11 December 2024, it is proposed that the full £17.6m conditional EFS is utilised for 2024/25 to cover the following:
- Overall Council overspend in 2024/25 - **£9.8m**
  - Creation of a further earmarked reserve to cover the one off costs of change and improvement activity in 2025/26 and 2026/27 - **£5.3m**
  - Transfer to General Fund Reserves - **£2.5m** to increase financial resilience into 2025/26 and future years.
- 13 The reserves position, after agreed movements budgeted for in the MTFs and new additional requests noted below, are £29.6m, being £6.3m General Fund and £23.3m Earmarked.

Table 2: Exceptional Financial Support and Reserves - Outturn	£m
2024/25 overspend – outturn (including Service EMRs)	10.2
Improvement on central budgets - Surplus levy grant	(0.4)
Tfr to Cost of Change and Improvement Reserve	5.3
Tfr to General Fund	2.5
<b>2024/25 Revised Out-turn</b>	<b>17.6</b>
<b>Exceptional Financial Support</b>	<b>(17.6)</b>
<b>Outturn 2024/25</b>	<b>-</b>
<b>Reserves</b>	
General Fund	6.3
Earmarked Reserve	23.3
<b>Total Reserves at 31 March 2025 – Outturn Final</b>	<b>29.6</b>

14 The outturn expenditure level for capital spending for 2024/25 was £88.4m against the original MTFS budget set in February 2024 of £215.8m (FR3 £144.7m). The underspend of £56.3m (Out-turn compared to FR3) will be slipped into 2025/26 and future years. This level of slippage at 39% is a higher variance than 2023/24 (18%)

15 **Table 3** sets out the capital programme profiling changes from FR3:

Table 3	2024/25 Outturn £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2024-28 Total £000
<b>Capital Programme FR3</b>	<b>144,670</b>	<b>157,134</b>	<b>104,400</b>	<b>243,852</b>	<b>650,056</b>
<b>Funded by:</b>					
<b>Capital Programme Outturn</b>	<b>88,322</b>	<b>208,490</b>	<b>100,570</b>	<b>252,694</b>	<b>650,076</b>
<b>Funded by:</b>					
<b>Movement from FR3</b>	<b>-56,348</b>	<b>+51,356</b>	<b>-3,830</b>	<b>+8,842</b>	<b>+20</b>

16 **Table 4** sets out the capital programme summary at the Outturn position by Committee:

Table 4	2024/25 Outturn £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2024-28 Total £000
Adults and Health	280	468	0	0	748
Children and Families	9,722	56,131	21,604	20,749	108,206
Corporate Policy	5,465	10,125	1,173	0	16,763
Economy and Growth	25,723	56,534	32,905	81,762	196,924
Environment and Communities	5,915	18,606	2,184	15,301	42,006
Highways and Transport	41,217	66,626	42,704	134,882	285,429
<b>TOTAL EXPENDITURE</b>	<b>88,322</b>	<b>208,490</b>	<b>100,570</b>	<b>252,694</b>	<b>650,076</b>
Funding:					
Grants and Other Contributions	53,793	149,212	88,370	187,853	479,228
Capital Receipts and Reserves	901	2,500	1324	33,381	38,106
Borrowing	33,628	56,778	10,876	31,460	132,742
<b>TOTAL FUNDING</b>	<b>88,322</b>	<b>208,490</b>	<b>100,570</b>	<b>252,694</b>	<b>650,076</b>

- 17 During 2024/25 a capital review was carried out with a view to reducing and re-profiling the amount of capital spend funded by borrowing which has led to significant slippage. Continued scrutiny of the capital programme will be required to minimise and delay spend funded from borrowing to reduce the ongoing revenue in future years. The authority should aim to repay more historical borrowing than any new borrowing incurred in year to ensure that the total capital financing requirement begins to decrease and the long term position becomes more sustainable.
- 18 Capital receipts in year amounted to £2.2m against a forecast of £2m, of this £1.2 will be used to fund transformational costs with the remaining £1m supporting the capital financing budget as planned.
- 19 During 2024/25, we undertook a Balance Sheet review through our Treasury Advisors, Arlingclose Ltd. As part of that review, they considered the revenue impact of the current Minimum Revenue Provision (MRP) and Capital Financing Requirement (CFR) policy currently in place and we asked them to assess our alignment with current Chartered Institute of Public Finance and Accountancy (CIPFA) guidance. Changes to the Accounting Policy for MRP were set out in the 2025/26 – 2028/29 MTFS - in summary the out-turn impact for 2024/25 is an improvement of £3.1m against the Capital Financing Budget.
- 20 The annex and appendix attached to this report set out details of the Council's financial performance:
- 21 Annex 1: Outturn 2024/25 – Sets out detailed information for each of the following areas as at 31 March 2025 (per Committee area):
- **Section 1** 2024/25 Financial Outturn position
  - **Section 2** 2024/25 Approved Budget Change Items
  - **Section 3** Revenue Grants for approval and Grant Register
  - **Section 4** Capital
  - **Section 5** Reserves
  - **Section 6** Treasury Management
  - **Section 7** Investment Strategy

## RECOMMENDATIONS

The Finance Sub Committee is recommended to:

1. Consider the overall financial performance of the Council in the 2024/25 financial year, as contained within the report, as follows:
  - a) A Net Revenue Overspend of £17.6m against a revised budget of £365.8m (4.8% variance) funded by conditional Exceptional Financial Support (Capitalisation Direction) via borrowing.
  - b) General Reserves closing balance of £6.3m.

- c) Capital Spending of £88.4m against an approved programme of £215.8m (59% variance).
2. Consider the contents of Annex 1.
  3. Recommend to Council to approve the Supplementary Revenue Estimate (SRE) Request for Allocation of Additional Grant Funding over £1,000,000 as per **Annex 1, Section 3, Table 1**.
  4. Approve the Adults and Health Committee Supplementary Revenue Estimates (SRE) Request for Allocation of Additional Grant Funding (Specific Purpose) over £500,000 up to £1,000,000 as per **Annex 1, Section 3, Table 2**.
  5. Approve the Children and Families Committee Supplementary Revenue Estimates (SRE) Request for Allocation of Additional Grant Funding (Specific Purpose) over £500,000 up to £1,000,000 as per **Annex 1, Section 3, Table 2**.
  6. Approve the Supplementary Capital Estimates (SCE) and Capital Virements between £500,000 and £1,000,000 in accordance with Financial Procedure Rules for the following Committee's as detailed in **Annex 1, Section 5, Table 4**
    - Children & Families
    - Highways & Transport
    - Economy & Growth
    - Environment & Communities
  7. Recommend to Council to approve the Supplementary Capital Estimates (SCE) over £1,000,000 in accordance with Budget and Policy Framework Rules as detailed in **Annex 1, Section 4, Table 5**.
  8. Approve the new Reserves in the Reserves Section (**Annex 1, Section 5, Table 1**) which includes proposed movements to reserves.

## Background

- 22 This single view of the financial picture of the Council provides the overall financial context.
- 23 The financial outturn for Cheshire East Council is an overspend of £17.6m. This is net of appropriate allocations to useable reserves. Further detail is provided in **Table 1** and **Annex 1**.
- 24 On 1 April 2024 total Council reserves were £37.8m. The closing balance on 31 March 2025 is £29.6m, this represents an improvement vs forecast of

£12.4m. This is partly due to lower drawdowns for services than previously forecast, plus the creation of new reserves as mentioned in paragraph 12 above.

- 25 Capital - The original budget set in February 2024 was £215.8m. During 2024/25 a review was carried out the aim of reducing and reprofiling the amount of capital spend funded by borrowing. At FR3 the forecast spend had reduced to £144.7m. Actual spend for 2024/25 outturn was £88.4m.
- 26 Capital receipts in year amounted to £2.2m against a forecast of £2m, of this £1.2m will be used to fund transformational costs with the remaining £1m supporting the capital financing budget as planned.
- 27 Capital Financing Budget – The impact of funding EFS via Capitalisation Directive/Borrowing over the term of the MTFS are shown in the table below (extract from MTFS Report Feb 2025).

<b>Table 5: Capital Financing Budget - elements</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>
Interest Payable – DSG Deficit	5.6	6.4	7.4	7.4
Interest Payable – EFS*	1.0	1.7	1.6	1.6
Interest Payable – Capital Borrowing	13.5	12.8	13.3	13.3
Interest receivable	(2.3)	(2.1)	(2.1)	(2.1)
<b>Total Net Interest</b>	<b>17.8</b>	<b>18.8</b>	<b>20.2</b>	<b>20.2</b>
MRP – EFS*	0.5	1.3	2.1	2.2
MRP – Capital Borrowing	16.7	18.7	19.6	20.8
<b>Total MRP</b>	<b>17.2</b>	<b>20.0</b>	<b>21.7</b>	<b>23.0</b>
<b>Total CFB requirement</b>	<b>35.0</b>	<b>38.8</b>	<b>41.9</b>	<b>43.2</b>

\*EFS MRP/Interest above relates to both 2024/25 £17.6m and 2025/26 £25.3m

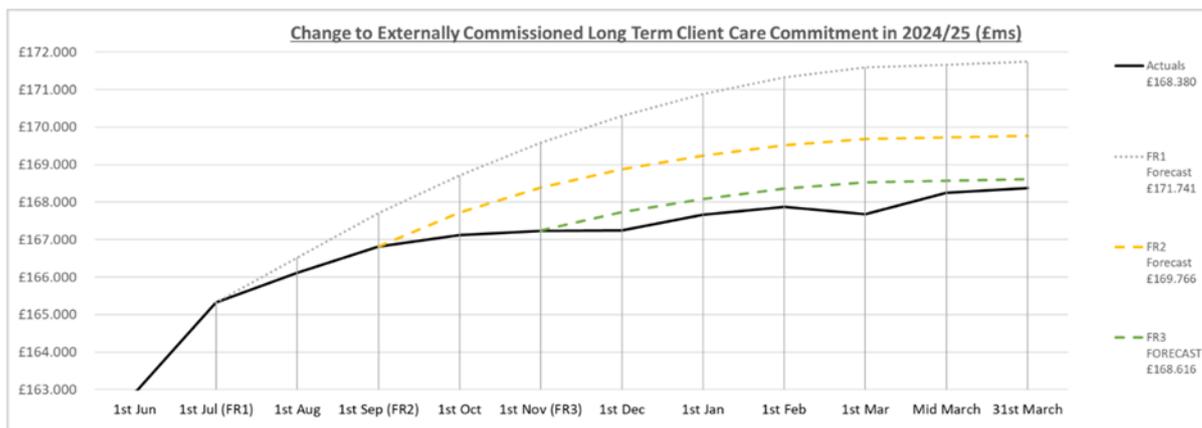
- 28 During 2024/25, we undertook a Balance Sheet review through our Treasury Advisors, Arlingclose Ltd. As part of that review, they considered the revenue impact of the current Minimum Revenue Provision (MRP) and Capital Financing Requirement (CFR) policy currently in place. We asked them to assess our alignment with current Chartered Institute of Public Finance and Accountancy (CIPFA) guidance. Changes to the Accounting Policy for MRP were set out in the 2025/26 – 2028/29 MTFS against the Capital Financing Budget (Refer to Appendix A, Annex 5, Section 3 of the MTFS – [Approved Feb 2025](#)).
- 29 Changes to the Accounting Policy needed to be made in 2024/25 due to new regulations coming in from 1 April 2025 and therefore have the benefit of reducing the 2024/25 charge to revenue with a betterment to the overall outturn position plus ongoing impacts from 2025/26 onwards have been reflected through the MTFS. In summary the out-turn impact for 2024/25 being is a net improvement of £3.411m.
- 30 There are a number of key issues that have caused the revenue overspend, including:

- Continued demand and complexity of care beyond levels previously identified in Adult's services;
  - Increasing demands of Children's Social care, in terms of complexity and the number of cases;
  - 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;
  - Under-recovery of rent allowances;
- 31 In order to mitigate the cost pressure facing the Council, various tasks to urgently review spend and identify additional savings have been undertaken in year through actions led by the Strategic Finance Management Board, which included:
- regular line by line reviews of budgets have been undertaken throughout the year to identify any additional funding or potential areas of underspend.
  - The cessation of any non-essential spend
  - Management of vacancies, particularly agency usage
  - Review of Section 106 legacy budgets
  - Identification of any other areas of discretionary spend including grants awarded, where spend can be reduced or stopped.
  - Review Debt management / overall level of bad debt provision

### **Specific commentary on the forecast outturn position by Committee**

#### **Adults and Health adverse variance of £17.6m**

- 32 Throughout 2024/25 the Adults, Health and Integration Directorate has been forecasting an overspend of up to £20m driven by increases in costs of individual placements for people who draw on care and support. This forecast position included mitigations which have been delivered through the year. The final outturn position is an overspend of £17.6m.
- 33 This position represents an improvement on the position that was reported at the Third Financial Review (TFR) of £2.4m. This further improvement results from a number of factors. First, the final outturn for external care costs was slightly lower than the TFR projection as demonstrated in the chart below. As shown in the graph the level of activity between December and March grew at a slower rate than in previous months and was anticipated at the end of quarter 3. At that time there was concern that activity would increase as a result of winter pressures and so a cautious approach was adopted in forecasting the outturn.



- 34 Secondly, smaller favourable variances in other areas have allowed more external care costs than previously anticipated to be funded using eligible external grants. The terms and conditions of these grants allow these costs to be funded if they have been defrayed before the end of the financial year. Finally, income levels continue to exceed earlier expectations for two reasons, income is driven activity and directly related to care costs and the new adoption of a new charging policy adopted in 2024/25.
- 35 This final position provides a secure foundation to build on in 2025/26 and beyond through the Medium-Term Financial Strategy (MTFS) as new transformation projects (e.g. Prevent Reduce, Enable) are brought forward to improve outcomes for service users alongside containing the financial outlay for the Council in responding to ongoing high levels of demand. Although a small amount of the improvement between TFR and the Year End position is of a temporary nature, the outturn position provides greater confidence that the growth for care costs and income which are in the MTFS reflect the adjustment levels needed to re-size the service budget in 2025/26.

### Public Health

- 36 There are various factors which have impacted the final position for the Public Health (PH) ringfenced grant reserve movement. Some of this links to additional grant received for PH outcomes, as well as work by the service to manage vacancies and reduce contract costs where possible. The service will continue to work with the wider council services when planning future years' expenditure. This will ensure the best possible VFM is achieved for CEC residents, whilst also ensuring that services funded from the grant continue to meet the statutory ringfenced criteria for PH outcomes. It is important to note that the reserve needs to be sufficient to ensure that when current contracts are re-commissioned they remain affordable, as there is no guarantee that the PH grant allocation will increase to cover cost increases.

### Children and Families adverse variance of £3.5m

- 37 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.

- 38 The provisional outturn position for 2024/25 reflects a £3.5m in-year pressure. This is an improvement of £1.9m since the third financial review mainly due to: £0.7m drawdown from reserves to offset the costs relating to flexible capital receipts; £0.2m improved position on catering; £0.2m increase on transport; there was an increase £1.2m in Social Care Cost relating to support accommodation costs but other costs reduced by a similar amount across other placements; use of grants to reduce commissioning cost of children's contracts £0.2m; and reduced staffing cost due to vacancy management and use of grants in Education, Strong Start and Integration (£1.0m).
- 39 The key pressure areas for the directorate include:
- Children's social care placements (£3.4m adverse variance) where the complexity of children in care has continued to increase and the number of children in care has increased from 528 at April 2024 to 550 at March 2025 (compared to a decrease from 586 at April 2023 to 541 at March 2024). Placement costs are increasing by significantly more than inflation and in-year growth is more than projected in the budget, particularly relating to supported accommodation costs.
  - The use and cost of agency staff in children's social care to cover vacancies, sick absence, and maternity leave. The number of staff is greater than the planned establishment to ensure we are able to meet our statutory needs. A review of the staffing structure and establishment gap has been factored into the MTFS for 2025/26.
  - Home to school transport costs (£0.5m adverse variance) – where a mix of increasing numbers of pupils with an education, health and care plan (EHCP), and increasing contract costs / direct payment costs.
  - Schools Catering (£0.2m adverse variance) – where the costs of the service are above the current charged income level and base budget.
- 40 These in-year pressures were considered as part of the 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.

41 Dedicated School Grant (DSG)

For details on DSG please see paragraph 66 below

**Corporate Policy favourable variance of £2.2m**

42 The Corporate Services Directorate has a net budget of £42.0m for 2024/25 and the final level of spending is £41.9m. Expenditure includes £3.8m on transformation that was not part of the original budget.

43 A number of adjustments have been processed to make an overall reduction to the level of expenditure. They are:

- Contributing to an Insurance Reserve (£0.3m).
- Contributing to an Elections Reserve (£0.3m).
- Creation of an ICT Reserve to assist with change in 2025/26 (£0.3m).
- Funding transformation spend from existing earmarked reserves (£3.1m).

44 As a result, the final outturn is an underspend of £2.2m. The main reasons for the underspend are as follows:

- Vacancy management ~ most services have contributed to a total underspend of £2.3m on staffing budgets from vacant posts, some of which are now filled. This has enabled the service to manage a £0.54m pressure from an MTFs savings target that could not be delivered.
- ICT underspend ~ ICT has delivered a £1.7m underspend. This is mainly due to the expenditure on contracts being lower than expected and a full review of pre-payments.
- Members allowances ~ the budget has underspent by £0.3m.
- Expenditure control ~ tighter control on non-pay spending across the Directorate has achieved savings in most services totalling £0.3m.

- Additional income ~ Registrations Service (£0.5m), Procurement (£0.1m), and Finance (£0.1m) along with additional grant, and court costs income in the Benefits Service (£0.2m).

45 However, these underspends have been offset by the following:

- Rent Allowances ~ under-recovery of £1.5m.
- Transactional Service Centre ~ overspend of £0.3m mainly due to the additional costs of the stabilisation programme which has been put in place to improve the performance of the service and recognises the need to change the way in which Unit4 is used.
- Unavoidable costs ~ External Audit costs, and Bank Charges in Finance of £0.4m.
- Income shortfalls ~ in Project Management Office, Internal Audit, and Legal Services totalling £0.5m.

46 At Third Finance Review (FR3), Corporate Services was forecast to overspend by £2.5m meaning the outturn has improved by £4.7m. The main reasons for such a major change are as follows:

- Transformation ~ forecast costs of £3.7m were included in the FR3 figures. At outturn £3.1m of these costs have been shown as funded from reserve reducing the outturn figure by a corresponding amount.
- ICT shift of £1.1m from contract spend review.
- Establishment Reset ~ after the production of FR3 figures, staffing budgets were re-aligned following an establishment review, and the impact of backdated pay award became much clearer meaning more accurate staffing forecasts were possible increasing the underspend at outturn by £0.5m.

**Place Directorate total favourable variance of £8.6m.**

47 Overall, the Place Directorate is reporting an underspend of 8.6m at outturn against a £92.2m budget. This represents a £3.7m improvement from FR3.

48 The key issues relate to holding vacancies with staffing - expenditure running 16% below budget totalling £5.9m, reduced utility costs of £2.3m and other net changes such as increased income of £0.6m. Previously reported pressures from planning income and waste etc have been managed.

**Environment and Communities favourable variance of £1.5m**

- 49 Environment and Neighbourhood Services is reporting an underspend of £1.5m against a net budget of £47.8m. This is a £1.9m improvement from FR3. The key reasons for the underspend are £1.6m underspend in the Planning Service comprising underspends in Development Management of £0.5m and Building Control of £0.4m, both mainly due to vacancies. Strategic Planning is £0.7m underspent due to £0.3m vacancies plus £0.3m delayed Local Plan costs. The overall improvement is £0.9m since FR3 due to Improved Planning application income £0.3m, vacancy management £0.4m and additional income/funding £0.1m.
- 50 Environmental Commissioning for ANSA has seen a £0.3m underspend from an increase on the surplus of the core contract, this is an improvement on FR3 of £0.3m. Environmental Commissioning Orbitas is also £0.3m underspent, this is from additional income, which is a £0.1m improvement on income since FR3. Carbon neutral is £0.1m underspent due to recharging staff time to capital schemes, Regulatory Services is a £0.4m underspend, this is £0.3m due to vacancies and £0.1m income, a £0.2m improvement from FR3. Libraries is £0.1m underspent mainly from vacancies and there has been a £0.9m overspend on Leisure Commissioning. This is due to non-delivery of MTFs savings and represents a £0.5m worsening since FR3, due to delayed closure of sites and historic MTFs items. Other services: £0.4m overspend mainly in relation to the HSE fine.

**Economy and Growth favourable variance of £5.3m**

- 51 The Growth and Enterprise Directorate and Place Directorate are reporting an underspend of £5.3m against a budget of £28.2m. This is £1.5m improvement from FR3.
- 52 The key reasons for the underspend are as follows:
- 53 Facilities Management is underspent by £1.8m, a £0.1m improvement from FR3 due to vacancies. There have been savings against gas and electricity compared to higher budgeted costs of £2.3m and an underspend on Business rates of £0.3m due to revaluations and appeals. Vacancy management, savings in supplies and additional income have contributed to the underspend by £0.7m. This has been offset by pressures against maintenance budgets of £0.6m; partial achievement of the office estate rationalisation savings target £0.3m, Disrepair claims which is a £0.3m pressure and Water and cleaning costs, a pressure of £0.2m.
- 54 Economic Development is £0.8m underspent, this is as a result of reduced cost of supplies £0.3m, increased income £0.3m and vacancy management £0.2m, this is a £0.2m improvement from FR3. The Housing outturn is £0.7m underspent, due to vacancies and some grant funding, this is a £0.1m improvement from FR3.

- 55 Tatton, Green infrastructure, Cultural Economy and Visitor Economy is £1m underspent, this is a £0.8m improvement from FR3 due to holding vacancies and increasing income.
- 56 The Assets service is underspent by £0.7m, £0.3m is due to vacancies, £0.3m from better income and £0.1m due to a reduction in maintenance spend. The £0.5m improvement from FR3 is mainly from additional income. Farms is underspent by £0.2 due to lower maintenance spend.

### **Highways and Transport favourable variance of £1.8m**

- 57 Transport & Infrastructure is reporting an underspend of £1.8m against a net budget of £16.2m. This is an improvement of £1.3m since FR3.
- 58 The key reasons for the underspend are:
- Car Parking: £0.3m overspend, £0.4m vacancies are offset by reduced car park income £0.7m. This represents a £0.6m worsening since FR3 from reduced income.
  - Strategic Transport is a £1.2m underspend, largely due to vacancies, which represent a £1.1m improvement from FR3, there has also been a delay in new bus contracts taking effect.
  - An underspend of £0.8m across Ansa Transport commissioning, Infrastructure, Highways and Rail Transport Integration due to vacancies.

### **Finance Sub – Central items**

- 59 Finance Sub Committee are reporting a variance of £7.4m, key variances relate to:
- Financing and Investment £1.1m net pressure reflecting £3.0m increased cost of interest payments on borrowing offset by £1.8m increased interest receipts from investments.
  - (£0.2m) additional Flexible Capital Receipts above £1m budgeted.
  - Reserves – transfers to / from of £10.6m (net) reflects the following:
    - +£1m reduction in available Capital Financing Reserve at outturn compared to forecast balance reflected in the February 2024 MTFS.
    - (£3.8)m use of the General Fund reserve forecast to fund transformation activities in services in year.
    - +£3.5m Transfer to Reserve as reflected in the 2025/26 MTFS (Forecast Reserves) to fund Transformation delivery in 2025/26.
    - +£5.3m Transfer to Reserve – as noted in paragraph 69 below
    - +£2.1m Transfer to General Fund – as noted in paragraph 69 below

## ➤ +£2.5m new Earmarked Reserves

- As reported in the MTFS 2025/26 approved in February 2025, following a balance sheet review by our Treasury Advisors, Arlingclose Ltd, the Minimum Revenue Provision (MRP) policy has been revised and amended with effect from 1 April 2024, bringing it in closer alignment with CIPFA Guidance. The effect of this change has reduced the MRP charge to Revenue in 2024/25 by £3.4m, the ongoing improvement has been reflected in the MTFS/Budget for 2025/26.
- There is a further £1.88m positive variance as a result of in year balance sheet reviews against S106 balances/schemes and bad debt. The S106 Review identifying a one off contribution in year where work has been completed in prior years but has not been reflected in transferring money from S106 into the general fund, a reduction of £0.8m (£0.5m at FR3); £1.08m reduction in the bad debt provision following a review in year of the approach to Adult Social Care debts, further reviews are ongoing for Sundry Debts, the effects of which will be reflected in 2025/26 in year reporting.

**Finance Sub – Exceptional Financial Support**

- 60 Use of (£17.6m) Exceptional Financial Support – as reported at FR3, the Council proposed to utilise the full £17.6m conditional EFS in 2024/25 to cover the in year adverse overspend in order to protect and minimise the use of reserves. The costs of accepting the EFS support will impact over the medium term. The financing of the use of EFS has been reflected in the MTFS/Budget for 2025/26 (see also para 27).

**Companies**

- 61 The Council's wholly owned companies' core contract expenditure was £43.7m in 2024/25, relating to services provided at cost for the Council. This position includes £1.1m of additional costs in year, relating to pay award pressures, Household waste recycling closure costs; offset by £1.2m in savings( including a £0.7m rebate on the Core contract), due to a reduction in inflation compared to budget and reduced tonnages against waste contracts, improvement in the recycling income, improvements against fuel spend, income, staffing vacancies, and other mitigations and efficiencies.
- 62 The net decrease in core contract costs is reflected in the Council's outturn position, mainly against Environment & Communities Committee services, with a net reduction against Highways & Transport Committee functions. The companies rebated £0.7m management fee back to the Council, related to core contract underspend, reflected in the Council's outturn position. In addition, in line with 2024/25 agreed policy proposals £1m of company reserves were returned to the Council as planned plus a further £0.5m agreed in year to assist with the Council's in year position. Both amounts have been reflected in the out-turn position.

- 63 Ansa and Orbitas realised £0.334m in profits (after tax) from commercial activities.

### Delivery of the 2024/25 approved budget change items

- 64 Table 6 presents a summary of the final 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 reporting an adverse variance and there has been an 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.
- 65 The green and blue columns show that these budget change items are either delivered or even exceed in some cases. The table below summarises the final progress for the year by Committee.

**Table 6: Summary of the final progress on the delivery of the 2024/25 approved budget change items**

Committee	Approved Change Budget £m	Outturn £m	Completed £m	Green £m	Amber £m	Red £m	Mitigations £m
Adults & Health	+1.136	+18.707	-2.723	-10.955	-	+33.521	-1.136
Children & Families	+9.909	+13.375	+0.533	-1.001	+0.205	+15.431	-1.793
Corporate Policy	+0.489	-1.759	+0.193	-0.482	-	+1.581	-3.051
Economy & Growth	+3.316	-1.943	-0.061	+1.988	-0.836	+0.940	-3.974
Environment & Communities	-0.052	-1.587	+0.875	-2.012	-0.051	+2.397	-2.796
Finance Sub	-19.667	-12.277	-6.592	-22.583	+10.517	-	+6.381
Highways & Transport	+4.869	+3.084	+2.638	+0.707	+0.820	+0.351	-1.432
<b>TOTAL</b>	<b>0</b>	<b>+17.600</b>	<b>-5.137</b>	<b>-34.338</b>	<b>-10.655</b>	<b>+54.221</b>	<b>-7.801</b>

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

### Revenue Grants for Approval

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

## Reserves Position

- 68 On 1 April 2024, Earmarked Reserves totalled £32.278m and the General Fund Reserve Balance totalled £5.580m. Of the total earmarked reserves, £13.7m has been transferred to the General Fund and £7m has been utilised to support the revenue budget for 2024/25. The General Fund reserves have been partially used to fund Transformation Costs of £3.8m and a contribution has been made to the revenue budget spend in year of £11.7m.
- 69 Table 7 shows the forecast level of Earmarked and General reserves at the end of 2024/25. This includes the creation of two new reserves :
- an earmarked reserve to cover the one off costs of Transformation in 2025/26 and 2026/27 of **£5.3m** to help mitigate anticipated one off cost impacts of change.
  - a Transfer to General Fund Reserves - **£2.5m** to increase financial resilience into 2025/26 and future years.
- 70 At outturn, some £2m of Earmarked reserves planned to be spent in 2024/25 have not been fully spent in year and therefore an additional slipped number of Earmarked reserves are being taken forward into 2024/25. There is planned spend in place for these earmarked reserves 2025/26.
- 71 New Earmarked reserve requests of £2.520m have been approved to fund some specific one-off items in 2025/26.
- 72 The Council outturn position is reporting £23.322m of earmarked reserves at the end of the financial year (MTFS Feb 2025 forecast £11.5m), of this £3.2m is considered ring-fenced, with special conditions limiting its use. The £11.8m change from the February 2025 forecast mainly reflects additional service requests of £2.6m, cost of transformation (£5.3m) and £3.9m lower than forecast planned use of reserves in year.

**Table 7: General and Earmarked Reserves**

Committee Reserves	Opening Balance 01 April 2024 £000	Transfers to General Fund £000	Drawdowns in year £000	Carry Forwards £000	New Requests Approved £000	Closing Balance Forecast 31 March 2025 £000
Adults and Health	5,226	(2,857)	9	(9)	835	3,204
Children and Families	1,724	0	(1,724)	0	456	456
Corporate Policy & Central	20,772	(9,276)	(3,878)	(50)	9,714	17,282
Economy and Growth	2,777	(1,008)	(866)	173	320	1,396
Environment and Communities	870	(390)	(328)	330	0	482
Highways and Transport	908	(205)	(215)	14	0	502
<b>Earmarked Reserves Total</b>	<b>32,277</b>	<b>(13,736)</b>	<b>(7,002)</b>	<b>458</b>	<b>11,325</b>	<b>23,322</b>
General Fund Reserve	5,580	2,082	(3,966)	139	2,473	6,308
<b>Total Reserves</b>	<b>37,857</b>	<b>(11,654)</b>	<b>(10,968)</b>	<b>597</b>	<b>13,798</b>	<b>29,630</b>

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

#### **Dedicated Schools Grant Reserve**

- 74 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.
- 75 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. This was 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. The gap has improved further during 2024/25 with an in-year deficit of £33.5m compared with £41.4m in the management plan. The overall deficit is £112.1m at the end of the year. Please note this includes an underspend on early years of £1.6m that is expected to be recouped in 2025/26.

**Table 8 Dedicated Schools Grant**

Dedicated Schools Grant Deficit	£m
Deficit Balance Brought forward	78.6
Additional In-year Pressures	33.5
Deficit Balance at 31 March 2025	112.1

**Debt**

- 76 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 March 2025 was £18.5m. This has increased by £1.6m since FR3 (end of November 2024).
- 77 Annually, the Council raises invoices with a total value of over £95m. Around 40% 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.
- 78 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 services (currently provided by Bristow & Sutor).
- 79 The total amount of service debt over six months old is £11.9m; split as £10.5m of Adult Social Care debt and £1.4m of Sundry Debt. A provision of £6.1m was made at year ended 31 March 2025 to cover doubtful debt in the event that it needs to be written off. There has been an in year review of the Bad Debt provision which has to date focused on Adult Social Care debt. This has led to a reduction in the provision of £0.7m in the current year. Further work is planned for a review of debt across other service areas in 2025/26.
- 80 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 £9.4m of debt which is deemed to be lower risk as its linked to areas such as probate, property sales or deputyship.
- 81 The Highways position for outstanding debt is consistent throughout the year. The debt is generally made up of three elements: the movement of funds from Cheshire West and Chester Council and Warrington Borough Council in relation to the Cheshire Road Safety Group (these are settled quickly); third

party claims for damage to the highway; and permit fees. The third party claims are often paid in instalments.

82 The previous outturn positions are:

- 31 March 2025 Outstanding debt £2.2m, over 6 months old £0.6m.
- 31 March 2024 Outstanding debt £1.6m, over 6 months old £0.7m

83 The Council has robust processes in place to ensure that all outstanding debt is chased up (where commercially viable) and, where necessary, payment plans are put in place with advice from Legal Services.

### Table 9 – Debt Summary as at 31 March 2025

#### DEBT SUMMARY as at 31st March 2025

	Outstanding Debt £000			Over 6 months old £000		
	FR3	Outturn	Increase / (Decrease)	FR3	Outturn	Increase / (Decrease)
<b>Adults and Health Committee</b>						
Adults, Public Health and Communities	14,170	22,614	8,444	9,325	10,556	1,230
<b>Children and Families Committee</b>						
Children's Social Care (Incl. Directorate)	189	500	311	1	1	(0)
Prevention and Early Help	51	157	107	(8)	(8)	1
Schools	17	20	2	3	1	(2)
<b>Highways and Transport Committee</b>						
Highways and Infrastructure	1,305	2,160	855	755	626	(129)
<b>Economy and Growth Committee</b>						
Growth and Enterprise	621	2,010	1,390	420	375	(45)
<b>Environment and Communities Committee</b>						
Environment and Neighbourhood Services	377	522	146	214	243	29
<b>Corporate Policy Committee</b>						
Finance and Customer Services	126	367	241	67	86	19
Governance and Compliance	0	46	46	-	0	0
Human Resources	-	94	94	-	-	-
ICT	3	1,573	1,570	2	0	(2)
<b>Total</b>	<b>16,859</b>	<b>30,063</b>	<b>13,205</b>	<b>10,780</b>	<b>11,881</b>	<b>1,101</b>

## Council Tax and Business Rates

### Council Tax

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

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

- 85 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.

<b>Table 11 Council Tax Collection Rates</b>	<b>2020/21 %</b>	<b>2021/22 %</b>	<b>2022/23 %</b>	<b>2023/24 %</b>	<b>2024/25 %</b>
After 1 year	97.4	97.8	98.2	98.0	*97.8
After 2 years	98.6	98.5	98.8	98.6	**
After 3 years	98.9	99.0	99.1	**	**

\*\* Data is not yet available.

- 86 After accounting adjustments, the Council Tax Collection Fund position at outturn was a £0.420m surplus for 2024/25, of which, £0.353m is attributable to Cheshire East Council. This is a £0.347m improvement to the declared surplus of £0.73m from January 2025 and will be held in the Collection Fund Adjustment Account until January 2026, when a revised declaration to take this final position into account can be made.

### Non-Domestic Rates (NDR)

- 87 Collectable rates are distributed between Cheshire East Council (49%), Cheshire Fire Authority (1%), and Central Government (50%).
- 88 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.
- 89 **Table 12** demonstrates that the target to collect at least 99% of Non-Domestic Rates within three years continues to be achieved.

<b>Table 12 Non-Domestic Collection Rates</b>	<b>2020/21 %</b>	<b>2021/22 %</b>	<b>2022/23 %</b>	<b>2023/24 %</b>	<b>2024/25 %</b>
After 1 year	92.4	95.6	98.2	97.7	97.9
After 2 years	97.4	98.3	98.8	99.0	**
After 3 years	99.0	99.2	99.4	**	**

\*\* Data is not yet available.

- 90 After accounting adjustments, the Non-Domestic Rates Collection Fund is out-turning a final deficit of £2.288m for 2024/25, of which, £1.121m is attributable to Cheshire East Council. This deficit is £0.238m more than the declared deficit of £2.050m from January 2025 and will be held in the Collection Fund Adjustment Account until January 2026 when a revised declaration to take this final position into account can be made.

## Treasury Management Strategy update

- 91 Treasury Management income for 2024/25 is £3.3m which is higher than the budgeted £1.9m. However, borrowing costs are also higher than budgeted at £18.9m compared to budget of £16.1m. The net additional financing costs (borrowing less investment interest) is therefore £1.4m in excess of that budgeted.
- 92 Interest rates have seen substantial rises over the last 3 years which has significantly increased the cost of borrowing. Borrowing costs have begun to fall and the expectation is that they will continue to fall although market uncertainty may impact on the timing of future reductions.
- 93 The cost of short-term borrowing from other local authorities has generally followed Base Rate over the year. However, liquidity in the market from October onwards caused rates to increase disproportionately compared to underlying Base Rates. The Council's application for Exceptional Financial Support also reduced the credit quality of the Council to some lenders which exacerbated the shortage of liquidity available. As a result some PWLB borrowing was undertaken with a mix of 1-2 year maturity loans and 2-3 year Equal Instalments of Principal (EIP) repayment loans. The average rate payable on these loans is 4.84%. This provides some surety of cost at lower rates than we could otherwise have achieved at the time and reduces over-reliance on short term borrowing. The relatively short period of these PWLB loans should provide opportunities to refinance at lower cost if rates fall in line with expectations.
- 94 The cost of short term borrowing in 2024/25 is 5.29% which is an increase from 4.82% in 2023/24. The average rate paid on all borrowing was 5.03%.

## Investment Strategy

- 95 There have not been any material changes to the Investment Strategy since that reported at in the MTFS for 2025/26 – 2028/29 in Feb 2025, see link [APPENDIX A MTFS 2025-26 to 2028-29 FINAL](#) . Annex 1, Section 7 to this report includes updates to the Investment Strategy indicators for 2024/25 out-turn where available.

## Consultation and Engagement

- 96 The annual business planning process involves engagement with local people and organisations. Local authorities have a statutory duty to consult on their budget with certain stakeholder groups including the Schools Forum and businesses. In addition, the Council chooses to consult with other stakeholder groups. The Council continues to carry out
-

stakeholder analysis to identify the different groups involved in the budget setting process, what information they need from us, the information we currently provide these groups with, and where we can improve our engagement process.

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

### **Reasons for Recommendations**

- 98 The recommendations in this report support the 'Reporting' element of the financial cycle.
- 99 The overall process for managing the Council's resources focuses on value for money, good governance, and stewardship. The approach to these responsibilities is captured in the Medium-Term Financial Strategy. Financial changes take place during the year and are authorised in line with the Constitution. This report sets out where further approvals are required.
- 100 This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.
- 101 Outturn reporting provides an opportunity to check performance and management of risks against the Medium-Term Financial Strategy. The four-year MTFS is approved by Council, but risks were identified as part of this process which will require access to reserves and exceptional financial support. Members had regard to such risks as the deficit in Dedicated School Grant reserves and potential liabilities associated with the Extra Care Housing PFI (Private Finance Initiative) Scheme when approving the budget.

### **Other Options Considered**

- 102 Outturn reporting could be delayed until post audit, to avoid the risk of provisional figures changing. This is not a recommended option as the audit completion certificate is not expected until February 2026. Delaying the reporting element of the financial cycle minimises the ability to react to issues during in-year monitoring. Provisional reporting has historically been accurate, so it is appropriate to react to the financial information provided in this report.
- 103 General Reserves are used to manage risk, in accordance with the Reserves Strategy. In the Planning cycle for the 2026/27 MTFS members will have to re-consider the robustness of all estimates and the overall adequacy of reserves based on up-to-date information and forecasts, which will include a review of the level of General Reserves.
-

## Implications and Comments

### *Monitoring Officer/Legal/Governance*

- 104 The Finance Sub-Committee has responsibility for oversight of the Council's budget and treasury management responsibilities and therefore the recommendations fall within its remit. Its approval of the supplementary estimates and virements follows the Budget and Policy Framework Rules and it is recommended that each committee also approves them.<sup>2</sup>
- 105 The legal implications surrounding the process of setting the 2025 to 2029 Medium-Term Financial Strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report at the final outturn stage in 2024/25.
- 106 Other implications arising directly from this report relate to the internal processes of approving supplementary revenue estimates, supplementary capital estimates and virements referred to above which are governed by the Finance Procedure Rules.

### *Section 151 Officer/Finance*

- 107 The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for residents and communities. Monitoring and managing performance help to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
- 108 The Council's Audit & Governance Committee is responsible for reviewing and analysing the Council's audited position at year-end. Final Group Accounts are due for approval by February 2026 following public scrutiny, external auditing, and any associated recommendations to the Committee.
- 109 The forecast outturn for 2024/25, as reported within the MTFs, was used to inform the budget setting process for 2025/26. Analysis of the final outturn helps to inform the Council of potential issues arising for the 2025/26 budget or highlights potential underlying issues that can be managed in future budget setting cycles.
- 110 At this stage further work is underway to identify whether the variations reported at outturn will form a significant risk to the 2025/26 budget.

### *Human Resources*

- 111 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*

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

Impact on other Committees

113 All Committees will receive this Outturn report.

*Policy*

114 This report is a backward look at Council activities during the final quarter.

115 The final outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2026-30 Medium-Term Financial Strategy.

*Equality, Diversity, and Inclusion*

116 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.

*Consultation*

<b>Name of Consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
Statutory Officer (or deputy):			
Adele Taylor	S151 Officer	12/05/2025	14/05/2025
Janet Witkowski	Acting Monitoring Officer	14/05/2025	22/05/2025
Other Consultees:			
Executive Directors/Directors:			
CLT		07/05/2025	



<b>Access to Information</b>	
Contact Officer:	Sal Khan, Interim Director of Finance and Deputy S151 Officer <a href="mailto:sal.khan@cheshireeast.gov.uk">sal.khan@cheshireeast.gov.uk</a>
Appendices:	<b>Annex 1</b> – Final Outturn 2024/25 <b>Annex 2</b> – Grants Register <b>Annex 3</b> – Capital Programme
Background Papers:	<a href="#">Medium Term Financial Strategy 2024-28</a> <a href="#">First Financial Review 2024/25</a> <a href="#">Second Financial Review 2024/25</a> <a href="#">Third Financial Review 2024/25</a>

---

# ANNEX 1



# Outturn 2024/25

## Results to end of March 2025

# Contents

Section 1: 2024/25 Final Outturn .....	3
Section 2: 2024/25 Approved Budget Change Items .....	5
Section 3: Revenue Grants for approval and year end Register .....	25
Section 4: Capital .....	27
Section 5: Reserves .....	37
Section 6: Treasury Management .....	44
Section 7: Investment Strategy .....	56

# Section 1: 2024/25 Final Outturn

1.1. Table 1 provides a service summary of financial performance. The final outturn position shows that services were £10.2m over budget 2024/25.

1.2. It also shows that central budgets were £7.4m above budget resulting in an overall outturn of £17.6m overspend against a net revenue budget of £364.5m.

<b>Table 1 Outturn 2024/25</b>	<b>Revised Budget (NET)</b>	<b>Outturn</b>	<b>Variance</b>	<b>Forecast Variance FR3</b>	<b>Movement from FR3 to Outturn</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Service Committee</b>					
Adults and Health	137.1	154.7	17.6	20.0	(2.4)
Children and Families	92.6	96.1	3.5	5.4	(1.9)
Corporate Policy	44.2	41.9	(2.2)	2.5	(4.7)
Economy and Growth	27.9	22.7	(5.3)	(3.8)	(1.5)
Environment and Communities	47.8	46.3	(1.5)	(0.6)	(0.9)
Highways and Transport	16.2	14.4	(1.8)	(0.5)	(1.3)
<b>TOTAL SERVICE EXPENDITURE</b>	<b>365.8</b>	<b>376.0</b>	<b>10.2</b>	<b>22.9</b>	<b>(12.7)</b>
<b>Finance Sub:</b>					
Central Budgets	25.0	32.4	7.4	(4.6)	12.0
Funding	(390.8)	(390.8)	(0.0)	-	(0.0)
<b>TOTAL FINANCE SUB</b>	<b>(0.0)</b>	<b>17.6</b>	<b>17.6</b>	<b>18.3</b>	<b>(0.7)</b>
<b>Exceptional Financial Support</b>	-	(17.6)	(17.6)	(17.6)	-
<b>GRAND TOTAL</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.7</b>	<b>(0.7)</b>

1.3. The outturn position reflects the following :

- 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 savings;
  - Includes the assumptions around additional revenue resources in Childrens Services to resource the draft improvement plan in relation to the recent OFSTED inspection;
- Impact of the confirmed 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.
- Mitigation activities delivered or forecast to be delivered by 31 March as reflected in paragraph 28 of the main covering report.
- Review of Section 106 legacy budgets, the effects of which are partly reflected in the FR3 forecast out-turn as a one off contributions to reserves work undertaken to date has identified an improvement (reduction) of the Council's bad debt provision of £1.0m,
- Changes to the MRP Policy following a Balance Sheet review through our Treasury Management advisors, Arlingclose Ltd, during 2024/25 reduced the in year charge to revenue by £3.4m.

1.4. Further items impacting on the level of the Council's balances are detailed in Section 5.

## Section 2: 2024/25 Approved Budget Change Items

The following table provides detailed commentary on the outturn 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 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
	<b>Adults and Health Committee</b>	<b>+1.136</b>	<b>+18.707</b>	<b>+17.571</b>	
1	Fees and Charges	-1.800	-1.800	0	Green – see below
2	Client Contributions	-0.800	-6.122	-5.322	Green - £5.322m surplus vs client contribution in 2024/25. This is in addition to achieving the budgeted increase for Fees and Charges & Client Contribution increase in-year (£2.6m)
3	Working Age Adults - Prevent, Reduce, Delay	-1.467	-1.467	0	Green – Delivered
4	Older People – Prevent, Reduce, Delay	-1.566	-1.566	0	Green - Delivered
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	+31.417	+23.817	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 – Actual cost of NJC Pay increase in 2024/25 exceeded budget growth in the 2024/25 MTFS.
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	Completed
12	Market Sustainability and Fair Cost of Care – Removal of Grant Income	-	-	-	Completed - Now a 2025/26 Item
13	Asset Management	TBC	TBC	-	Green - The business case for future usage of the site will be revisited and taken through the appropriate CEC

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
					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.
In year	Other variances to reconcile to 2024/25 Outturn position	0	+1.688	+1.688	
In year	Mitigations reducing the Outturn reported position	0	-2.824	-2.824	

*\* 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 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
	<b>Children and Families Committee</b>	<b>+9.909</b>	<b>+13.375</b>	<b>+3.466</b>	
15	Discretionary offer to children with disabilities	-0.900	-0.979	-0.079	Green - On Track, project team progressing multiple improvements to redesign the service offer, ensuring consistency and efficiency.
16	Remove school catering subsidy	-0.516	-0.282	+0.234	Red – Catering service ended on 31 March. A rate uplift applied from September 2024 in order to cover the costs of the service through to the end of March 2025. Some schools managed their own arrangements before the end of the financial year, impacting on the savings target.
17	Review of structure to further integrate children and families services	-1.000	-0.200	+0.800	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	-0.367	+0.033	Red - Agreed by Committee
19	Achieve the Family Hub model	-0.250	-0.250	0	Green - Committee approved new model of delivery in Nov Committee. Savings are not going to be delivered in 2024/25 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	-0.100	0	Completed – Grant income.
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	+0.010	+0.060	Red - Part delivered. One off savings in other service areas cover the remainder.
21a	Reduce Growth in expenditure – review of high cost, low outcome external residential placements	-1.000	-1.000	0	Red - Whilst work has been taking place to open CE Children's Homes and our first open is now open, with our second due in spring, our collaboration with Foster4 working well to increase our foster carers, we still are seeing more children coming into care. 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

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 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
					high cost placements and other placements to identify children for whom reunification to family would be appropriate. Processes are also in place by the Head of Provider Services to review costs being paid to providers. Merged overspend on ref. 30.
21b	Reduce Growth in expenditure – increase commissioning approach to establish greater opportunities to provide accommodation for +16 young people	-0.400	+1.561	+1.961	Red - 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	Green - 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	-0.527	-0.277	Green - Task & Finish Group put in place to explore and develop processes and capacity to reduce costly legal proceedings.
22	Pension Costs Adjustment	-0.515	-0.432	+0.083	Red - Teacher's pension legacy costs are not reducing as anticipated. Completed - CEC pension reduction.
23	Growth to deliver statutory Youth Justice service, and growth to ensure budget is sufficient to meet Safeguarding Partnership duties	+0.170	+0.205	+0.035	Amber - It is incumbent upon the three statutory safeguarding partners, the police, health and the Local Authority, to ensure that adequate funding is allocated to the Children's Safeguarding Partnership so it can fulfil its statutory functions in delivering the multi-agency safeguarding arrangements. An internal audit identified the Local Authority had not reviewed its contributions to the partnership and was insufficiently contributing to the delivery of the partnership arrangements. As a result, growth was approved by committee. This has been supported by an increase in contributions from all partner agencies. A vacancy has also been held in the business unit.
24	Growth to provide capacity to deliver transformation for SEND	+0.500	+0.235	-0.265	Green.
25	Wraparound Childcare Programme (funded)	+0.587	+0.587	0	Amber - Currently reviewing sufficiency and funding details to manage delivery within budget.

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 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
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	+0.770	0	Green.
27	Growth in School Transport budget	+0.936	+1.359	+0.423	Red.
28	Pay Inflation	+1.374	+1.915	+0.541	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS.
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	+12.435	+1.610	Red - 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	-	-	-	Green.
31	Early Help budget to support funding towards the Crewe Youth Zone	-	-	-	Green.
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	Outturn variance Education, Strong Start and Integration	0	-1.951	-1.951	Underspend relates to vacancy management, reduced spend, use of grants and income generation across services.
In year	Outturn variance Children and Families Directorate	0	+0.292	+0.292	Overspend relates to external Quality Assurance Agency costs and cost of establishment.

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 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
In year	Outturn variance Children's Social Care	0	+0.006	+0.006	Overspend relating to staffing costs offset by flexible capital receipts.
In year	Outturn variance Quality Assurance, Commissioning and Partnerships	0	-0.140	-0.140	Underspend relates to additional income.

*\* 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 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
	<b>Corporate Policy Committee</b>	<b>+0.489</b>	<b>-1.759</b>	<b>-2.248</b>	
36	Reduce leadership and management costs	-0.540	-	+0.540	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.
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

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 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
					the regular recovery process during the year.
41a	Other efficiencies and reductions across Corporate Services – School Subsidy (ICT)	-0.032	-0.032	-0.000	Green. ICT will not be offering services to schools in the 2025/26 academic year.
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	+0.050	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 now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS.
45	Legal Services Capacity	+0.455	+0.455	0	Completed
46	ICT Review 1	+0.450	+0.450	0	Completed - The move to Software as a Service has necessitated the transfer from Capital to Revenue budget requirements. The Shared Service continues to reduce third party costs and agency spend as per the Business case.

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 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
47	Workforce Strategy Review	TBC	-	-	Completed - There are no savings attributed to this area in 2024/2025. Opportunities to explore workforce options are being considered alongside transformation 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.
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	Adjustment required to balance to Outturn position of -£2,249k for corporate including ICT.	0	-2.496	-2.496	This figure is a mix of permanent and temporary items to assist the in-year position.
In-year	Reduce Members Allowances budget for excess budget relating to a pay award that was not taken	0	-0.100	-0.100	This will be a permanent change to deliver the Red / Amber ranked items above.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
	<b>Economy and Growth Committee</b>	<b>+3.316</b>	<b>-1.943</b>	<b>-5.259</b>	
49	Service Restructures within Place based Services	-0.787	-0.368	+0.419	Amber – achievement through permanent savings remains challenging without a full restructure. Mitigation is through offset of underspend 'in year' and proposals are to be considered to offset permanently.
50	Reduce opening hours for main offices	-0.050	-0.050	0	Completed
51	Office estate rationalisation	-0.550	-0.440	+0.110	Amber - due to the timeline for the transfer of buildings being extended. This item is being mitigated by in year savings and by the items at the end of the table which are a mix of permanent and temporary measures.
52	Tatton Park	-0.046	-0.046	0	Amber - Savings can be achieved through investment in the Tatton Vision Programme. To date this programme has achieved cumulative MTFS savings of £624k. Amber rating reflects the fact that the Tatton Vision capital programme was under review and so progress delayed.
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. Improved functionality should enable future savings delivery.
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	+0.031	+0.001	Completed
58	Housing	+0.035	+0.035	0	Green - Consultation on the Housing Restructure commenced 22 May and

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
					includes the post that the funding is attributed to. The new structure was implemented on 1 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 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	+0.018	-0.061	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 now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being mitigated by the items at the end of the table which are a mix of permanent and temporary measures.
64	Crewe town centre maintenance and operation	+0.650	+0.579	-0.071	Green – Delays in completing some projects in 2024-25. Expenditure is expected in 2025-26
65	Assets - Buildings and Operational	+3.119	+1.292	-1.827	Green - Growth for Energy was not fully utilised as it was calculated when energy markets prices were incredibly high, together with significant increased inflation– the market has subdued since then and prices have stabilised, this has been adjusted for in 25/26. There were also some credits received in year due to over performance on Energy contracts. Business rates remain a challenge to predict due to revaluation, appeals and complex transitional relief calculations, this along with some one-off rebates meant there was an underspend in this area.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
					The growth increase provided for revenue maintenance has enabled existing budgets to offset the inflation factors that were applied to the contract prices, and this was fully utilised with a pressure at yearend
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 Services 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 outturn position	0	-3.305	-3.305	
In year	Place Directorate 2024/25 mitigations to balance back to outturn position	0	-0.669	-0.669	

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
	<b>Environment and Communities Committee</b>	<b>-0.052</b>	<b>-1.587</b>	<b>-1.535</b>	
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 largely completed which has released the reserves in year to meet this one-off contribution.
70	Strategic Leisure Review (Stage 2)	-1.305	-0.526	+0.779	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 (£56k of this achieved through removal of car park refunds) - dialogue is ongoing. Delays to disposing of Middlewich and Holmes Chapel Leisure Centres in year are having a negative impact on savings position. Covid insurance contribution from EHL not secured.
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	Amber - Full saving on basis of original HLBC was not achieved due to introduction of mobile provision offer as a result of Full Council decision and costs associated with trial of booking system.
73	Libraries Strategy	-0.365	-0.138	+0.227	Green - Committee approval to implement final Strategy secured on 27th November, revised opening hours at Tier 3 sites went live from January 2025 and Tier 2 sites as of 1st April 2025. Staffing levels yet to be reduced with staff consultations due to be launched in 2025-26 relating to restructure of service. Engagement with Town and Parish Councils undertaken to shape the Strategy proposals and seek funding contributions, due to a delay with legal agreements only Bollington was secured for 2024-25. Progress has been made with preparing legal agreements for 2025-26. As part of funding libraries in a

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
					different way, libraries have increased income from meeting room hire and fees/charges
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, fully achieved in 24-25 due to removal of any vacancies and under-utilised fleet.
75	Reduce revenue impact of carbon reduction capital schemes	-0.336	0	+0.336	Amber – 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. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures.
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	+3.577	0	Green – rating due to fluctuations in waste markets relating to recyclates and continued levels of inflation, outside CEC control and not aligned to projections. Outturn 24-25 witnessed a reduction in inflationary costs and an improved basket of goods rate that fully mitigated the pressure identified mid-year.
78	Pay Inflation – CEC & ASDV	+1.861	+2.397	+0.536	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures.
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.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
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 – 24-25 outturn fully achieved the MTFS target, there will need to be continued monitoring of subscription levels and any adverse impacts is already in place in 25-26.
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
85	Explore a Trust delivery model for Libraries and other services	+0.150	+0.003	-0.147	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	+0.067	+0.017	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	+0.286	+0.083	Amber - Due to current national trend of downturn in planning and related building control income. To be monitored through more regular financial forecasting in service. Reforms to national planning policy recently consulted upon may have a positive impact on this position moving forward due to uplift in both volume and pace of developments coming forward. To be

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
					considered in due course following Govt announcement.
93	Local Plan Review	+0.255	0	-0.255	Amber - Reprofiled budget adjustment to provide additional funding towards development of new Local Plan
94	Planning income	+0.400	+0.522	+0.122	Amber – Forecast reduced income in year due to current national trend of downturn in planning applications and hence income. Proactively monitored through regular financial forecasting in service. Partially mitigated by continued high level of vacancies and the item at the end of the table. Recent national planning policy forms announced by Govt which were recently subject to a consultation process may help to alleviate the income position, but will require vacancies to be filled to cater for the likely increase in applications. To be considered as and when further announcement made.
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 – completed on time following decision at Environment and Communities Committee on 26 September 2024 to proceed with preferred option and finalisation of new operating contract procurement process.
In year	Environment & Neighbourhood Services mitigations 2024/25 to balance back to outturn position	0	-2.796	-2.796	

\* 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 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
	<b>Highways and Transport Committee</b>	<b>+4.869</b>	<b>+3.084</b>	<b>-1.785</b>	
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	0.023	Red - Introduction of CCTV camera enforcement of waiting/loading restrictions at school gates on a trial basis using bespoke equipment that is type approved and proven for these purposes in order to improve road safety and increase enforcement capacity at these high risk locations.
102	Transport and Infrastructure Strategy Team - Restructure	+0.120	0	-0.120	Amber - Vacancies in existing structure provide some flexibilities of resourcing. Business case for a recruitment plan has been developed setting out the opportunity to reduce costs of outsourcing / agency staffing. This will be taken forward in 2025/26.
103	Pay Inflation	+0.339	+0.351	+0.012	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being mitigated by the item at the end of the table which is a mix of permanent and temporary measures.
104	Parking - PDA / Back Office System contract	+0.100	+0.048	-0.052	Green - Market testing completed - exploring a direct award opportunity with implementation testing and data migration. System to be implemented in 2025-26
105	Flood and Water Management Act 2010	+0.100	+0.100	0	Green - The requirement is to be ready to implement changes when regulations are implemented nationally.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
	SuDS & SABs Schedule 3 Implementation				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 2022/23. There is no further action.
107	Parking	+0.245	+0.820	+0.575	Amber - Following decisions in January 2024, tariffs were uplifted on 1 July 2024 and extend pay and display to car parks in "free towns" from the start of December. Statutory consultations on Sunday and Evening charges have been completed to inform implementation in 2025-26. A trial of demand-responsive tariffs began 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	+1.459	-0.791	Green – network of new contracts was successfully tendered and began operating on 30 March 2025.
110	FlexiLink Service Improvement Plan	-	-	-	Green - A bus service review is underway, including proposals relating to flexible transport. Committee received a report updating on the outcomes of the consultation and the approach to procurement on 19 September 2024. The review of flexible transport will consider its role in filling gaps in local bus service provision, especially in rural areas, as well as options to extend hours of operation, open up the service to more users and introduce fares to make a contribution to operating costs.
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. Intention to link this to wider on street advertising project in the transformation project.
In year	Highways & Infrastructure 2024/25 mitigations to balance to outturn position	0	-1.432	-1.432	

MTFS Ref No	Detailed List of Approved Budget Changes – Central Budgets	2024/25 MTFS £m	2024/25 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
	<b>Finance Sub-Committee</b>	<b>-19.667</b>	<b>-12.277</b>	<b>+7.390</b>	
113	Capital Financing Budget	+9.508	+10.517	+1.009	Amber – assumes use of available capital financing reserve of £2.135m compared to budget.
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.
Amber 119	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 received in line with final settlement from MHCLG.
122	Unring-fenced Grants + Revenue Support Grant	-5.245	-5.245	0	Green - Grants 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)

MTFS Ref No	Detailed List of Approved Budget Changes – Central Budgets	2024/25 MTFS £m	2024/25 Final Outturn £m	2024/25 Outturn Variance £m	Final Progress 2024/25 (RAG rating and commentary)
124	Council Tax Support [NEW]	TBC	-	-	No change to Council Tax support scheme for 2024/25 or 2025/26. To be reviewed for 2026/27.
In year	Bad Debt Provision reduction (one off)	-	-1.081	-1.081	New bad debt policy has been adopted by Adults Social Care.
In year	S106 Review (one off)	-	-0.574	-0.574	S106 Review identifying a one off contribution in year where work has been completed in prior years but has not been reflected in transferring money from S106 into the general fund
In year	Increased use of reserves re Transformation spend included in Service position	-	-3.827	-3.827	Use of reserves to fund essential expenditure to progress the Transformation programme in 2024/25
In year	Creation of new Transformation Reserve as set out in the 2025/26 MTFS	-	3.500	3.500	Creation of a reserve as reflected in the 2025/26 MTFS to fund Transformation delivery in 2025/26.
In year	Creation of new Change and Improvement reserve	-	5.300	5.300	New reserve created to cover one off costs of change and improvement activity in 2025/26 and 2026/27.
In year	Review of MRP accounting policy wef 1.4.2024	-	-3.411	-3.411	New MRP Accounting Policy adopted with effect from 1 April 2024 and as approved in the 2025/26 MTFS (Feb25)
In year	Creation of new earmarked service reserves	-	2.525	2.525	Additional reserves to fund one off expenditure in 2025/26 which is not included in service base budgets.
In year	Transfer to General Fund Reserve	-	2.473	2.473	Additional transfer to reserves to increase the Council financial sustainability in future years.
In year	Financing and Investment Interest	-	1.100	1.100	Pressure reflecting increased cost of interest payments on borrowing offset by interest receipts from investments
In year	Other in year variances to budget	-	0.376	0.376	

## Section 3: Revenue Grants for approval and year end Register

- 3.1. Cheshire East Council receives two main types of Government grants; specific purpose grants and general use grants. Specific purpose grants are held within the relevant service with a corresponding expenditure budget. Whereas general use grants are held in central budgets with a corresponding expenditure budget within the allocated service area.
- 3.2. Spending in relation to specific purpose grants must be in line with the purpose for which it is provided.
- 3.3. **Table 1** 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**

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

Committee	Type of Grant	£000	Details
Children & Families: Schools	Core Schools Budget Grant (CSBG)	2,502	This grant is from the Education and Skills Funding Agency and is to support schools with their overall costs in the 2024 to 2025 financial year, in particular following confirmation of the 2024 teacher pay award.
Corporate Policy	Housing Benefit Subsidy	2,231	This grant is from the Department for Work and Pensions. Payment of claims administration within Housing Benefits.

**Table 2 – Committee Decision**

## 3.6. 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 & Health	Homes for Ukraine Scheme	755	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC) to provide support to families to rebuild their lives and fully integrate into communities.
Children and Families	Staying Close  (Specific Purpose 2025/26)	602	This grant is to support the Staying Close programme, to improve outcomes for young people leaving care who do not have that continued support as they transition into independence.

3.7. **Annex 2** contains the full Grants Register for 2024/25 comparing the MTFs budgeted levels to the final outturn for every grant received.

# Section 4: Capital

Table 1: Financial Parameters for 2024/25 to 2027/28

Parameter	Value (£m)			
	2024/25	2025/26	2026/27	2027/28
<b>Repayment of Borrowing</b>				
<b>Minimum Revenue Provision*</b>	15.3	18.5	22.7	24.8
<b>External Loan Interest</b>	19.4	17.9	18.9	20.9
<b>Investment Income</b>	(4.3)	(4.1)	(2.7)	(2.7)
<b>Contributions from Services Revenue Budgets</b>	(0.9)	(1.3)	(2.3)	(2.5)
<b>Total Capital Financing Costs</b>	<b>29.4</b>	<b>30.5</b>	<b>36.1</b>	<b>39.8</b>
<b>Actual CFB in MTFS</b>	<b>28.5</b>	<b>35.0</b>	<b>38.8</b>	<b>41.9</b>
<b>Budget underspend /(overspend)</b>	<b>(0.9)</b>	<b>4.5</b>	<b>2.7</b>	<b>2.1</b>
<b>Capital Receipts targets*</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Flexible use of Capital Receipts</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

\*Anticipated MRP based on achieving capital receipts targets

- 4.1. 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**. For detailed tables by Committee please see **Annex 3**.
- 4.2. **Table 3** lists details of Delegated decisions up to £500,000 for noting.
- 4.3. Table 4 lists Capital Supplementary Estimates over £500,000 and up to £1,000,000 for committee approval and Capital Virements over £500,000 and up to and including £5,000,000 that require 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.
- 4.4. **Table 5** lists details of Capital Supplementary Estimates over £1,000,000 that requires Committee to make a recommendation to Council to approve.
- 4.5. **Table 6** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

Table 2: Capital Programme Update

<b>CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY</b>					
<b>CAPITAL PROGRAMME 2024/25 - 2027/28</b>					
	<b>Actuals 2024/25 £000</b>	<b>Forecast 2025/26 £000</b>	<b>Forecast 2026/27 £000</b>	<b>Forecast 2027/28 £000</b>	<b>Total Forecast 2024-28 £000</b>
<b>Committed Schemes - In Progress</b>					
Adults and Health	280	468	0	0	748
Children and Families	9,513	46,283	16,356	17,749	89,901
Highways & Transport	40,647	44,009	27,653	119,831	232,140
Economy & Growth	23,110	51,882	29,539	78,575	183,106
Environment & Communities	4,262	13,929	1,034	15,301	34,526
Corporate Policy	5,465	10,125	1,173	0	16,763
<b>Total Committed Schemes - In Progress</b>	<b>83,277</b>	<b>166,696</b>	<b>75,755</b>	<b>231,456</b>	<b>557,184</b>
<b>CAPITAL PROGRAMME 2024/25 - 2027/28</b>					
	<b>Actuals 2024/25 £000</b>	<b>Forecast 2025/26 £000</b>	<b>Forecast 2026/27 £000</b>	<b>Forecast 2027/28 £000</b>	<b>Total Forecast 2024-28 £000</b>
<b>New Schemes in 2024-25</b>					
Children and Families	209	9,848	5,248	3,000	18,305
Highways & Transport	570	22,617	15,051	15,051	53,289
Economy & Growth	2,613	4,652	3,366	3,187	13,818
Environment & Communities	1,653	4,677	1,150	0	7,480
<b>Total New Schemes</b>	<b>5,045</b>	<b>41,794</b>	<b>24,815</b>	<b>21,238</b>	<b>92,892</b>
<b>Total</b>	<b>88,322</b>	<b>208,490</b>	<b>100,570</b>	<b>252,694</b>	<b>650,076</b>
<b>Funding Requirement</b>					
<b>Indicative Funding Analysis:</b>					
Government Grants	49,791	129,470	75,248	119,235	373,745
External Contributions	4,002	19,742	13,121	68,619	105,483
Revenue Contributions	901	1,290	0	0	2,191
Capital Receipts	0	1,210	1,324	33,381	35,915
Prudential Borrowing (See note 1)	33,629	56,776	10,876	31,460	132,742
<b>Total</b>	<b>88,322</b>	<b>208,490</b>	<b>100,570</b>	<b>252,694</b>	<b>650,076</b>

**Note 1:**

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: Delegated Decisions – lists details of Delegated decisions up to £500,000 for noting**

Committee / Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Supplementary Capital Estimates that have been made up to £500,000</b>		
<b>Children and Families</b>		
Family Hubs Transformation	115,115	Transfer of Family Hubs Revenue grant to capital project.
<b>Economy &amp; Growth</b>		
<b>Housing Strategy</b>		
Disabled Facilities Grant	342,795	To uplift to match the budget allocation to the grant received.
Home Repairs Vulnerable People	231,842	To include income received from external parties
Home Upgrade Grant Phase 2	17,131	To include income received from external parties
Home Upgrade Grant Phase 2	6,361	To include income received from external parties
<b>Culture &amp; Tourism</b>		
Cattle Handling Facility - Oakwood Farm	37,694	To increase the budget to cover additional expenditure, funded by Revenue Contribution
Wilmslow Dobbin Brook Informal Footpath s106	89,000	Supplementary Capital Estimates approved in quarter
Alsager Footpath No.10 s106	23,140	
<b>Infrastructure</b>		
Spath Lane, Handforth	14,364	To increase the budget to cover additional expenditure, funded by S106 Contribution
Marsh Lane, Holmes Chap Bus St	38	
Coppenhall East, Remer Street, Crewe (11/1643N).	102,351	Supplementary Capital Estimates approved in quarter
Linley Lane/B5077 Junction & Footway improvements	150,000	
Wheelock St, Middlewich S106 ref 686A	11,282	
Holmes Chapel Road, Middlewich S106 Ref 448	20,859	
London Road. Nantwich S106 457D	117,617	
Old Newcastle Rd, - s106 ref 369B	20,099	
Bank Corner Junction, Alsager	76,715	
Main Road, Weston	281,663	
Davenport Arms	21,551	
<b>Highways &amp; Transport</b>		
Jack Mills Way Part 1 Claims	6,763	To align the budget with expected contributions from Network Rail
Active Travel Fund - Tranche 5	239,282	Additional Active Travel funding from Department for Transport
BSIP Phase 3 funding	250,000	Additional Bus Service Improvement Plan funding from Department for Transport
<b>Total Supplementary Capital Estimates Requested</b>	<b>1,686,379</b>	
£		
<b>Capital Budget Virements that have been made up to £500,000</b>		
<b>Children &amp; Families</b>		
Early Years sufficiency capital fund	155	Virement to Family Hubs Transformation
<b>Education and 14-19 Skills</b>		
Macclesfield Planning Area secondary	5,560	Transfer of remaining budget to Tyherington High school project
Brine Leas High School	8,271	
Shavington Planning Area - Secondary	15,776	Virements from Basic need on project closure
Congleton Planning Area	1,993	
Holmes Chapel Secondary School	5,191	Virements to Basic Need on project closure
Sandbach Boys School	1,979	
School Condition Grant	107,350	Virements to School Condition Allocation from remaining budgets on various closed school managed schemes
SCG - Condition Assessments 2021-22	14,269	Virements to individual schemes from School Condition Allocation on closure
Edleston Primary School - Condition Project	390	
Styal Primary School - Condition Project	223	
High Needs	32,396	Virement to High Needs from budget remaining on various closed schemes
Leighton SEND Reception Adaptations	25,629	Virements to schemes from High Needs
Provision of SEN Unit - Wistaston Primary School	17,347	

<b>Economy &amp; Growth</b>		
Future High Street Funding - CEC Innovation Centre	278,000	Future High Street grant funding realigned from Sustainable Energy Network to cover TADIC's energy improvement measures.
Macclesfield Indoor Market Refurbishment (MIMR)	98,285	Virement from Facilities Management Premises Capital Programme to contribute to the full cost of the project.
Macclesfield Indoor Market Toilet Refurbishment	5	
<b>Strategic Housing</b>		
Home Repairs Vulnerable People	458,000	At Economy & Growth Committee on 12/11/24 a virement for £458,000 was approved from the Green Homes Grant to Home Repairs for Vulnerable People in the capital programme.
<b>Infrastructure</b>		
Future High Street Funding - Southern Gateway	76,934	To vire Future High Street Fund from Flag Lane Link To utilise Future High Street Funding originally allocated to Delamere Street and Chester Street (Housing projects) which did not progress and were abandoned.
	8,331	
Crewe Green Link Road Ph2	6,097	Payment of residual invoices relating to Crewe Green Link Road funded by S106 which was originally earmarked for David Whitby Way.
<b>Environment &amp; Communities</b>		
<b>Environment Services</b>		
Green Investment schemes (Solar Farm)	200,000	Transfer of funds from Carbon Nuetral 2030 Investments (Previousl Solar Energy)
<b>Highways &amp; Transport</b>		
A532 Safer Road Fund Scheme	243,000	Prudential Borrowing funding element vired from A537 to cover revised forecast expenditure.
Sustainable Travel (Active Travel) - Boulderstone Bridge	7,633	There has been a fine adjustment to the agreed contribution to Network Rail, which now stands at £379,190.35. Transfer from Client Contract and asset Management
Hollinswood Rd/Redhouse Ln	42,603	Department for Transport grant reallocated from the Client Contract and asset Management project to cover expenditure in 2024-25
Traffic Signs and Bollards - LED Replacement	8592.37	
Footpath Maintenance - Slurry Sealing & Reconstruction Works	3676.85	
Hurdsfield Road/Black Lane junction, Macclesfield Cycleway (S Bollin Valley / Greater Bollin Trail	13,833	
	70,252	Reallocated funding within the STEPS Programme to cover 2024-25 expenditure
	13,833	
Manchester Road, Wilmslow – Northern	100,000	£325,000 virement from STEPS - Active Travel to provide additional budget.
Southern Gateway	100,000	
Ayrshire Way/Park Lane, Congleton	125,000	
<b>Facilities Management</b>		
PSDS - 3C	223,000	Virement from Premises Capital, match funding for grant
<b>Total Capital Budget Virements Approved</b>	<b>2,299,773</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>3,986,153</b>	

**Table 4: Requests for Supplementary Capital Estimates (SCEs)**

Committee / Capital Scheme	Amount Requested £	Reason and Funding Source	
<b>Service Committee are asked to approve the Supplementary Capital Estimates above £500,000 up to and including £1,000,000</b>			
<b>Education and 14-19 Skills</b>			
School Condition Allocation	552,916	A provisional amount of £2,000,000 was included within the MTFS for 2025-26. The allocation has now been confirmed as £2,552,916	
<b>Highways &amp; Transport</b>			
Mill Street Corridor - Station Link Project	(687,364)	Additional grant funding of £493,800 has been added to the Capital Programme alongside reallocations on various schemes to reflect in year spend. This grant was required to be spent by 31st March 2025.	
Park Lane – Ayreshire Way, Congleton Walking and Cycling	107,410		
<b>Growth and Enterprise</b>			
Visitor Economy - Rural Shared Prosperity Fund	49,980		
UK Shared Prosperity Fund - Core	354,077	Additional grant funding of £493,800 has been added to the Capital Programme alongside reallocations on various schemes to reflect in year spend. This grant was required to be spent by 31st March 2025.	
Mill Street Corridor	450,000		
Macc on Foot (MOF)	65,975		
Macclesfield Indoor Market Refurbishment (MIMR)	85,500		
Royal Arcade Ph2 Meanwhile Uses	40,280		
<b>Environment and Communities</b>			
Crewe Towns Fund - Cumberland Arena	80,000		
<b>Total Supplementary Capital Estimates Requested</b>	<b>1,098,773</b>		
<b>Total Capital Virements requested</b>	<b>-</b>		
<b>Total SCEs and Virements</b>	<b>1,098,773</b>		

**Table 5: Requests for Supplementary Capital Estimates (SCEs) For Finance Sub Committee Recommendation or Approval**

Committee	Amount Requested £	Reason and Funding Source
<b>Finance Sub Committee are asked to recommend to Council the approval of the Supplementary Capital SCEs over £1,000,000</b>		
<b>Education and 14-19 Skills</b>		
High Needs Capital Grant	3,955,823	A provisional amount of £2,000,000 was included within the MTFS for High Needs Capital Grant. The 2025-26 allocation has now been
<b>Highways &amp; Transport</b>		
Local Transport Grant	7,754,000	Additional Department for Transport Grant allocated for 2025-26
<b>Housing Strategy</b>		
Warm Homes Local Grant (DESNZ)	7,792,725	Department of Energy Security and Net Zero grant funding, supplementary estimates approved by urgent decision.
<b>Total Supplementary Capital Estimates Requested</b>	<b>19,502,548</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>19,502,548</b>	

**Table 6: For information – Budget Reductions**

Committee / Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
<b>Finance Sub Committee are asked to note the reductions in Approved Budgets</b>				
<b>Adults</b>				
Community - Rural Shared Prosperity Fund	412,627	360,570	(52,057)	Reduction in budget at closing 2024-25.
<b>Education and 14-19 Skills</b>				
Devolved Formula Capital	330,000	317,884	(12,116)	Reduction in 2025-26 budget upon confirmation of allocation due to academy conversions
<b>Environment &amp; Communities</b>				
Wilmslow Town Villas	80,964	47,452	(33,512)	Reduction in budget as external funding of £33,512 paid directly to ANSA for work done rather than via CEC
<b>Economy &amp; Growth</b>				
<b>Housing Strategy</b>				
Local Authority Housing Fund	742,380	731,580	(10,800)	To mirror the amount of grant to be received.
<b>Highways &amp; Transport</b>				
Alderley Edge Bypass Scheme Implementation	60,611,100	60,411,100	(200,000)	To align budget to revised forecasting.
<b>Infrastructure</b>				
Flowerpot Phs 1 & Pinchpoint	10,037,232	4,245,620	(5,791,612)	To align the available budget with external funding available, Grant and S106 Developer Contributions
A500 Corridor OBC Update	2,435,000	1,704,550	(730,450)	To reduce budget to match grant received from Department for Transport to fund the scheme.
	<b>81,483,583</b>	<b>67,818,756</b>	<b>(13,664,827)</b>	

## Prudential Indicators revisions to: 2024/25 and 2024/26 – 2026/27 and future years

### Background

- 4.6. There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

### Estimates of Capital Expenditure

- 4.7. In 2024/25, the Council spent £88.3m on capital expenditure as summarised below.

Capital Expenditure	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	Future years £m
<b>Total</b>	88.3	208.5	100.6	252.7

### Capital Financing

- 4.8. All capital expenditure must be financed either from external sources (government grants and other contributions), the Council's own resources (revenue reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of capital expenditure is as follows.

Capital Financing	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	Future years £m
Capital receipts	0.0	1.2	1.3	33.4
Government Grants	49.8	129.5	75.2	119.3
External Contributions	4.0	19.7	13.1	68.6
Revenue Contributions	1.0	1.3	0.0	0.0
<b>Total Financing</b>	<b>54.8</b>	<b>151.7</b>	<b>89.6</b>	<b>221.3</b>
Prudential Borrowing	33.5	56.8	10.9	31.4
<b>Total Funding</b>	<b>33.5</b>	<b>56.8</b>	<b>10.9</b>	<b>31.4</b>
<b>Total Financing and Funding</b>	<b>88.3</b>	<b>208.5</b>	<b>100.5</b>	<b>252.7</b>

Source: Cheshire East Finance

### Replacement of debt finance

- 4.9. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets may be used to replace debt finance. Planned MRP repayments are as follows:

Replacement of debt finance	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
<b>Total</b>	<b>15.3</b>	<b>18.5</b>	<b>22.7</b>	<b>24.8</b>

Source: Cheshire East Finance

### Estimates of Capital Financing Requirement

- 4.10. The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP repayments and capital receipts used to replace debt. The CFR will decrease by £2m during 2024/25. This assumes that were there has been significant forward funding of certain schemes that grants and other contributions are received in year to repay that forward funding. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows.

Capital Financing Requirement	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
<b>Total</b>	<b>521</b>	<b>560</b>	<b>582</b>	<b>595</b>

Source: Cheshire East Finance

### Asset disposals

- 4.11. When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council received £2.2m of capital receipts from asset sales in 2024/25 and has built into the MTFS planned receipts of £3.6m in future years.

Capital Receipts	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Asset Sales	2.1	1.0	1.0	1.0
Loans Repaid	0.1	0.2	0.2	0.2
<b>Total</b>	<b>2.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>

Source: Cheshire East Finance

### Gross Debt and the Capital Financing Requirement

- 4.12. The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting and the Council therefore seeks to strike a balance between cheap short term loans and long term fixed rate loans where the future cost is known but fixed over a period when rates are expected to fall.
- 4.13. Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases) are shown below, compared with the capital financing requirement.

Gross Debt and the Capital Financing Requirement	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Borrowing	396	423	476	512
PFI Liabilities	17	17	15	14
<b>Total Debt</b>	<b>413</b>	<b>440</b>	<b>491</b>	<b>526</b>
<b>Capital Financing Req.</b>	<b>521</b>	<b>560</b>	<b>582</b>	<b>595</b>

Source: Cheshire East Finance

- 4.14. Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. As can be seen from the above table, the Council expects to comply with this in the medium term.

### Liability Benchmark

- 4.15. To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing (see para 6.18 of the Treasury Management Strategy update). This assumes that cash and investment balances are kept to a minimum level of £20m at each year end. This benchmark is currently £372m and is forecast to rise to £447m over the next four years.

Borrowing and the Liability Benchmark	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Outstanding Debt	396	423	476	512
Liability Benchmark	372	420	445	447

Source: Cheshire East Finance

- 4.16. The table shows that the Council expects to borrow above its liability benchmark.

### Affordable borrowing limit

- 4.17. The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	2024/25 limit £m	2025/26 limit £m	2026/27 Estimate £m	2027/28 Estimate £m
Authorised Limit for Borrowing	570	590	590	590
Authorised Limit for Other Long-Term Liabilities	17	17	15	14
<b>Authorised Limit for External Debt</b>	<b>587</b>	<b>607</b>	<b>605</b>	<b>604</b>
Operational Boundary for Borrowing	560	580	580	580
Operational Boundary for Other Long-Term Liabilities	17	17	15	14
<b>Operational Boundary for External Debt</b>	<b>577</b>	<b>597</b>	<b>595</b>	<b>594</b>

Source: Cheshire East Finance

### Investment Strategy

- 4.18. Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 4.19. The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with money market funds, other local authorities or selected high quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in shares and property, to balance the risk of loss against the risk of returns below inflation.

Treasury Management Investments	31/03/25 Actual £m	31/03/26 Estimate £m	31/03/27 Estimate £m	31/03/28 Estimate £m
Short term	20	20	20	20
Long term	20	20	20	20
<b>Total Investments</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>

Source: Cheshire East Finance

- 4.20. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by an investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.

Ratio of Financing Costs to Net Revenue Stream	31/03/25 Actual	31/03/26 Estimate	31/03/27 Estimate	31/03/28 Estimate
Financing Costs (£m)	29.0	30.5	36.1	39.8
Proportion of net revenue stream %	<b>7.33</b>	<b>7.58</b>	<b>8.75</b>	<b>9.37</b>

Source: Cheshire East Finance

# 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. At FR3, the closing balance at 31 March 2025 was forecast to be £0.5m.
- 5.3. During 2024/25, transfers from Earmarked Reserves were made of £13.7m to support the revenue budget. A net total of £11.7m has been drawn down to support the in-year deficit position, whilst a further £3.8m has been used to fund the Council Transformation expenditure.
- 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 £112.1m at 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, of which £6.5m has been used to fund expenditure specifically provided for by services. These balances fall within the forecasts approved during the MTFs budget setting process. The closing balance at 31 March 2025 for Earmarked Reserves is £23.3m, of which, £3.2m is ring-fenced for specific use.
- 5.6. The closing balance on General Fund Reserves at 31 March 2025, is £6.3m.
- 5.7. Total reserves available for Council use at 31 March 2025 are £29.6m.
- 5.8. 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 Balances****Adults and Health Committee**

Reserve Account	Opening Balance 01 April 2024 £000	Drawdowns / Transfers to General Fund £000	In-year Net Movement £000	New Reserve Requests* £000	Closing Balance 31 March 2025 £000	Notes
<b><u>Adults Social Care Commissioning</u></b>						
PFI Equalisation - Extra Care Housing	2,857	(2,857)	0	0	0	Asper the MTFS, this reserve will be replenished over the 4 year MTFS period 2024-2028.
<b><u>Public Health</u></b>						
Public Health Reserve	2,369	0	0	835	3,204	Ring-fenced underspend to be invested in areas to improve performance against key targets.
<b>ADULTS AND HEALTH RESERVE TOTAL</b>	<b>5,226</b>	<b>(2,857)</b>	<b>0</b>	<b>835</b>	<b>3,204</b>	

\* All New Requests are subject to approval.

**Children and Families Committee**

Reserve Account	Opening Balance 01 April 2024 £000	Drawdowns / Transfers to General Fund £000	In-year Net Movement £000	New Reserve Requests* £000	Closing Balance 31 March 2025 £000	Notes
<b><u>Childrens Social Care</u></b>						
Domestic Abuse Partnership	131	0	(131)	0	0	To sustain preventative services to vulnerable people as a result of partnership funding in previous years.
<b><u>Strong Start, Family Help and Integration</u></b>						
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.
ILAC Spending Plan	0	0	0	456	456	To carry forward funding identified to fund the ILAC improvement plan which spans across two financial years.

<b>CHILDREN AND FAMILIES RESERVE TOTAL</b>	<b>1,724</b>	<b>0</b>	<b>(1,724)</b>	<b>456</b>	<b>456</b>
--	--------------	----------	----------------	------------	------------

\* All New Requests are subject to approval.

### Corporate Policy Committee and Central Reserves

Reserve Account	Opening Balance 01 April 2024	Drawdowns / Transfers to General Fund	In-year Net Movement	New Reserve Requests*	Closing Balance 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<b><u>Corporate Directorate</u></b>						
Corporate Directorate Reserve	<b>1,164</b>	(1,164)	0	0	<b>0</b>	To support a number of widespread projects within the Corporate Directorate.
<b><u>Finance and Customer Service</u></b>						
Collection Fund Management	<b>8,154</b>	(1,235)	(1,799)	0	<b>5,120</b>	To manage cash flow implications as part of the Business Rates Retention Scheme.
Capital Financing Reserve	<b>4,531</b>	0	(2,289)	0	<b>2,242</b>	To provide for financing of capital schemes, other projects and initiatives
MTFS Reserve	<b>2,914</b>	(3,169)	255	0	<b>0</b>	Reserve balance has been released to the general fund to support the in-year deficit pressure
Brighter Futures Transformation Programme	<b>490</b>	(470)	(20)	0	<b>0</b>	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.
2025/26 Transformation 1	<b>0</b>	0	0	3,500	<b>3,500</b>	Additional reserve to support the 2025/26 Transformation Programme.
2025/26 Transformation 2	<b>0</b>	0	0	@Bal5,300	<b>5,300</b>	To cover the costs of the Transformation Programme to help mitigate anticipated one off cost impacts of change.
Section 31 Revenue Grants	<b>14</b>	(14)	0	0	<b>0</b>	Residual unspent revenue grants have been released to the general fund to support the in-year deficit.

## Corporate Policy Committee and Central Reserves Continued

Reserve Account	Opening Balance 01 April 2024	Drawdowns / Transfers to General Fund	In-year Net Movement	New Reserve Requests*	Closing Balance 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<b><u>Governance and Compliance</u></b>						
Insurance Reserve	3,098	(3,098)	0	314	314	To settle insurance claims and manage excess costs.
Elections General	132	0	0	300	432	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.
<b><u>Human Resources</u></b>						
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	(54)	0	0	0	Residual reserve balance has been released to the general fund to support the in-year deficit pressure
<b><u>ICT</u></b>						
Digital Solutions Architect	150	0	(76)	0	74	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.
ICT	0	0	0	300	300	To fund costs associated with Gemini / TOM
<b>CORPORATE POLICY AND CENTRAL RESERVE TOTAL</b>	<b>20,773</b>	<b>(9,276)</b>	<b>(3,929)</b>	<b>9,714</b>	<b>17,282</b>	

\* All New Requests are subject to approval.

## Economy and Growth Committee

Reserve Account	Opening Balance 01 April 2024	Drawdowns / Transfers to General Fund	In-year Net Movement	New Reserve Requests*	Closing Balance 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<b><u>Directorate</u></b>						
Place Directorate Reserve	1,164	(306)	(510)	70	418	To support a number of widespread projects within the Place Directorate.
Investment (Sustainability)	610	(40)	(21)	0	549	To support investment that can increase longer term financial independence and stability of the Council.
<b><u>Growth and Enterprise</u></b>						
Legal Proceedings	212	0	(33)	0	179	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	(129)	0	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	250	250	To fund Tatton Park playground through the Transformation Programme, and cover costs for vehicle replacement, maintenance and repair.
<b>ECONOMY AND GROWTH RESERVE TOTAL</b>	<b>2,777</b>	<b>(1,008)</b>	<b>(693)</b>	<b>320</b>	<b>1,396</b>	

\* All New requests are subject to approval.

## Environment and Communities Committee

Reserve Account	Opening Balance 01 April 2024	Drawdowns / Transfers to General Fund	In-year Net Movement	New Reserve Requests*	Closing Balance 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<b><u>Environment and Neighbourhood Services</u></b>						
Strategic Planning	568	(281)	0	0	287	To meet costs associated with the Local Plan - site allocations, minerals and waste DPD.
Trees / Structures Risk Management	139	(55)	0	0	84	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	0	0	36	Air Quality Management - DEFRA Action Plan. Relocating electric vehicle charge point in Congleton.
Licensing Enforcement	8	0	2	0	10	Three year reserve to fund a third party review and update of the Cheshire East Council Taxi Licensing Enforcement Policies.
Flood Water Management (Emergency Planning)	2	0	0	0	2	Relating to Public Information Works.
Neighbourhood Planning	82	(41)	0	0	41	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	0	22	Committed expenditure on voluntary litter picking equipment and electric blowers.
<b>ENVIRONMENT AND NEIGHBOURHOOD RESERVE TOTAL</b>	<b>870</b>	<b>(390)</b>	<b>2</b>	<b>0</b>	<b>482</b>	

\* All New Requests are subject to approval.

## Highways and Transport Committee

Reserve Account	Opening Balance 01 April 2024	Drawdowns / Transfers to General Fund	In-year Net Movement	New Reserve Requests*	Closing Balance 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<b><u>Highways and Infrastructure</u></b>						
Rail and Transport Integration	385	(185)	(200)	0	0	To support the Council's committed costs to the rail and transport networks across the borough.
Flood Risk Adverse Weather Events	400	0	0	0	400	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)	(1)	0	83	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	0	19	Contribution to LEP transport studies/consultancy. Ongoing working around Transport Legacy issues.
<b>ECONOMY AND GROWTH RESERVE TOTAL</b>	<b>908</b>	<b>(205)</b>	<b>(201)</b>	<b>0</b>	<b>502</b>	

\* All New Requests are subject to approval.

## Total Reserves

Reserve Account	Opening Balance 01 April 2024	Drawdowns / Transfers to General Fund	In-year Net Movement	New Reserve Requests*	Closing Balance 31 March 2025	Notes
	£000	£000	£000	£000	£000	
Total Earmarked Reserves	32,278	(13,736)	(6,545)	11,325	23,322	
General Fund Reserve	5,580	13,736	(15,481)	2,473	6,308	
<b>RESERVE TOTAL</b>	<b>37,858</b>	<b>0</b>	<b>(22,026)</b>	<b>13,798</b>	<b>29,630</b>	

\* All New Requests are subject to approval.

# Section 6: Treasury Management

## Management of Council Reserves

- 6.1 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.
- 6.2. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 6.3. Investments held for service purposes or for commercial profit are considered in the Investment Report (see **Section 9**).

## 1. External Context

- 6.4. **Economic background:** Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook. The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 to 1% from 2%. However, it upgraded its predictions for the four subsequent years. Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before seen as falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions and President Trump.
- 6.5. UK annual Consumer Price Index (CPI) Inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices at 2.8% in February 2025, down from 3% in the previous month and below expectations. Core CPI also remained elevated falling slightly in February to 3.5%, just below expected 3.6% but higher than the last 3 months of 2024.
- 6.6. The UK economy Gross Domestic Product (GDP) grew by 0.1% between October and December 2024, unrevised from the initial estimate. This was an

improvement on the zero growth in the previous quarter, but down from the 0.4% growth between April and June 2024. The economy was estimated to have contracted by 0.1% in January 2025, worse than the expectations for a 1% gain.

- 6.7. The labour market continued to cool, but the ONS data still requires treating with caution. Recent data showed the unemployment rate rose to 4.4% (3mth/year) in the three months to January 2025 while the economic inactivity rate fell again to 21.5%. The ONS reported pay growth over the same three-month period at 5.9% for regular earnings (excluding bonuses) and 5.8% for total earnings.
- 6.8. The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak. At the March MPC meeting, members voted 8-1 to maintain Bank Rate at 4.5%, with the one dissenter preferring another 25 basis points cut. The meeting minutes implied a slightly more hawkish tilt compared to February when two MPC members wanted a 50bps cut. In the minutes, the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%
- 6.9. The February Monetary Policy Report (MPR) showed the BoE expected GDP growth in 2025 to be significantly weaker compared to the November MPR. GDP is forecast to rise by 0.1% in Q1 2025, less than the previous estimate of 0.4%. Four-quarter GDP growth is expected to pick up from the middle of 2025, to over 1.5% by the end of the forecast period. The outlook for CPI inflation showed it remaining above the MPC's 2% target throughout 2025. It is expected to hit around 3.5% by June before peaking at 3.7% in Q3 and then easing towards the end of the year, but staying above the 2% target.
- 6.10. Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall throughout 2025. Further to the cut in May to 4.25%, it is anticipated that other cuts will follow in line with MPR months to take Bank rate down to 3.75% by the end of 2025.
- 6.11. **Financial Markets:** Financial market sentiment was reasonably positive over most of the period but economic, financial and geopolitical issues meant the trend of market volatility remained. In the latter part of the period, volatility increased and bond yields started to fall following a January peak, as the economic uncertainty around likely US trade policy impacted financial markets. Yields in the UK and US started to diverge in the last month of the period, with the former rising around concerns over the fiscal implications on the UK government from weaker growth, business sentiment and higher rates, while the latter started falling on potential recession fears due to the unpredictable nature of policy announcements by the US President and their potential impact. Since then, the US announced 'reciprocal tariffs', the immediate aftermath of which saw stock prices and government bond yields falling and introduced further uncertainty over the economic outlook.

- 6.12. **Credit Review:** Due to improving credit conditions our treasury advisors, increased their recommended maximum unsecured duration limit on most banks on its counterparty list to 6 months from the previous limit of 100 days.
- 6.13. Credit default swap prices were generally lower over the period but did start to rise modestly in March but not to any level causing concern. Price volatility over the period was also generally more muted compared to previous periods.
- 6.14. Financial market volatility is expected to remain a feature, at least in the near term and credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review

## 2. Local Context

- 6.15. As at 31 March 2025 the Authority has borrowings of £414m and investments of £39m. Forecast changes in these sums are shown in the balance sheet analysis in **Table 1** below.

**Table 1: Balance Sheet Summary and Forecast**

	31/03/25 Actual £m	31/03/26 Estimate £m	31/03/27 Estimate £m	31/03/28 Estimate £m	*
General Fund CFR	538	578	597	609	
Less: Other long term liabilities *	(17)	(17)	(15)	(14)	
<b>Loans CFR</b>	<b>521</b>	<b>561</b>	<b>582</b>	<b>595</b>	
Less: External borrowing **	(396)	(163)	(133)	(119)	
<b>Internal (over) borrowing</b>	<b>126</b>	<b>398</b>	<b>448</b>	<b>477</b>	
Less: Usable reserves	(122)	(113)	(108)	(119)	
Less: Working capital	(47)	(50)	(50)	(51)	
<b>(Treasury Investments) or New borrowing</b>	<b>(44)</b>	<b>235</b>	<b>290</b>	<b>307</b>	

\*finance leases and PFI liabilities that form part of the Authority's debt

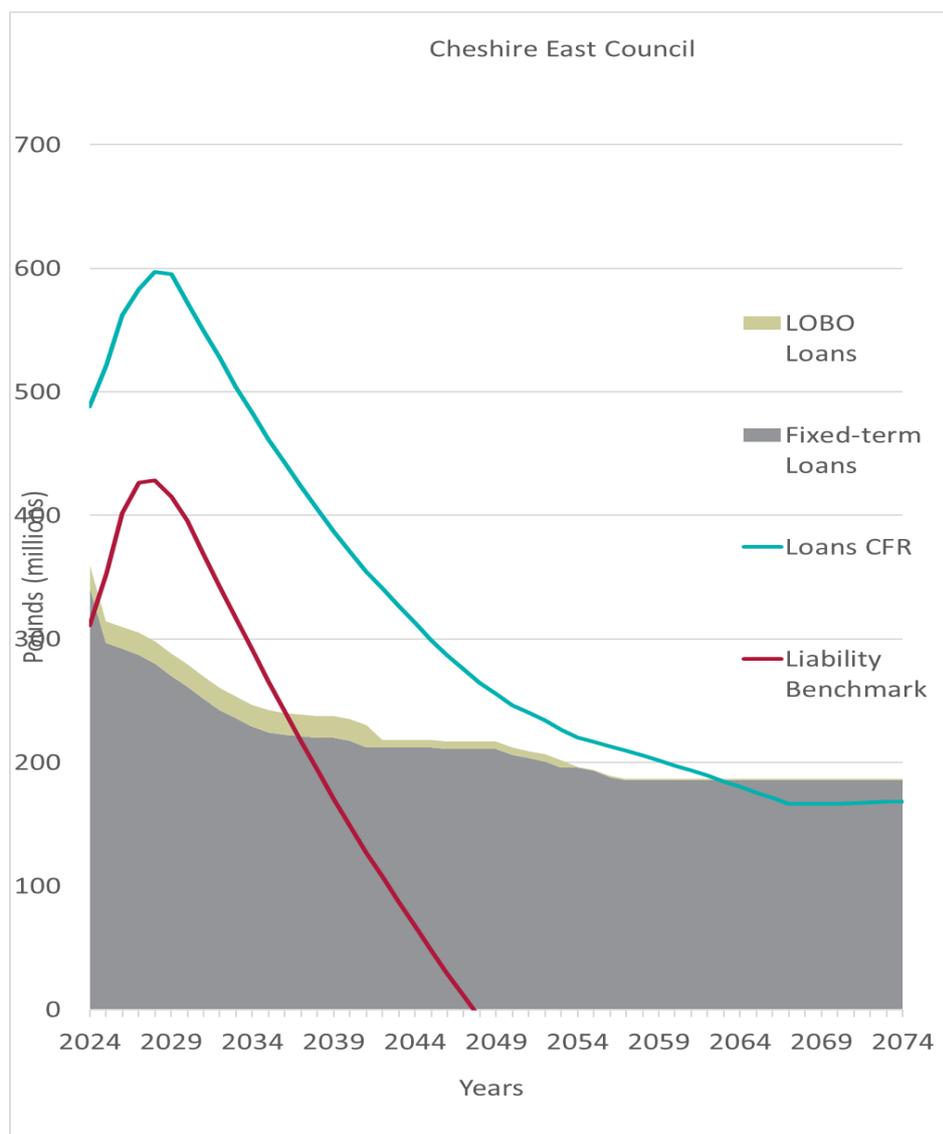
\*\* shows only loans to which the Authority is committed and excludes optional refinancing

- 6.16. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 6.17. CIPFA's Prudential Code for Capital Finance recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. **Table 1** shows that the Authority expects to comply with this recommendation.
- 6.18. **Liability Benchmark:** To compare the Councils actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £20m at each year-end to maintain a core strategic investment.

**Table 2: Liability Benchmark**

	31/03/25 Actual £m	31/03/26 Estimate £m	31/03/27 Estimate £m	31/03/28 Estimate £m
Loans CFR	521	561	582	595
Less: Usable reserves	(122)	(113)	(103)	(103)
Less: Working capital	(47)	(50)	(50)	(51)
Plus: Minimum investments	20	20	20	20
<b>Liability Benchmark</b>	<b>372</b>	<b>418</b>	<b>444</b>	<b>446</b>

Chart 1: Liability benchmark



### 3. Borrowing Strategy

- 6.19. CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.
- 6.20. The Authority has not, and is not planning to borrow to invest primarily for commercial return and so is unaffected by the changes to the Prudential Code
- 6.21. The Authority currently holds loans of £397m, an increase of £60m since 31 March 2024. This increase is primarily due to continued capital expenditure including use of grants received in advance and increasing Dedicated Schools Grant deficit.

- 6.22. The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt.
- 6.23. Interest rates have seen substantial rises over the last 3 years which has significantly increased the cost of borrowing. Borrowing costs have begun to fall and the expectation is that they will continue to fall although market uncertainty may impact on the timing of any reductions.
- 6.24. The cost of short-term borrowing from other local authorities has generally followed Base Rate over the year. However, liquidity in the market from October onwards caused rates to increase disproportionately compared to underlying Base Rates. The Council's application for Exceptional Financial Support also reduced the credit quality of the Council to some lenders which exacerbated the shortage of liquidity available. As a result some PWLB borrowing was undertaken with a mix of 1-2 year maturity loans and 2-3 year Equal Instalments of Principal (EIP) repayment loans. The average rate payable on these loans is 4.84%. This provides some surety of cost at lower rates than we could otherwise have achieved at the time and reduces over-reliance on short term borrowing. The relatively short period of these PWLB loans should provide opportunities to refinance at lower cost if rates fall in line with expectations.
- 6.25. The cost of short term borrowing in 2024/25 is 5.29% which is an increase from 4.82% in 2023/24. The average rate paid on all borrowing was 5.03%.
- 6.26. **LOBO's:** The Authority holds £17m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS had options during 2024/25. Some LOBO providers have exercised their options but this has not been the case with our loans. Discussions with the provider indicates that they are unlikely to change their position.

## 4. Investment Strategy

- 6.27. The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. Due to the overriding need for short term borrowing, other than £20m invested strategically in managed funds, the investments are generally short term for liquidity purposes.
- 6.28. The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 6.29. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. The maximum amount and duration of investments with any institution depends on the organisations credit rating, the type of investment and for banks and building societies, the security of the investment.

Generally credit rated banks and building societies have been set at a maximum value of £6m for unsecured investments and £12m for secured investments. Any limits also apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £12m per fund. All potential counterparties are kept under continual review by our treasury advisors and advisory lower limits than those contained in the strategy are applied.

- 6.30. Treasury Management income for 2024/25 is £3,290,000 which is higher than the budgeted £1,870,000. However, borrowing costs are also higher than budgeted at £18.9m compared to budget of £16.1m.
- The average daily investment balance including managed funds during 2024/25 is £65.0m
  - The average annualized interest rate received on in-house investments during 2024/25 is 4.96%
  - The average annualized interest rate received on the externally managed funds during 2024/25 is 5.43%
- 6.31. The Authority's total average interest rate on all investments in 2024/25 is 5.10%. The return is below our own performance target of 5.45% (average Base Rate + 0.50%) due to the short term nature of most of our investments. However, we do compare favourably to the Sterling Over Night Interest Average (SONIA) rate.

**Table 3 – Interest Rate Comparison**

Comparator	Average Rate 2024/25
Cheshire East	5.10%
SONIA	4.90%
Base Rate	4.95%
Target Rate	5.45%

- 6.32. As the Authority holds reserves and working capital, £20m of this has been placed in strategic investments in order to benefit from higher income returns whilst spreading risk across different asset classes.
- 6.33. The investments are in five different funds which are all designed to give an annual income return higher than cash investments but which have different underlying levels of volatility. By spreading investments across different types of fund, the intention is to dampen any large fluctuations in the underlying value of the investments.

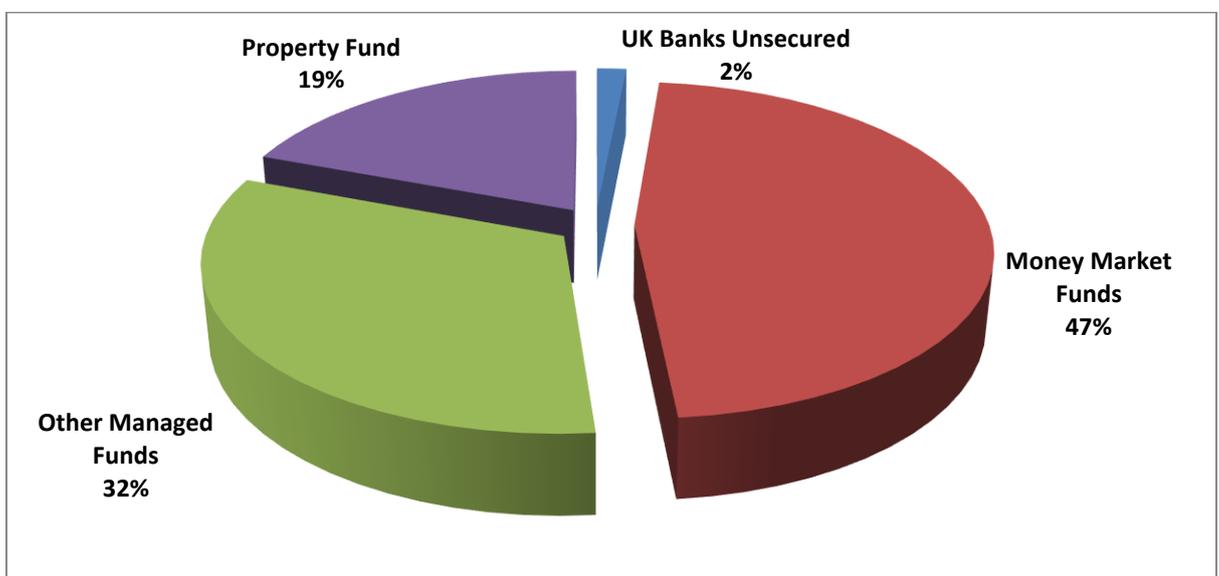
**Table 4 –Strategic Investments**

Fund Manager	Asset Class	Invested £m	31/03/25 Value £m
CCLA	Property	7.5	7.4
Aegon	Multi Asset	5.0	4.6

Fund Manager	Asset Class	Invested £m	31/03/25 Value £m
Fidelity	Equity - Global	4.0	4.5
Schroders	Equity - UK	2.5	2.4
M & G	Bonds	1.0	0.8
<b>TOTAL</b>		<b>20.0</b>	<b>19.7</b>

- 6.34. The value of these investments does vary. Fund values had been affected by high inflation, low levels of GDP and market uncertainty following US announcements on global tariffs. However, the past year has shown a gradual improvement. All funds continue to deliver good levels of income return which, although were not significantly higher than cash investments in 2024/25, are expected to remain at this level as interest rates on cash deposits fall in 2025/26 and beyond.

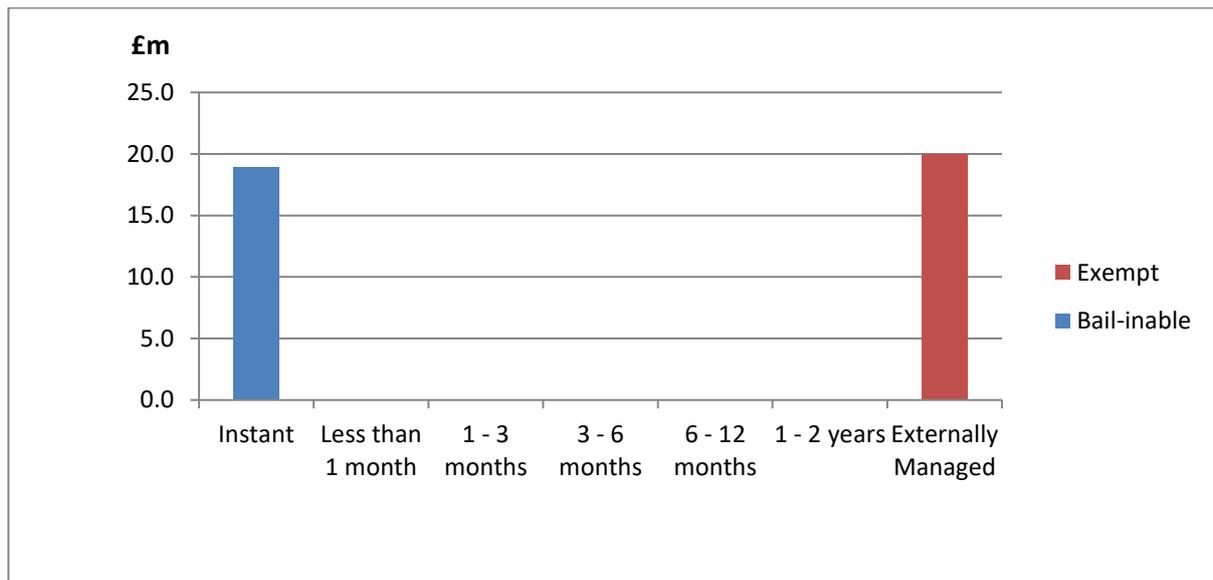
**Chart 2 – Current Investments by Counterparty Type**



**Table 5 – Types of Investments and Current Interest Rates**

Instant Access Accounts	Average Rate	£m
Money Market Funds	4.54%	18.3
Banks	4.34%	0.6
Externally Managed Funds		£m
Total – see table 4	5.43%	20.0
Summary of Current Investments		£m
<b>TOTAL</b>	<b>4.93%</b>	<b>38.9</b>

Chart 3 – Maturity Profile of Investments



6.35. Note: Bail-inable means that in the event of default the counterparty may be required to use part of the investments as their own capital in which case the Council would not get back as much as they invested. This would apply with most bank and Building Society investments.

## Treasury Management Indicators

- 6.36. The Authority measures and manages its exposures to treasury management risks using the following indicators.
- 6.37. **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limit on the one-year revenue impact of a 1% rise in interest rates is:

Interest Rate Risk Indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£2,270,000
Actual impact in 2024/25 of changes in interest rates compared to budget	£250,000

6.38. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates. Borrowing and

investment rates during 2024/25 were broadly in line with the budgeted expectations.

- 6.39. **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. Lower limits have been set at 0%. The upper limits on the maturity structure of borrowing and the actual maturity profiles as at 31 March 2025 are:

Refinancing rate risk indicator	Upper Limit	Actual
Under 12 months	75%	59%
12 months and within 24 months	75%	8%
24 months and within 5 years	75%	9%
5 years and within 10 years	75%	12%
10 years and within 20 years	100%	5%
20 years and above	100%	7%

- 6.40. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 6.41. **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period are:

Price Risk Indicator	2024/25	2025/26	2026/27
Limit on principal invested beyond year end	£25m	£15m	£10m
Actual amounts committed beyond year end	£0m	£0m	£0m

## Annex A: Existing Investment & Debt Portfolio Position

	31/03/25 Actual Portfolio £m	31/03/25 Average Rate for the year %
<b>External Borrowing:</b>		
PWLB – Fixed Rate	201	4.79%
Local Authorities	170	5.30%
LOBO Loans	17	4.63%
Other	9	4.91%
<b>Total External Borrowing</b>	<b>397</b>	<b>5.03%</b>
<b>Other Long Term Liabilities:</b>		
PFI	17	-
<b>Total Gross External Debt</b>	<b>414</b>	<b>-</b>
<b>Investments:</b>		
<i>Managed in-house</i>		
Short-term investments:		
Instant Access	19	4.96%
<i>Managed externally</i>		
Property Fund	7.5	4.91%
Multi Asset Fund	5	5.53%
Equity - Global	4	5.95%
Equity - UK	2.5	6.47%
Bonds	1	4.13%

<b>Total Investments</b>	<b>39</b>	<b>5.10%</b>
<b>Net Debt</b>	<b>375</b>	<b>-</b>

# Section 7: Investment Strategy

## Purpose

- 7.1 The Authority is required to present an Investment Strategy to Council on an annual basis. It does this via the MTFS approval process. This short summary updates the tables included in the main Investment Strategy. For a more detailed commentary please see the main Strategy within the published MTFS document.
- The purpose of the Investment Strategy is to:
  - set out the Council's approach to managing investments,
  - establish financial limits for various classifications of investment,
  - recognise the role and responsibilities of the Finance Sub-Committee and its position as the main conduit through which investment opportunities should be considered.
- 7.2 The definition of an investment covers all the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.
- 7.3 The Council has a Capital Strategy (prepared in line with the requirements of the Prudential Code); and a Treasury Management Strategy (prepared in line with the requirements of the Treasury Management Code) – relevant disclosures are made within each document.
- 7.4 Consequently, this Investment Strategy is part of a suite of related documents and focuses predominantly on matters not covered by the Capital Strategy and Treasury Management Strategy.

## Investment Indicators

- 7.5 The Authority has set the following quantitative indicators to allow elected Members and the public to assess the Authority's total risk exposure arising from its investment decisions.
- 7.6 **Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third-party loans.

<b>Table 1 Total investment exposure</b>	<b>31/03/24 Actual</b>	<b>31/03/25 Actual</b>	<b>31/03/26 Forecast</b>
Treasury management investments	41,940	38,900	40,000
Service investments: Loans	26,722	26,637	26,567
Service investments: Shares	3,270	1,960	1,960
Commercial investments: Property	22,295	21,815	21,815
Commercial Investments: Loans	3,491	3,147	2,792
<b>TOTAL INVESTMENTS</b>	<b>97,718</b>	<b>92,459</b>	<b>93,134</b>
Commitments to lend	6,013	6,013	6,013
<b>TOTAL EXPOSURE</b>	<b>103,731</b>	<b>98,472</b>	<b>99,147</b>

- 7.7 The Council has total investments exposure estimated at £98m by March 2025 (£59m excluding treasury management), of which £22m relates to property investment backed by physical assets with an income stream and alternative use. Other investments are loans for economic development purposes; and due to their nature, they are not a material element of our budgeting for interest income within the MTFS.
- 7.8 **How investments are funded:** Currently the Authority's investments are largely funded by usable reserves and income received in advance of expenditure. Prudential borrowing is being used in limited circumstances and performance is closely monitored.

<b>Table 2 Investments funded by borrowing</b>	<b>31/03/24 Actual</b>	<b>31/03/25 Actual</b>	<b>31/03/26 Forecast</b>
Treasury management investments	0	0	0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	20,089	19,330	18,820
Commercial Investments: Loans	3,491	3,147	2,792
<b>TOTAL FUNDED BY BORROWING</b>	<b>23,580</b>	<b>22,477</b>	<b>21,612</b>

- 7.9 **Rate of return received:** In part this indicator shows, for Treasury Management and Commercial Property investments, the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the nature of the local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

<b>Table 3 Investments net rate of return</b>	<b>2023/24 Actual</b>	<b>2024/25 Actual</b>	<b>2025/26 Forecast</b>
Treasury management investments	5.21%	5.10%	4.30%
Service investments: Loans	-2.44%	0.23%	0.00%
Service investments: Shares	NIL	NIL	NIL
Commercial investments: Property	3.20%	3.30%	3.50%
Commercial Investments: Loans	3.13%	3.13%	3.13%

- 7.10 The return for Service Investments: Loans is not a true return but is instead based largely on the % fluctuation in the underlying value of the new assets within the Life Science Fund. As such they do not reflect actual cashflows. In addition there are a number of non-interest bearing loans.
- 7.11 Typically, a return on a share would be based upon the dividend yield and there have been no dividends paid. Therefore, this has been shown as Nil. There has been a downward revaluation of property assets at Alderley Park which has impacted the underlying asset value that we show in Table 5 below. We will continue to monitor for signs of recovery, but the underlying asset value remains more than the Authority paid for the shares.
- 7.12 The major assets included within Commercial Investments: Properties, representing over 90% of the value in that classification, are two commercial retail properties. Whilst we will see fluctuations year-on-year given the pressures on 'bricks and mortar retail', the Council will only experience an impact on its Revenue Account if a site becomes vacant for a prolonged period or is subject to a (lower) rent review.
- 7.13 From the perspective of the Council one of the tenants affected is a home improvements retailer and the second is a national supermarket retailer. Both tenants have thus far weathered the local economic effects of recent years though we have experienced further reductions in asset value in the last financial year. As the lease term reduces this may continue until the leases are renewed.
- 7.14 Much of the investment returns for Commercial Investments relates to rent on these two assets. Rental income on both has held up during the year. Overall returns are affected by the need to offset prudential borrowing costs against the income. However, as this is the major income bearing category of investment more attention needs to be diverted to ensure that occupancy and income are maximised and secured for the long term.
- 7.15 The Commercial investments: Loans are at the expected level of return given the rates in place when they were established.

## Treasury Management Investments

- 7.16 Full details of the Authority's policies and plans for 2025/26 for treasury management investments are covered in the separate Treasury Management Strategy.

## Service Investments: Loans

7.17 **Contribution:** The Council lends money to other organisations to support local public services and stimulate economic growth. These are shown below in Table 4. No new loans were issued in the year though there were movements on existing loans and write offs of historic balances.

Table 4 Loans for service purposes Category of borrower	31/03/24 Actual £000	31/03/25 Actual £000	31/03/25 Actual £000	31/03/25 Forecast £000	2025/26 £000
		Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	0	0	0	0	2,000
Suppliers	23	0	0	0	500
Local businesses	26,470	26,531	61	26,470	30,000
Local charities	158	106	11	95	2,500
<b>TOTAL</b>	<b>26,651</b>	<b>26,637</b>	<b>72</b>	<b>26,565</b>	<b>35,000</b>

## Service Investments: Shares

7.18 **Contribution:** The Council invests in the shares of its subsidiaries and local businesses to support local public services and stimulate local economic growth.

7.19 The Authority invested in Alderley Park Holdings Limited to maintain and stimulate this key strategic site within the borough. Cheshire East is a minority 10% shareholder. This should be seen as a long-term strategic investment with no dividend returns. Valuations are based upon the change in value of our share of the underlying assets. There is a lag between the forecasts used for the Investment Strategy and finalisation of the Council's accounts. Consequently, the value fell from a forecast of £3,270K to an actual of £1,960K, a fall in value of £1,310K, or 40%. This fall is continuing and accelerating a downward trend, and steps will be taken to ascertain the strategy for reversing this trend.

7.20 Currently, the valuation (see Table 5) remains greater than the purchase price and the underlying assets at Alderley Park remain strong, with a pipeline of future investments in place. A gain or loss to the Council's Revenue and Capital Receipts accounts would only crystallise in the event of divesting our equity stake.

Table 5 Shares held for service purposes Category of company	31/03/24 actual £000	31/03/25 actual £000	31/03/25 Actual £000	31/03/25 Actual £000	2025/26 £000
---	----------------------------	----------------------------	----------------------------	----------------------------	-----------------

	Value in accounts	Amounts invested	Total Gains/ (Losses)	Value in accounts	Approved Limit (at cost)
Local businesses	3,270	1,070	890	1,960	10,000
<b>TOTAL</b>	<b>3,270</b>	<b>1,070</b>	<b>890</b>	<b>1,960</b>	<b>10,000</b>

## Commercial Investments: Property

7.21 For the purpose of this Strategy, it should be noted that property is defined as an investment if it is held primarily or partially to generate a profit. To comply with accounting classifications, the Authority includes several assets in Table 6 that might otherwise be excluded as they are not being held to primarily generate a yield or return.

7.22 **Contribution:** The Council invests in local commercial property and land, for a number of reasons. The intention of making a profit that will be spent on local public services is largely a by-product and is not the primary reason.

7.23 We have revisited the historic purchase costs of the assets included in the categories below. For those that were inherited by Cheshire East Council we have used the valuation at 2009/10. This is to allow for a simple calculation of yield.

7.24 The value of properties is updated annually. The most recent valuation is from March 2024 and saw continuing falls to commercial property valuations. The most significant correction came with retail property, and this category is now valued at less than purchase cost. The main driver for the fall in is the reduced number of years remaining on an existing lease. This increases the risk of non-renewal thereby lowering the valuation. The downward trend is expected to continue in 2025 until a new tenancy agreement is agreed. No revised valuation for 2025 is currently available. The figures will be updated in future reports. There has also been a disposal of office property in the year.

Table 6 Property held for investment purposes Property	Actual Purchase cost	31/03/24 actual Gains or (losses) in-year	31/03/24 actual Value in accounts (includes gains/ (losses) to date	31/03/25 expected Gains or (losses)	31/03/25 expected Value in accounts
Industrial Units	1,492	122	1,740	-	1,740
Enterprise Centres	245	20	345	-	345
Retail	23,300	(2,358)	19,730	-	19,730
Office	240	(26)	480	(480)	-
<b>Total</b>	<b>25,277</b>	<b>(2,242)</b>	<b>22,295</b>	<b>(480)</b>	<b>21,815</b>

## Commercial Investments: Loans

- 7.25 **Contribution:** The Authority has worked alongside Cheshire West and Chester Council and Warrington Borough Council to each provide Enterprise Cheshire & Warrington Ltd with a £10m loan facility to be used to invest in economic development schemes across the Enterprise Zones in the sub-region.
- 7.26 There is currently one loan in place and has been used to fund development of Alderley Park. The purpose is to stimulate economic development, and payback of the loans will be achieved from Business Rates retained by the LEP under Enterprise Zone regulations. Whilst the balance of the facility is still available there are no imminent plans to draw down further amounts.

<b>Table 7 Loans for commercial purposes Category of borrower</b>	<b>31/03/24 Actual</b>	<b>As at 31/03/25 Actual Balance owing</b>	<b>As at 31/03/25 Actual Loss allowance</b>	<b>As at 31/03/25 Actual Net figure in accounts</b>	<b>2025/26 Approved Limit</b>
Partner Organisations	3,351	3,147	126	3,021	10,000
<b>TOTAL</b>	<b>3,351</b>	<b>3,147</b>	<b>126</b>	<b>3,021</b>	<b>10,000</b>

## Loan Commitments and Financial Guarantees

- 7.27 As Accountable Body for Enterprise Cheshire & Warrington, the Council is acting as Entrusted Entity to a £20m European Regional Development Fund supported 'Evergreen' Development Fund, which has issued loans to third parties. The Council, as contracting party, provides guarantees in respect of the amounts provided through ERDF.
- 7.28 The Fund is designed to provide loan finance to specific projects across Cheshire and the north west and will not generate a return for the Authority. The balances are included this year within Service Investments: Loans (see Table 4 above).

## Proportionality

- 7.29 A major concern for external governing bodies is the extent to which Authorities are dependent upon investment income to fund services. Proportionality forms a key component of the Prudential Code.
- 7.30 Historically, the Authority has not been materially dependent on return-generating investment activity to achieve a balanced revenue budget. However, in the context of the current financial situation faced by the Authority and the sector, those returns will become an important factor in the ability to set a balanced budget. Whilst the proportion of the net revenue budget was consistently low and deemed immaterial this could change and should it fail to achieve the expected net return, the Authority's contingency plans for continuing to provide these services include effective budget management and tight cost control could become more difficult to achieve. Therefore, more emphasis needs to be placed on managing the portfolio and securing an income stream or reviewing exit strategies.

## Capacity, Skills and Culture

- 7.31 **Elected Members and Statutory Officers:** Adequate steps are taken to ensure that those elected Members and statutory officers involved in the investment decision making process have appropriate capacity, skills and information to enable them to: 1. take informed decisions as to whether to enter into a specific investment; 2. to consider individual assessments in the context of the strategic objectives and risk profile of the local authority; and 3. to enable them to understand how the quantum of these decisions have changed the overall risk exposure of the local authority.
- 7.32 The Finance Sub-Committee comprising Members, supported by officers and where necessary external advisors, provides oversight of the Investment Strategy and acts on recommendations from officers that consider opportunities to enhance the Revenue and Capital Budgets of the Council through strategic investments, whether that involves using capital / cash resources or borrowing and lending powers.
- 7.33 **Commercial deals:** Steps have been taken to ensure that those negotiating and reporting commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate. A team of officers from Place, Finance, Legal, and Procurement are responsible for ensuring that the framework is followed. Where appropriate staff are provided with additional training and up to date skills via CIPFA and other providers.
- 7.34 **Corporate governance:** Corporate governance arrangements have been put in place to ensure accountability, responsibility and authority for decision making on investment activities within the context of the Council's corporate values and Constitution.

## ANNEX 2



# Grants Register 2024/25

Results to end of March 2025

## Corporate Grants Register 2024/25

Children & Families Name of Grants received	Original Budget	Final Outturn	Change from Original Budget	Suppleme ntary Revenue Estimate reported
<b>Children &amp; Families: Schools - Ring-fenced (specific purpose)</b>				
Dedicated Schools Grant	183,309,155	178,734,274	-4,574,881	FR3
Pupil Premium Grant	4,958,000	5,018,268	60,268	
Pupil Premium Plus - Post 16 Funding	56,000	92,075	36,075	
Sixth Forms Grant	2,892,000	2,932,912	40,912	
Universal Infant Free School Meals (UIFSM)	1,928,000	1,832,376	-95,624	
Primary Physical Education Sports Grant	982,000	947,911	-34,089	
Teachers Pay Additional Grant	0	1,677,984	1,677,984	FR1
Teachers Pension Grant	0	2,617,416	2,617,416	FR1
COVID-19 Recovery Premium	900,000	245,118	-654,882	
School Led Tutoring Grant	295,000	98,335	-196,666	
School Improvement Monitoring & Brokering Grant FY 2025-26 - carried- forward	0	-264,917	-264,917	
School Improvement Monitoring & Brokering Grant FY 2023-24	0	364,002	364,002	
Milk Subsidy	21,000	0	-21,000	
Core Schools Budget Grant (CSBG)	0	2,502,001	2,502,001	See Table 1 above
Senior Mental Health Lead Training Grant	0	15,600	15,600	
S14 Experts and Mentors Programme Grant - carried-forward	0	6,500	6,500	
Delivering Better Value in SEND	408,000	115,234	-292,766	
National Professional Qualification Grant	0	15,800	15,800	
Early Years Supplementary Grant	0	-45,570	-45,570	
Early Years Budget Grant	0	202,522	202,522	
Early Years Teachers Pay Additional Grant	0	146,161	146,161	
<b>Total Children &amp; Families: Schools - Ring- fenced (specific purpose)</b>	<b>195,749,155</b>	<b>197,254,002</b>	<b>1,504,847</b>	
<b>Children &amp; Families: Children's Services - Ring-fenced (specific purpose)</b>				
Asylum Seekers	3,700,000	2,946,667	-753,333	
Asylum Seekers - difference between estimated grant income relating to 2023/24 and actual	0	111,651	111,651	
Supporting Families (previously Tackling Troubled Families) Payment By Results	0	409,600	409,600	
Supporting Families (Payments by Results) Upfront Grant	720,000	785,100	65,100	

Children & Families Name of Grants received	Original Budget	Final Outturn	Change from Original Budget	Suppleme ntary Revenue Estimate reported
Supporting Families Payments by Results/Upfront Grant - Carry forward to 2025-2026	0	-1,729,854	-1,729,854	
Reducing Parental Conflict Grant - Accrual Reversal from 2023-2024	0	-13,320	-13,320	
Reducing Parental Conflict Grant	0	39,268	39,268	
Adoption Support Fund	70,000	137,257	67,257	
KS2 Moderation & KS1 Phonics	11,000	10,803	-197	
Independent Support Grant (CEIAS) FY2025-2026 c/f from previous years	0	-12,228	-12,228	
Independent Support Grant (CEIAS) FY2023-2024	0	12,228	12,228	
Skills & Lifelong Learning FY2025-2026 c/f from previous years	0	-163,355	-163,355	
Skills & Lifelong Learning FY2024-2025	897,000	995,113	98,113	
Supporting Families; Investing in Practice programme (Mockingbird Family Model)	0	115,284	115,284	
Remand Grant	107,000	120,308	13,308	
Domestic Abuse Safe Accommodation Housing Grant - carried-forward	0	-111,086	-111,086	
Domestic Abuse Safe Accommodation Housing Grant	676,000	675,643	-357	
Domestic Abuse Safe Accommodation Housing Grant - brought-forward	0	148,545	148,545	
Holiday Activities & Food Programme Grant	906,000	906,480	480	
Holiday Activities & Food Programme Grant - Grant carried forward to 2025-2026 for clawback	0	-50,258	-50,258	
Holiday Activities & Food Programme Grant adjustment 2023/24	0	141,202	141,202	
S31 Kinship Grant	0	20,000	20,000	
S31 Kinship Grant - Grant carried forward to 2025-26	0	-20,000	-20,000	
S31 Extension of the Role of Virtual School Heads to children with a social worker 2024/25	118,000	118,136	136	
S31 Extension of the Role of Virtual School Heads to children with a social worker 2024/25 - c/f to 2025/26	0	-118,136	-118,136	
S31 Extension of the Role of Virtual School Heads to children with a social worker 2023/24 - b/f prev year	0	118,136	118,136	
S31 Extension of the Role of Virtual School Heads to children with a social worker 2023/24 - c/f to 2025/26	0	-73,017	-73,017	
S31 Extension of the Role of Virtual School Heads to children with a social worker 2022-2023 - c/f from prev year	0	100,281	100,281	
Covid 19 - Recovery Premium Grant	0	51,286	51,286	

Children & Families Name of Grants received	Original Budget	Final Outturn	Change from Original Budget	Suppleme ntary Revenue Estimate reported
Covid 19 - Recovery Premium Grant - carried-forward	0	-51,286	-51,286	
Household Support Fund - Grant RIA 2023-2024 - To be clawed back in 2024-2025	0	43,312	43,312	
Household Support Fund - Grant received in year 2024-25 (incl clawback)	0	2,871,396	2,871,396	FR1/FR2
Household Support Fund - Grant Debtor 2024-25	0	1,493,076	1,493,076	FR1/FR2
Hong Kong UK Welcome Programme (British Nationals)	0	33,129	33,129	
Early Years - Delivery Support Fund - Carried forward from 2023-2024	0	90,278	90,278	
Early Years - Delivery Support Fund carried forward to 2025-26	0	-19,144	-19,144	
Early Years - Professional Development Programme	0	68,192	68,192	
Early Years - Professional Development Programme - Grant carried forward	0	-29,156	-29,156	
Early Years - Experts and Mentors Programme	0	7,050	7,050	
Early Years - Wraparound Childcare Programme	0	64,932	64,932	
Early Years - Wraparound Childcare Programme	587,000	516,397	-70,603	
Early Years - Wraparound Childcare Programme - Carry forward to 2025-2026	0	-350,172	-350,172	
Family Hubs Transformation Funding - Carried forward from 2023-2024	0	492,103	492,103	
Family Hubs Transformation Funding 2024-25	0	90,200	90,200	
Family Hubs Transformation Funding 2024-25 - Transferred to capital	0	-115,000	-115,000	
Family Hubs Transformation Funding 2024-25 - C/F to 2025-26	0	-38,892	-38,892	
Leaving Care Allowance Uplift Implementation Grant (New Burdens)	72,000	72,022	22	
Staying Close Award	602,000	602,060	60	
Staying Close Award - carried forward	0	-123,520	-123,520	
Supported Accommodation New Burdens Grant	174,000	619,672	445,672	
Enhance Programme Funding	350,000	330,244	-19,756	
Befriending and Mentoring Programme	0	316,599	316,599	
Social Worker Apprenticeship	0	1,125	1,125	
<b>Total Children &amp; Families: Children's Services - Ring-fenced (specific purpose)</b>	<b>8,990,000</b>	<b>12,656,352</b>	<b>3,666,352</b>	
<b>Children &amp; Families: Children's Services - Unring-fenced (general purpose)</b>				
Social Care Support Grant (Children)	9,166,000	9,216,863	50,863	
Staying Put Implementation Grant	0	130,125	130,125	

Children & Families Name of Grants received	Original Budget	Final Outturn	Change from Original Budget	Suppleme ntary Revenue Estimate reported
Extended Rights to Free Transport (Home to School Transport)	0	324,300	324,300	
Extended Personal Adviser Duty Implementation	0	57,414	57,414	
Extension of the role of Virtual School Heads	0	60,595	60,595	
<b>Total Children &amp; Families: Children's Services - Unring-fenced (general purpose)</b>	<b>9,166,000</b>	<b>9,789,297</b>	<b>623,297</b>	

Adults & Health Name of Grants received	Original Budget	Final Outturn	Change from Original Budget	Suppleme ntary Revenue Estimate reported
<b>Adults &amp; Health - Ring-fenced (specific purpose)</b>				
Additional Better Care (for Adult Social Care)	8,706,000	8,705,871	-129	
Market Sustainability and Fair Cost of Care Fund	979,000	979,180	180	
Market Sustainability and Fair Cost of Care Fund - top-up	4,098,000	4,267,358	169,358	
Market Sustainability and Fair Cost of Care Fund - Workforce Element	1,100,000	1,100,000	0	
Discharge Fund	2,021,000	2,034,248	13,248	
Multiply - Supported Employment - brought-forward	0	135,235	135,235	
Multiply - Supported Employment	536,000	414,483	-121,517	
Multiply - Supported Employment - carried-forward	0	-40,747	-40,747	
Supported Internship Grant	0	28,465	28,465	
Asylum Dispersal Scheme - brought forward	0	343,982	343,982	
Asylum Dispersal Scheme	0	459,000	459,000	FR2
Asylum Dispersal Scheme - carried forward	0	-496,156	-496,156	
Afghan - Wrap Around support - brought-forward	0	431,050	431,050	
Afghan - Wrap Around support - carried-forward	0	-153,381	-153,381	
Afghan - Resettlement support - brought-forward	0	403,723	403,723	

Adults & Health Name of Grants received	Original Budget	Final Outturn	Change from Original Budget	Suppleme ntary Revenue Estimate reported
Afghan - Resettlement support	132,000	501,215	369,215	
Afghan - Resettlement support - carried-forward	0	-1,044,138	-1,044,138	
Afghan - Integration Support	0	107,150	107,150	
Homes for Ukraine Scheme - brought-forward	0	211,411	211,411	
Homes for Ukraine Scheme	0	754,668	754,668	See Table 2 above
Homes for Ukraine Scheme - carried-forward	0	-166,300	-166,300	
Private Finance Initiative (PFI) credits	4,125,000	4,124,787	-213	
Private Finance Initiative (PFI) credits (Beechmere) - carried-forward	0	-1,288,996	-1,288,996	
National Grant from DHSC to fund LAs to create additional ASC apprenticeships	0	30,000	30,000	
<b>Total Adults &amp; Health - Ring-fenced (specific purpose)</b>	<b>21,697,000</b>	<b>21,842,108</b>	<b>145,108</b>	
<b>Adults &amp; Health - Unring-fenced (general purpose)</b>				
Social Care Support Grant (Adults)	16,414,000	16,385,551	-28,449	
Local Reform & Community Voices	207,000	207,874	874	
Social Care in Prisons	73,000	67,956	-5,044	
War Pension Scheme Disregard	60,000	58,635	-1,365	
<b>Total Adults &amp; Health - Unring-fenced (general purpose)</b>	<b>16,754,000</b>	<b>16,720,016</b>	<b>-33,984</b>	
<b>Adults &amp; Health: Public Health - Ring-fenced (specific purpose)</b>				
Public Health Grant	18,345,000	18,344,755	-245	
Public Health Grant - Top up	0	281,960	281,960	
OHID SSMTR Supplementary Substance Misuse Treatment & Recovery Grant	0	524,528	524,528	FR1
North West Probation Service funding for SMS rehabilitative and resettlement interventions	72,000	123,182	51,182	
CHAMPS Marmot Place Funding - encourage pregnant women to stop smoking - brought-forward	0	21,500	21,500	
CHAMPS SMS - inpatient detox	0	159,253	159,253	
Reducing cardio-vascular disease in Cheshire East	0	6,000	6,000	
Local stop smoking services and support	0	432,331	432,331	
Local stop smoking services and support - carried-forward	0	-42,850	-42,850	
<b>Total Adults &amp; Health: Public Health - Ring-fenced (specific purpose)</b>	<b>18,417,000</b>	<b>19,850,659</b>	<b>1,433,659</b>	

Corporate Policy Name of Grants received	Original Budget	Final Outturn	Change from Original Budget	Suppleme ntary Revenue Estimate reported
<b>Corporate Policy - Ring-fenced (specific purpose)</b>				
<b>Revenues and Housing Benefits:</b>				
Housing Benefit Subsidy	53,221,000	55,451,715	2,230,715	See Table 1 above
Discretionary Housing Payments Grant	349,000	348,661	-339	
Housing Benefit (HB) Award Accuracy Initiative	29,000	26,926	-2,074	
LADS - VEP (RTI) funding	14,000	8,071	-5,929	
New Burdens: Universal Credit, maintenance & natural migration	24,000	24,005	5	
Local Authority Data Sharing (LADS)	0	733	733	
LADS - New Burdens - Discretionary Housing Payments (DHP)	60,000	59,230	-770	
LADS - New Burdens - Benefit Cap	1,000	213	-787	
LADS - New Burdens - Single Fraud Investigation	0	911	911	
LADS - New Burdens - Single Housing Benefit Extract Automation	1,000	13,009	12,009	
Additional funding for the Verify Earnings and Pensions service for the financial year ending March 2025	0	4,704	4,704	
Additional New Burden: terminating Employment Support Allowance with Housing Benefit claims 2024/25	0	10,377	10,377	
HB Review Admin Payment	0	236	236	
Business Rates Reliefs Grant - NNDR1	23,442,000	10,629,000	-12,813,000	
Business Rates Reliefs Grant - additional at NNDR3	0	-940,052	-940,052	
New Burdens Administration Grant	0	27,640	27,640	
<b>Democratic Services:</b>				
Police and Crime Commissioner's Panel grant	0	65,260	65,260	
Police And Crime Commissioner Election 2021 Grant	0	84,427	84,427	
<b>Finance and Customer Services:</b>				
Redmond Review	0	51,396	51,396	
Cyber Support Grant	0	3,418	3,418	
Client-Level Data Flows Support	0	0	0	
<b>Total Corporate Policy - Ring-fenced (specific purpose)</b>	<b>77,141,000</b>	<b>65,869,880</b>	<b>-11,271,120</b>	
<b>Corporate Policy - Unring-fenced (general purpose)</b>				
Housing Benefit Administration Subsidy	720,000	706,572	-13,428	
NNDR Administration Allowance	586,652	578,438	-8,214	
New Homes Bonus	4,084,880	4,084,880	0	
Services Grant	271,000	296,984	25,984	
Local Government Transparency Code	0	13,071	13,071	
Debt Charges (Ministry of Justice)	0	38,882	38,882	
Electoral Integrity New Burdens	0	82,055	82,055	
Revenue Support Grant	414,000	414,069	69	

Corporate Policy Name of Grants received	Original Budget	Final Outturn	Change from Original Budget	Suppleme ntary Revenue Estimate reported
Business Rates Levy Surplus	0	356,734	356,734	
<b>Total Corporate Policy - Unring-fenced (general purpose)</b>	<b>6,076,532</b>	<b>6,571,685</b>	<b>495,153</b>	

Place Name of Grants received	Original Budget	Final Outturn	Change from Original Budget	Suppleme ntary Revenue Estimate reported
----------------------------------	--------------------	------------------	--------------------------------------	--

<b>Economy &amp; Growth - Ring-fenced (specific purpose)</b>				
Rough Sleeping Initiative	0	179,879	179,879	
Rough Sleeping Initiative	0	41,952	41,952	
Homelessness Prevention Grant	0	815,676	815,676	FR1
Homelessness Prevention Grant	0	238,686	238,686	FR1
Local Authority Housing Fund	0	3,230	3,230	
Shared Prosperity Fund - brought-forward	0	1,064,784	1,064,784	
Shared Prosperity Fund	5,868,000	2,634,087	-3,233,913	
Enterprise Cheshire & Warrington (ECW): Growth Hub Funding	0	234,285	234,285	
Enterprise Cheshire & Warrington (ECW): NP (Northern Powerhouse) 11	0	261,000	261,000	
Enterprise Cheshire & Warrington (ECW): Skills Bootcamp	0	2,229,214	2,229,214	FR3
Natural England - Stewardship scheme	2,000	1,690	-310	
Natural England - Stewardship scheme	7,000	7,512	512	
Apprentice Incentive Scheme	0	500	500	
Natural England - Stewardship scheme	0	111,020	111,020	
<b>Total Economy &amp; Growth - Ring-fenced (specific purpose)</b>	<b>5,877,000</b>	<b>7,823,515</b>	<b>1,946,515</b>	

<b>Environment &amp; Communities - Ring-fenced (specific purpose)</b>				
Bikeability Grant	0	294,307	294,307	
Planning Skills Delivery Fund - brought forward	0	100,000	100,000	
Neighbourhood Planning (Referendums)	0	30,000	30,000	
Air Quality Grant (Cycling) - brought- forward	0	4,047	4,047	
Section 31 grant - Biodiversity net gain	0	43,467	43,467	
DLUHC - Mobile Home Fit and Proper Person Test grant - brought forward	0	250	250	
XL Bully Ban Implementation Fund	0	6,759	6,759	
Fly Tipping Intervention	0	9,330	9,330	
<b>Total Environment &amp; Communities - Ring-fenced (specific purpose)</b>	<b>0</b>	<b>488,160</b>	<b>488,160</b>	

<b>Highways &amp; Transport - Ring-fenced (specific purpose)</b>				
Bus Capacity Grant - brought-forward	0	158,571	158,571	

Place Name of Grants received	Original Budget	Final Outturn	Change from Original Budget	Suppleme ntary Revenue Estimate reported
Bus Capacity Grant - carried-forward	0	-94,884	-94,884	
Bus Recovery Grant - brought-forward	0	150,000	150,000	
Bus Capability Grant - brought-forward	0	0	0	
Local Transport Fund	0	218,883	218,883	
Bus Support Grant - brought-forward	0	0	0	
Bus Support Grant	0	347,865	347,865	
Active Travel Capability Fund - brought-forward	0	196,339	196,339	
Active Travel Capability Fund - carried-forward	0	-49,856	-49,856	
Local Electric Vehicle Infrastructure (LEVI) - brought forward	0	229,510	229,510	
Local Electric Vehicle Infrastructure (LEVI) - 2024-25	0	159,490	159,490	
Local Electric Vehicle Infrastructure (LEVI) - carried forward	0	-377,471	-377,471	
Bus Service Improvement Plan+ (BSIP+) - brought forward	0	1,178,350	1,178,350	
Bus Service Improvement Plan+ (BSIP+) - Phase 2	0	1,187,596	1,187,596	FR1
Bus Service Improvement Plan+ (BSIP+) - Phase 3	0	2,268,000	2,268,000	FR1
Bus Service Improvement Plan+ (BSIP+) - Transfer to Capital	0	-450,000	-450,000	
Bus Service Improvement Plan+ (BSIP+) - carried forward	0	-3,448,795	-3,448,795	
Bus Fare Cap Grant - brought forward	0	1,415	1,415	
Bus Fare Cap - Mikro	0	1,474	1,474	
Bus Fare Cap 2024-25	0	1,543	1,543	
Bus Fare Cap 2024-25 additional	0	2,509	2,509	
Rural Mobility Fund - brought-forward	0	241,950	241,950	
Highways Tree Survey	0	3,359	3,359	
<b>Total Highways &amp; Transport - Ring-fenced (specific purpose)</b>	<b>0</b>	<b>1,925,848</b>	<b>1,925,848</b>	
<b>Total Ring-fenced Grants</b>	<b>327,871,155</b>	<b>327,710,523</b>	<b>-160,632</b>	
<b>Total Unring-fenced Grants</b>	<b>31,996,532</b>	<b>33,080,998</b>	<b>1,084,466</b>	

This page is intentionally left blank



# Capital Programme 2024/25

**Results to end of March 2025**

CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024/28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Adults Services</b>													
Community - Rural Shared Prosperity	361	81	280	0	0	0	280	280	0	0	0	0	280
Electronic Call Monitoring System	389	0	0	389	0	0	389	0	0	389	0	0	389
People Planner System	94	43	0	51	0	0	51	51	0	0	0	0	51
Replacement Care4CE Devices	93	65	0	28	0	0	28	28	0	0	0	0	28
<b>Total Committed Schemes</b>	<b>937</b>	<b>189</b>	<b>280</b>	<b>468</b>	<b>0</b>	<b>0</b>	<b>748</b>	<b>359</b>	<b>0</b>	<b>389</b>	<b>0</b>	<b>0</b>	<b>748</b>
<b>Total Adults and Health Schemes</b>	<b>937</b>	<b>189</b>	<b>280</b>	<b>468</b>	<b>0</b>	<b>0</b>	<b>748</b>	<b>359</b>	<b>0</b>	<b>389</b>	<b>0</b>	<b>0</b>	<b>748</b>

CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024/28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Childrens Social Care</b>													
Foster Carers Capacity Scheme	534	434	34	67	0	0	101	0	0	0	0	101	101
Crewe Youth Zone	4,826	395	175	4,256	0	0	4,431	3,584	0	0	0	847	4,431
Family Hubs Transformation	282	124	158	0	0	0	158	158	0	0	0	0	158
Children's Home Sufficiency Scheme	1,404	204	155	1,046	0	0	1,200	0	0	0	0	1,200	1,200
<b>Strong Start, Family Help &amp; Integration</b>													
Early Years Sufficiency Capital Fund	1,036	943	42	50	0	0	92	92	0	0	0	0	92
Childcare Capital Expansion	749	0	9	740	0	0	749	749	0	0	0	0	749
<b>Education and 14-19 Skills</b>													
Adelaide Academy	904	55	13	835	0	0	848	678	0	0	0	170	848
Basic Need Grant Allocation	7,551	10	7	7,534	0	0	7,541	7,541	0	0	0	0	7,541
Brine Leas High School	709	5	705	0	0	0	705	705	0	0	0	0	705
Cledford House	11	11	0	0	0	0	0	0	0	0	0	0	0
Congleton Planning Area	4,523	4,521	2	0	0	0	2	2	0	0	0	0	2
Congleton Planning Area - Primary (1)	2,209	179	0	2,030	0	0	2,030	764	1,266	0	0	0	2,030
Congleton Planning Area - Primary (2)	628	574	6	49	0	0	55	55	0	0	0	0	55
Congleton Planning Area - Primary (3)	7,504	4	0	49	2,200	5,250	7,499	4,299	3,200	0	0	0	7,499
Devolved Formula Grant - Schools	1,533	0	443	780	310	0	1,533	1,533	0	0	0	0	1,533
Energy Efficiency Grant - Schools	672	391	165	116	0	0	280	280	0	0	0	0	280
Future Schemes - Feasibility Studies	250	25	99	126	0	0	225	225	0	0	0	0	225
Handforth Planning Area - New School	13,003	3	6	494	4,000	8,499	12,999	135	12,864	0	0	0	12,999
Holmes Chapel Secondary School	3,659	3,664	-5	0	0	0	-5	-5	0	0	0	0	-5
Little Angels Satellite Sites	29	21	0	8	0	0	8	8	0	0	0	0	8

CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024/28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Education and 14-19 Skills</b>													
Macclesfield Academy Resource Provision	103	3	0	100	0	0	100	100	0	0	0	0	100
Macclesfield Planning Area - Secondary	1,157	1,148	10	0	0	0	10	0	10	0	0	0	10
Macclesfield Planning Area - Secondary New	731	5	1	725	0	0	725	725	0	0	0	0	725
Macclesfield Planning Area - New School	4,001	1	0	0	0	4,000	4,000	0	4,000	0	0	0	4,000
Malbank High School	1,922	1,897	0	25	0	0	25	25	0	0	0	0	25
Mobberley Primary School	1,208	35	2	609	561	0	1,172	872	0	0	300	0	1,172
Nantwich Planning Area (Primary Schools - 210	9,061	733	60	7,768	500	0	8,328	5,308	3,020	0	0	0	8,328
Oakfield Lodge & Stables	50	12	0	37	0	0	38	38	0	0	0	0	38
Poynton Planning Area	1,500	13	8	1,479	0	0	1,487	684	803	0	0	0	1,487
Provision of Sufficient School Places - SEND (Springfield Crewe)	7,182	3,861	3,113	208	0	0	3,322	0	0	0	0	3,322	3,322
Puss Bank SEN Expansion	532	520	0	12	0	0	12	0	0	0	0	12	12
Provision of SEN Unit - Wistaston Primary School	1,523	169	1,354	0	0	0	1,354	1,054	0	0	0	300	1,354
Sandbach Boys School	18	20	-2	0	0	0	-2	-2	0	0	0	0	-2
Sandbach Primary Academy	1,583	106	806	671	0	0	1,477	1,477	0	0	0	0	1,477
Schools Condition Capital Grant	7,600	1,227	199	4,175	2,000	0	6,373	6,373	0	0	0	0	6,373
SEN/High Needs Capital Allocation	4,790	168	19	4,603	0	0	4,622	4,622	0	0	0	0	4,622
Shavington Planning Area - New Primary School	8,040	156	6	1,094	6,784	0	7,884	5,549	2,335	0	0	0	7,884
Shavington Planning Area - Secondary	3,522	2,883	639	0	0	0	639	639	0	0	0	0	639
Springfield Satellite Site (Dean Row)	6,112	5,934	-114	292	0	0	178	0	0	0	0	178	178
The Dingle PS Expansion	1,395	1,135	238	22	0	0	260	260	0	0	0	0	260
Tytherington High School	2,806	172	36	2,597	0	0	2,633	2,633	0	0	0	0	2,633
Various SEN Sites - Small Works/Adaptations	150	0	1	149	0	0	150	150	0	0	0	0	150
Wheelock Primary School	2,411	201	689	1,521	0	0	2,210	1,751	460	0	0	0	2,210
Wilmslow High School BN	14,179	12,355	433	1,391	0	0	1,825	487	1,290	0	0	48	1,825
Wilmslow Primary Planning Area	626	1	0	625	0	0	625	125	500	0	0	0	625
<b>Total Committed Schemes</b>	<b>134,219</b>	<b>44,319</b>	<b>9,513</b>	<b>46,283</b>	<b>16,356</b>	<b>17,749</b>	<b>89,901</b>	<b>53,675</b>	<b>29,747</b>	<b>0</b>	<b>300</b>	<b>6,178</b>	<b>89,901</b>

CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024/28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>New Schemes</b>													
<b>Education and 14-19 Skills</b>													
New Satellite Special School - 1	6,000	0	17	5,983	0	0	6,000	6,000	0	0	0	0	6,000
New Satellite school - 2	9,000	0	13	987	5,000	3,000	9,000	9,000	0	0	0	0	9,000
New SEN places - 1	1,089	0	4	1,086	0	0	1,089	1,089	0	0	0	0	1,089
New SEN places - 2	25	0	0	25	0	0	25	25	0	0	0	0	25
New SEN places - 3	163	0	141	22	0	0	163	163	0	0	0	0	163
SEN New Free School	998	0	10	740	248	0	998	998	0	0	0	0	998
Gainsborough Primary - Flooring	304	0	17	287	0	0	304	304	0	0	0	0	304
New AP Free School	500	0	3	497	0	0	500	500	0	0	0	0	500
Leighton SEND Reception Adaptations	26	0	0	26	0	0	26	26	0	0	0	0	26
Park Lane Refurbishment additional SEND places	200	0	5	195	0	0	200	200	0	0	0	0	200
<b>Total New Schemes</b>	<b>18,305</b>	<b>0</b>	<b>209</b>	<b>9,848</b>	<b>5,248</b>	<b>3,000</b>	<b>18,305</b>	<b>18,305</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,305</b>
<b>Total Children and Families Schemes</b>	<b>152,524</b>	<b>44,319</b>	<b>9,722</b>	<b>56,131</b>	<b>21,604</b>	<b>20,749</b>	<b>108,205</b>	<b>71,980</b>	<b>29,747</b>	<b>0</b>	<b>300</b>	<b>6,178</b>	<b>108,205</b>

## CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>ICT Services</b>													
Accelerate Digital	1,460	0	282	1,177	0	0	1,460	0	0	0	0	1,460	1,460
Care Act Phase 2	6,314	4,599	657	1,058	0	0	1,715	0	0	0	0	1,715	1,715
Digital Customer Enablement	3,102	2,424	516	163	0	0	678	0	0	0	0	678	678
ICT Device Replacement	1,912	683	454	776	0	0	1,229	0	0	0	0	1,229	1,229
ICT Hybrid Model	3,449	445	1,314	1,690	0	0	3,004	0	0	0	0	3,004	3,004
IADM (Information Assurance and Data)	19,465	16,421	1,035	2,009	0	0	3,044	0	0	0	0	3,044	3,044
Infrastructure Investment Programme (IIP)	34,429	31,065	311	2,223	830	0	3,364	0	0	0	0	3,364	3,364
Vendor Management	1,006	765	3	239	0	0	241	0	0	0	0	241	241
<b>Finance &amp; Customer Services</b>													
Core Financials	11,317	9,365	894	765	293	0	1,952	0	0	0	0	1,952	1,952
Strategic Capital Projects		0	0	0	0	0	0	0	0	0	0	0	0
Vendor Management - Phase 2	99	24	0	25	50	0	75	0	0	0	0	75	75
<b>Total Committed Schemes</b>	<b>82,553</b>	<b>65,790</b>	<b>5,465</b>	<b>10,125</b>	<b>1,173</b>	<b>0</b>	<b>16,764</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,764</b>	<b>16,764</b>
<b>Total Corporate Policy Schemes</b>	<b>82,553</b>	<b>65,790</b>	<b>5,465</b>	<b>10,125</b>	<b>1,173</b>	<b>0</b>	<b>16,764</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,764</b>	<b>16,764</b>

CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Facilities Management</b>													
Public Sector Decarbonisation Fund - FM 3	5,214	5,023	121	70	0	0	191	0	0	0	0	191	191
PSDS - 3B - Lot 1	1,028	77	135	815	0	0	951	827	0	0	0	123	951
PSDS - 3B - Lot 3 (schools)	4,390	3,267	87	1,036	0	0	1,123	1,056	0	67	0	0	1,123
Septic Tanks	636	285	6	94	251	0	351	0	0	0	0	351	351
Schools Capital Maintenance	8,315	5,575	213	2,527	0	0	2,740	2,459	0	281	0	0	2,740
Corporate Landlord - Operational	999	996	4	0	0	0	4	0	0	0	0	4	4
Premises Capital (FM)	39,587	32,530	1,516	4,393	1,149	0	7,058	0	0	0	0	7,058	7,058
Poynton Pool Spillway	1,380	468	95	816	0	0	912	0	0	27	0	884	912
<b>Housing</b>													
Crewe Towns Fund - Warm and Healthy Homes	2,126	31	130	1,965	0	0	2,095	2,095	0	0	0	0	2,095
Disabled Facilities	22,884	10,181	3,859	3,244	2,800	2,800	12,703	11,435	341	0	0	928	12,703
Green Homes Grant	3,030	2,378	72	242	339	0	652	652	0	0	0	0	652
Gypsy and Traveller Sites	4,136	2,938	1,120	78	0	0	1,198	175	0	0	0	1,023	1,198
Home Repairs Vulnerable People	1,458	870	117	471	0	0	588	119	33	0	0	436	588
Home Upgrade Grant Phase 2	4,416	740	1,354	2,322	0	0	3,675	3,666	9	0	0	0	3,675
Local Authority Housing Fund	731	293	129	309	0	0	438	438	0	0	0	0	438
Social Housing Decarbonisation Fund	1,565	1,557	8	0	0	0	8	8	0	0	0	0	8
Sustainable Warmth - Home Upgrade Grant not	1,584	1,557	14	14	0	0	28	40	-12	0	0	0	28
Temporary Accommodation	1,479	1,069	7	403	0	0	410	0	164	246	0	0	410
Warm Homes Fund	239	213	5	21	0	0	26	26	0	0	0	0	26
<b>Estates</b>													
Corporate Landlord - Non-Operational	1,336	0	0	1,336	0	0	1,336	0	0	0	0	1,336	1,336
Malkins Bank Landfill Site	1,360	661	121	577	0	0	699	0	0	0	0	699	699
Farms Strategy	2,910	1,689	0	385	209	626	1,220	0	0	0	1,220	0	1,220

CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Economic Development</b>													
Crewe Towns Fund - Repurposing Our High	1,132	162	364	288	318	0	970	970	0	0	0	0	970
Crewe Towns Fund - Flag Lane Baths	1,968	583	20	1,365	0	0	1,385	32	0	0	0	1,353	1,385
Crewe Towns Fund - Mill Street Corridor	4,477	684	795	2,998	0	0	3,793	3,793	0	0	0	0	3,793
Crewe Towns Fund - Mirion St	1,190	164	901	125	0	0	1,026	1,026	0	0	0	0	1,026
Crewe Towns Fund - Crewe Youth Zone non-	351	125	121	105	0	0	226	226	0	0	0	0	226
History Centre Public Realm & ICV (Crewe Towns Fund) CTC1	580	10	18	152	400	0	570	570	0	0	0	0	570
Handforth Heat Network	13,219	17	18	695	450	12,039	13,202	2,587	7,428	0	0	3,187	13,202
Demolition of Crewe Library & Concourse CTC10	3,396	859	2,379	159	0	0	2,538	1,015	0	0	0	1,523	2,538
Future High Street Funding - CEC Innovation Centre	4,251	530	3,431	291	0	0	3,721	3,721	0	0	0	0	3,721
Crewe Town Centre Regeneration	32,333	30,993	17	1,323	0	0	1,340	239	64	0	0	1,037	1,340
South Macclesfield Development Area	34,630	3,259	24	176	0	31,171	31,371	10,000	10,000	0	11,371	0	31,371
North Cheshire Garden Village	57,866	7,026	2,504	9,345	17,285	21,706	50,840	20,165	0	0	21,700	8,975	50,840
Handforth Garden Village s106 Obligations	6,841	0	0	0	2,740	4,101	6,841	0	0	0	0	6,841	6,841
Leighton Green	2,096	1,468	26	601	0	0	628	0	0	0	0	628	628
Connecting Cheshire Phase 3	8,000	128	593	2,207	2,200	2,872	7,872	0	7,872	0	0	0	7,872
Connecting Cheshire 2020	9,250	5,680	0	585	0	2,985	3,570	5,172	0	0	0	-1,601	3,570
UK Shared Prosperity Fund - Core	1,304	202	1,102	0	0	0	1,102	1,102	0	0	0	0	1,102
Macclesfield Indoor Market Toilet Refurbishment	191	186	5	0	0	0	5	0	0	0	0	5	5
Macclesfield Town Centre	1,859	1,858	1	0	0	0	1	0	0	0	0	1	1
<b>Culture &amp; Tourism</b>													
Cattle Handling Facility - Oakwood Farm	405	367	38	0	0	0	38	0	0	38	0	0	38
Countryside Vehicles	1,579	700	26	419	217	217	879	0	0	0	0	879	879
Culture & Tourism S106 Schemes	766	124	40	327	216	59	642	0	642	0	0	0	642
New Archives Premises CTC1	10,256	442	1,124	8,450	240	0	9,814	0	0	0	0	9,814	9,814
PROW Capital Works	1,138	1,042	85	11	0	0	96	96	0	0	0	0	96
PROW CMM A6 MARR	100	69	1	30	0	0	31	31	0	0	0	0	31
PROW Flood Damage Investment	72	71	1	0	0	0	1	0	0	0	0	1	1
Visitor Economy - Rural Shared Prosperity Fund	465	113	352	0	0	0	352	352	0	0	0	0	352
Tatton Park Investment Phase 2	3,280	1,434	11	1,109	725	0	1,845	0	0	0	0	1,845	1,845
<b>Total Committed Schemes</b>	<b>313,801</b>	<b>130,694</b>	<b>23,110</b>	<b>51,882</b>	<b>29,539</b>	<b>78,575</b>	<b>183,106</b>	<b>74,095</b>	<b>26,540</b>	<b>658</b>	<b>34,291</b>	<b>47,522</b>	<b>183,106</b>

CAPITAL PROGRAMME 2024/25 - 2027/28													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>New Schemes in 24-25</b>													
<b>Facilities Management</b>													
PSDS - 3C	1,671	0	86	1,585	0	0	1,671	1,448	0	0	0	223	1,671
<b>Estates</b>													
Workplace	1,000	0	255	745	0	0	1,000	1,000	0	0	0	0	1,000
		0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0
<b>Housing</b>													
Warm Homes Local Grant (DESNZ)	7,793	0	0	1,354	3,252	3,187	7,793	7,793	0	0	0	0	7,793
		0	0	0	0	0	0	0	0	0	0	0	0
<b>Economic Development</b>													
Macclesfield Indoor Market Refurbishment (MIMR)	2,496	40	1,858	598	0	0	2,456	2,358	0	0	0	98	2,456
Macc on Foot (MOF)	417	5	413	0	0	0	413	413	0	0	0	0	413
Nantwich Town Centre Public Realm	100	0	0	100	0	0	100	0	100	0	0	0	100
<b>Culture &amp; Tourism</b>													
Green Structures Investment	384	0	0	271	113	0	384	0	0	0	0	384	384
		0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0
<b>Total New Schemes</b>	<b>13,862</b>	<b>45</b>	<b>2,613</b>	<b>4,652</b>	<b>3,366</b>	<b>3,187</b>	<b>13,817</b>	<b>13,012</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>706</b>	<b>13,817</b>
<b>Total Growth &amp; Enterprise</b>	<b>327,663</b>	<b>130,740</b>	<b>25,723</b>	<b>56,533</b>	<b>32,905</b>	<b>81,762</b>	<b>196,923</b>	<b>87,107</b>	<b>26,640</b>	<b>658</b>	<b>34,291</b>	<b>48,228</b>	<b>196,924</b>

CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Environment Services</b>													
Bereavement Service Data System	35	7	0	28	0	0	28	0	0	28	0	0	28
Booth Bed Lane, Goostrey	140	0	0	140	0	0	140	100	40	0	0	0	140
Bosley Village Play Area	20	0	0	20	0	0	20	0	20	0	0	0	20
Browns Lane Play Area 2024/25	12	0	0	12	0	0	12	0	12	0	0	0	12
Carbon Offset Investment	568	137	403	29	0	0	431	0	0	0	0	431	431
Carnival Fields	42	0	0	42	0	0	42	0	42	0	0	0	42
Chelford Village Hall Open Space and Sport Improvements	121	119	-0	2	0	0	2	0	0	0	0	2	2
Chelford Village Hall Phase 2	61	0	0	61	0	0	61	0	61	0	0	0	61
Cremator Flue Gas Modifications	30	0	19	11	0	0	30	0	0	0	0	30	30
Crewe Crematorium and Macclesfield Crematorium Major	30	14	4	12	0	0	16	0	0	0	0	16	16
Elworth Park	52	0	2	50	0	0	52	0	52	0	0	0	52
Energy Improvements at Cledford Lane	985	908	6	71	0	0	77	0	0	0	0	77	77
Fleet EV Transition	6,897	39	951	3,580	327	2,000	6,858	0	0	0	0	6,858	6,858
Fleet Vehicle Electric Charging	585	155	3	286	140	0	430	0	0	0	0	430	430
Future High Street Funding - Sustainable Energy Network	1,566	1,148	202	216	0	0	418	418	0	0	0	0	418
Green Investment Scheme (Solar Farm)	4,150	2,279	1,180	536	155	0	1,871	0	0	0	0	1,871	1,871
Grounds Maintenance Management ICT System	121	101	-42	62	0	0	20	0	0	0	0	20	20
Household Bins Schemes	292	0	292	0	0	0	292	0	0	292	0	0	292
Household Waste Recycling Centres	860	48	36	776	0	0	812	0	0	0	0	812	812
Jim Evison Playing Fields	161	0	19	142	0	0	161	0	161	0	0	0	161
Litter and Recycling Bins	208	119	0	42	25	22	89	0	0	0	0	89	89
Longridge Open Space Improvement Project	66	0	0	66	0	0	66	0	66	0	0	0	66
Macclesfield Chapel Refurbishment	429	22	0	407	0	0	407	0	0	407	0	0	407
Main Road, Langley	259	0	3	257	0	0	259	0	259	0	0	0	259
Newtown Sports Facilities Improvements	99	81	12	6	0	0	18	0	18	0	0	0	18

CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Environment Services</b>													
Park Development Fund	846	670	0	89	87	0	176	0	0	0	0	176	176
Park Lane, Poynton	39	0	39	0	0	0	39	0	39	0	0	0	39
Park Play, Meriton Road & Stanley Hall	10	0	0	10	0	0	10	0	10	0	0	0	10
Pastures Wood De-carbonisation	51	35	4	13	0	0	16	0	0	16	0	0	16
Pear Tree Play Area, Stapeley Improvements	7	1	6	0	0	0	6	0	4	0	0	1	6
Queens Park Bowling Green	17	0	2	15	0	0	17	0	2	0	0	15	17
Rotherhead Drive Open Space and Play Area	141	117	0	24	0	0	24	0	24	0	0	0	24
Rugby Drive, Macclesfield	71	0	24	47	0	0	71	0	71	0	0	0	71
Shaw Heath Recreation Ground	22	3	12	6	0	0	19	0	19	0	0	0	19
Solar Energy Generation	13,980	91	12	297	300	13,279	13,889	0	0	0	0	13,889	13,889
Stanley Hall Improvements	55	0	53	2	0	0	55	20	35	0	0	0	55
The Carrs Improvement Project	61	0	0	61	0	0	61	0	61	0	0	0	61
The Moor, Knutsford	36	0	32	4	0	0	36	0	17	0	0	19	36
Tytherington Public Art	10	0	10	0	0	0	10	0	10	0	0	0	10
Unsafe Cemetery Memorials	35	9	0	26	0	0	26	0	0	0	0	26	26
Victoria Park Amenity Improvements	20	9	3	8	0	0	11	0	11	0	0	0	11
Victoria Park Pitch Improvements	29	28	0	1	0	0	1	0	1	0	0	0	1
West Park Open Space & Sports Improvements	120	23	22	75	0	0	98	0	98	0	0	0	98
Wilmslow Town Council - Villas	47	0	47	0	0	0	47	0	13	0	0	34	47
Woodland South of Coppice Way, Handforth	89	68	0	21	0	0	21	0	21	0	0	0	21
Wynbunbury Parish Open Space	5	1	0	4	0	0	4	0	4	0	0	0	4
Wybunbury St Chad's Closed Cemetery	219	0	0	219	0	0	219	0	0	0	0	219	219
<b>Neighbourhood Services</b>													
Congleton Leisure Centre	13,000	12,963	11	27	0	0	38	0	20	0	0	18	38
Crewe Towns Fund - Valley Brook Green Corridor	3,339	327	264	2,748	0	0	3,012	3,012	0	0	0	0	3,012
Crewe Towns Fund - Cumberland Arena	3,173	128	276	2,768	0	0	3,045	3,045	0	0	0	0	3,045
Crewe Towns Fund - Pocket Parks	1,481	652	302	527	0	0	829	829	0	0	0	0	829
Middlewich Leisure Centre	60	51	0	9	0	0	9	0	0	0	0	9	9
Libraries - Next Generation - Self Service	374	336	0	38	0	0	38	0	0	0	0	38	38
Bollington Leisure	51	0	51	0	0	0	51	51	0	0	0	0	51
<b>Planning &amp; Regulatory Services</b>													
Regulatory Systems & Environmental Health ICT System	313	279	1	34	0	0	34	0	0	0	0	34	34
<b>Total Committed Schemes</b>	<b>55,492</b>	<b>20,967</b>	<b>4,262</b>	<b>13,929</b>	<b>1,034</b>	<b>15,301</b>	<b>34,525</b>	<b>7,475</b>	<b>1,193</b>	<b>743</b>	<b>0</b>	<b>25,114</b>	<b>34,525</b>

CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Actuals 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>New Schemes</b>													
<b>Environment Services</b>													
Closed Cemeteries	152	0	0	152	0	0	152	0	0	0	0	152	152
LTA - Tennis Facility Improvements	124	0	39	85	0	0	124	99	0	0	0	25	124
Review of Household Waste Recycling Centres	1,000	0	0	1,000	0	0	1,000	0	0	0	0	1,000	1,000
Strategic Leisure Review	3,400	0	1,329	1,421	650	0	3,400	0	0	0	0	3,400	3,400
Weekly Food Waste Collections	2,712	0	192	2,019	500	0	2,712	2,712	0	0	0	0	2,712
Macclesfield Crematorium - hearth replacement	72	0	72	0	0	0	72	0	0	72	0	0	72
Green Spaces Wilmslow - Mersey Forest	21	0	21	0	0	0	21	21	0	0	0	0	21
		0	0	0	0	0	0	0	0	0	0	0	0
<b>Total New Schemes</b>	<b>7,481</b>	<b>0</b>	<b>1,653</b>	<b>4,677</b>	<b>1,150</b>	<b>0</b>	<b>7,481</b>	<b>2,832</b>	<b>0</b>	<b>72</b>	<b>0</b>	<b>4,577</b>	<b>7,481</b>
<b>Total Environment and Communities Schemes</b>	<b>62,973</b>	<b>20,967</b>	<b>5,915</b>	<b>18,606</b>	<b>2,184</b>	<b>15,301</b>	<b>42,006</b>	<b>10,307</b>	<b>1,193</b>	<b>815</b>	<b>0</b>	<b>29,690</b>	<b>42,006</b>

## CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Highways</b>													
A532 Safer Road Fund Scheme	1,466	677	719	70	0	0	789	447	0	0	0	342	789
A536 Safer Road Fund Scheme	2,404	1,925	428	51	0	0	479	385	0	0	0	94	479
A537 Safer Road Fund Scheme	2,490	2,155	191	144	0	0	335	335	0	0	0	0	335
Air Quality Action Plan	523	421	101	2	0	0	102	87	0	0	0	15	102
Alderley Edge Bypass Scheme Implementation	60,411	60,359	1	51	0	0	52	0	0	0	0	52	52
Bridge Maintenance Minor Wks	12,463	10,037	1,635	792	0	0	2,427	1,406	602	0	0	418	2,427
Client Contract and Asset Mgmt	693	485	62	146	0	0	208	62	0	0	0	146	208
Footpath Maintenance - Slurry Sealing & Reconstruction Works	1,323	514	809	0	0	0	809	809	0	0	0	0	809
Highway Maintenance Minor Wks	69,622	53,616	15,936	70	0	0	16,006	9,994	0	0	0	6,011	16,006
Highway Pothole/Challenge Fund	11,669	8,098	3,399	172	0	0	3,571	3,316	0	0	0	255	3,571
Jack Mills Way Part 1 Claims	307	299	8	0	0	0	8	0	8	0	0	0	8
Local Highway Measures	7,255	6,873	232	151	0	0	382	382	0	0	0	0	382
Ward Members Local Highway Measures	872	0	319	553	0	0	872	496	0	0	0	376	872
Programme Management	1,547	1,229	317	2	0	0	318	318	0	0	0	0	318
Road Safety Schemes Minor Wks	6,423	5,944	316	163	0	0	478	350	0	0	0	128	478
Traffic Signal Maintenance	1,095	516	278	300	0	0	578	577	0	0	0	1	578
Traffic Signs and Bollards - LED Replacement	1,259	1,011	248	0	0	0	248	0	0	0	0	248	248
Winter Service Facility	957	674	97	97	89	0	283	0	0	0	0	283	283
<b>Infrastructure</b>													
Future High Street Funding - Adaptive Signals	509	455	0	54	0	0	54	0	54	0	0	0	54
Future High Street Funding - Flag Lane Link	1,481	1,249	232	0	0	0	232	232	0	0	0	0	232
Future High Street Funding - Southern Gateway	5,303	1,318	3,783	202	0	0	3,985	3,985	0	0	0	0	3,985
Highways & Infrastructure S106 Funded Schemes	5,590	816	529	2,519	489	1,238	4,774	378	4,391	0	0	5	4,774
Transport & Infrastructure Development Studies	350	10	33	307	0	0	340	340	0	0	0	0	340
Middlewich Eastern Bypass	96,600	26,237	1,441	21,730	22,876	24,316	70,363	46,779	14,611	0	0	8,973	70,363
Mill Street Corridor - Station Link Project	847	92	171	584	0	0	755	171	284	0	0	300	755
North-West Crewe Package	51,366	43,108	5,947	1,411	300	600	8,258	-1,092	3,368	0	0	5,982	8,258
Old Mill Road / The Hill Junction	1,325	187	1	1,136	0	0	1,137	0	1,137	0	0	0	1,137
Poynton Relief Road	54,848	46,283	1,010	2,709	1,146	3,700	8,565	2,236	4,319	0	1,000	1,010	8,565
Sydney Road Bridge	10,501	10,111	1	14	375	0	390	0	390	0	0	0	390

## CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Strategic Transport and Parking</b>													
A538 Waters Roundabout Pedestrian and Cyclist Crossing	140	87	53	0	0	0	53	53	0	0	0	0	53
Active Travel Fund	3,400	729	97	2,574	0	0	2,671	2,671	0	0	0	0	2,671
Active Travel (Cycling / Walking Route) Investment	2,920	2,765	89	66	0	0	155	90	0	0	0	65	155
Available Walking Routes	151	0	0	151	0	0	151	151	0	0	0	0	151
Bollin Valley / Greater Bollin Trail	114	89	25	0	0	0	25	25	0	0	0	0	25
LEVI Capital Fund 23/24	2,172	0	0	543	543	1,086	2,172	2,172	0	0	0	0	2,172
On-street Residential Charging	551	258	131	162	0	0	293	251	0	0	0	42	293
Park Lane – Ayreshire Way, Congleton Walking and Cycling	482	14	419	49	0	0	468	468	0	0	0	0	468
Route 55 Middlewood Way on Black Lane	770	694	76	0	0	0	76	76	0	0	0	0	76
Sustainable Travel Access Prog	2,245	2,038	21	186	0	0	208	208	0	0	0	0	208
Sustainable Modes of Travel to Schools Strategy (SMOTSS)	1,117	756	126	234	0	0	361	361	0	0	0	0	361
Public Transport Infrastructure	1,615	1,134	452	29	0	0	481	481	0	0	0	0	481
Local Access - Crewe Transport Access Studies	400	88	0	312	0	0	312	312	0	0	0	0	312
Local Access - Macclesfield Transport Access Studies	300	61	0	239	0	0	239	239	0	0	0	0	239
Middlewich Rail Study	20	0	0	20	0	0	20	20	0	0	0	0	20
LTP Development & Monitoring Studies	900	430	30	220	221	0	471	471	0	0	0	0	471
Digital Car Parking Solutions	140	93	3	44	0	0	47	16	0	0	0	31	47
Pay and Display Parking Meters	620	607	0	13	0	0	13	0	0	0	0	13	13
Car Parking Improvements (including residents parking)	322	266	0	56	0	0	56	0	0	0	0	56	56
<b>Total Committed Schemes</b>	<b>647,414</b>	<b>415,274</b>	<b>40,647</b>	<b>44,009</b>	<b>27,653</b>	<b>119,831</b>	<b>232,140</b>	<b>158,389</b>	<b>47,902</b>	<b>0</b>	<b>1,000</b>	<b>24,849</b>	<b>232,140</b>
<b>New Schemes</b>													
<b>Highways</b>													
Managing and Maintaining Highways	4,712	0	0	4,712	0	0	4,712	0	0	0	0	4,712	4,712
Pothole Funding	17,397	0	0	5,799	5,799	5,799	17,397	17,397	0	0	0	0	17,397
Integrated Block - LTP	6,009	0	0	2,003	2,003	2,003	6,009	6,009	0	0	0	0	6,009
Maintenance Block - LTP	19,476	0	0	7,878	5,799	5,799	19,476	17,397	0	0	0	2,079	19,476
Incentive Fund - LTP	4,350	0	0	1,450	1,450	1,450	4,350	4,350	0	0	0	0	4,350
<b>Strategic Transport and Parking</b>													
BSIP+ Programme Delivery	539	89	0	450	0	0	450	450	0	0	0	0	450
Car Parking Review	895	0	570	325	0	0	895	0	0	328	325	242	895
<b>New Grant Allocated for 2025-26</b>													
Local Transport Grant	7,754	0	0	7,754	0	0	7,754	7,754	0	0	0	0	7,754
<b>Total New Schemes</b>	<b>61,132</b>	<b>89</b>	<b>570</b>	<b>30,371</b>	<b>15,051</b>	<b>15,051</b>	<b>61,043</b>	<b>53,357</b>	<b>0</b>	<b>328</b>	<b>325</b>	<b>7,033</b>	<b>61,043</b>
<b>Total Highways &amp; Transport</b>	<b>708,546</b>	<b>415,363</b>	<b>41,218</b>	<b>74,379</b>	<b>42,704</b>	<b>134,882</b>	<b>293,182</b>	<b>211,746</b>	<b>47,902</b>	<b>328</b>	<b>1,325</b>	<b>31,882</b>	<b>293,182</b>

OPEN

## **Finance Sub-Committee**

**02 June 2025**

### **Medium Term Financial Strategy Assumptions - update 2026/27 to 2029/30 (Finance Sub Committee)**

---

**Report of: Executive Director of Resources and Section 151 Officer**

**Report Reference No: FSC/05/25-26**

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

**For Decision or Scrutiny:** Both

#### **Purpose of Report**

- 1 This report confirms the baseline assumptions for net revenue expenditure and core funding, to assist with development of the Medium-Term Financial Strategy (MTFS) 2026 to 2030.
- 2 The assumptions in this report provide early planning oversight for each Service Committee as part of the 2026/27 budget setting process. At this stage the figures are based on the MTFS approved at full Council on 26 February 2025 plus any known updates since that time. Approving these indicative figures now and providing a high-level timeline allows Members, Committees and Officers to begin early development of financial proposals for consultation in line with the Transformation work already underway.

#### **Executive Summary**

- 3 The Medium-Term Financial Strategy (MTFS) for Cheshire East Council for the four years 2025/26 to 2028/29 was approved by full Council on 26 February 2025.
- 4 The MTFS is underpinned by a set of assumptions around income, expenditure and core funding that result in a 4-year position. The budget could only be balanced for the 2025/26 financial year by the use of Exceptional Financial Support (£25.3m) by way of capitalisation

direction. This is not sustainable in the medium to long term and needs to be addressed urgently for the Council to be financially sustainable.

- 5 The gaps forecast in later years must be addressed as part of the business planning process this year as well as the Council learning to live within its means by delivering all savings and containing approved growth within 2025/26 otherwise this increases pressure in future years and widens the gap that will have to be closed.
- 6 These assumptions are reviewed on an annual basis and are adjusted for information as and when it becomes available including Central Government announcements as part of the Local Government Provisional Settlement in late December every year.
- 7 The UK Government announced in December 2024 that it would introduce a new assessment of need and resources starting from the 2026/27 financial year. This builds on the framework set out in the previous government's review of Relative Needs and Resources, originally known as the Fair Funding Review. The Local Government Association (LGA) has been actively collaborating with councils and the Government to advance these proposals. Further information is contained in paragraphs 23 to 27 below.
- 8 The Finance Sub-Committee are being asked to confirm the current assumptions and note the 2026/27 growth already identified against predicted funding levels, resulting in a **forecast shortfall of £21.6m**. All Committees areas are being asked to start to develop plans in preparation for budget consultation and engagement events in the autumn of 2025 as per the timeline set out in Appendix B to start to address the new year gap.
- 9 The Sub-Committee is also being asked to again form a Working Group to further review these assumptions over the summer with the aim of feeding back in September. Feedback will reflect any up-to-date information that could change the service or central budgets, or the funding envelope, before the launch of the Budget Consultation for 2026/27, including any firmer indications of changes as a result of the Fair Funding / Business Rates reset changes.
- 10 The Finance Sub-Committee are also being asked to approve the MTFs timeline at Appendix B which builds on the draft timetable that was approved at Finance Sub-Committee on 10 March 2025 and layers in the continuation of the transformation programme which runs alongside the business planning activity started in 2024/25.

RECOMMENDATIONS

The Finance-Sub Committee is asked to:

1. Approve the budget assumptions underpinning the Medium-Term Financial Strategy for 2026-30, for planning purposes, as set out in **Appendix A1 and Appendix A2**.
2. Approve the setting up of a Finance Sub-Committee Assumptions Working Group to meet informally with the Chief Finance Officer/S151 to review the current assumptions and any information released regarding the Fairer Funding and Business Rates reset changes with the aim of feeding back to the September committee meeting. The group is to be made up of at least four members of the Sub-Committee.
3. Note the predicted shortfall for 2026/27 as shown in Table 1 and 4. All Committees areas are being asked to start to develop plans in preparation for budget consultation and engagement events in the autumn of 2025 to start to address the new year gap.
4. Approve the MTFS timeline for 2025/26 as set out in **Appendix B**.

**Background**

- 11 The Medium-Term Financial Strategy (MTFS) for Cheshire East Council for the four years 2025/26 to 2028/29 was approved by full Council on 26 February 2025.
- 12 Table 1 below sets out the revenue budget estimates for the four years from 2025/26 to 2028/29.

<b>Table 1 – Revenue Budget (See Appendix A2 for further commentary on budget rows)</b>	<b>Approved Net Budget 2025/26 £m</b>	<b>Estimated Position 2026/27 £m</b>	<b>Estimated Position 2027/28 £m</b>	<b>Estimated Position 2028/29 £m</b>
<b>Total Service Budgets</b>	<b>377.1</b>	<b>362.6</b>	<b>356.3</b>	<b>366.1</b>
Central Budgets:				
Capital Financing	35.0	38.8	41.9	43.2
Income from Capital Receipts	(1.0)	(1.0)	(1.0)	(1.0)
Contingency Budget	16.0	30.9	42.8	55.7
Risk Budget	-	3.8	2.0	0.8
Pension/Bad Debt Provision adj	(0.8)	(0.8)	(0.8)	(0.8)
Use of (-) / Contribution to (+)	1.3	5.0	8.9	8.9
Reserves				
<b>Total Service and Central Budgets</b>	<b>427.6</b>	<b>439.3</b>	<b>450.0</b>	<b>473.0</b>
Funded by:				
Council Tax	(307.3)	(325.6)	(345.0)	(365.5)
Business Rate Retention	(57.1)	(57.1)	(57.1)	(57.1)
Revenue Support Grant	(0.8)	(0.8)	(0.8)	(0.8)
Specific Unringfenced Grants	(37.1)	(34.1)	(34.1)	(34.1)
<b>Total Funding</b>	<b>(402.4)</b>	<b>(417.7)</b>	<b>(437.0)</b>	<b>(457.6)</b>
<b>Exceptional Financial Support</b>	<b>(25.3)</b>			
<b>FUNDING POSITION (Cumulative)</b>	<b>-</b>	<b>21.6</b>	<b>13.0</b>	<b>15.5</b>

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

- 13 The table above highlights the fact that the Council still faces a four-year funding gap and was only balanced for 2025/26 by the use of Exceptional Financial Support totalling £25.3m. The medium term forecast also includes the plan to increase General Reserves to £20m to bring the Council up to more appropriate reserves levels to assist with future financial sustainability.
- 14 As was noted at the time of setting the MTFs, a factor affecting our future financial sustainability is the increasing cost of Capital over the life of the budget. This is impacted by a number of factors including increases in borrowing rates, where we have chosen to forward fund capital schemes before some monies are received, the impact of borrowing against our DSG deficit and the cost of financing Exceptional Financial Support via borrowing.
- 15 Table 2 sets out the revenue and capital budget for 2025/26 as split over the Committees:

Table 2: Revenue and capital budgets allocated to service committees as per the approved MTFS	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
	Service Area	Expenditure £000	Income £000	Net Budget £000	£000
Adults and Health	252,154	-92,705	159,449	389	159,838
Children and Families	107,383	-10,095	97,288	37,723	135,011
Corporate Policy	108,802	-66,014	42,788	12,745	55,533
Corporate Policy – Council Wide Transformation	-12,702	-750	-13,452		-13,452
Economy and Growth	38,144	-9,703	28,441	36,081	64,522
Environment and Communities	68,964	-23,263	45,701	19,357	65,058
Highways and Transport	28,370	-11,469	16,901	66,782	83,683
Finance Sub – Central	54,012	-3,492	50,520		50,520
<b>Total Cost of Service</b>	<b>645,127</b>	<b>-217,491</b>	<b>427,636</b>	<b>173,077</b>	<b>600,713</b>
<b>Total Funding</b>		<b>-402,375</b>	<b>-402,375</b>		
Exceptional Financial Support	-25,261		-25,261		
<b>Net Position</b>	<b>619,866</b>	<b>-619,866</b>	<b>-</b>		

- 16 Table 3 below sets out the capital budget and funding for the four years from 2025/26 to 2028/29.

Table 3 – Committed and New Capital Schemes	Prior Years £m	Four Year Forecast				Total £m
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	
<b>Expenditure</b>						
Adults and Health	0	0.4	0	0	0	0.4
Children and Families	41.3	37.7	24.1	20.7	0	123.8
Corporate Policy	68.4	12.7	4.9	3.8	0.6	90.5
Economy and Growth	135.5	36.1	30.7	42.4	45.8	290.3
Environment and Communities	14.5	19.4	2.3	5.5	10.0	51.6
Highways and Transport	309.9	66.8	55.5	51.6	124.1	607.8
<b>Total Expenditure</b>	<b>569.6</b>	<b>173.1</b>	<b>117.4</b>	<b>124.0</b>	<b>180.4</b>	<b>1164.4</b>
<b>Funding</b>						
Grants and Other Contributions	262.7	122.8	93.2	70.5	142.9	<b>692.1</b>
Capital Receipts	1.8	0.7	1.3	21.9	11.6	<b>37.3</b>
Borrowing	305.1	49.6	22.9	31.6	25.9	<b>435.0</b>
<b>Total Funding</b>	<b>569.6</b>	<b>173.1</b>	<b>117.4</b>	<b>124.0</b>	<b>180.4</b>	<b>1164.4</b>

### Budget Assumptions and Task Group

- 17 Appendix A1 sets out the detailed assumptions contained within each line in Table 1. Appendix A2 provides brief explanations for each to assist with understanding of the individual rows.
- 18 The recommendations ask for approval to establish a working group so that members of the Sub-Committee can review these assumptions in detail with the Chief Finance Officer. Providing feedback to the Sub-Committee in September will assist in setting the baseline for the MTFS consultation material.

### Estimated budget envelopes for 2026/27

- 19 Table 4 below highlights the net change in budget envelopes for each Committee area as estimated within the MTFS 2025-29. Further work will need to be undertaken to help reduce the overall net growth level or identify further savings to help bring this forecast shortfall for 2026/27 to a balanced position.

- 20 The Council continues to engage external partners to work alongside officers and members to identify and deliver opportunities to transform the way the Council delivers its services. These will help the Council live within its means and can contribute to ensuring that committees are able to operate within the effective cash limits per committee.
- 21 For 2025/26 and 2026/27 this includes £13.5m and a further £20.7m of permanent cross Council savings that were included in the approved MTFS in February 2025. Further work to allocate out these savings across relevant committees is underway as part of the Transformation Board remit.

#### Fairer Funding Review and Business Rates Retention Baseline Reset

- 22 The Government has initiated a technical consultation on the approach to resetting business rates baselines, which began on 8 April 2025, and will close on 2 June 2025. The consultation seeks views on updating the Government's assessment of available business rates through revised baselines. The reset is scheduled to take effect from April 2026 alongside the resources and needs change in the rest of the settlement.
- 23 The 2026/27 Fair Funding Review and Business Rates Retention Reset will have several impacts on local councils:

#### Fair Funding Review:

- (a) **Redistribution of Funds:** The review aims to allocate funding more equitably based on updated assessments of need and resources. This could mean some councils receive more funding if they are identified as having greater needs.
- (b) **Financial Planning:** Councils will need to adapt their financial strategies to align with the new funding formulas. This might involve reassessing priorities and reallocating resources to meet the revised criteria.
- (c) **Service Provision:** Councils may need to adjust the services they provide, focusing more on areas identified as high-need. This could lead to changes in local services such as social care, education, and housing.

#### Business Rates Retention Reset:

- (d) **Revenue Changes:** The reset will update the baselines for business rates, potentially altering the amount of revenue councils can retain. This could impact their budgets and financial stability.

- (e) Incentives for Growth: Councils might be incentivised to boost local economic growth to increase their business rates revenue. This could lead to more initiatives aimed at attracting businesses and investment.
- (f) Financial Uncertainty: The reset introduces a level of uncertainty as councils will need to adapt to new baselines and potentially fluctuating revenues.
- 24 Overall, these changes are designed to create a more balanced and fair distribution of resources, but they will require councils to be flexible and proactive in their financial planning and service delivery.
- 25 Councils will receive firmer details following the Spending Review announcement by the Chancellor on 11 June 2025. This review will set out the three-year budgets for government departments, including local councils, covering the period from 2026/27 to 2028/29.
- 26 The impact on the Council of the Fairer Funding Review and Business Rates Retention scheme reset is not yet known, but based on the final settlement for 2025/26 the direction of travel that the Government is taking is to direct greater levels of funding towards “deprived” areas and Metropolitan authorities. Therefore, the settlement funding levels estimated for 2026/27 could be less than currently anticipated. There is likely to be an element of Council Tax equalisation which considers how much revenue an authority can raise locally resulting in lower Government support if that level is deemed to be high. There will also be an element of “damping” within the scheme that will help to phase in any detrimental changes in funding levels.

Table 4	MTFS		
	2025/26 approved budget £m	2026/27 Net budget change £m	2026/27 forecast budget £m
Adults and Health	159.4	-2.2	157.2
Children and Families	97.3	-0.1	97.2
Corporate Policy	42.8	+4.4	47.2
Corporate Policy – Council Wide Transformation	-13.5	-20.7	-34.2
Economy and Growth	28.4	+0.7	29.1
Environment and Communities	45.7	+3.3	49.0
Highways and Transport	16.9	+0.2	17.1
Finance Sub (Central)	50.5	+26.1	76.6
Total Service Budget	427.6	+11.6	439.3
Finance Sub (Funding)	-402.4	-15.3	-417.7
<b>Net Position (+gap)</b>	<b>+25.3*</b>	<b>-3.6</b>	<b>+21.6</b>

\*Funded via Exceptional Financial Support

- 27 Finance Sub Committee, and all service committees are being asked to review these estimated budget positions and focus further transformation work and savings ideas generation work to reduce down the predicted shortfall in funding. Early ideas to close the gap are to be submitted by July/August as per the timeline at Appendix B and committees are encouraged to work together to achieve the balancing of the net budget in totality to match the overall funding envelope available.
- 28 Further detailed review work will continue during the first quarter of 2025/26 to fully analyse the 2024/25 outturn results and the impact that may have on the current financial year (2025/26) but also 2026/27 and beyond. Therefore, the indicative 2026/27 position will need to be kept under review and amended as further information comes to light.
- 29 As further information becomes available, including as a result of the Fairer Funding and Business Rates reset this will be factored into the overall position and appropriate Member briefings undertaken

#### Timeline

- 30 The MTFS timeline included at Appendix B for approval sets out the business planning process for the year through to setting of the 2026/27 budget at full Council in February 2026. The transformation work currently underway has been overlaid with the business as usual process to align the two and continue to deliver both projects in tandem and help avoid any duplication or gaps.

#### Update on 2025/26 budget

- 31 On 22 April 2025 there was an update from the National Employers regarding the LGS pay offer for 2025. They have made their final offers of a 3.20% pay increase to each of the negotiating groups they are responsible for that impact Cheshire East Council. This is above the level of pay inflation that was factored into the MTFS for 2025/26 (2.5%). Early estimates put the pressure at c.£1.6m. In the first instance this pressure will likely be funded from the central contingency budget which was set aside for such items. This permanent pressure will also have to be factored into the budget setting for 2026/27.

### **Consultation and Engagement**

- 32 The annual business planning process involves engagement with local people and organisations. Local authorities have a statutory duty to consult on their budget with certain stakeholder groups including the Schools Forum and businesses. In addition, the Council chooses to

consult with other stakeholder groups. The Council continues to carry out stakeholder analysis to identify the different groups involved in the budget setting process, what information they need from us, the information we currently provide these groups with, and where we can improve our engagement process.

- 33 The business planning process for 2025/26 consisted of a business community survey, mirroring the main public engagement survey, which closed on 2 February 2025.

### **Reasons for Recommendations**

- 34 The Finance Sub-Committee co-ordinates the management and oversight of the Council's finances, performance and corporate risk management arrangements. The Sub-Committee will make recommendations to the Corporate Policy Committee regarding the development of the Medium-Term Financial Strategy and the setting and monitoring of the Capital and Revenue Budgets in accordance with the Corporate Plan and the Policy Framework.
- 35 This report enables the Committee to understand the assumptions underpinning the current MTFS and the Working Group will be informed of any changes required to accurately develop a robust budget for the MTFS for 2026/27 and over the medium term.

### **Other Options Considered**

- 36 Not applicable.

### **Implications and Comments**

#### *Monitoring Officer/Legal*

- 37 The legal implications surrounding the process of setting the 2025 to 2029 Medium-Term Financial Strategy were dealt with in the reports relating to that process.
- 38 This report deals with matters relating to the Council's budget and treasury management, which are within the committee's remit.

#### *Section 151 Officer/Finance*

- 39 The financial assumptions and timetable within this report provide up to date information on the Council's MTFS process. Confirming baseline information at this stage does not create any limitations to the budget setting process for 2026/27. Approving baselines provides context and guidance that will help to develop consultation material. Providing a set

of baselines that balance across the medium term is important in supporting a responsible review of net costs.

- 40 The figures provided in this report can now trigger a review of net spending. The review can create opportunities to vary the assumptions via wide-ranging consultation with stakeholders.

#### *Human Resources*

- 41 Any HR implications that arise from activities funded by the budgets that the budget report deals with will be dealt with in the individual reports to Members or Officer Decision Records to which they relate.

#### *Risk Management*

- 42 Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2025/26 budget and the assumptions underpinning it were factored into the 2025/26 financial scenario, budget and reserves strategy and reflected in the S151 Officers Section 25 statement.

#### *Impact on other Committees*

- 43 There are no other Committee implications.

#### *Policy*

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

#### *Equality, Diversity and Inclusion*

- 45 Under the Equality Act 2010, decision makers must show 'due regard' to the need to:

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity between those who share a protected characteristic and those who do not share it; and
- Foster good relations between those groups.

- 46 The protected characteristics are age, disability, sex, race, religion and belief, sexual orientation, gender re-assignment, pregnancy and maternity, and marriage and civil partnership.

- 47 Having “due regard” is a legal term which requires the Council to consider what is proportionate and relevant in terms of the decisions they take.
- 48 The Council needs to ensure that in taking decisions on the Medium-Term Financial Strategy and the Budget that the impacts on those with protected characteristics are considered. The Council undertakes equality impact assessments where necessary and continues to do so as proposals and projects develop across the lifetime of the Corporate Plan. The process assists us to consider what actions could mitigate any adverse impacts identified. Completed equality impact assessments form part of any detailed Business Cases.
- 49 The Corporate Plan’s vision reinforces the Council’s commitment to meeting its equalities duties, promoting fairness and working openly for everyone. Cheshire East is a diverse place and we want to make sure that people are able to live, work and enjoy Cheshire East regardless of their background, needs or characteristics.

### *Consultation*

<b>Name of Consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
Statutory Officer (or deputy):			
Adele Taylor	S151 Officer	23/04/2025	01/05/2025
Janet Witkowski	Acting Monitoring Officer	13/05/2025	20/05/2025
Legal and Finance			
Name	See above	See above	See above
Other Consultees:			
Executive Directors/Directors:			
Name	Job Title		
CLT	Various	07/05/2025	07/05/2025

<b>Access to Information</b>	
Contact Officer:	Adele Taylor Interim Executive Director of Resources (Section 151 Officer) <a href="mailto:adele.taylor@cheshireeast.gov.uk">adele.taylor@cheshireeast.gov.uk</a>
Appendices:	Appendix A1 – MTFS Budget Assumptions 2025-29 Appendix A2 – MTFS Budget Assumptions 2025-29 explanatory information Appendix B – MTFS Timeline
Background Papers:	The following are links to key background documents: <a href="#">Medium-Term Financial Strategy 2025-29</a>

This page is intentionally left blank

## Appendix A1 - Budget Assumptions Medium-Term Financial Strategy 2026-2030

Service & Central Budgets:	MTFS February 2025				New cycle
	2025/26	2026/27	2027/28	2028/29	2029/30 not yet confirmed
<b>Base Service Budget</b>	377.1	362.6	356.3	366.1	
Pay inflation (pay awards, holiday pay, increments)	Included in MTFS: 2.5% + top up from 2024/25 shortfall. National Employers pay offer as at 22 April 2025 full and final at 3.2% (c.£1.6m shortfall for 2025/26)	2.5%	2.5%	2.5%	
Backdated Overtime Claims	included in pay budgets				
NI increase	no planned increases				
Living Wage	included in pay budgets				
Non pay inflation	included in service budgets where required				
Pensions - Main contribution rate	21.0%				
Pensions - Secondary (past service) contribution rate	2.7%				
Pensions - Total contribution rate	23.7%	20% - anticipated total rate	19% - anticipated total rate	18% - anticipated total rate	
<b>Other Income</b>					
Fees & Charges income - assumption is no net increase/decrease in service expenditure as income will match cost variations - this is under review during 2025/26 consideration of a change to a blanket inflationary increase where possible	c.£85m	No net change	No net change	No net change	
<b>Capital Financing</b>					
Capital Financing Budget	35.0	38.8	41.9	43.2	
Treasury Management	c.£2.3m interest on cash balances	c.£2.3m interest on cash balances	c.£2.3m interest on cash balances	c.£2.3m interest on cash balances	
CIL / s.106 - assumption is income will be spent on linked projects with no net benefit					
Bonds - No bond issue is planned					
<b>Central Items</b>					
Contingency Budget	16.0	30.9	42.8	55.7	
Risk Budget	0.0	3.8	2.0	0.8	
Income from Flexible Capital Receipts	-1.0	-1.0	-1.0	-1.0	
Bad Debt Provision change	-0.1	-0.1	-0.1	-0.1	
Pension adjustment	-0.7	-0.7	-0.7	-0.7	
Top-up to general reserves	1.3	5.0	8.9	8.9	
<b>Reserves</b>					
Earmarked Reserves - unringfenced	8.0	TBC	TBC	TBC	
Earmarked Reserves - ringfenced	1.4	TBC	TBC	TBC	
General Reserves - balance	5.0	10.0	15.0	20.0	
<b>TOTAL AS PER MTFS FEBRUARY 2025</b>	<b>427.6</b>	<b>439.3</b>	<b>450.1</b>	<b>473.0</b>	
<b>Funded By:</b>					
<b>Council Tax</b>	<b>-307.3</b>	<b>-325.6</b>	<b>-345.0</b>	<b>-365.5</b>	
Council Tax % Increase	2.99%	2.99%	2.99%	2.99%	
Council Tax ASC % Increase	2.00%	2.00%	2.00%	2.00%	
Council Tax Support Scheme	budget of £21.6m to be increased in line with ctax increase and reviewed according				
Taxbase (including, growth, discounts and council tax support)	163261.10	164776.94	166292.79	167808.63	
Taxbase % growth on previous year	1.90%	0.92%	0.91%	0.90%	
Numbers of new homes included in the taxbase calculation	2000	1800	1800	1800	
Exemption for Foster Carers and Care Leavers (funded from Collection Fund EMR)	c.£200,000	c.£200,000	c.£200,000	c.£200,000	
Empty Homes Premium 100% (1 to 2 years empty)	608 homes as at Oct 24 (forecast to raise c.£1m)				
Empty Homes Premium 100% (2 to 5 years empty)	295 homes as at Oct 24				
Empty Homes Premium 200% (5 to 10 years empty)	99 homes as at Oct 24				
Empty Homes Premium 300% (over 10 years empty)	65 homes as at Oct 24				
Second Homes Premium 100% charged from April 2025	Forecast to raise c.£1.2m				
Losses on Collection - Write Offs per annum (average)	c.£1m	c.£1m	c.£1m	c.£1m	
Collection Rate	0.99%	0.99%	0.99%	0.99%	
Collection Fund Council Tax (paid from excess S31 grants from earmarked reserve)	c.£0.1m surplus declaration in Jan 25 for 2024/25. CEC share = 85%.				

## Appendix A1 - Budget Assumptions Medium-Term Financial Strategy 2026-2030

Service & Central Budgets:	MTFS February 2025				New cycle
	2025/26	2026/27	2027/28	2028/29	2029/30 not yet confirmed
<b>Business Rates Retention</b>	-57.1	-57.1	-57.1	-57.1	
Pooling	No longer part of Greater Manchester pool from 2021/22				
Growth assumptions	No change in business rates income forecast over medium term. Will update when details of the Fairer Funding / BRRS review confirmed (due for 2026/27 onwards)				
Taxbase (based on NNDR1 2025/26)	£154.3m				
Amounts retained in respect of Renewable Energy Schemes (100%)	c.£0.1m				
Mandatory Reliefs	c.£29.7m				
Unoccupied Reliefs	c.£5.9m				
Discretionary Reliefs (unfunded)	c.£0.4m				
Discretionary relief under S.47 (i.e. Hardship)	c.£0.6m				
BRRS S31 compensation grants for new burdens (net of adjustment for tariff adjustment due to cap on multiplier). Share of income to be used to support revenue budget - £10.6m in 2025/26	Amounts shown in grants section below				
Levy (paid from excess S31 grants from earmarked reserve)	c.£5.0m				
Losses on Collection - Write Offs	c.£1.5m				
Collection costs	c.£0.6m				
Appeals	c.7.4m total provision (49% CEC share)				
Collection Fund Business Rates (paid from excess S31 grants from earmarked reserve)	NNDR1 25/26 declared deficit (Jan 25) for 24/25 - deficit of £2.0m (CEC share 49%).				
Collection Rate	0.99%	0.99%	0.99%	0.99%	
Business Rate Supplement (BRS)	none	none	none	none	
Tax Increment Financing (TIF)	none	none	none	none	
Business Improvement Districts (BIDs)	Wilmslow & Crewe				
<b>RSG</b>					
Revenue Support Grant	-0.8	-0.8	-0.8	-0.8	
<b>Specific Grants (unringfenced* only included in funded envelope)</b>	<b>-37.1</b>	<b>-34.1</b>	<b>-34.1</b>	<b>-34.1</b>	
Total Schools Grants inc DSG (ringfenced)	£208.8m	£208.8m	£208.8m	£208.8m	
Total other C&F Grants (ringfenced)	£23.7m	£14.4m	£14.4m	£14.4m	
Adult Social Care and Health (inc. Better Care Fund) (ringfenced)	£20.8m	£19.9m	£19.9m	£19.9m	
Public Health (ringfenced)	£20.2m	£19.6m	£19.6m	£19.6m	
Corporate Policy Grants (ringfenced)	£0.5m	£0.5m	£0.5m	£0.5m	
Business Rates Relief Grants (partly drawn down to support the funding envelope within the Business Rates Retention row, and partly credited to the Collection Fund EMR to fund levy/deficit payments)	£20.4m	£17.5m	£18.4m	£19.3m	
Housing Benefit (ringfenced)	£49.7m	£49.7m	£49.7m	£49.7m	
Place Committees Grants (ringfenced)	£15.1m	£3.5m	£3.1m		
Social Care Grants (conditions) - assumes 2025/26 allocation continues (unringfenced*)	£29.5m	£29.5m	£29.5m	£29.5m	
New Homes Bonus (unringfenced*)	£3.0m				
National Insurance Grant - assumes 2025/26 allocation continues	£3.0m	£3.0m	£3.0m	£3.0m	
Others (unringfenced*)	£1.6m	£1.6m	£1.6m	£1.6m	
<b>TOTAL FUNDING AS PER MTFS FEBRUARY 2025</b>	<b>-402.4</b>	<b>-417.7</b>	<b>-437.1</b>	<b>-457.6</b>	
Exceptional Financial Support - Capitalisation Direction	-25.3				
<b>Funding Position - February 2025</b>	<b>0.0</b>	<b>21.6</b>	<b>13.0</b>	<b>15.4</b>	not included at February 2025

## Appendix A2 - Budget Assumptions Medium-Term Financial Strategy 2026-2030

The notes below provide additional detail on budget assumptions within the MTFS. These assumptions will assist members, committees and officers in developing proposals for consultation as part of the process to set the 2026-2030 MTFS.

A Working Group of the Finance Sub-Committee is being recommended to review these details with the Chief Finance Officer with the intention of providing feedback to the Sub-Committee in September.

The headings below relate to the summary lines within Table 1.

### Total Service Budgets

- 1 Service (base) budgets refer to net day-to-day revenue costs of running all the services including items such as employee pay, supplies and services, contracts and transport costs.
- 2 Pension rates are included for 2025/26 at the latest triennial valuation carried out during 2022, covering the period 1 April 2023 to March 2026. The forecast was for a further reduction for 2025/26 of 1.5% taking the pension payover total to 23.7% for employees in the Local Government Pension Scheme. Future years pension rates are forecast to reduce in line with early estimates for the next triannual valuation. Payover rates are anticipated to drop to 20%/19%/18% respectively for 2026/27 to 2028/29.
- 3 Income from fees and charges and service specific grants is also included in the net service budgets. There is no mandatory central increase applied to all fees and charges. Instead, services complete a Charging strategy to assist in optimising the level of income received from fees and charges based on market forces and user behaviour. This is under review during 2025/26 to consider a change to a blanket inflationary increase where possible. Grants that relate to a specific service are treated as service income as conditions apply that will prevent spending on such grants on other services. A full list of grants is included as an appendix in the MTFS.

### Central Budgets

- 4 **Capital Financing:** The Capital Financing budget represents the revenue implications of the capital programme. It includes interest payments on borrowing for example but also includes the revenue income from investments. High inflation, high interest rates on borrowing, including the interest that the Council is paying for holding

the Dedicated Schools Grant deficit on the balance sheet (estimated at £6.4m for 2026/27) and a large capital programme results in increased need for annual revenue. In addition, EFS also adds a further revenue requirement to the capital financing budget and these factors together are projected to cause a significant budget increase for 2026 onwards.

- 5 The current assumption on project delays is that unspent capital budgets will automatically be slipped into the next financial year unless re-profiled to future years. The assumption for 2026/27 will be that the MTF5 2025-29 approved budget of £173.1m and the slippage from 2024/25 of £56.3m is the revised budget for 2025/26.
- 6 **Income from Capital Receipts:** Sale of Council assets usually provides a capital receipt. The Council is permitted to use such receipts to fund transformation costs or fund items within the Capital Programme. The 2025/26 to 2028/29 MTF5 proposes the continued annual use of £1m to support transformation costs. Expectation of annual receipts at this level is reasonable based on recent trends of income from Right-to-Buy properties and Farms Estate sales and assets no longer required by the Council (surplus assets). There is a disposals programme underway which is seeking to bring in greater capital receipts over the next few years than those currently built into the balancing of the MTF5. Due to the uncertainty of the timings of these receipts no assumption is currently included on their use but the intention is that they will be utilised in the most beneficial way to support the council's financial position. This may be through supporting the revenue of EFS, capital projects currently planned to be funded from borrowing or towards the revenue cost of transformational projects (as flexible capital receipts).
- 7 **Contingency Budget:** A central contingency budget has been created in order to mitigate the risks around inflation for the Council. This is alongside growth in the budget for demographic pressures, as well as an adjustment to recognise the existing pressures on the care budget. This will not be distributed to service budgets until fully identified and agreed. If any of this is unused at the end of the relevant financial year the priority for this should be to consider whether earlier replenishment of reserves would be financially beneficial in the medium-term. A virement from this budget of up to £0.7m to the Children and Families budget to cover inflationary pressures in 2025/26 was approved by Finance Sub Committee in March 2025, plus a virement of up to £8m to the Adults and Health budget to cover inflationary pressures in 2025/26 (subject to approval at full Council) was recommended to be approved at that same committee meeting.

- 8 **Risk Budget:** Additional to the contingency budget a risk budget to mitigate against non-delivery of any savings or delay in delivery has been included from 2026/27.
- 9 **Central Pension adjustment:** This item is the opposite income budget to the growth item in the Environment and Communities area which brings the service budgets for all staffing up to the same point regarding pension contributions after the bringing back in house of ANSA. This has a net nil impact for the Council as a whole.
- 10 **Use of / Contribution to Reserves:** this is the planned top up of the General fund reserve back up to £20m by the end of the medium term. In later years there is also the plan to reinstate other Earmarked reserves of the Insurance and PFI reserves. For further information on reserves levels see [Annex 8 of the MTFS](#).

**Funded By:**

- 11 **Council Tax:** The level of income the Council receives from Council Tax is based on two main variables; Council Tax levels set by Cheshire East Council and the number of properties charged, referred to as the taxbase. Appendix A1 sets out the specifics that make up the Council Tax budget. This includes the following items –
  - (a) Percentage increase (base) – forecast at this point to be a maximum of 2.99% per annum over the medium term.
  - (b) Percentage increase (ASC precept) – additional flexibility to raise income to support Adult Social Care has once again been granted by Central Government.
  - (c) Council Tax Support Scheme – A budget based on current claimant caseload is included in the taxbase calculation. It is increased each year in line with the council tax percentage increase and reflects any changes that may be approved at December Council.
  - (d) Taxbase – the taxbase calculation is the number of Band D equivalent properties in the borough after taking account of reductions for discounts, exemptions, collection rates, council tax support payments and premium property income. There has been a steady increase in the taxbase per annum due to increased house building in line with, or in some cases exceeding, the Local Plan targets. The medium term includes estimated increases at c.0.9% as house building appears to be levelling off more in line with the Local plan estimates of 1,800 p.a.

- (e) Exemption for Foster Carers and Care Leavers – this exemption is funded by the Collection Fund earmarked reserve annually.
- (f) Empty Homes Premium - In common with most Billing Authorities, Cheshire East Council charges a Council Tax premium of 100% on property that has been empty for 1 year or more in order to encourage homes to be brought back into use. The Local Government Finance Act 1992 (amended) enables Councils to charge a premium on empty properties. Cheshire East now charges the following premiums for empty properties:

Time empty/unfurnished	Premium
1 to 5 years	100%
5 to 10 years	200%
Over 10 years	300%

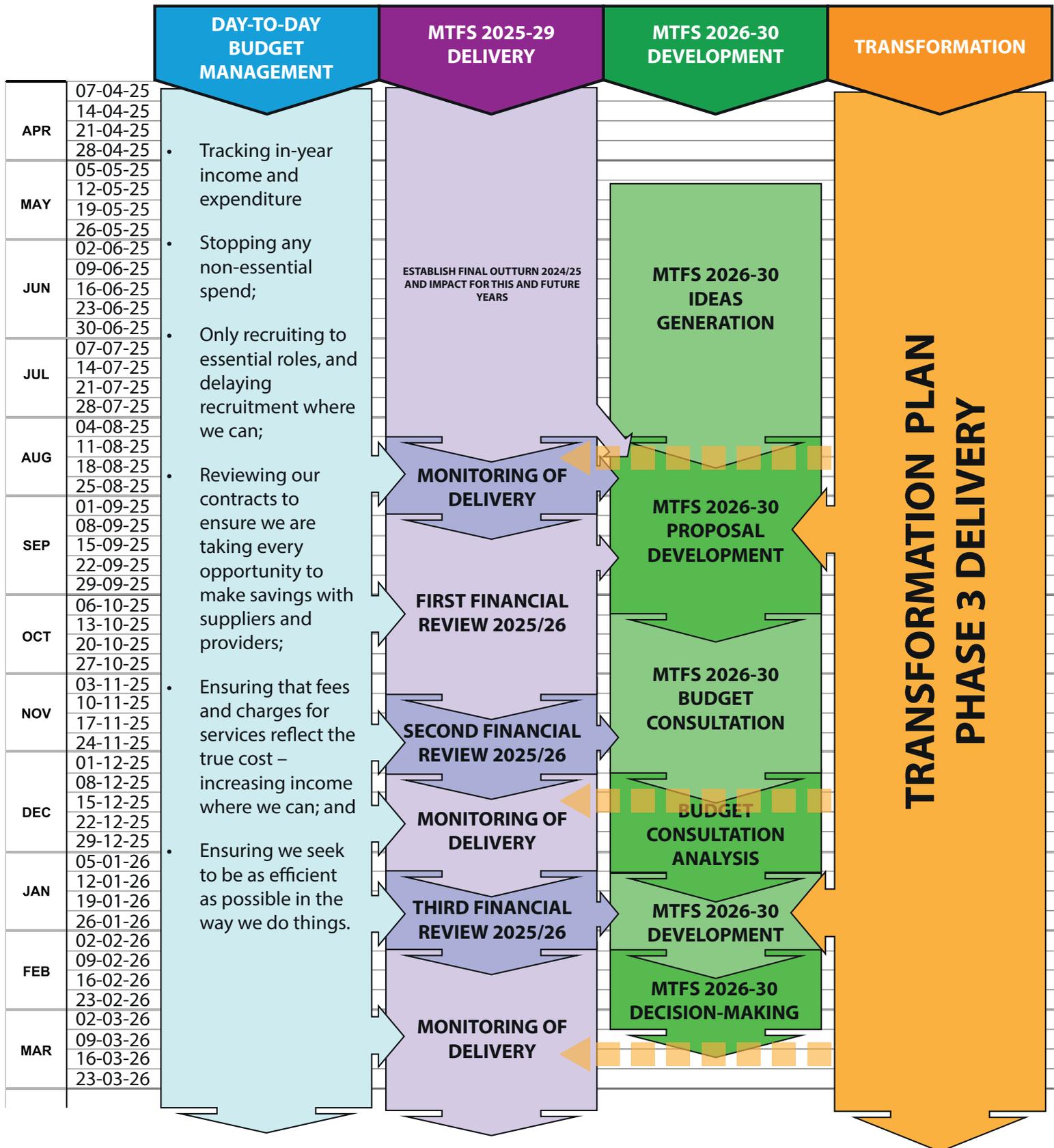
- (g) The Government's Levelling Up and Regeneration Bill received royal ascent on 26 October 2023 and included a further discretionary option for the application of Council Tax premiums on furnished second homes subject to a 12 month notice period. This was approved as part of the MTFs 2023-27 in February 2023 subject to the passing of the Bill. Therefore, the introduction of the 100% premium on furnished second homes will come into effect on 1 April 2025. The additional income due to be raised from the introduction of this premium (subject to some exclusions to the premium) is estimated to be £1.2m and has been included in the calculation of the taxbase for 2025/26.
- (h) No changes are proposed to the Council Tax Support scheme for 2025/26 other than to increase the income bands and non-dependant deductions in line with CPI. This continues the higher levels of support for those on the lowest income. The scheme will be reviewed again during 2025/26 ready for 2026/27.
- (i) Loss on Collection – Write offs – This is an annual charge to write off debts that are no longer viable to collect.
- (j) Collection rate – this has been maintained at 99% due to strong overall collection over a three-year period.
- (k) Collection Fund surplus/deficit – any surplus or deficit that arises from fluctuations from the estimates listed above are managed

through the Collection Fund earmarked reserve to help maintain a stable annual revenue budget.

- 12 **Business Rates Retention:** the current scheme is very complex and the system of tariff, levies and compensation grants makes it extremely challenging to estimate business rates with any great certainty. The budget for business rates is therefore forecast to remain static over the medium term and any fluctuations are managed through the Collection Fund earmarked reserve. Current values for each of the discounts and exemptions are set out in Appendix A1. The government intend to review business rate retention including a reset of the business rates baseline in time for 2026/27.
- 13 **Revenue Support Grant:** this is currently very low at £0.8m per annum (increased by £0.4m on the 2024/25 level due to the rolling in of some other grants). The government intends to review this grant as part of the Fairer Funding Review, now due to be implemented in time for 2026/27.
- 14 **Specific Unringenced Grants:** Appendix A1 lists the main specific grants receivable and current values. Only the unringenced grants are included in the funding envelope as shown in Table 1. These total £37.1m for 2025/26.
- 15 **Exceptional Financial Support (EFS):** EFS is temporary financial assistance provided by the UK government to local authorities facing severe financial difficulties. This support helps councils meet immediate financial obligations and avoid insolvency. Local authorities must demonstrate that they have exhausted all other options before receiving EFS. This will be in the form of a capitalisation direction. This allows local authorities to treat certain revenue expenditures as capital expenditure. This means these costs can be funded by borrowing or from capital receipts (e.g., from the sale of assets) instead of the revenue budget, which must be balanced annually. The value applied to balance the 2025/26 budget is £25.3m. If further in year betterment can be made to reduce this value then that will reduce borrowing costs associated with using this vehicle for funding.

This page is intentionally left blank

# Budget setting and transformation - combined timeline



This page is intentionally left blank

OPEN

## **Finance Sub-Committee**

**2 June 2025**

### **Financial Management Code Update (Finance Sub Committee)**

---

**Report of: Executive Director of Resources and S151 Officer**

**Report Reference No: FSC/04/25-26**

**Ward(s) Affected: Not applicable.**

**For Decision or Scrutiny: Both**

#### **Purpose of Report**

- 1 The purpose of this report is to inform the Sub Committee of the current status of the Council's compliance with CIPFA's Finance Management Code and to advise on next steps.

#### **Executive Summary**

- 2 As set out in the previous update report to the Finance Sub-Committee in September 2024, we are monitoring and providing updates on the progress made towards compliance with CIPFA's Finance Management Code (FM Code) and provides the updated action plan in respect of gaps still identified in the Council's self-assessment.
- 3 The self-assessment and action plan were presented following two informal briefings with the Finance Sub-Committee in June 2024 where each Principle and Standard of the code were discussed in detail and allowed members to consider in more detail the self-assessment and any necessary actions that may be needed to bring any standard higher up the RAG Ratings.
- 4 This report also reiterates what the Code is, and why Local Authorities must comply with the guidance provided by CIPFA.
- 5 The self-assessment position as at the end of 2024/25 is detailed in Appendix 2 and the update on the Action Plan approved in September 2024 is detailed in Appendix 3. The Council remains generally

compliant with the overall principles of the CIPFA FM Code, with some improvements required within some specific areas (See Appendix 2 – Self Assessment 2024/25 and Appendix 3 – Action Plan – updated).

#### RECOMMENDATIONS

The Finance Sub Committee is recommended to:

1. Scrutinise the update on the action plan in Appendix 3.
2. Scrutinise the revised 2024/25 self- assessment position (as at the end of 2024/25) in Appendix 2 – Cheshire East Council's current level of compliance with the CIPFA Financial Management Code Framework, and
3. Approve the Action Plan as presented in Appendix 3.

#### Background

- 6 The Chartered Institute of Public Finance & Accountancy (CIPFA) initially launched a Financial Management Code (FM Code) in 2019, Local Authorities were required to demonstrate compliance with the Code with effect from 2021/22.
- 7 The FM Code sets out seventeen standards of financial management for local authorities – these are referred to in Appendix 1. The FM Code is designed to support good practice in financial management and to assist local authorities to demonstrate their financial sustainability.
- 8 Local government finance in the UK is governed by legislation, regulation, and professional standards. The general financial management of a local authority, however, has not until now been supported by a professional code. The Code was introduced in recognition of the exceptional financial circumstances faced by local authorities and due to fundamental weaknesses in financial management revealed in some organisations in recent years and concerns about the financial sustainability of some Councils.
- 9 CIPFA's intention is that the FM Code will have the same standing as the Prudential Code for Capital Finance in Local Authorities (CIPFA, 2017), which promotes the financial sustainability of local authority capital expenditure and associated borrowing.
- 10 The FM Code itself does not have legislative backing, however, it applies to all local authorities but recognises that some have different structures and legislative frameworks. Where compliance with the Code

is not possible, adherence to the principles is still considered appropriate.

### **Responsibility**

- 11 Application of the FM Code is a professional responsibility of all finance staff and establishes how the Chief Financial Officer (CFO) demonstrates that they are meeting their statutory responsibility for sound financial administration. At Cheshire East this is our Executive Director of Resources (S151 officer).
- 12 However, CIPFA considers application of the Code to be the collective responsibility of each authority's organisational leadership team, not just the responsibility of the CFO or the finance team. For the purposes of the Code the 'Leadership Team' is defined as the collective group of elected members and senior officers. Therefore, for CEC it includes committees of the authority as well as senior officers.

### **Compliance**

- 13 It is for the individual authority to determine whether it meets the standards and to make any changes that may be required to ensure compliance. Authorities should be able to provide evidence that they have reviewed their financial management arrangements against the standards and that they have taken such action as may be necessary to comply with them.
- 14 It is important to note, also, that the financial management standards are minimum standards. Some authorities may feel that their own financial management arrangements exceed the standards set out in the FM Code.

### **CIPFA Principles of Good Financial Management**

- 15 The FM Code applies a principle-based approach. It does not prescribe the financial management processes that local authorities should adopt. Instead, it requires that an authority demonstrates that its processes satisfy the principles of good financial management for an authority of its size, responsibilities, and circumstances and that they are proportionate to the risks to the authority's financial sustainability posed by the twin pressures of scarce resources and the rising demands on services.
16. The underlying principles that inform the FM Code have been developed in consultation with senior practitioners across the sector and associated stakeholders. The principles have been designed to focus on an approach that will assist in determining whether, in applying

standards of financial management, a local authority is financially sustainable.

17 The 6 Principles of Good Financial Management set out in the FM Code are:

- **Organisational leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.

- **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.

- **Financial management** is undertaken with transparency at its core using consistent, meaningful, and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.

- Adherence to **professional standards** is promoted by the leadership team and is evidenced.

- Sources of **assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.

- The **long-term sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

### **CIPFA Financial Management Standards**

18 The FM Code sets out the seventeen CIPFA Financial Management Standards with detailed explanatory notes – a summary table is provided in Appendix 1.

### **FM Code Self-Assessment**

19 Cheshire East Council undertook an initial officer high level review exercise of the Council's process, procedures and governance arrangements to understand the baseline compliance against the FM Code and Standards.

20 This initial review indicated that the Council is generally complying with the overall principles of the CIPFA FM Code, with some improvements required within some specific areas. An interim report in November 2023 recommended a further re-assessment exercise to bring the

Council's current processes and practices and governance arrangements up to date for the 2023/24 year.

- 21 An update report in March 2024 provided the latest re-assessment position and developed further the initial officer high level assessment to include a self-assessment RAG Rating for each standard. A high level action plan (Appendix 3) was developed and adopted in September 2024 to progress improvements to those standards that were not rated as green as at 2023/24.
- 22 The self-assessment exercise to benchmark Cheshire East Council's current processes and practice against the FM Standards has been undertaken using a RAG Rating approach as set out below (also set out in Appendix 2).

RAG Assessment	Description
5	Achieves Best Practice
4	Substantial Compliance / Minor Areas of improvement
3	Reasonable Compliance / Some Areas of improvement
2	Minimum Compliance / Significant Areas of improvement
1	Does not meet requirements of the code

- 23 The following table summarises the latest 2024/25 self-assessment RAG Rating for each standard as at March 2025 with comparison to the 2023/24 assessment. The detailed self-assessment analysis per standard is provided in Appendix 2.

Table 1: Financial Management Code Summary Self-Assessment

Standard Reference	Financial Management Standard	RAG Rating	RAG Rating
		2023/24	2024/25
<b>Principle 1: Organisational Leadership</b> – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture			
A	The leadership team can demonstrate that the services provided by the authority provide value for money.	3	3
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.	4	4

O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.	2	3 ↑
<b>Principle 2 : Accountability</b> – financial management is based on medium-term financial planning which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs			
D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	4	4
P	The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom	4	4
Q	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.	4	4
<b>Principle 3: Transparency</b> – Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.			
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	4	4
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	3	3
<b>Principle 4: Standards</b> – Adherence to professional standards is promoted by the leadership team and is evidenced.			
H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities – <i>amended since March 2024 due to ongoing Capital Review / Capital Programme affordability</i>	2	3 ↑
J	The authority complies with its statutory obligations in respect of the budget setting process	4	4
K	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves	4	5 ↑
<b>Principle 5: Assurance</b> – Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.			
C	The leadership team demonstrates in its actions and behaviours, responsibility for governance and internal control.	4	4

F	The authority has carried out a credible and transparent financial resilience assessment	3	3
N	The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	3	4 ↑
<b>Principle 6: Sustainability</b> – The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.			
E	The financial management style of the authority supports financial sustainability	3	3
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	4	4
I	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	3	3

24 The table above indicates that most Standards have maintained their RAG self-assessment from 2023/24 to 2024/25 with the exception of the following standards which have an improved RAG status having progressed/ implemented the action plan in 2024/25.

- 2 Standards have improved from Red to Amber (Standard O and H), reflecting: (i) balance sheet review work in year including utilisation of external advisors to bring about positive adjustments to the in-year revenue position, and (ii) Capital Review including capital financing requirements of the existing programme and new schemes for 2025/26 that have been recognised in the updated MTFS. Ongoing work remains in both areas in the Action Plan.
- 1 Standard from Amber to Green (Standard N) – reflecting in-year monthly monitoring via CLT, monitoring of policy proposals (continuing) and spend control through Strategic Finance Management Board / Task & Finish Groups, Capital review and reinstated Capital Review Board.
- 1 Standard from Green 4 to Green 5 (Standard K) – S25 Statement and MTFS included the topping up of General Fund reserves to £20m over the life of the MTFS to help restore financial stability. In addition, budget provision made in the MTFS for Contingency and Risk budgets to manage in year inflationary impacts and delivery of savings supporting ongoing resilience through period of Transformation activity.

- 25 The self-assessment process will need to continue to be carried out annually in future (after the year-end) to demonstrate ongoing compliance with the FM Code.
- 26 The Action Plan (Appendix 3) has been developed from the self-assessment exercise as at April/May 2025. The Council continues in its significant period of transformation and change following the recent Peer Review, DMA Review, CIPFA Resilience Review and Transformation programme, it is envisaged that the outcomes and actions relating to these reviews and resulting action plans will, where appropriate, be reflected in the next re-assessment exercise to be reported to the Finance Sub Committee in June 2026.
- 27 Elsewhere on the agenda is the Financial Leadership Improvement Plan which provides a thematic approach to responses to a number of external reviews including the Corporate Peer Challenge, the CIPFA Assurance Review and the External Audit report. The FM Code Action Plan dovetails into the overall improvement of financial management activities of the Council therefore providing a thorough set of actions which complement each other.

## **Implications and Comments**

### *Monitoring Officer/Legal*

- 28 The FM Code itself does not currently have legislative backing, although CIPFA have set out their intention to pursue this. CIPFA's judgement is that compliance with the FM Code will assist local authorities to demonstrate that they are meeting existing important legislative requirements.
- 29 There are no legal implications arising directly from this report.

### *Section 151 Officer/Finance*

- 30 The delivery of strong financial management is fundamental to the delivery of the Council's strategic aims.
- 31 There are no direct financial implications arising from this report.

### *Human Resources*

- 32 There are no Human Resources Implications.

### *Risk Management*

- 33 Failure to demonstrate compliance with the FM Code as described above could in future result in a qualification of the accounts which may

lead to further audit costs in future as well as an adverse impact on the Councils reputation.

#### Impact on other Committees

34 There are no other Committee implications.

#### Policy

35 There are no Policy implications.

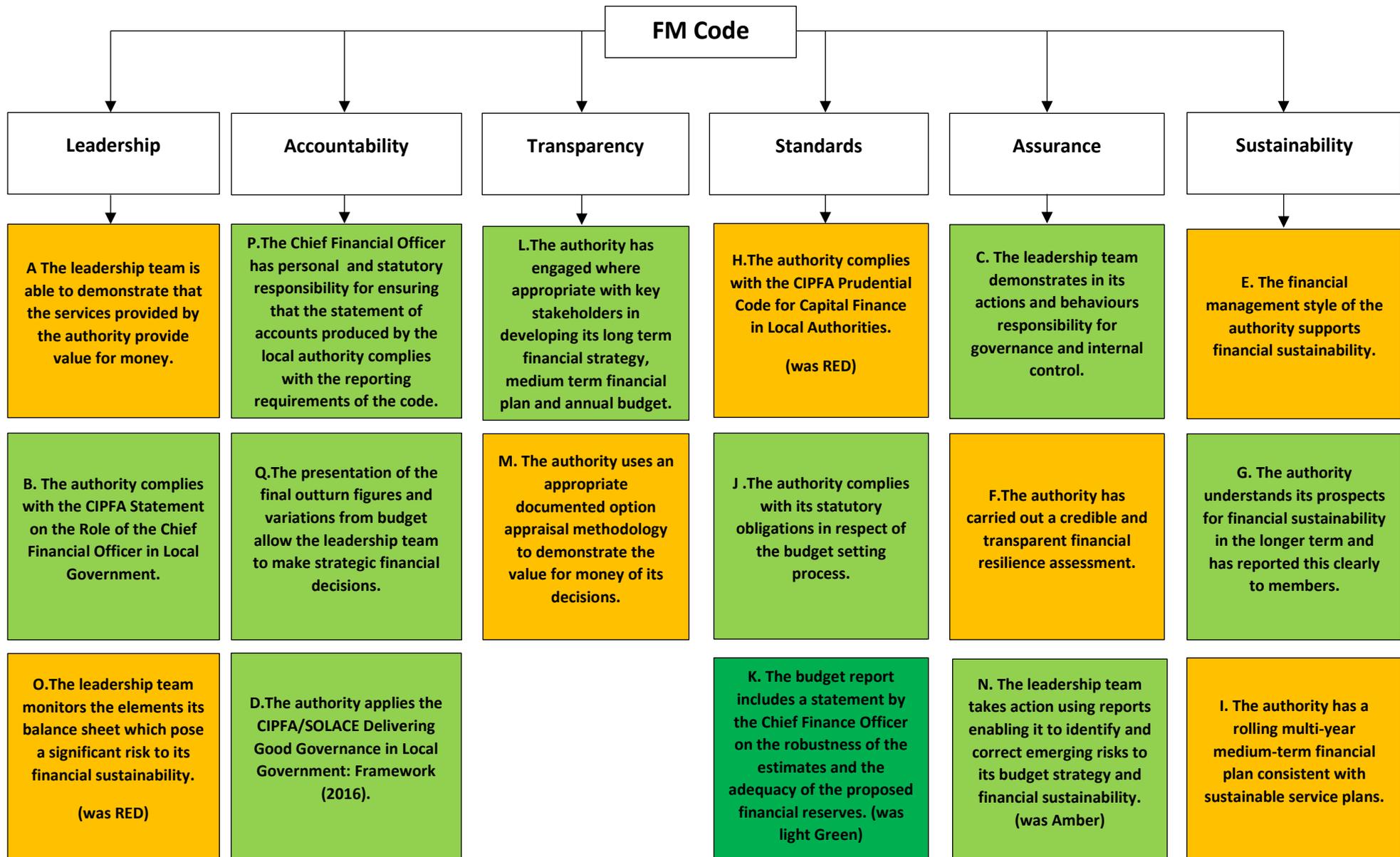
#### *Equality, Diversity and Inclusion*

36 There are no Equality, Diversity or Inclusion Implications.

#### *Consultation*

<b>Name of Consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
Statutory Officer (or deputy):			
Adele Taylor	Interim Executive Director of Resources (S151)	05/05/2025	07/05/2025 13/05/2025 post CLT
Janet Witkowski	Acting Monitoring Officer	13/05/2025	20/05/2025
Legal and Finance			
Sal Khan	Interim Director of Finance (Deputy S151)	05/05/2025	07/05/2025
Other Consultees:			
Executive Directors/Directors:			
Name	Job Title		
CLT	Various	12/05/2025	

<b>Access to Information</b>	
Contact Officer:	Executive Director of Resources (Section 151 Officer) 01270 685876
Appendices:	Appendix 1 – CIPFA Financial Management Code Standards  Appendix 2 – CEC Draft Compliance CIPFA Financial Management Code 2024/25 (April/May 2025)  Appendix 3 – Draft CIPFA FM Code Action Plan 2024/25 (April/May 2025)  Appendix 4 - Glossary
Background Papers:	The Chartered Institute of Public Finance & Accountancy (CIPFA) launched a Financial Management Code (FM Code) 2019.  Draft Annual Governance Statement 2023/24  <a href="#">CIPFA Financial Management Code update report - September 2024</a>



This page is intentionally left blank

# APPENDIX 2

## Review of Cheshire East Council's compliance with the CIPFA Financial Management Code

### Introduction

The CIPFA Financial Management (FM) code sets the standards of financial management for local authorities. It is designed to support effective practice in financial management and to assist local authorities in demonstrating their budgetary sustainability. The code complies with other legislation and associated CIPFA codes and is evidence of compliance with statutory and professional frameworks. All local authorities are required to demonstrate full compliance with the Code by 31 March 2022 or provide a full explanation relating to areas of non-compliance, noting though that a local authority can do so within a more flexible framework where a proportionate approach can be taken. In practice this means that adherence to some parts of the Code will demonstrate a direction of travel with reference made in the Annual Governance Statement in respect of the organisation's compliance with the principles of the FM Code.

Demonstrating compliance with the CIPFA FM Code is a collective responsibility including the Leader of the Council, Members, the Chief Finance Officer, and their professional colleagues in the leadership team. This report is a self-assessment and review of the Council's compliance with the standards as set out in the FM Code. It documents the detail of what is expected within the standard. It also records evidence of areas of compliance, non-compliance and documents any further actions required to meet and/or improve current processes in place.

This report is to be considered alongside the Draft 2023/24 Annual Governance Statement, noting that the 2023/24 External Audit Value for Money (VfM) report is still being finalised and that following reflection of the findings some areas of this draft assessment may be subject to change.

### Principles of good financial management

The code is a principle-based approach. There are six principles:

1. Leadership
2. Accountability
3. Transparency
4. Standards
5. Assurance
6. Sustainability

The six principles are translated into seventeen Financial Management standards - see Appendix 1.

**Assessment of compliance**

The following tables set out the latest self-assessment of the Council's ability to demonstrate that it meets the requirements of the FM Code.

Each of the seventeen standards have been re-assessed against the following definitions:

<b>RAG Assessment</b>	<b>Description</b>
<b>5</b>	Achieves Best Practice
<b>4</b>	Substantial Compliance / Minor Areas of improvement
<b>3</b>	Reasonable Compliance / Some Areas of improvement
<b>2</b>	Minimum Compliance / Significant Areas of improvement
<b>1</b>	Does not meet requirements of the code

A full re-assessment of all the FM Code Principles and Standards is ongoing.

The aim of the full draft re-assessment is to demonstrate the overall current level of compliance in line with the above RAG Rating and highlight any key themes that have been noted for improvements and associated action plans.

# Leadership

**Principle 1: Organisational Leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture**

**Standard A: The leadership team can demonstrate that the services provided by the authority provide value for money**

Key Questions:

- Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team?
- Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services?
- Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved?

**What we need to do?**

Compliance with FM Code requires an authority to achieve value for money and be able to demonstrate that its services represent value for money.

Promote/achieve value for money, examples:

- Clear Governance structure.
- Corporate Plan (clear objectives and strategy based on local need).
- Effective Service and Financial planning.
- Financial Regulations.
- Procurement Regulations.
- Contract Management.
- Risk Management.

**What we are doing (evidence of compliance)**

Governance arrangements have moved to the Committee System (Committee membership & purpose - Links below):

- Structure of Committees approved.
- Committee Terms of Reference approved.
- Chairs / Members appointed (see links below table).
- Committee meeting schedule and workplans approved.
- Annual Review of Committee System Report (Corporate Policy Committee March 2024 and Council May 2024).
- Reports to all decision making committees produced in line with a reporting protocol, Departmental Management Team clearance, legal/finance review, identification of mitigation of risks re report content.
- Annual Service Budget report (Finance Sub Committee March 2025 and same report to all service committees).
- LGA Peer Review and a Notice of Motion to Council which have called for a streamlining of the council's decision making framework etc. This went to CPC in February 2025 which set up a task and finish group to look into streamlining. Recommendations have been made about restructuring the committees but no clarity on outcomes yet. The Task & Finish Group must report back to Corporate Policy Committee in June 2025.

Corporate Leadership Team (see links below table):

- Chief Executive, Rob Polkinghorne was appointed by Full Council on 13.12.2023.
- Interim/Permanent S.151/CFO appointment (appointed Feb 2025) starting 1 June 2025.

Group Governance arrangements:

- Cheshire East Council hold the controlling shares and provide oversight of the Council's subsidiary companies.

- Decision taken at FSC June 2024 to bring all remaining companies back in house (Orbitas from February 2025, and ANSA from 1 April 2025).
- Finance Sub Committee / Shareholder Working Group have Terms of Reference (June 2023 FSC).

Revised Constitution (see links below table):

- Aligns Medium Term Financial Strategy (MTFS) to Committees.
- Budget & Policy Framework (see link).
- Annually Reviewed financial limits (Constitution).
- Revised Finance Procedure Rules (FPRs) and Contract Procedure Rules (CPRs).
- Definition of a Significant Decision (Completed).
- Decisions, Decisions, Decisions – Wider Leadership Community (WLC) Training plus Directorate led sessions.

A1-2 Cheshire East Plan 2025 to 2029 ([Full Council meeting - Item 80](#)):

- The new Cheshire East Plan 2025–29, approved by Full Council in February 2025.
- Aligns with MTFS proposals.
- Aligns to Service Plans.
- Performance Dashboard including Risk.

Procurement:

- A1-3 Atamis roll-out (including dashboards and procurement pipeline) (Completed)
- Procurement Progress Report to FSC (Jan 25) and A&G (Completed for 2024/25).
- Atamis Launch and Contract Manager training re Dashboards.

Strategic Risk Register:

- Risks contained within Service Plans.
- Risks recorded in hierarchy aligned with Directorate to Team level plans.
- Risk Management Framework and Risk Management Strategy adopted.
- Risk Reporting to CLT (Completed 2022/23).
- Council Strategic Risk Register Assurance Report – quarterly updates to Corporate Policy Committee (CPC March 2025 – Q3 2024/25 report).
- Risk Management Report (A&G annually – 23/24 report to meeting in July 2024 see links below table).
- Operational risk registers included in directorate and service business plans.

### Gap Analysis

- Appointments to CLT – interim arrangements in place to cover the Executive Director of Resources (Executive Director – Place has been filled).
- Completed (by March 2025) - Permanent posts filled for: Assistant CEX, Director of Children’s, Director of Place, S.151
- CFO/S.151 – Interim arrangements in place until end May 2025 when permanent appointment starts in post.
- Performance Framework for Corporate Plan Actions / Measures needs to be in Service Plans - *The associated Delivery Plan is scheduled for Corporate Policy Committee in June 2025, and the organisation-wide performance and programme management framework will be launched in May 2025.*

**2023/24 Amber (3)**

**2024/25 Green (4)**

### Action Plan

- A1-1 CLT **Appointment for Monitoring Officer to be completed early 2025/26.**

- A1-4 Strategic Risk Register reports to progress onto the Service Committees (Done for CPC). Service Committees - ***This change will be implemented after the June 2025 report to the Corporate Policy Committee with an updated and revised strategic risk register.***
- A1-5 Review of scheme of delegation and finance procedure rules ***Revised Schemes of Delegation and Financial Procedure Rules to go to Constitution Working Group 9/5/2025, Corporate Policy Committee 12/6/2025 and Full Council 16/7/2025.***
- A1-6 Recommendations have been made about restructuring the committees - ***Task and Finish group to report back in June 2025 re streamlining of committee system.***

**Standard A : The leadership team can demonstrate that the services provided by the authority provide value for money.**

**What we need to do?**

Demonstrate value for money - examples:

- Scrutiny/Audit Arrangements.
- Benchmarking.
- Peer Review, Engagement with Service Users.
- Monitoring of Performance Data.
- Service Reviews.
- User Surveys.
- External Assessments, Equality Impact Assessments.

**What we are doing (evidence of compliance)**

- Committee System introduces cross party decision making.
- Committees receive quarterly performance scorecards, in year financial monitoring reports and MTFs budget planning/setting reports relevant to their area of remit.
- Single Scrutiny Committee sets own work programme.
- In addition to meetings of CLT, the three statutory officers – Chief Executive, S.151 Officer and Monitoring Officer - also meet regularly.
- External Auditors (Mazars up to 2022/23 and Ernst & Young 2023/24 onwards).
- Appointed via PSAA procurement.
- Attend Audit & Governance Committee.
- Regular catch-ups with Chief Financial Officer.
- Regular, private, catch ups with Chair/Vice Chair of Audit & Governance Committee.
- Unqualified opinion 2022/23 ([Link](#)). The 2022/23 External Audit Findings and Action Plan were reported to the Audit & Governance Committee on 07.04.2024 – delegated authority to the S.151 Officer to sign off once the audit had concluded. Final Sign off was achieved on 12.12.2024.
- Likely Disclosed Audit Opinions 2023/24 ([Link](#)). The 2023/24 Interim Audit was reported to the Audit & Governance Committee on 24.02.2025.
- VFM review external audit assessment covering financial sustainability, governance, improving economy, efficiency and effectiveness
- Peer Review completed (March 2024).
- Consultation Hub ([Link to Website](#)).
- Performance Scorecards to Scrutiny.
- OFSTED / CQC assessment.

<ul style="list-style-type: none"> <li>Revised Equality Strategy (Equality Impact Assessments (EIAs) support High Level Business Cases (HLBCs) and other change activity).</li> <li>Benchmarking data in Performance Reporting.</li> <li>External Audit (EA) – met all actions arising from Public Interest Report (Annual Governance Statement 22/23 – Audit &amp; Governance 08.06.23 Satisfactory assurance opinion).</li> <li>Draft Financial Statements 2022/23 published on time. Commencement of 2022/23 Audit deferred due to national issues.</li> <li>2023/24 Draft Financial Statements published, late appointment of Ernst &amp; Young (see above), likely disclaimed audit 2023/24.</li> </ul>	
<b>Gap Analysis</b>	
<ul style="list-style-type: none"> <li>Evidence of benchmarking for Committees.</li> <li>Corporate overview of external assessments.</li> <li>Review adequacy and extent of external assessments.</li> </ul>	
<b>2023/24 Amber (3)</b>	<b>2024/25 Amber (3)</b>
<b>Action Plan</b>	
<ul style="list-style-type: none"> <li>A2-1 Decision making reports to include relevant benchmarking and performance information <b><i>this remains a corporate standard rather than an issue requiring ongoing monitoring or ownership (Ongoing).</i></b></li> <li>A2-2 The Peer Review took place in March 2024 and a formal action plan was published in July 2024. <b><i>Progress against the agreed actions is currently reported to the Assurance Panel as part of the council's improvement oversight. These actions will also be incorporated into the council's Improvement Portfolio, which will be tracked internally via the Transformation and Improvement Board, ensuring internal rigour (T&amp;I Board) and external scrutiny (Assurance Panel). (Ongoing).</i></b></li> </ul>	

**Risk Management report** (Latest – item 27): <https://moderngov.cheshireeast.gov.uk/ecminutes/ieListDocuments.aspx?CId=486&MId=10331&Ver=4>

### Decision making and governance

The Council's Constitution sets out the governance and decision making structures and role of the Council, the roles of Members and Committees, and the roles and delegations to officers, including senior management.

[https://www.cheshireeast.gov.uk/council\\_and\\_democracy/your\\_council/constitution.aspx](https://www.cheshireeast.gov.uk/council_and_democracy/your_council/constitution.aspx)

It also features the Budget and Policy Framework, Finance Procedure Rules and Contract Procedure Rules.

<https://www.cheshireeast.gov.uk/pdf/council-and-democracy/constitution/january-2024/cheshire-east-council-constitution-chapter-3-december-2023.pdf>

The Corporate Leadership Team of the Council currently comprises of the Chief Executive, Assistant Chief Executive, Executive Directors for Adults, Health and Integration, Executive Director for Children's Services, Executive Director for Place, Interim Executive Director of Resources (S.151 Officer) and Acting Director of Governance & Compliance (Monitoring Officer).

[https://www.cheshireeast.gov.uk/council\\_and\\_democracy/your\\_council/corporate\\_leadership\\_structure/corporate-leadership-team.aspx](https://www.cheshireeast.gov.uk/council_and_democracy/your_council/corporate_leadership_structure/corporate-leadership-team.aspx)

In May 2021 the Council replaced its Cabinet system with a Committee system, made up of Corporate Policy Committee and five service committees; there is also the Finance Sub-Committee (a sub-committee of Corporate Policy Committee) and an Audit & Governance Committee, as well as a number of other committees.

The purpose and membership of each committee may be found here:

<http://moderngov.cheshireeast.gov.uk/ecminutes/mgListCommittees.aspx?bcr=1>

Whilst Corporate Policy Committee and Finance Sub-Committee have specific responsibilities for financial planning and management, all service committees are responsible for the oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of services within their remit.

**Principle 1: Organisational Leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture**

**Standard B: The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government**

Key Questions:

- Is the authority's CFO a key member of the leadership team, involved in, and able to bring influence to bear on, all material business decisions?
- Does the CFO lead and champion the promotion and delivery of good financial management across the authority?
- Is the CFO suitably qualified and experienced?
- Is the finance team suitably resourced and fit for purpose?

**What we need to do?**

Compliance with FM Code requires each of the following to be reliably and consistently met:

- CFO is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest.
- The CFO must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered and aligned with the authority's overall financial strategy.
- The CFO must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
- The CFO must lead and direct a finance function that is resourced to be fit for purpose.
- The CFO must be professionally qualified and suitably experienced.

**What we are doing (evidence of compliance)**

- The Executive Director of Resources is the Authority's CFO / S.151 Officer and is a professionally qualified accountant with significant experience – currently Interim (April 2025) Permanent replacement wef 1.6.2025.
- Senior Officer Structure & Statutory responsibilities reported on CEC website ([April 2025](#)).
- The ED- Resources is a member of CLT and leads on development of financial strategy.
- New cross-council officer boards established for Performance and Improvement, Strategy, Policy and Legislation, Risk and Assurance with Executive Director chairs/sponsors and highlight reports to CLT.
- Pipeline of Strategic discussion to CLT via Business Management Support Team.
- Report templates for decisions allow Financial Implications to be addressed and reports are submitted to CLT.
- Some Officer Decision Records are referred to CFO in advance to confirm financial implications are addressed.
- Improved clarity in Financial Procedure Rules over financial limits and decision making.
- The ED-Resources ensures the financial statements are appropriately prepared and that they give a true and fair view.
- The Finance Team suitably resourced and qualified.
- CFO for Local Enterprise Partnership / CEC Group.
- Regular meetings of Statutory Officers being the Chief Executive Officer (CEO), CFO and Monitoring Officer (MO).
- Executive Director of Resources (S151) - supports and advises Council, Corporate Policy Committee, Finance Sub-Committee, Policy Briefing. Forums provide sufficient opportunities for the Leader of the Council, CEO / CLT to have oversight of financial matters and the ED- Resources to be involved in developing and implementing strategy.
- ED-Resources networks externally and works with other Local Authority S.151 Officers.

- Effective financial management is promoted throughout the whole Council through business partnering approach, regular financial reporting to CLT, FSC, CPC, Committees, Full Council.
- Monthly Monitoring Reports to CLT/Strategic Finance Management Board through 2024/25 plus increased oversight through SFMB, Expenditure Review Board, Assets Board.
- Approved MTFs items monitored monthly from the start of 2024/25 and reported on at each Committee cycle during 2024/25 using one single finance report for all committees – this is continuing through 2025/26.
- Finance Managers / Business Partners attend Executive and Departmental Management Teams, Company Senior Management Team/Boards, Finance is represented on internal management teams and in wider Group.
- The Finance function underwent a restructure in 2022/23 and aims to meet business needs via a permanent staffing structure. Some advisory services are commissioned (treasury management, pensions, valuations, Tax). Professional qualification development is in place and appropriate members of the team are either qualified or actively studying for a qualification – monitored by KPI (Service Plan).
- Finance Training provided to Committees in November 2022 and in 2023 following Elections, to support new and existing members.
- Member Training programme on the Committee system for existing and new members.
- Wholly Owned Companies (WOC) Draft Out-turn reports reported to Finance Sub-Committee and Audit & Governance Committee (July 2024).
- Quarterly 121 meetings for Shared Services / Local Enterprise Partnership / WOC CEOs with CFO.
- WOC Out-turn reporting via CFO before Boards.
- Following the publication of the council's 2024/25 First Financial Review report, in which potential budget deficit of £26.5m was reported (excluding £17.6m in Exceptional Financial Support that is available towards this position). A Strategic Finance Management Board was 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.

#### Gap Analysis

- Changes to personnel and approach for CLT are disrupting strategic discussion.
- Improved clarity in Financial Procedure Rules over financial limits and decision making to avoid risks that not all Officer Decision Records reviewed by all necessary parties. Follow-up analysis of decisions not sufficient.
- Improvements in financial monitoring required.

2023/24 Green (4)

2024/25 Green (4)

#### Action Plan

- B-1 Management Boards to be established with wider engagement of Directors and Heads of Service. ***New cross-council officer boards established for Performance and Improvement, Strategy, Policy and Legislation, Risk and Assurance with Executive Director chairs/sponsors and highlight reports to CLT (Ongoing).***
- B-2 Included in scheme of delegation review ***Revised Schemes of Delegation & Financial Procedure Rules to go to Constitution Working Group 9/5/25, Corporate Policy Committee 12/6/25 and Full Council 16/7/25 (Ongoing).***

- B-3 Updated reporting on a monthly basis with formal committee reporting through financial reviews using one single finance report for all committees. ***Monthly Monitoring Reports to CLT/SFMB through 2024/25 plus increased oversight through SFMB, Expenditure Review Board, Assets Board. Approved MTFs items monitored monthly from the start of 2024/25 and reported on at each Committee cycle during 2024/25 using one single finance report for all committees – this is continuing through 2025/26 (Done & ongoing).***

<b>Principle 1: Organisational Leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture</b>	
<b>Standard O. The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability</b>	
Key Questions: <ul style="list-style-type: none"> <li>• Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?</li> <li>• Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet?</li> <li>• Is the authority taking action to mitigate any risks identified?</li> <li>• Does the authority report unplanned use of its reserves to the leadership team in a timely manner?</li> <li>• Is the monitoring of balance sheet risks integrated into the authority’s management accounts reporting processes?</li> </ul>	
<b>What we need to do?</b> <ul style="list-style-type: none"> <li>• The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability</li> <li>• Engages with The CIPFA publication Balance Sheet Management in the Public Services: A Framework for Good Practice (2017).</li> </ul>	
<b>What we are doing (evidence of compliance)</b> <ul style="list-style-type: none"> <li>• Capital Schemes are monitored and reported on periodically in year – previously quarterly, more frequently during 2024/25 alongside ongoing Capital Review.</li> <li>• Capital Funding is reviewed by project and at strategic level.</li> <li>• Report writing guidance has been developed to support improvement in articulating financial implications.</li> <li>• Introduced Capital Board (Jan2025) S.151, CEX, ED Place + Deputy S.151 – Terms of Reference being finalised, review ahead of MTFS finalisation.</li> <li>• A review of the Capital Programme was carried out, and where feasible without unduly compromising VFM, some project spending has been deferred. However, the significant growth to the capital financing requirements of the existing programme have been recognised in the updated MTFS.</li> <li>• Treasury Management advisors commissioned in 2024/25 to carry out a review of our current approach to Minimum Revenue Provision; change in Minimum Revenue Provision effected 2024/25 - approved at February Council 2025 as part of the MTFS 25-29 – Reduced Minimum Revenue Provision charge 2024/25 £3.8m.</li> <li>• Balance sheet review – initial review by advisors LG Improve in July/Aug 2024.</li> </ul>	
<b>Gap Analysis</b> <ul style="list-style-type: none"> <li>• Balance sheet review is not part of the financial monitoring process.</li> <li>• CIPFA Balance Sheet Management is not reported on. Monitoring of entire balance sheet risk is not systematic.</li> <li>• Insufficient clarity on potential financial liability arising from risks recognised across registers being realised.</li> <li>• Limited oversight of Wholly Owned Companies / Shared Service / Investment Strategy impacts on balance sheet.</li> </ul>	
<b>2023/24 Red (2)</b>	<b>2024/25 Amber (3)</b>
<b>Action Plan</b> <ul style="list-style-type: none"> <li>• O-1 Enhance quarterly reporting to include balance sheet management - Specifically, debt / borrowing / assets / pension fund valuation (as appropriate) (Interim Director of Finance / S.151) <b><i>Understand the whole financial sustainability of the Council and recognise the medium to long term implications of decision that are made. A review of the Capital Programme was carried out, and where feasible without unduly compromising VFM, some project spending has been deferred. However, the significant growth to the capital financing requirements of the existing programme have been recognised in the updated MTFS. (Ongoing).</i></b></li> </ul>	

- O-2a Review CIPFA Balance Sheet Management publication alongside LG Improve Balance Sheet reporting information and determine links with CIPFA Balance Sheet Management and/or appropriate level of engagement compared to current reporting. **Treasury Management advisors commissioned in 2024/25 to carry out a review of our current approach to Minimum Revenue Provision; change in Minimum Revenue Provision effected 2024/25 (Ongoing).**
- O-2b Balance Sheet Review/benchmarking to be undertaken by LG Improve Further balance sheet review by LG Improve - April 2025 – additional attention on Provisions (incl but not limited to Bad Debt Provisions), Business rates appeals, asset management. **Initial review Jul/Aug 2024, further review ongoing April 2025 (Ongoing).**
- O-3 Review of financial implications from risk registers to be included in management team meetings at Directorate and Corporate level. **CLT strategic risk workshop in April 2025. Operational risk registers will be circulated to DMT meetings and oversight information will be reported to Governance Risk and Assurance Board and CLT on a regular basis. (Ongoing).**
- O-5 Review reporting approach to impact of Shared Service / WOC decisions on overall balance sheet – how does our existing contract management approach achieve this, what needs to change? **Annual review of WOC balance sheet to CFO via Finance Lead (Ongoing) re Insourced ASDV's / Shared Services (Ongoing).**

<b>Principle 1: Organisational Leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture</b>
<b>Standard O: The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability</b>
<p>Key Questions:</p> <ul style="list-style-type: none"> <li>• Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?</li> <li>• Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet?</li> <li>• Is the authority taking action to mitigate any risks identified?</li> <li>• Does the authority report unplanned use of its reserves to the leadership team in a timely manner?</li> <li>• Is the monitoring of balance sheet risks integrated into the authority’s management accounts reporting processes?</li> </ul>
<b>What we need to do?</b>
<p>To comply with the FM Code the authority might choose to:</p> <ul style="list-style-type: none"> <li>• determine which elements of its balance sheet pose a significant risk to its financial sustainability, through a comprehensive review of its assets and liabilities.</li> <li>• put in place mechanisms to monitor these elements of its balance sheet.</li> <li>• respond promptly and proactively to any issues that these mechanisms identify.</li> </ul>
<b>What we are doing (evidence of compliance)</b>
<ul style="list-style-type: none"> <li>• Quarterly reporting includes reviews of debt and borrowing (<a href="#">Link to FR1 FSC Sept 2024</a>).</li> <li>• The deficit on the Dedicated Schools Grant has been identified as a key risk in the MTFs, monitoring reports to Committees (Update on the progress of the key areas of the Dedicated Schools Grant Management Plan 2024/25 to 2030/31 - Financial Reporting 3 2024/25 – <a href="#">C&amp;F Committee Jan 2025</a>).</li> <li>• Reserves Strategy is approved as part of the MTFs and compliance with the minimum level of reserves and the impact of in year financial performance on the reserves and balances is monitored as part of the in year performance report.</li> <li>• Other potential key risk areas of the balance sheet – Pensions / Contingent Liabilities – captured as part of regular finance reporting.</li> <li>• Asset Management Report – covering property acquisitions and disposals undertaken by the Council and pending transactions (FSC 17.01.2024, next report scheduled FSC 02.06.2025).</li> <li>• Report disposals and acquisitions to Finance Sub-Committee and reference links to MTFs (Done and Ongoing).</li> <li>• Assets Board – Capital Receipts Projections – to CLT/Strategic Finance Management Board through 2024/25.</li> <li>• In depth review of capital strategy to be completed alongside the MTFs (Completed).</li> <li>• Sundry Debt briefing report, sundry debt levels across all Council services (In Year Monitoring report).</li> <li>• Sundry debt monitoring included as part of the in year finance performance report.</li> <li>• In year monitoring report includes Update to the Treasury Management Strategy as relating Capital Strategy borrowing.</li> <li>• Local Government Pension Scheme (LGPS) and Cheshire Pension Fund (CPF) update Reports (FSC – there are three reports during 2024/25 available on the <a href="#">Members hub</a> as reports for noting).</li> </ul>
<b>Gap Analysis</b>
<ul style="list-style-type: none"> <li>• Capital receipts strategy needs development to align with MTFs (Disposal programme – Assets Board).</li> </ul>
<b>2023/24 Red (2)</b>
<b>2024/25 Amber (3)</b>

**Action Plan**

- O-4 – Strategic Asset management group to report through to Strategic Finance Management Board on potential capital receipts (*Ongoing Capital Board (established Jan 2025) plus Assets Board – synergy between the two Ongoing programme currently. A dedicated delivery team will be formed to optimise capital receipts, and report appropriately into Capital Programme Board. Asset Board, CLT.*)

# Accountability

<p><b>Principle 2: Accountability – financial management is based on medium-term financial planning which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs</b></p>
<p><b>Standard D: The authority applies the CIPFA/Solace Delivering Good Governance in Local Government: Framework (2016)</b></p>
<p>Key questions:</p> <ul style="list-style-type: none"> <li>• Has the authority sought to apply the principles, behaviour and actions set out in the framework to its own governance arrangements?</li> <li>• Does the authority have in place a suitable local code of governance?</li> <li>• Does the authority have a robust assurance process to support its Annual Governance Statement?</li> </ul>
<p><b>What we need to do?</b></p> <p>To ensure compliance with the FM Code, whatever form of governance arrangements are in place across the authority, the authority should assess its governance structures against the principles contained in the framework by:</p> <ul style="list-style-type: none"> <li>• reviewing its existing governance arrangements.</li> <li>• developing and maintaining an up-to-date local code of governance, including arrangements for ensuring the ongoing effectiveness of this local code.</li> <li>• reporting publicly on an annual basis its compliance with the authority's local code of governance and how the authority has monitored the effectiveness of its governance arrangements, together with how it plans to improve these arrangements in the future.</li> <li>• This reporting on compliance, effectiveness and improvement can usually be undertaken within the authority's Annual Governance Statement, which must be published alongside its financial statements.</li> <li>• Principles of the Good Governance Framework set out on p. 36 (FM Code guidance notes).</li> </ul>
<p><b>What we are doing (evidence of compliance)</b></p> <ul style="list-style-type: none"> <li>• Council has moved to a Committee System of Governance.</li> <li>• As part of the transition, a review of the Constitution will be undertaken in the first 6 months of operation, with a report back to Council.</li> <li>• Council has a Code of Corporate Governance and adopted the model principles in the Delivering Good Governance Framework in full. An annual review is carried out against this to inform the production of the Annual Governance Statement.</li> <li>• D-1 Establish Governance Workstream ensuring allocation of responsibilities is wider than Internal Audit, Director of Governance &amp; Compliance (DoG&amp;C) Governance Risk &amp; Assurance Management Board established – Initial Work Programme has been developed – may be subject to further change.</li> <li>• Majority of the assessment against the Code for the Annual Governance Statement is carried out by Internal Audit in addition to their annual opinion.</li> <li>• Annual Governance Statement is also informed by various sources of assurance reported to the Audit &amp; Governance Committee throughout the year; Information Governance Annual Report, Monitoring Officer annual report, regular reports on LGO complaints as well as annual summary, WARNs and risk management.</li> <li>• Annual Governance Statement includes an action plan setting out improvements on significant governance issues.</li> <li>• Audit &amp; Governance Committee have delegated authority from Council to approve the Statement of Accounts and Annual Governance Statement. Draft and final statements are presented to the Committee and Statement of Accounts / Annual Governance Statement are published on the Council's website together.</li> </ul>

- An update is presented to the Audit & Governance Committee on progress against significant governance issues where these are recognised in the Annual Governance Statement.
- Amend Service Plans to include Accountability Statements and links (Partially Done, but no links).
- Induction training for all new Members, following the May 2023 elections, includes a focus on governance, code of conduct and officer/member relations.
- D-5 Annual Governance Statement monitoring of risk & performance to committees (Head of Audit & Risk) *Progress on Annual Governance Statement Items reported to Audit & Governance Committee - providing assurance/escalation.*

#### Gap Analysis

- Work on this standard is too focused on Audit.
- Greater involvement by CLT in the production of the Annual Governance Statement via a Corporate Assurance Group.
- Wrap under the Governance Workstream for Brighter Futures Together (BFT); next phase, maintaining, developing enhanced governance – Governance. Next phase to move on from the implementation of the Committee system.
- Code of Corporate Governance needs to be updated to reflect Council governance in Committee System model.
- Wrap under the Governance Workstream for BFT; next phase, maintaining, developing enhanced governance – Governance. Next phase to move on from the implementation of the Committee system.
- Bring the Annual Governance Statement monitoring and reporting in line with quarterly risk review by CLT; draw out clearly where those Annual Governance Statement issues relate to the strategic risk registers.

**2023/24 Green (4)**

**2024/25 Green (4)**

#### Action Plan

- D-1 Establish Governance Workstream ensuring allocation of responsibilities is wider than Internal Audit.
- D-2 CLT to review progress against the Annual Governance Statement action plan on a regular basis ***Governance Risk & Assurance Management Board established – Initial Work Programme has been developed – may be subject to further change though.***
- Amend Service Plans to include Accountability Statements and links (***Partially Done, but no links***).
- D-3 Update COCG with appropriate consultation and approval - Organisational review of the Code of Corporate Governance, including identifying amendments as needed (Risk & Assurance Management Board) ***The Code of corporate Governance is currently being reviewed – (Ongoing)***
- D-4 Include Annual Governance Statement monitoring as part of Performance ***Framework The Audit and Governance Committee received regular risk management updates during 2023/24 and the 2023/24 Annual Risk Management Report was received at the 29 July 2024 meeting. Reports to all decision-making committees are produced in line with a reporting protocol which involves clearance of reports through the relevant directorate management team, legal and financial review and the identification and mitigation of risks associated with the report content. (Ongoing).***

**Principle 2: Accountability – financial management is based on medium-term financial planning which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs**

**Standard P: The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom**

Key questions:

- Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements?
- Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms?
- Have the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom?

**What we need to do?**

In order to demonstrate compliance with the requirement of the FM Code that the authority's CFO has both personal and statutory responsibilities for ensuring that its financial statements comply with the local authority accounting Code, the authority could:

- ensure that the preparation and submission of annual financial statements that comply with the local authority accounting Code is included within the CFO's job/role description and annual performance management objectives.
- consider the extent to which the CFO has prepared and submitted annual financial statements that comply with the local authority accounting Code as part of the CFO's performance management review (or equivalent) and used to inform any performance management ratings or judgements.
- challenge the CFO in the event that the annual financial statements are not prepared and submitted in line with the required timescales or if the review of the financial statements by the authority or its auditors identifies any other issues in respect of their preparation.
- The authority should, however, also ensure that the CFO is provided with sufficient resources – including a suitably-resourced finance team – to fulfil their personal and statutory responsibilities under this element of the FM Code.

**What we are doing (evidence of compliance)**

- P-1 Include Statement of Accounts (SOA) in performance framework (dates and qualification) New performance management framework aligned to Cheshire East Plan 2025+ Finance Key Performance Indicators to include SOA targets around Backstop Dates and new statutory Publication Dates (Draft and Audited) introduced Sept 2024.
- Increase engagement of Finance Team with CFO (Ongoing).
- Internal Audit to attend regular wider Finance Team meetings to support development of work plan / risk review (Ongoing).
- P-2 Quarterly liaison with external auditors to maintain quality of reporting (Interim Director of Finance / S.151) (Done / Ongoing).
- Finance Team structure recognises key responsibilities for account preparation and disclosure.
- Ongoing team development and training supports professional requirements for account closure.
- The ED-Resources (S.151) is responsible for ensuring that the statement of accounts produced by the Council complies with the reporting requirements of the "Code of Practice on Local Authority in the United Kingdom".
- The operational responsibility for production of the Statement of Accounts, in line with proper accounting practices rests with the Finance Team.
- The ED-Resources (S.151) role has management responsibility through the Director of Finance (Deputy S.151) and FMT for the Finance Team.
- The annual accounts have been prepared in-line with the statutory requirements and comply with CIPFAs code of practice on a timely basis.
- The annual accounts are reviewed and signed by the ED-Resources (S.151 Officer).
- The Executive Director of Resources (S.151) role includes responsibility for liaison with external audit.
- Audit & Governance Committee provide suitable challenge on timeliness and quality of accounts.

- Finance Leadership Team (ED-Resources /Director of Finance/FMT) meet monthly.
- With regard to production of the statutory Statement of Accounts, the Council met the 2022/23 Backstop date of 13.12.2024. The Council published draft Accounts for 2023/ 24 by 18.07.2024, Public Sector Audit Appointments appointed new auditors Ernst & Young in Feb2024, however the external audit started late in October 2024 and combined with meeting the newly imposed backstop dates (28.02.2025 for 2023/24) this meant that work on the accounts could not be completed in time – likely disclaimed audit for 2023/24 – awaiting Ernst & Young decision on objections to the accounts. Work on the 2024/25 Audit of Accounts has commenced and the Finance Team are working towards achieving the 30.06.2025 date for draft accounts publication.

#### Gap Analysis

- Maintain appropriate staffing levels. (Ongoing).
- Review resources and ensure adequate to complete account closure.

**2023/24 Green (4)**

**2024/25 Green (4)**

#### Action Plan

- P-3 CFO needs to ensure that the team is appropriately staffed with skilled, capable resources to be able to comply with codes of practice. This needs to include appropriate workforce development to ensure that there is succession planning in place for key roles where there are national skills shortages in technical finance – plus include: Increase reporting on Continuing Professional Development / Personal Development Reviews to ensure development ongoing. Create secondment opportunities for Audit / Finance staff to enhance skills / experience where appropriate. ***(Ongoing) Workforce plan in place for finance including recruitment, retention and talent management. Work on succession planning, critical roles and recruitment campaign has been undertaken through 2024/25 with wider finance team – (Ongoing). New Finance Manager (Children’s) started 3 March 2025. The CIPFA Competency Assessment has been commissioned and the Model will also be deployed to identify current skills and competencies, and help to determine if there are any gaps that require additional resources to support future change (June 2025).***

The audited accounts for 2022/23 may be found via the following link; they include the independent auditor’s report from Mazars, providing an unqualified opinion on the financial statements and a positive report with regard to the Council’s arrangements for securing economy, efficiency and effectiveness (value for money) in its use of resources:

<https://www.cheshireeast.gov.uk/pdf/council-and-democracy/statement-of-accounts/statement-of-accounts-2022-2023/statement-of-accounts-2022-23-final.pdf>

The Accounts for 2023/24 were prepared by 18 July 2024. The 2023/24 audit commenced late following the appointment of Ernst & Young (EY) in 2024, the audit not commencing until October 2024, the auditors reported their interim findings to the Audit & Governance Committee of the Council on 24 February 2025:

[Draft Statement of Accounts 23-24](#)

[Agenda for Audit and Governance Committee on Monday, 24th February, 2025, 10.00 am | Cheshire East Council](#)

**Principle 2: Accountability – financial management is based on medium-term financial planning which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs**

**Standard Q: The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions**

- Key questions:
- Is the authority's leadership team provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget?
  - Is the information in these reports presented effectively?
  - Are these reports focused on information that is of interest and relevance to the leadership team?
  - Does the leadership team feel that the reports support it in making strategic financial decisions?

**What we need to do?**

- The FM Code states that effective financial reporting is key to ensuring that the authority and its leadership team understand how effectively its resources have been utilised during the year, including how material variances from initial and revised budgets to outturn have arisen and been managed.
- The success of these arrangements will be demonstrated by the ability of the leadership team to use them to make informed decisions about the authority's future financial strategy and plans. In some circumstances, such reporting might lead to a reappraisal of the achievability of the long-term financial strategy and of the financial resilience of the authority.

**What we are doing (evidence of compliance)**

- The Council has a well-established financial cycle – of planning, monitoring and reporting – which includes formal in-year reviews (with reports going to three committee cycles) and an outturn report after year-end.
- Outturn reports are provided to CLT then onwards for appropriate member approval.
  - Outturn reporting includes assessment of financial performance across all services and central budgets, including narrative to explain variances.
  - Reporting out-turn forecast/variations to budget to allow strategic financial decisions – Finance Management Team/Finance Business Partners to provide insight to CFO for discussion with Directorates with CFO present.
  - Line by Line Review of 2022/23 and 2023/24 Out-turn – **completed July 2024 - to be repeated as part of 2024/25 out-turn.**
  - Capital Programme slippage – 2024/25 Out-turn and effects on Capital Financing – oversight by Capital Review Board / CLT.
  - Capital and revenue performance through the year.
  - Enhance capital performance monitoring and correlations to the MTFS process. The MTFS Consultation must include Capital and associated headlines / charts, this is to include the impacts the capital programme has on the capital financing budget which has a direct link to the Revenue Outturn (Interim Director of Finance / S.151).
  - 2024/25 In year reporting included additional detail on capital monitoring and the ongoing capital review and funding. This will continue into 2025/26.
  - Outturn reporting includes analysis of impacts on reserves and treasury management.
  - Outturn and Mid-Year Review support MTFS development process.
  - Third Quarter Review forecasts outturn, which aligns to MTFS opening balances.
  - Outturn reported to CLT for review prior to draft accounts.

- MTFS process includes Capital performance.
- MTFS Project Team established with Programme Management Office support.
- In year reporting includes variances to approved budget proposals.

#### Gap Analysis

- Outturn reporting. Given the variations between FR3 and Out-turn 2024/25 for some Directorates – detailed review and analysis on a Line by Line basis is required to establish the ongoing nature of favourable/adverse movements on the base budget 2025/26 and future MTFS 2026/27+.
- Line by Line reviews to be repeated as part of 2024/25 out-turn (Ongoing).
- Capital performance is not strongly correlated with MTFS process.

**2023/24 Green (4)**

**2024/25 Green (4)**

#### Action Plan

- Q-1 Reporting out-turn forecast/variations to budget to allow strategic financial decisions – Finance Management Team/Finance Business Partners to provide insight to CFO for discussion with Directorates with CFO present. ***(Completed and ongoing). Line by Line Revenue reviews to be repeated as part of 2024/25 out-turn – May/June 2025. Capital Programme slippage – 2024/25 Out-turn and effects on Capital Financing – oversight by Capital Review Board / CLT – May/June 2025 (Ongoing).***
- Q-2 Enhance capital performance monitoring and correlations to the MTFS process. The MTFS Consultation will include Capital and associated headlines / charts and include the impacts the capital programme has on the capital financing budget which has a direct link to the Revenue Outturn ***Capital Financing budget – detail updated in each Quarterly report/MTFS update reports to show the effects of the cap programme, Dedicated Schools Grant deficit funding and Exceptional Financial Support plus given indications on forward/future spend commitment re Minimum Revenue Provision (Done and Ongoing).***
- Consultation to include capital and associated headlines/charts ***(Ongoing).***
- Enhance HLBC to align with Performance Framework and to other Strategies and Policies. ***New format (ICC) Business Case being implemented in 2025/26 for Revenue and Capital monitoring to improve consistency and provide necessary detail on full implications of proposals across the MTFS/Capital Strategy – still in progress. Capital Forecasting will continue to be improved – oversight by Capital Programme Board. Include/capture new capital proposals or changes to existing schemes on a central site with all business cases (Capital and Revenue) to ensure whole life costs/savings are in one place.***

# Transparency

**Principle 3: Transparency – Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.**

**Standard L: The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget**

Key questions:

- How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget?
- How effective has this engagement been?
- What action does the authority plan to take to improve its engagement with key stakeholders?

**What we need to do?**

- The FM Code sets out clearly that stakeholder consultation can help to set the authority's priorities and to reduce the possibility of legal or political challenge. Furthermore, stakeholder consultation helps to encourage community involvement not just in the design of services but in their ongoing delivery.
- The FM Code requires the authority to engage, where appropriate, with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget. In complying with this element of the FM Code, there are a number of things to consider, namely:
  - o how to identify key stakeholders.
  - o how to engage effectively with these stakeholders.
  - o how to use the results of this engagement wisely.

**What we are doing (evidence of compliance)**

- A comprehensive Stakeholder Analysis was completed.
- Budget Consultation is on-line and (when possible) available at public buildings to maximise engagement.
- Questions and material are co-designed with the Consultation Team.
- Publicity is co-designed with the Communications Team.
- All Stakeholders are communicated with and encouraged to respond through several forums, including Social Media. including the statutory consultation with business councillors, residents, staff, town and parish councils, local community groups and other stakeholders including trade unions.
- All feedback is reported to officers to develop responses / actions.
- All feedback is reported to members to support decision making.
- Changes following consultation are reported clearly.
- EIAs accompany all HLBCs.
- MTFS Project Team established with Programme Management Office support.
- Develop stakeholder plan for MTFS process.
- Track progress vs Stakeholder plan.
- Stakeholder involvement undertaken as part of the development and implementation of service changes and major projects, with the extent of consultation required approved by Legal Services.

<ul style="list-style-type: none"> <li>L-2 Provide earlier public consultation with wider options contained within HLBCs. <i>The business planning process consisted of a business community survey, mirroring the main public engagement survey, which opened on 19th Dec following the Local Government Provisional Finance settlement announcement on 18th Dec and closed on 2 February 2025. Public consultation on the MTFS took place via a resident engagement survey and business community survey between 19 December 2024 and 2 February 2025, following the provisional finance settlement. While the timeline was compressed, the consultation team supported the process. Planning for earlier and broader engagement is in progress for 2025/26.</i></li> </ul>	
<b>Gap Analysis</b>	
<ul style="list-style-type: none"> <li>Events to discuss the MTFS with partners to be re-instated.</li> <li>The number of budget consultation engagements in 2024 was similar to 2023 (2,267), and significantly higher than in previous years.</li> </ul>	
<b>2023/24 Green (4)</b>	<b>2024/25 Green (4)</b>
<b>Action Plan</b>	
<ul style="list-style-type: none"> <li>L-1 Events to discuss the MTFS with partners will be re-instated. <b><i>The timeline for consultation during 2024/25 did not align to the published plan which was shared at Finance Sub Committee in June 2024. The communications team, including the consultation service, is ready to support colleagues in finance with any future engagement on the MTFS or budget. Forward planning for the 2025/26 cycle is already underway and reflected under L3.</i></b></li> <li>L-3 MTFS timeline for 2025/26 sets out earlier engagement with key stakeholders and partners for example earlier sight of the Budget Consultation material before public launch. The Communications Team maintain a detailed stakeholder engagement list and sessions with each are to be run during the consultation period (Oct-Dec) so allow adequate engagement. (Interim Director of Finance / S.151). <b><i>For 2025/26 we are aiming to hit the original planned timetable of public consultation at the beginning of October 2025 with scrutiny through the November Committee suite of meetings and then again to the January meetings to include public feedback to the proposals at that time. The consultation and communications teams are working with finance colleagues to deliver a public consultation on the 2025/26 MTFS in October 2025, in line with the published timetable. Stakeholder engagement sessions will be coordinated during the consultation period to ensure appropriate reach and input.</i></b></li> </ul>	

Budget Engagement - The full report may be found here:

<https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s122840/APPENDIX%20B%20-%20Budget%20Engagement%20Report.pdf>

**Principle 3: Transparency – Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making**

**Standard M: The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions**

Key questions:

- Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB (Professional Accountants in Business) publication Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal?
- Does the authority offer guidance to officers as to when an option appraisal should be undertaken?
- Does the authority’s approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options?
- Does the authority’s approach to option appraisal include suitable mechanisms to address risk and uncertainty?
- Does the authority report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)?

**What we need to do?**

- As a general rule, the approach taken by the authority to option appraisal should comply with the guidance set out in the IFAC/PAIB publication Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal (2013).
- Consequently, rather than preparing its own documented appraisal methodology, the authority might prefer to record simply that any option appraisals that it undertakes should comply with the guidance set out in this publication, or in CIPFA’s own guide to undertaking an option appraisal: Option Appraisal: A Practical Guide for Public Service Organisations (2017 Edition).

**What we are doing (evidence of compliance)**

- HLBCs follow the Better Business Cases (5 Cases) Model which encourages options appraisal.
- The S.151 Officer frequently raises the quality of options development within Reports as part of CLT.
- HLBCs include additional material in options that reflect Council Priorities such as Carbon.
- Amend HLBC template to require at least 3 Options (do nothing / do this / do something else) (Ongoing).

**Gap Analysis**

- The IFAC/PAIB publication has not been used as a guide so should be reviewed.
- Options appraisals are generally inadequate / articulated.
- Future options appraisals should reflect priorities within the Corporate Plan / Council Plan.
- Reporting who considered options should be enhanced as frequently only one option is articulated in reports.
- Quality of risk management arrangement proposals could be better aligned to risk appetite and tolerance, and support options appraisal.

**2023/24 Amber (3)**

**2024/25 Amber (3)**

**Action Plan**

- M-1 Consider Training / presentation on IFAC/PAIB and/or CIPFA’s own guide to undertaking an option appraisal: Option Appraisal: A Practical Guide for Public Service Organisations (2017 Edition) for Finance Management Group at least.
- M-2 Risks need to be aligned (Cheshire East Plan / MTFs / HLBC / Strategic Risk Register) to enhance transparency.
- M-3 Amend HLBC template to require at least 3 Options (do nothing / do this / do something else) (Ongoing).

- M-4 Risks mitigation (considered options) needs to be articulated as part of Finance / Performance Framework (**Ongoing**).  
***Fully aligned MTFS and Corporate Plan will provide stronger value for money evidence, based on consistent options appraisal methodology. These actions relate to business case design and option appraisal, we recognise the limitations of the current approach. There is a case for reviewing the council's methodology for business case development, including how options, risks and value for money are presented. This will be considered as part of wider governance and transformation activity at an appropriate point.***

## Standards

<b>Principle 4: Standards – Adherence to professional standards is promoted by the leadership team and is evidenced</b>
<b>Standard H: The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities</b>
Key questions: <ul style="list-style-type: none"> <li>• Has the authority prepared a suitable capital strategy?</li> <li>• Has the authority set prudential indicators in line with the Prudential Code?</li> <li>• Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set?</li> </ul>
<b>What we need to do?</b> <ul style="list-style-type: none"> <li>• The FM Code requires the authority to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code), though there is an exception for chief constables in England and Wales as they only have very limited and specific borrowing powers.</li> <li>• In setting or revising its prudential indicators, the authority is required to have regard to the following matters: <ul style="list-style-type: none"> <li>• service objectives, e.g. strategic planning for the authority.</li> <li>• stewardship of assets, e.g. asset management planning.</li> <li>• value for money, e.g. option appraisal.</li> <li>• prudence and sustainability, e.g. risk, implications for external debt and whole life costing.</li> <li>• affordability, e.g. implications for council tax/district rates.</li> <li>• practicality, e.g. achievability of the forward plan.</li> </ul> </li> <li>• The Prudential Code also requires that, in making its capital investment decisions, the authority should have explicit regard to option appraisal and risk, asset management planning, strategic planning for the authority and achievability of the forward plan.</li> </ul>
<b>What we are doing (evidence of compliance)</b> <ul style="list-style-type: none"> <li>• The Council complies with the Prudential Code and monitors adherence through the Treasury Management Plan and as part of the MTFS approval process.</li> <li>• Borrowing is reviewed as part of the process to set the Capital Budget and is supported by frequent contract management and engagement meetings with Treasury Management Advisors.</li> <li>• The Capital Programme Board (re-established Jan2025) - board reviews schemes and funding to assess impact on borrowing / financing.</li> <li>• Options to manage funds are completed across the programme, and not simply on a single item.</li> <li>• Quarterly reports on Capital to include impact on Capital Financing Budget and management of this through the Financing Reserve (Done).</li> <li>• Capital Strategy features a number of sections, including an overview from the S.151 Officer, prioritisation of capital expenditure, investment and risk strategy and governance; as well as the Capital Programme itself.</li> <li>• H-4 Capital Strategy Review Process – see detail notes below this table. During 2024/25 there has been reviews of the Capital Programme and where feasible some project spend has been deferred (Cross Ref to Financial Review 2 report) However, the significant growth to the capital financing requirements of the existing programme and new schemes for 2025/26 have been recognised in the updated MTFS. Further ongoing review needed under the scrutiny of the Capital Programme Board.</li> <li>• Capital Strategy Review by 31.03.2024, Feedback 17.05.2024 – update Out-turn report June 24.</li> </ul>

- H-3 Whole organisation ‘benefit’ approach to strategic capital investment and prioritisation (following an effective review of current programme and its unaffordability against the available financing envelope) Capital Programme Board – established in Jan 2025, Terms of References being finalised – streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.
- H-2 Focus Treasury Management Strategy reporting on MTFS and high level borrowing / investment targets and actions to change them if necessary.
- Treasury Management Strategy and Capital update is included in the quarterly in year monitoring reports to Committee. Includes focus on reducing borrowing – i.e. capital programme review.

**Gap Analysis**

- The impact of the MTFS proposals should be more clearly articulated in the Treasury Management Strategy (TMS).
- Reporting against funding targets should be enhanced and assessed against risk.
- Reporting to CLT should be simplified to enhance engagement with TMS.
- Capital HLBC’s to include whole life costs.

<b>2023/24 Red (2)</b>	<b>2024/25 Amber (3)</b>
------------------------	--------------------------

**Action Plan**

- H-1 Align MTFS to cashflow, remove assumptions on slippage moving to risk assumptions instead. ***Per Combined MTFS & Transformation timetable – Budget Consultation period Improvements in forecasting actual capital spending requirements by project managers will be required to bring about improvements in cashflow and financial/borrowing costs planning by Finance. Reintroduction of a Capital Programme Board (see H-3), with streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.***
- H-5 Widen HLBCs to cover whole life costs and cashflow implications (such as PMO dashboard). ***CEC is adopting the ICC business case template for Rev/Cap projects. Methods such as Net Present Value are already used when developing capital schemes, however a formal and consistent approach will be proposed to be agreed at the outset with the newly established Capital Programme Board.***

The Capital Strategy may be found in the MTFS, starting on page 108.

<https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s122838/APPENDIX%20A%20-%20MTFS%202025-2029%20FINAL.pdf>

**Principle 4: Standards – Adherence to professional standards is promoted by the leadership team and is evidenced**

**Standard J: The authority complies with its statutory obligations in respect of the budget setting process**

Key questions:

- Is the authority aware of its statutory obligations in respect of the budget-setting process?
- Has the authority set a balanced budget for the current year?
- Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so?

**What we need to do?**

- One of the principal objectives of the FM Code is to end the practice by which the annual budget process has often become the focal point of, if not the limit to, authorities' financial planning.
- The annual budget should be merely one element in a longer-term approach to ensuring financial sustainability. However, the annual budget preparation process must nevertheless be protected at a time when the need to make difficult decisions may threaten its integrity.
- The FM Code requires the authority to be familiar with its statutory obligations in respect of the budget-setting process, to comply with these requirements, and to be able to demonstrate that it has complied with them.
- While, in times of routine business, compliance is straightforward, it is in times of financial stress – when there may be pressures for delay or obfuscation in budget setting – that a comprehensive understanding of these statutory requirements is crucial. The same is true in placing reliance on information for budget-setting purposes from other authorities, such as independent precepting bodies.

**What we are doing (evidence of compliance)**

- The authority has an established process for setting a balanced budget in line with statutory obligations.
- The process for developing and setting the budget is set out in the policy and budget framework.
- Financial Planning, Monitoring and Reporting are consistent with each other and remain compliant.
- The requirement to produce a balanced budget is well publicised and has been enhanced to recognise the importance of each single year being part of the MTFS.
- The MTFS / budget includes assumptions on funding, cost pressures, savings planning and delivery, the impact of any changes in key planning assumptions such as pay awards. The outcome provides an indication of the range of mitigation requirements (additional savings required) and levels of risk and resilience reserves.
- Decisions are supported by HLBCs, including EIAs and proposals are subject to Consultation.
- HLBC's for 2024/25 published alongside draft MTFS report on website.
- The S.25 Statement of the S.151 Officer is personal and not subject to influence (see below).
- Setting of the Council Tax is compliant and engages precepting and levying bodies as required.
- in-year budget monitoring process highlights risk and potential for overspend and ongoing impacts for the MTFS.
- In year reporting for 2023/24 and 2024/25 has recognised the scale of the recent financial challenges, in line with many councils in England and has highlighted the risk associated with this and that the Council could act illegally, triggering the requirement for a Section 114 report from the Chief Financial Officer. The sources that could trigger a S114 have been set out and the consequences of issuing a S114 are also clearly stated. Exceptional Financial Support is being drawn down to support the 2024/25 overspend which maintains the legality of the budget.
- 2025/26 – 2028/29 MTFS & 25/26 Draft Budget - Corporate Policy Committee 06.02.2025.

- Urgent Decision – Exceptional Financial Support Dec 2024 re 2023/24 use in 2024/25 £17.6m and new request for 2025/26 £25.3m.
- 2023/24 and 2024/25 Exceptional Financial Support Report taken to Corporate Policy Committee 13.02.2024. Exceptional Financial Support request approved by Government 29.02.2024. The MTFS February 2025 then set a balance budget with the use of £25.3m for 2025/26. This was in the form of a capitalisation directive.
- Further Exceptional Financial Support request, approved via an urgent item at Dec full Council meeting,
- J-4 Develop Service Plans to address a profile aligned to MTFS, to move away from central bidding process. 2025-26 MTFS balanced through use of Exceptional Financial Support. MTFS includes Transformation Plan savings to reduce the budget over the medium term. Budget funding gap 2026-27 onwards.
- Ongoing delivery of 2025-26 Budget and savings and further reductions to address the future shortfall.
- J-3 MTFS Assumptions / scenario plan demand led spending requirements Report to Finance Sub Committee June24 on MTFS Assumptions including requirement to increase general reserves to more appropriate levels, to support the future financial sustainability of the Council. Including proposals to build general reserves to the required levels plus make provision for Contingency/ Risk budgets.
- Follow up report to Finance Sub Committee September 2024 – including alternative scenarios around funding.
- One all Council finance report to go to every committee to enhance cross budget oversight. This happened during 2024/25 and will continue into 2025/26.
- Implementation of Transformation Board from May 2025.

#### Gap Analysis

- Identify solutions – with Government – to the exceptional financial challenges of:
  - Abortive costs of HS2 and potentially other capital projects (post-review).
  - The High Needs/ Dedicated Schools Grant deficit, per se, and the directly related cashflow effects of interest costs.
  - Underlying operational deficits on our revenue account in 2024/25 and 2025/26.
- Significant information within HLBCs and EIAs should be capable of publication (and be published).
- HLBC's not published alongside 2025/26 MTFS report.

**2023/24 Green (4)**

**2024/25 Green (4)**

#### Action Plan

- J-1 Identify solutions – with Government – to the exceptional financial challenges of:
  - Abortive costs of HS2 and potentially other capital projects (post-review).
  - The High Needs/ Dedicated Schools Grant deficit, per se, and the directly related cashflow effects of interest costs.
  - Underlying operational deficits on our revenue account in 2024/25 (**Ongoing**).
- J-2 Publish HLBCs, embed EIAs within HLBC template (**Ongoing**) ***HLBCs for the 2025/26 budget were not published, and EIAs are not currently embedded in the business case template. We expect both areas to be revisited as part of future reforms to the business case process, aligned to wider governance and transformation priorities. These reforms will clarify ownership and ensure that decision-making documentation supports transparency and compliance.***
- J-5 Budget setting can be improved by greater focus of senior management in understanding and engagement on whole-Council strategies and need for transformation, and supporting processes, as well as Service-level focus and support for financial risk management, recognising the Council's low levels of reserves, and need to build greater resilience ***Dependant on Revised Cheshire East Plan / Transformation Plan / Peer Review / Decision Making Accountability (DMA) Review outcomes, actions and timelines.***

**Principle 4: Standards – Adherence to professional standards is promoted by the leadership team and is evidenced**

**Standard K: The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves**

Key questions:

- Does the authority's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves?
- Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case?
- Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future?
- Does the report set out the current level of the authority's reserves, whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is to take to address any shortfall?

**What we need to do?**

- In line with Section 25 of the Local Government Act 2003, the FM Code requires the authority's section 151 officer (for authorities in England and Wales) to report alongside the annual budget, when it is submitted for approval, on the robustness of the estimates and the adequacy of reserves allowed for in the budget proposals.
- The aim of this report is to provide information and assurance in respect of the estimates included within the annual budget, so that those responsible for scrutinising and approving the budget can take these into account as part of the scrutiny and approval process.

**What we are doing (evidence of compliance)**

- The S.25 Report is written by the S.151 Officer and expresses their professional views.
- The report is included within the MTFs and members are asked to take this report in to account as part of the recommendations of the Report to Committee / Council.
- Report reflects all elements of the financial cycle and the associated engagement
- Report highlights risks and performance in a strategic context.
- Widened engagement in drafting s.25 statement to allow more input. Added to timetable and request from EFMT (Done).
- Isolated S.25 statement within MTFs as a specific recommendation to note it. Also issued to Group Leaders.
- Staff briefings (In the Know) Finance & Budget Consultation Update (AT) 21&23.01.2025 – specific coverage on the robustness of the budget estimates and adequacy of reserves.
- K-1 Enhance CFO communications with planned conversations, BLOG, DMT attendance (Ongoing) Manager Share & Support Briefing on the MTFs and in year position 21&23.01.2025 – specific coverage on the robustness of the budget estimates and adequacy of reserves.
- K-2 Use CIPFA FM Code review to report problem areas 2024/25 update June 2025 Ongoing updates built into the Committee forward plan
- K-3 Exceptional Financial Support (Ministry of Housing, Communities & Local Government) – Report to Corporate Policy Committee (approved). Transformation Plan required by August 2024 (Chief Executive).
- Transformation Programme Plan in place/submitted – Aug 2024.
- CIPFA Review (Exceptional Financial Support) - published March 2025 - CIPFA review report and an update on our progress at the Finance sub-committee meeting 02 June 2025

- K-4 Continue to explore options with Department of Levelling-Up, Housing & Communities, Department for Education and Department of Transport to resolve material issues regarding HS2 and High Needs (SEND) education expenditure.
- Next steps - dependant on 2024/25 in year reporting and deliverability of approved 24/25 MTFS proposals / Transformation Programme / Peer Review action plan / DMA Review outcome and their impact on 2024/25 and MTFS cycle 2025/26 to 2028/29.
- K-5 Budget delivery 2024/25.
  - monitor progress and performance against MTFS proposals delivery and developing MTFS 25 – 29 to CLT/Strategic Finance Management Board (SFMB)/Committees.
  - monthly financial forecasting to CLT/SFMB.
  - In year reporting to Committees.
  - MTFS tracking to each Committee cycle (Done & Ongoing).
- K-6 Adequacy of reserves – 2024/25 and MTFS 2025 – 2029.
  - Out-turn 2023/24 report.
  - In year monitoring 2024/25 – delivery of proposals.
  - MTFS Assumptions - Funding, income, expenditure.
  - MTFS Development.

*MTFS included the topping up of General Fund reserves to £20m over the life of the MTFS to help restore financial stability. Following Strategic earmarked reserves were approved within the Reserves Strategy. Budget provision made in the MTFS for Contingency & Risk budgets to manage in year inflationary impacts and delivery of savings (overseen/approved by CEX/S.151).*

#### Gap Analysis

- None

**2023/24 Green (4)**

**2024/25 Green (5)**

#### Action Plan

- None

Exceptional Financial Support Report – Link (see item 69):

<https://moderngov.cheshireeast.gov.uk/ecminutes/ieListDocuments.aspx?CId=239&MIId=10284>

Submission of Transformation Plan – Link (see item 22): [Agenda for Corporate Policy Committee on Wednesday, 21st August, 2024, 5.30 pm | Cheshire East Council](#)

# Assurance

**Principle 5: Assurance – Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection**

**Standard C: The leadership team demonstrates in its actions and behaviours, responsibility for governance and internal control**

Key questions:

- Does the leadership team espouse the Nolan principles?
- Does the authority have in place a clear framework for governance and internal control?
- Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability?
- Does the leadership team espouse high standards of governance and internal control?
- Does the leadership team nurture a culture of effective governance and robust internal control across the authority?

**What we need to do?**

- In setting out the requirement for the authority's leadership team to demonstrate in its actions and behaviours responsibility for governance and internal control, the FM Code emphasises the importance of the 'Nolan principles' (listed p. 32 FM Code Guidance Notes).

**What we are doing (evidence of compliance)**

- The Audit & Governance Committee Terms of References are reviewed frequently and reflect input of the S.151 Officer.
- Annual Governance Statement is prepared within Audit Team and reviewed by CLT / Audit & Governance.
- S.151 Officer stresses requirement for appropriate ethics and behaviours from Team and Peers.
- Code of Ethics specific for Internal Audit.
- Officer Code of Conduct.
- Member Code of Conduct.
- CFO promotes ethics and Nolan Principles.
- Procurement pipeline reviewed at Finance Sub-Committee, including backwards look.
- The behaviours and values are part of appraisal conversations as well as key to the way we recruit and develop colleagues.
- We have arrangements to provide assurance that our behaviours are being upheld and that members and officers demonstrate high standards of conduct. These include:
  - codes of conduct for officers and members (including gifts and hospitality, registering interests, anti-fraud, and whistleblowing); and
  - inclusion of ethical values in policies and procedures for all areas including procurement and partnership working.
- Our Constitution sets out the framework to ensure that all officers, key post holders and Members are able to fulfil their responsibilities in accordance with legislative requirements.
- We have governance arrangements for our wholly owned trading companies.
- Executive Director of Resources (S151) and Monitoring Officer both attend Corporate Policy Committee to ensure strong financial governance and oversight of decision-making.
- All reports to Committees, CLT, Departmental Management Team are required to include a financial implications section overseen by Senior Finance Officer and a representative of the Finance Service attends all meetings.

- C-5 Ensure oversight and spot-check reviews of spend. *All spend (requisitions) for £5k and above is sent to procurement using a workflow in Unit 4. This is reviewed to ensure it has a contract in place and has been approved by the expenditure control panel.*

#### Gap Analysis

- Adherence to Nolan Principles is not frequently assessed by CLT / Wider Leadership Team / Wider Leadership Community.
- There is evidence of confusion over some decision making – Officer Decision Records / Financial Procedure Rules / Delegations.

**2023/24 Green (4)**

**2024/25 Green (4)**

#### Action Plan

- C-1 Add recognition of Nolan principles to Annual Governance Statement. Allow areas of development to be flagged via Annual Governance Statement. (Head of Audit & Risk) ***The Code of Corporate Governance is currently being reviewed, needs to align to timeline for Annual Governance Statement update (Ongoing Dec 2025).***
- C-2 Develop accountability statement for Service Plans (including links to supporting policies and guidance) and require positive acknowledgement of agreement. ***(Ongoing) A new Delivery Plan and performance reporting framework are in development, aligned to the Cheshire East Plan 2025–29. A report is going to Corporate Policy Committee in June 2025 – this may need to be reviewed during 2025. Enable regular scrutiny of financial proposals by relevant committees, including recording (or approval) of mitigating actions.***
- C-3 Adequate review of Internal Audit action completion as part of internal control framework. (Head of Audit & Risk). ***The approach to follow up on agreed internal audit recommendations has been reviewed, and a number of changes introduced. This will ensure that progress on implementation is being reviewed by senior management, the Corporate Leadership Team and the Audit and Governance Committee more regularly. Progress updates provided by Internal Audit on the delivery of the 2024/25 internal audit plan will include an indication of whether there is improvement against the previous year’s opinion.***

**Principle 5: Assurance – Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection**

**Standard F: The authority has carried out a credible and transparent financial resilience assessment.**

Key questions:

- Has the authority undertaken a financial resilience assessment?
- Has the assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios?
- Has the authority taken appropriate action to address any risks identified as part of the assessment?

**What we need to do?**

- The FM Code sets out that if the authority has not tested and demonstrated its long-term financial resilience, then its financial sustainability remains an open question.
- The FM Code requires, therefore, that the authority assesses critically its finance resilience. This is undertaken by means of an explicit financial resilience assessment.

**What we are doing (evidence of compliance)**

- Growth and Savings feature in equal prominence within the MTFS.
- The MTFS process reflects impact of Financial Review 2 / Financial Review 3 at key stages.
- The MTFS includes an assessment of resilience issues.
- Unachievable proposals within the MTFS are addressed and reversed / amended when necessary.
- The Reserves Strategy identified key risks and potential values.
- Strategic Reserves identified as part of setting the 2025/26 MTFS.
- MTFS 2025/26-2028/29 includes Risk and Contingency Budgets and building back General Fund Reserves over period of MTFS.
- The CIPFA Resilience Index is reviewed when published and discussed by CEO / S.151 / Monitoring Officer.
- First Finance Review of financial outlook prompts and highlights early pressures and mitigations that might be required. Supplemented in 2024/25 by MTFS Tracking of progress of policy proposals re growth/savings and the extent agreed/achieved/not achieved/mitigations – reported to CLT and Committees through 2024/25. Also monitored through the year at Strategic Finance Management Board weekly meetings across all Directorates/Committees.
- Value for Money and Financial Resilience 2023/24 published on website 1.3.24 - see link below. *2024/25 Data update in progress and ongoing.*
- Alongside Oflog (Office for Local Government), Department of Levelling-Up, Housing & Communities is publishing performance data on a new stat tool – the Local Authority Data Explorer – 4 initial areas of performance – Adult Social Care, Waste Management, Adult Skills, Local Authority Finance *This area is subject to changes depending on government policy on data publications Finance Stats reviewed (Ongoing).*

**Gap Analysis**

- There is no specific format to the testing of resilience.
- A detailed resilience assessment is not publicised.
- CIPFA Resilience Index is not specifically shared with Audit & Governance Committee.
- HLBCs frequently do not link to data analysis or Key Performance Indicators to support decision.
- HLBCs tend to provide a single figure and not a range, often linked to limited options appraisal work.

**2023/24 Amber (3)****2024/25 Amber (3)****Action Plan**

- F-1 Review CIPFA assessment tool. **Review as part of financial monitoring report development and MTFs development to be reviewed in 2025/26.**
- F-2 Review the inclusion of relevant data and benchmarking information around financial resilience in all relevant finance reporting including HLBC's **to be reviewed in 2025/26.**

Value for Money 2023-24:

[https://www.cheshireeast.gov.uk/council\\_and\\_democracy/your\\_council/council\\_finance\\_and\\_governance/value\\_for\\_money/value-for-money-and-financial-resilience-202324.aspx](https://www.cheshireeast.gov.uk/council_and_democracy/your_council/council_finance_and_governance/value_for_money/value-for-money-and-financial-resilience-202324.aspx)

**Principle 5: Assurance – Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection**

**Standard N: The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability**

**Key questions:**

- Does the authority provide the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability?
- Do the reports cover both forward and backward-looking information in respect of financial and operational performance?
- Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such a contract monitoring data?
- Are the reports provided to the leadership team in a timely manner and in a suitable format?
- Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?

**What we need to do?**

- The earlier the authority identifies that it is deviating from its plans, the easier it is to get things back on course.
- Consequently, proactive review of focused financial and activity performance reports should be a regular task for the leadership team.
- In order for the leadership team to have access to the information it needs to identify emerging risks, the authority needs to ensure that its leadership team:
  - receives reports about the right things.
  - receives reports at the right time.
  - receives reports in the right format.
  - takes action in respect of any issues identified.

**What we are doing (evidence of compliance)**

- The Council has a well-established financial cycle - of planning, monitoring and reporting – which includes formal in-year reviews (with reports going to three committee cycles) and an outturn report after year-end.
- Financial Review 2 / Financial Review 3 / Outturn Reports are supported by Finance Business Partners.
- Financial Reports are reviewed by CLT monthly.
- Budget Managers use monitoring reports and MTFS Tracker to support process of budget monitoring.
- Service areas whose budgets are forecast to be over budget 5% or more are subject to weekly monitoring meeting with S.151 Officer.
- Reporting considers Revenue / Capital / Reserves / Debt Grants / Budget Changes.
- Reporting focuses on Income and Expenditure.
- Reports to members include mitigating activity and indications of how this will be achieved.
- Reporting to members on approved Policy Proposals through 2024/25 RAG rating re deliverability/achievement and mitigations.
- Reporting to service committees through the year provides significant visibility and transparency for Members, and accountability for officers with regard to use of resources and delivery to budgets.
- In year reporting includes variances to approved budget proposals.
- CLT/Strategic Finance Management Board – MTFS Proposal Tracking and Monthly Monitoring of financial forecast (wef June 2024 onwards) tracking of progress of policy proposals re growth/savings and the extent agreed/achieved/not achieved/mitigations.

- Following the publication of the council's 2024/25 First Financial Review report, in which potential budget deficit of £26.5 million has been identified. 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. Procurement Pipeline reports to Finance Sub-Committee / Audit & Governance.
- Quarterly performance reports to Committees.
- Risk Reporting to CLT / Risk & Assurance Board.
- Council Strategic Risk Register Assurance Report – quarterly updates to Corporate Policy Committee.
- Risk Management Report (A&G annually – 23/24 on 29.07.24).
- N-6 Governance Workstream to establish review of decisions (ensure clear, complete and monitored) (Done/Ongoing) Governance colleagues have recently reviewed the decision-making process to ensure reports pass through appropriate stages before sign-off.
- N-4 Improve the quality of spend control and financial information and intelligence. *Monthly monitoring implemented. Weekly officer CEBERT (Cheshire East Budget Emergency Recovery Team) replaced by Strategic Finance Management Board + Task & Finish Groups (Peer Review Action 1). Expenditure Control Panel - reviews all requisitions above £5k to ensure they are essential spend.*
- N-5 Shareholder oversight of Wholly Owned Company Business Plans and In-year performance (Ongoing).
- Ansa and Orbitas decision to bring back in house. Out-turn reporting and Financial Statements for 2024/25 to be produced.
- Whole organisation transformation programme to change service budget envelopes and re-establish corporate financial resilience and sustainability, including adequate reserves.
- Capital Review Board reinstated Jan 2025. Capital monitoring frequency increased 2024/25.
- Monitoring of policy proposals throughout 2024/25 and continuing 2025/26 (monthly).

#### Gap Analysis

- Whilst there are examples of sound integration of monitoring and forecasting within projects and recognition of wider effects on service/ organisational reporting, there is room for improvement to ensure necessary quality is realised across all areas.
- Revenue / Capital reporting is not entirely inter-linked.
- Financial Implications in reports are not regularly reviewed to reflect if achieved or not.
- Individual transaction processes and approval limits are built into systems – though improvements could be made in service and project management with regard to overall budgetary control, with greater focus on high risk areas of activity.
- FP&A Forecasting tool (post modifications) to be rolled out.

**2023/24 Amber (3)**

**2024/25 Green (4)**

**Action Plan**

- N-1 Develop Unit4 enquiries to provide up to date monthly info Unit4 – ***Super Users to help develop reporting (including Statutory Reports / ad-hoc reports and Enquiries to aid Finance and Budget Managers to Monitor and Forecast budgets and develop scenario planning from Unit4. (Ongoing).***
- N-2 Develop Unit4 / MSBI to develop scenario / forecasting data for review as part of MTFS ***process Unit4 – Super Users to help develop reporting (including Statutory Reports / ad-hoc reports and Enquiries to aid Finance and Budget Managers to Monitor and Forecast budgets and develop scenario planning from Unit4 (Ongoing).***
- N-3 Enabling of Services and service management to meet their financial management responsibilities through technology and training (including FP&A for budget management and forecasting) all Directorates/Services. ***FP&A – There have been significant modifications to FP&A (forecasting tool) throughout 2024/25, testing the stability of the environment early 2025/26, awaiting sign off. Finance will need to review/revise/develop a roll out plan once testing is signed off to ensure are full trained and engaged to use FP&A in the future. This could easily be a 12 month programme given other Transformation Work underway (Ongoing).***

Examples of in year reports to Service Committees may be found via the following links:

[Agenda for Finance Sub-Committee on Thursday, 12th September, 2024, 5.00 pm | Cheshire East Council](#)

[Agenda for Finance Sub-Committee on Thursday, 7th November, 2024, 10.00 am | Cheshire East Council](#)

[Agenda for Finance Sub-Committee on Thursday, 9th January, 2025, 10.00 am | Cheshire East Council](#)

# Sustainability

**Principle 6: Sustainability – The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources**

**Standard E: The financial management style of the authority supports financial sustainability.**

Key questions:

- Does the authority have in place an effective framework of financial accountability?
- Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?
- Does the authority's finance team have appropriate input into the development of strategic and operational plans?
- Do managers across the authority possess sufficient financial literacy to deliver services cost-effectively and to be held accountable for doing so?
- Has the authority sought an external view on its financial style, for example through a process of peer review?
- Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?

**What we need to do?**

- Financial sustainability is about the ability of the authority to continue to fund its activities not just in the present, but also in an increasingly uncertain future. Developing a robust approach to ensuring the financial sustainability of the authority's activities is central to compliance with the FM Code.
- Achieving financial sustainability requires the authority to have the capacity, the capability and the confidence to plan for the long term and to focus on the achievement of longer-term objectives, rather than to exist simply from year to year.
- Challenges to the above include:
  - changes to the nature and level of public funding.
  - an ageing population.
  - ongoing pressures on adult and children's social care and other service areas.
  - a drive for greater efficiency in response to resource constraints.
  - increased demand for affordable housing.
  - uncertainty regarding the UK's ongoing relationship with the European Union.
  - new risks associated with commercialisation.

**What we are doing (evidence of compliance)**

- The MTFS is supported by HLBCs that focus on 4yr estimates.
- MTFS is forecast over 4yrs with allocations between Revenue / Capital / Reserves.
- HLBCs include growth and savings with supporting evidence for forecasts.
- HLBCs are prepared and owned by Service Directors.
- MTFS does not include un-identified savings proposals.
- Strategy focuses on reducing reliance on government funding.
- Revenue impact of Capital expenditure is reflected in MTFS.
- Enablers are included in the MTFS development process.
- All HLBCs to reflect 4yr impact on Capital and Revenue..
- Monitor progress of HLBCs across all years.

- Align performance reporting to Corporate Plan / Cheshire East Plan to allow review of achievement against priorities.
- Financial management framework in place: Corporate Plan / MTFS / Capital Strategy / Annual Budget (underpinned by Policy & Budget Procedure Rules, Financial Regulations, Scheme of Delegation , Procurement Regulations, risk management) / in Year monitoring / Statement of Accounts.
- Finance Service has a Business Partner approach, attend Executive and Departmental Management Teams, regularly.
- Annual budgets and policy proposals/HLBC's are verified by Executive Directors. Regular meetings with budget holders as part of in year monitoring.
- In year reports to CLT/Committees on forecast financial information – oversight and scrutiny of Council's financial position and any ongoing funding pressures.
- Strategic Finance Management Board (2024/25) – MTFS Tracking of approved policy proposals and included in quarterly reports to Service Committees.
- Finance representation on major projects.
- Reports include financial implications section signed off by a senior finance officer and a Finance Manager attends Committee meetings.
- E-1 Peer Review underway March 2024. *Action Plan approved August 2024 – Corporate Policy Committee to lead on Financial Recovery Transformation Plan / MTFS / Council Plan – approved Feb 2025.*
- E-2 Corporate financial challenge – a need for a whole-Council response; and the committee system and the wider engagement of elected Members *Action Plan August 2024 Corporate Policy Committee to lead on Financial Recovery Transformation Plan / MTFS / Council Plan – approved Feb 2025*
- E-3 Whole organisation transformation programme to change service budget envelopes and re-establish corporate financial resilience and sustainability, including adequate reserves *MTFS/Transformation – proposals development 2025/26 – 2028/29 MTFS – 2025/26 Balanced through Exceptional Financial Support, future years unbalanced – ongoing Transformation Plan, Budget Delivery 2025/26, Mitigations.*

**Gap Analysis**

- HLBCs tend to focus on proposals in year 1 with less planning for new proposals in yrs 2+.
- Beneficial impacts of capital investment are rarely reflected in Revenue budget.
- Impact on Key Performance Indicators is not reflected in HLBCs.
- HLBCs are not subject to individual risk assessment / provisions.
- Investment / Savings are not led by Corporate Plan.
- Some reticence to recognise forecasts of pressures early in the year.
- Capital spend forecasting is overly optimistic.
- Pricing strategies are not consistent or published.

**2023/24 Amber (3)**

**2024/25 Amber (3)**

**Action Plan**

- E-4 All HLBCs to consider whole life impact to support decision **Covered in Section H.**
- E-5 Continue to develop the financial literacy of managers/budget holders to ensure that they have access to the performance and financial information needed to deliver their services effectively. Consider mandatory training **Needs to be a recognition that finance is everyone's business by ensuring that our budget mangers have the right tools and training to do their jobs and make appropriate decisions.**
- E-6 Update Council charging strategy. Income targets must be aligned to pricing strategies (and articulated in HLBCs if necessary) **(Ongoing).**

**Principle 6: Sustainability – The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources**

**Standard G: The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.**

Key questions:

- Does the authority have a sufficiently robust understanding of the risks to its financial sustainability?
- Does the authority have a strategic plan and long-term financial strategy that adequately address these risks?
- Has the authority sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g. using a technique such as scenario planning)?
- Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short and medium-term decision making?

**What we need to do?**

- The FM Code sets out that, having carried out a finance resilience assessment, the authority should demonstrate how the risks identified have informed the development of its longer-term financial strategy. The authority should, furthermore, report the implications of these risks on its future financial sustainability to its leadership team, including its elected members.
- This requires consideration of how financial resilience is integrated into the authority's strategic plan and into the financial strategy associated with the delivery of this strategic plan.
- One way in which this can be achieved in an uncertain and dynamic operating environment is through the use of scenario planning, which is introduced here as a suggestion.
- Other approaches to complying with this financial management standard are available. It is up to the authority to select an approach that is commensurate with its own requirements and with the resources that it has available.

**What we are doing (evidence of compliance)**

- Strategic Risks are reported to Audit & Governance Committee.
- S.25 Statement includes reflection of risks and how they are being managed.
- Financial Reports include responses to mitigate adverse forecasts.
- MTFS reflects impact of quarterly reporting issues.
- Members receive quarterly reports, including key decisions.
- Reserves Strategy reflects analysis of risk.
- CEO / Monitoring Officer / CFO meet regularly and discuss key risks.
- In February 2024, the Council approved a 1-year balanced budget (balanced with the use significant General Fund and Earmarked Reserves), the Medium Term Financial Strategy (MTFS) – Link below was not balanced beyond 2024/25.
- Early monitoring and forecasting during 2024/25 showed clear evidence of the full effects on the Council of the period of ongoing effects high inflation and interest rates, as well as increasing demand and complexity of cases in social care (see below) and the achievement of significant level of savings in 2024/25. Prior to approving the 2024/25 budget, the Council sought Exceptional Financial Support from Government re 2023/24 out-turn and 2024/25 in year pressures linked to Government decision on HS2 and the impact of SEN costs / Dedicated Schools Grant deficit on the Council.

- Due to these pressures – and in recognition of a very uncertain environment for local government where many experts in the sector are reporting the view that the funding system is ‘broken’ – in February 2024 Council considered and approved its updated MTFS, but only the 2024/25 budget presents a balanced position – Link Below.
- High Needs / Dedicated Schools Grant Deficit - The Council’s spending on High Needs does not match the funding received via Dedicated Schools Grant, due to the growth in the number of pupils with an Education Health and Care Plan. This has resulted in a significant deficit, which is currently permitted to be held on the Balance Sheet in a ‘negative Dedicated Schools Grant reserve’ (i.e. a temporary accounting ‘override’, approved by the Department for Levelling Up, Housing and Communities). This override has been extended to 31 March 2026 – Risks included in the MTFS approved February 2023, in year reporting and MTFS approved February 2024.
- MTFS / Capital Strategy, set out key financial principles and reflects the main risks to sustainability.
- MTFS/Annual Budget agreed at Full Council annually and reported on through the financial cycle in monitoring reports to officers/members.
- MTFS development reports to Committees – to engage and input into the development of the MTFS and budget.
- Finance training provided to members.
- MTFS/Budget – member briefings to explain key assumptions and risk areas in financial planning.
- Value for Money and Financial Resilience 2023/24 published on website 1.3.24 -see link at Std F.
- G-2 Financial monitoring to committees to include mitigation of overspending as opposed to single CEC response (Ongoing) In year progress reports on the 2024/25 approved policy proposals undertaken and contained mitigation items and this will continue into 2025/26.
- G-3 MTFS to be clearly linked with transformation plan and identify options to close the financial gap with a clearly articulated financial strategy. *MTFS 2025/26 balanced with the use of Exceptional Financial Support and transformation targets, both service specific and cross council items and referenced accordingly in the MTFS Approved Feb 2025. Transformation board are monitoring the service specific items and also managing the allocation of the council wide items during early 2025/26.*

#### Gap Analysis

- Scenario planning is not a specific exercise within financial planning.
- Financial Reports include responses to mitigate adverse forecasts and need to include information on actions that are being taken to address financial sustainability.
- MTFS clearly articulated the need to address the medium term gap but that plan needs to be agreed alongside the transformation delivery plan.

#### 2023/24 Green (4)

#### 2024/25 Green (4)

#### Action Plan

- G-1 Develop Unit4 / Microsoft Business Intelligence to develop scenario / forecasting data for review as part of MTFS process ***MTFS to be clearly linked with transformation plan and identify options to close the financial gap with a clearly articulated financial strategy that aligns with the corporate plan. Second MTFS update report included funding scenario options - FSC report September 2024. Transformation targets included in 2025/26 MTFS - Cross cutting Transformation Savings not allocated to Service by 31.03.2025. (Ongoing).***
- G-3 MTFS to be clearly linked with transformation plan and identify options to close the financial gap with a clearly articulated financial strategy that aligns with the corporate ***plan MTFS 2025/26 balanced with the use of Exceptional Financial Support and transformation targets. Transformation board are monitoring the service specific items and also managing the allocation of the council wide items during early 2025/26. MTFS Gap 2026/27+ (Ongoing).***

<b>Principle 6: Sustainability – The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources</b>
<b>Standard I: The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.</b>
Key questions: <ul style="list-style-type: none"><li>• Does the authority have in place an agreed medium-term financial plan?</li><li>• Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy?</li><li>• Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand?</li><li>• Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand?</li><li>• Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the achievement of the authority's strategic aims?</li></ul>
<b>What we need to do?</b> <ul style="list-style-type: none"><li>• The FM Code does not anticipate that a longer-term financial strategy will – or, indeed, should – provide sufficient detail to allow for it to be translated directly into an annual income and expenditure budget.</li><li>• To bridge this gap, therefore, and to allow the authority to ensure that its annual budget is in alignment with its longer-term financial aims, the FM Code requires the authority to prepare a multi-year medium-term financial plan.</li><li>• Furthermore, this plan should also be consistent with associated service plans for the authority's principal services.</li></ul>
<b>What we are doing (evidence of compliance)</b> <ul style="list-style-type: none"><li>• The 2024/25 MTFS covers 1yr of activity with HLBCs linked to appropriate years. Future years remain unbalanced and the Council sought Exceptional Financial Support in February 2024 to meet 2023/24 out-turn pressures/2024/25 forecast pressures – HS2 and Special Educational Needs &amp; Disabilities / Dedicated Schools Grant.</li><li>• Annual budgets are approved, using the additional years of the MTFS as evidence of the robustness and whole life impact of yr1 proposals.</li><li>• Income and expenditure forecasts are consistent and reflect up to date analysis to support longer term planning.</li><li>• The MTFS is provided in full as part of the Council approval of the annual budget.</li><li>• All strategies within the MTFS reflect the 4yr planning timeframe although only 2024/25 is balance in the 2024/25 MTFS.</li><li>• HLBC's published alongside MTFS Report.</li><li>• The MTFS forecasts the Council's financial position considering known service pressures, major issues affecting the Council's finances, global, national and local economic influences, as well as local priorities, internal/external risk factors and opportunities.</li><li>• Annual budget aligned with Service Planning – collaboration and consultation across the Council and with members, in developing the budget.</li><li>• 2024/25 – 2027/28 MTFS – balanced for 2024/25 only.</li><li>• 2025/26 - 2028/29 MTFS balanced only for 2025/26 and this is achieved through additional Exceptional Financial Support for 2025/26 of £25.3m, on top of £17.6m to be utilised to meet the forecast 2024/25 out-turn position.– See also Standard K re S25 Statement re robustness of estimates and adequacy of reserves and proposed actions.</li></ul>

- I-1 MTFS is being refreshed during 2024/25 including the alignment of the Council’s published transformation plan and to align with the Council’s Target Operating Model.  
*The MTFS was streamlined for 2025-29 to ensure that key messages and direction of travel were articulated much more clearly and succinctly to help with readability and understandability. Risks within the budget were clearly set out.*
- I-2 The refreshed MTFS will include sensitivity analysis and will include risk.  
*Sensitivity analysis was included in the Financial Sub-Committee reports on budget setting during 2024/25 to help articulate possible scenarios at varying stages of the budget setting process. Alternative Council Tax scenarios also presented in the report to Corporate Policy Committee as a means of balancing the budget but subsequently not pursued due to Government not agreeing to the Council increasing above the referendum level.*
- I-6 Review Capital Strategy for 2024/25 re affordability - target 31.03.2024.  
*Capital Review ongoing through 2024/25, some schemes deferred, reprofiled, none stopped in entirety. Borrowing profile therefore revised but not curtailed. Further “new” schemes added in addition through the development of the MTFS - further increase in the Capital Financing Budget in addition to the effects of financing Exceptional Financial Support for 2024/25 Out-turn and 2025/26 budget. The MTFS February 2025 set a balanced budget with the use of £25.3m Exceptional Financial Support for 2025/26. This included the topping up of General Reserves to a forecast level of £20m over the medium term and building in Contingency and Risk budgets over the medium term.*

**Gap Analysis**

- There is potential ambiguity over the ‘approval’ of proposals beyond yr1.
- The MTFS does not compare scenarios, such as HML, but is presented as a single plan.
- The Asset Management Plan (AMP) is not suitably aligned to the MTFS.
- Lifetime costs of assets does not systematically feature within the MTFS.

<b>2023/24 Amber (3)</b>	<b>2024/25 Amber (3)</b>
--------------------------	--------------------------

**Action Plan**

- I-3 Transformation Plan / Corporate Plan / balance MTFS in the medium term and increase GF reserves to sustainable level.
- ***The MTFS February 2025 set a balanced budget with the use of £25.3m Exceptional Financial Support for 2025/26. This included the topping up of General Reserves to a forecast level of £20m over the medium term and building in Contingency and Risk budgets over the medium term. Future years in the MTFS remain unbalanced – (Ongoing).***
- I-5 Align Capital Strategy to AMP ***Capital Board reestablished January 2025. Terms of References still being refined. Strategic oversight of Capital Programme and Investments Strategy plus proposed link to Asset Board (Ongoing).***

This page is intentionally left blank

Cheshire East Council: CIPFA Financial Management Code - Action Plan

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
A - The leadership team can demonstrate that the services provided by the authority provide value for money	Amber	<ul style="list-style-type: none"> <li>Vacancies/Act up arrangements CLT – currently interim arrangements in place to cover roles with the corporate leadership team including the S151 Officer</li> </ul>	<p>A1-1 Urgent recruitment to interim senior vacancies to support pace of change is complete (Director of Finance/S151, Director of Policy &amp; Change, Director of Transformation, Director of Commissioning) (Completed). Permanent Monitoring Officer to be appointed (early 2025/26).</p> <p>Consultation on restructure commenced August 2024 with recommendations due at Corporate Policy Committee and then full Council in October 2024. Recruitment to any vacant posts expected to be concluded by March 2025 <b>(Completed and Ongoing)</b></p>	Head of HR	<p>May 2024 (Complete)</p> <p>March 2025</p> <p>Early 2025/26</p>	<p>Rob Polkinghorne – Chief Executive Dami Awobajo – Assistant Chief Executive Janet Witowski – Acting Adele Taylor – Interim ED Resources(S151) Ashley Hughes - Permanent ED Resources S151 – Appt Feb2025 - due to start 1.6.25) Theresa Leavy – Interim ED Children’s Services (Sept 24 – 2 May 2025) Dawn Godfrey – ED Childrens Services (start end of May 25) (Claire Williamson – Acting up in interim) Helen Charlesworth May – ED Adults &amp; Public Health Phil Cresswell – ED Place</p> <p>Senior Management Structure appointments to be in place by March 2025 (Peer Review action 2). Completed (March 2025) - Permanent posts filled for:</p> <ul style="list-style-type: none"> <li>Assistant CEX (DA)</li> <li>Director of Childrens (DG)</li> <li>Director of Place (PC)</li> <li>S151 (AH)</li> </ul> <p><b>Ongoing</b></p> <p>CLT Appointment for Monitoring Officer to be completed early 2025/26</p>
		<ul style="list-style-type: none"> <li>New Corporate Plan (CP) to be aligned to Committees with performance Framework for Corporate Plan Actions / Measures aligned to service plans</li> </ul>	<p>A1-2 2024/25 corporate plan agreed at full council in July 2024. Timetable to be agreed for development of a new corporate plan prior to new plan aligned to MTFS by March 2025 <b>(Completed)</b></p>	Assistant Chief Executive	March 2025	<p>The new Cheshire East Plan 2025–29, approved by Full Council in February 2025, is aligned to the MTFS and the committee structure. <b>Done</b></p> <p>The new performance management framework emphasises the golden thread through service planning and reporting, supporting demonstrable value for money. The associated Delivery Plan is scheduled for Corporate Policy Committee in <b>June 2025</b>, and the organisation-wide performance and programme management framework will be launched in May 2025 to support implementation and oversight.</p>
		<ul style="list-style-type: none"> <li>Atamis roll-out (including dashboards and procurement pipeline)</li> </ul>	<p>A1-3 Review procurement information used by organisation to manage procurement pipeline <b>(Completed)</b></p>	Head of Procurement	From September 2024	<p>The pipeline is managed by the procurement team using Atamis. Dashboards have been created for Heads of Service so they can review their pipelines. The procurement team actively chase contract managers using reports created by</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
						Atamis to submit procurement engagement forms so this can be reviewed by the Expenditure Control Panel.  Quarterly reports are also presented to Finance Sub Committee. Pipeline reports will be published on the central digital platform for procurements above £2m in spend. <b>Done</b>
		<ul style="list-style-type: none"> <li>○ Strategic Risk Registers to be reported to Service Committees</li> </ul>	A1-4 Strategic Risk Register reports to be brought to the attention of Service Committee Chair/VC – (Head of Audit & Risk). <b>(Ongoing – aiming for June 2025)</b>	Head of Audit Risk and Assurance	November 2024          Revised June 2025	<p>Link between finance, performance and risk information provides overall strategic management.</p> <p>The Strategic Risk Register is reported upon quarterly to the Corporate Policy Committee and will be circulated to service committees for information.</p> <p>This change will be implemented after the June 2025 report to the Corporate Policy Committee with an updated and revised Strategic risk register.</p>
		<ul style="list-style-type: none"> <li>○ Review of scheme of delegation and finance procedure rules</li> </ul>	A1-5 Updating scheme of delegation to be approved by full council <b>(July 2025)</b>	Executive Director of Resources (S151 Officer)  Governance, Compliance and Monitoring Officer	October 2024 Revised July 2025	<p>(See B-2 also) - Revised Schemes of Delegation &amp; FPR's to go to</p> <ul style="list-style-type: none"> <li>• Constitution Working Group 9/5/25,</li> <li>• Corporate Policy Committee 12/6/25 and</li> <li>• Full Council 16/7/25</li> </ul>
		<ul style="list-style-type: none"> <li>○ Streamlining of the council's decision making framework</li> </ul>	A1-6 Task and finish group to look into streamlining. <b>(June 2025)</b>	Assistant Chief Executive	June 2025	Task and Finish group to report back in June 2025 re streamlining of committee system
		<ul style="list-style-type: none"> <li>○ Evidence of benchmarking for Committees to demonstrate value for money</li> </ul>	A2-1 Decision making reports to include relevant benchmarking and performance information <b>(Ongoing)</b>	Assistant Chief Executive	From September 2024  Ongoing monitoring / ownership	This is a general expectation of report quality and not something that can reasonably be tracked or enforced by any one team. Officers preparing reports should include relevant benchmarking and performance information as a matter of course, and this is best reinforced through line management and quality control processes. Governance colleagues have recently reviewed the decision-making process to ensure reports pass through appropriate stages before sign-off, and this may provide a route to strengthen expectations on report content where needed. However, this remains a corporate standard rather than an issue requiring ongoing monitoring or ownership.

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
		<ul style="list-style-type: none"> <li>Review adequacy and extent of external assessments to be able to demonstrate VFM compliance.</li> </ul>	A2-2 Peer Review undertaken March 2024 (following report to Corporate Policy Committee 13 Feb 2024). Report published July 2024 and Council have published comprehensive action plan <b>(Ongoing)</b>	Assistant Chief Executive  Executive Director of Resources (S151 Officer)	Aug 2024 (Complete)  Ongoing	The Peer Review took place in March 2024 and a formal action plan was published in July 2024.  Progress against the agreed actions is currently reported to the Assurance Panel as part of the council's improvement oversight. These actions will also be incorporated into the council's Improvement Portfolio, which will be tracked internally via the Transformation and Improvement Board, ensuring internal rigour (T&I Board) and external scrutiny (Assurance Panel). Ongoing
B - The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.	Green	<ul style="list-style-type: none"> <li>The S151 Officer is a member of CLT and leads on development of financial strategy</li> <li>Improved clarity in FPRs over financial limits and decision making to avoid risks that not all ODRs reviewed by all necessary parties. Follow-up analysis of decisions not sufficient</li> <li>Improvements in financial monitoring required</li> </ul>	B-1 Management Boards to be established with wider engagement of Directors and Heads of Service - Management Boards established and CEBERT to continue (now SFMB – as at Sept 2024). (Chief Executive / Executive Directors)  B-2 Included in scheme of delegation review <b>(July 2025)</b>  B-3 Updated reporting on a monthly basis with formal committee reporting through financial reviews using one single finance report for all committees <b>(Completed and Ongoing)</b>	Assistant Chief Executive  Governance, Compliance and Monitoring Officer  Executive Director of Resources (S151 Officer)	April 2024 + Ongoing  October 2024 Revised July 2025  From September 2024	New cross-council officer boards established for Performance and Improvement, Strategy, Policy and Legislation, Risk and Assurance with Executive Director chairs/sponsors and highlight reports to CLT  (See also A1-5) Revised Schemes of Delegation & FPR's to go to <ul style="list-style-type: none"> <li>Constitution Working Group 9/5/25,</li> <li>Corporate Policy Committee 12/6/25 and</li> <li>Full Council 16/7/25</li> </ul> Monthly Monitoring Reports to CLT/SFMB through 2024/25 plus increased oversight through SFMB, Expenditure Review Board, Assets Board.  Approved MTFs items monitored monthly from the start of 2024/25 and reported on at each Committee cycle during 2024/25 using one single finance report for all committees – this is continuing through 2025/26



FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
		<ul style="list-style-type: none"> <li>Capital receipts strategy needs development to align with MTFs (Disposal programme – Assets Board)</li> </ul>	<p>O-4 – Strategic Asset management group to report through to Strategic Finance Management Board on potential capital receipts (<b>Ongoing</b>)</p> <p>In depth review of capital strategy to be completed alongside the MTFs (<b>Completed</b>).</p>	<p>Director of Growth and Enterprise</p> <p>Finance Manager – Strategic Financing and Accounting</p>	<p>From September 2024</p>	<p>Assets Board – Capital Receipts Projections – to CLT/SFMB through 2024/25</p> <p>A forecast of prudent future capital receipts reflected in the MTFs narrative 2025/26+ , not reflected in the funding of the MTFs, other than the existing budgeted use of FCR £1m, CFB £1m and associated receipts for specific Capital projects. Strategic use of future disposal receipts (subject to future S151 approval) against (i) reducing cost of financing EFS, (ii) reducing cost of existing capital programme borrowing, (iii) funding transformation costs.</p> <p>Capital Board (established Jan 2025) plus Assets Board – synergy between the two Ongoing programme currently.</p> <p>A dedicated delivery team will be formed to optimise capital receipts, and report appropriately into Capital Programme Board. Asset Board, CLT.</p>
		<ul style="list-style-type: none"> <li>Limited oversight of WOC / SS Investment Strategy impacts on balance sheet</li> </ul>	<p>O-5 Review reporting approach to impact of SS / WOC decisions on overall balance sheet – how does our existing contract management approach achieve this, what needs to change? (<b>Ongoing</b>)</p>	<p>Executive Director of Resources (S151 Officer)</p>	<p>Ongoing – TBC re ASDV / SS</p>	<p>Annual review of LEP / WOC balance sheet to CFO via Finance Lead (AT). Ongoing – Insourced ASDV's / Shared Services</p>
<p>D - The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)</p>		<ul style="list-style-type: none"> <li>Council has a Code of Corporate Governance and adopted the model principles in the Delivering Good Governance Framework in full. An annual review is carried out against this. Much of the assessment against the Code for the AGS is carried out by Internal Audit, greater involvement by CLT in the production of the Annual Governance Statement via a Corporate Assurance Group</li> </ul>	<p>D-1 Establish Governance Workstream ensuring allocation of responsibilities is wider than Internal Audit (DoG&amp;C) (<b>Completed</b>)</p> <p>D-2 CLT to review progress against the AGS action plan on a regular basis (Update)</p>	<p>Governance, Compliance and Monitoring Officer</p> <p>Head of Audit Risk and Assurance</p> <p>Assistant Chief Executive</p>	<p>March 2025</p>	<p>Governance Risk &amp; Assurance Management Board established – Initial Work Programme has been developed – may be subject to further change though, per JW would need Dami to confirm.</p>
		<ul style="list-style-type: none"> <li>The Code of Corporate Governance (COCG) needs to be updated to reflect Council governance in Committee System model.</li> </ul>	<p>D-3 Update COCG with appropriate consultation and approval - Organisational review of the Code of Corporate Governance, including identifying amendments as needed (Risk &amp; Assurance Management Board)m (<b>Ongoing</b>)</p>	<p>Governance, Compliance and Monitoring Officer</p> <p>Head of Audit Risk and Assurance</p>	<p>July 2025</p>	<p>The Code of corporate Governance is currently being reviewed. Timeline needs to align with AGS timetable</p>
		<ul style="list-style-type: none"> <li>Bring the AGS monitoring and reporting in line with quarterly risk review by CLT; draw out clearly where those AGS issues relate to the strategic risk registers.</li> </ul>	<p>D-4 Include AGS monitoring as part of Performance Framework (Head of Audit &amp; Risk / Risk &amp; Assurance Board) (Update)</p>	<p>Governance, Compliance and Monitoring Officer</p>	<p>timeline to be developed.</p>	<p>The Audit and Governance Committee received regular risk management updates during 2023/24 and the 2023/24 Annual Risk Management Report was received</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
			D-5 Include AGS monitoring of risk & performance to committees (Head of Audit & Risk) <b>(Completed)</b>	Head of Audit Risk and Assurance	July 2025	at the 29 July 2024 meeting. Reports to all decision-making committees are produced in line with a reporting protocol which involves clearance of reports through the relevant directorate management team, legal and financial review and the identification and mitigation of risks associated with the report content. (ongoing)  Progress on AGS Items reported to A&GC - providing assurance/escalation
P - The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom	Green	<ul style="list-style-type: none"> <li>○ The Accounts closure is not part of performance review</li> <li>○ The DFCS (S151) role has management responsibility through the Head of Finance (Deputy S151) and FMT for the Finance Team.</li> <li>○ Finance Team – maintain appropriate staffing levels to ensure that the CFO is provided with sufficient resources, including a suitably-resourced finance team, to fulfil their personal and statutory responsibilities under this element of the FM Code.</li> </ul>	<p>P-1 Include SOA in performance framework (targets dates and qualification) (Interim DoF/S151) <b>(Completed)</b></p> <p>P-2 Quarterly liaison with external auditors to maintain quality of reporting (Interim DoF/S151) <b>(Completed/Ongoing)</b></p> <p>P3 – CFO needs to ensure that the team is appropriately staffed with skilled, capable resources to be able to comply with codes of practice. This needs to include appropriate workforce development to ensure that there is succession planning in place for key roles where there are national skills shortages in technical finance <b>(Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)</p> <p>Finance Manager – Strategic Financing and Accounting</p> <p>Executive Director of Resources (S151 Officer)</p> <p>Executive Director of Resources (S151 Officer)</p> <p>Finance Management Team</p>	<p>By March 2025</p> <p>From April 2024</p> <p>March 2025</p> <p>Ongoing</p> <p>June 2025</p>	<p>New performance management framework aligned to Cheshire East Plan 2025+</p> <p>Finance KPIs to include SOA targets around Backstop Dates and new statutory Publication Dates (Draft ad Audited) introduced Sept 2024 Note: Ernst &amp; Young – new audit team</p> <p>Meetings with EY through 2023/24 Audit (October 2024 - March 2025) Done/Ongoing as part of 2024/25 Audit Planning</p> <p>Workforce plan in place for finance including recruitment, retention and talent management. Work on succession planning, critical roles and recruitment campaign has been undertaken through 2024/25 with wider finance team - ongoing During 2024/25, opportunity to split the role of Finance Manager (Adults &amp; Children's Services) into two Finance Manager roles, one for Adults Finance, one for Children's Finance. Of itself this will enhance senior Finance advice and support for both social care directorates. New Finance Manager (Childrens) started 3 March 2025</p> <p>The CIPFA Competency Assessment has been commissioned and the Model will also be deployed to identify current skills and competencies, and help to determine if</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
						there are any gaps that require additional resources to support future change.
Q - The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.	Green	<ul style="list-style-type: none"> <li>Outturn reporting includes assessment of financial performance across all services and central budgets, including narrative to explain variances. Given the variations between FR3 and Out-turn 2023/24 for some Directorates – detailed review and analysis on a Line by Line basis is required to establish the ongoing nature of favourable/adverse movements on the base budget 2024/25 and future MTFS 2025/26+.</li> <li>Capital performance is not strongly correlated with MTFS process</li> </ul>	<p>Q-1 Reporting out-turn forecast/variations to budget to allow strategic financial decisions – FMT/Finance Business Partners to provide insight to CFO for discussion with Directorates with CFO present. <b>(Completed/ongoing)</b></p> <p>Q-2 Enhance capital performance monitoring and correlations to the MTFS process. The MTFS Consultation to include Capital and associated headlines / charts, plus the impacts the capital programme has on the capital financing budget which has a direct link to the Revenue Outturn (Interim DoF/S151) <b>(Ongoing)</b></p> <p>Consultation to include Capital and associated headlines / charts <b>(Ongoing)</b></p> <p>Enhance HLBC to align with Performance Framework and to other Strategies and Policies <b>(Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)</p> <p>Finance Management Team</p> <p>Executive Director of Resources (S151 Officer)</p> <p>Finance Manager – Strategic Financing and Accounting</p>	<p>July 2024</p> <p>June 2025</p> <p>Sept 2024</p>	<p>Line by Line Review of 2022/23 and 2023/24 Out-turn – completed July 2024.</p> <p>Line by Line reviews to be repeated as part of 2024/25 out-turn?</p> <p>Capital Programme slippage – 2024/25 Out-turn and effects on Capital Financing – oversight by Capital Review Board / CLT</p> <p>2024/25 In year reporting included additional detail on capital monitoring and the ongoing capital review and funding. This will continue into 2025/26.</p> <p>Capital Financing budget – detail updated in each Qtr report/MTFS update reports to show the effects of the cap programme, DSG deficit funding and EFS plus given indications on forward/future spend commitment re MRP</p> <p>There was no detailed consultation during 2024/25 on the budget for 2025/26. An engagement survey on key budget principles was launched in its place.</p> <p>Additional scheme by scheme information was provided at the Third Financial Review stage at Members request.</p> <p>New format (ICC) Business Case being implemented in 2025/26 for Revenue and Capital monitoring to improve consistency and provide necessary detail on full implications of proposals across the MTFS/Capital Strategy – still in progress.</p> <p>Capital Forecasting will continue to be improved – oversight by Capital Programme Board</p> <p>Include/capture new capital proposals or changes to existing schemes on a central site with all business cases (Capital and Revenue) to ensure whole life costs/savings are in one place</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
<p>L - The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget</p>	<p>Green</p>	<ul style="list-style-type: none"> <li>MTFS consultation with all stakeholders/partners needs to be re-instated. Consultation has previously (last 2 years) been condensed into the protracted engagement period</li> </ul>	<p>L-1 Events to discuss the MTFS with partners need to be re-instated (Interim DoF/S151 / Consultation Team) <b>(Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)  Assistant Chief Executive  Finance Manager – Strategic Financing and Accounting</p>	<p>Oct–Jan 2024</p>	<p>The timeline for consultation during 2024/25 did not align to the published plan which was shared at FSC in June 2024  The communications team, including the consultation service, is ready to support colleagues in finance with any future engagement on the MTFS or budget. Forward planning for the 2025/26 cycle is already underway and reflected under L3.</p>
			<p>L-2 Provide earlier public consultation with wider options contained within published HLBCs and Transformation proposals (Interim DoF/S151 / CLT) <b>(Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)  Assistant Chief Executive  Finance Manager – Strategic Financing and Accounting</p>	<p>Oct-Nov 2024</p>	<p>The business planning process consisted of a business community survey, mirroring the main public engagement survey, which opened on 19<sup>th</sup> Dec following the Local Government Provisional Finance settlement announcement on 18<sup>th</sup> Dec and closed on 2 February 2025. Public consultation on the MTFS took place via a resident engagement survey and business community survey between 19 December 2024 and 2 February 2025, following the provisional finance settlement. While the timeline was compressed, the consultation team supported the process. Planning for earlier and broader engagement is in progress for 2025/26.</p>
			<p>L-3 MTFS timeline for 2025/26 sets out earlier engagement with key stakeholders and partners for example earlier sight of the Budget Consultation material before public launch. The Communications Team maintain a detailed stakeholder engagement list and sessions with each are to be run during the consultation period (Oct-Dec) so allow adequate engagement. (Interim DoF/S151) <b>(Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)  Assistant Chief Executive  Finance Manager – Strategic Financing and Accounting</p>	<p>Oct-Nov 2024</p>	<p>For 2025/26 we are aiming to hit the original planned timetable of public consultation at the beginning of October 2025 with scrutiny through the November Committee suite of meetings and then again to the January meetings to include public feedback to the proposals at that time. The consultation and communications teams are working with finance colleagues to deliver a public consultation on the 2025/26 MTFS in October 2025, in line with the published timetable. Stakeholder engagement sessions will be coordinated during the consultation period to ensure appropriate reach and input.</p>
<p>M - The authority uses an appropriate documented option appraisal methodology</p>	<p>Amber</p>	<ul style="list-style-type: none"> <li>The approach taken by the authority to option appraisal should comply with the guidance set out in the IFAC/PAIB publication Project and</li> </ul>	<p>M-1 Consider training / presentation on IFAC/PAIB and/or CIPFA's own guide to undertaking an option appraisal: Option Appraisal: A Practical Guide for Public</p>	<p>Executive Director of</p>	<p>In line with MTFS</p>	<p>Fully aligned MTFS and Corporate Plan will provide stronger value for money evidence,</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
to demonstrate the value for money of its decisions.		<p>Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal (2013) - The IFAC/PAIB publication has not been used as a guide so should be reviewed.</p> <p>The authority might prefer to record simply that any option appraisals that it undertakes should comply with the guidance set out in the IFAC/PAIB publication, or in CIPFA’s own guide to undertaking an option appraisal: Option Appraisal: A Practical Guide for Public Service Organisations (2017 Edition).</p> <ul style="list-style-type: none"> <li>○ Options appraisals/High Level Business Cases (HLBC’s) are generally inadequately articulated</li> <li>○ Future options appraisals should reflect priorities within the Corporate Plan / Cheshire East Council Plan</li> <li>○ Reporting on considered options should be enhanced as frequently only one option is articulated in reports.</li> <li>○ The quality of risk management arrangement proposals could be better aligned to risk appetite and tolerance, and support options appraisal .</li> </ul>	<p>Service Organisations (2017 Edition) for FMG at least (Interim DoF/S151 / PMO) <b>(Ongoing)</b></p> <p>M-2 Risks need to be aligned (Cheshire East Plan / MTFs / HLBC / Strategic Risk Register) to enhance transparency (Interim DoF/S151 / Risk &amp; Assurance Management Board) <b>(Ongoing)</b></p> <p>M-3 Amend HLBC template to require at least 3 Options (do nothing / do this / do something else) (Interim DoF/S151 / PMO) [see also G-1] <b>(Ongoing)</b></p> <p>M-4 Risks mitigation (considered options) needs to be articulated as part of Finance / Performance Framework (Interim DoF/S151 / Risk &amp; Assurance Management Board) <b>(Ongoing)</b></p>	<p>Resources (S151 Officer)</p> <p>Assistant Chief Executive</p> <p>Head of Audit Risk and Assurance</p> <p>Programme Management Office</p>	development timetable	<p>based on consistent options appraisal methodology.</p> <p>These actions relate to business case design and option appraisal, we recognise the limitations of the current approach. There is a case for reviewing the council’s methodology for business case development, including how options, risks and value for money are presented. This will be considered as part of wider governance and transformation activity at an appropriate point.</p>
H - The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	Red	<p>In March 2024 this standard initially RAG rated Amber however the ongoing Capital Review and affordability of the Capital Programme indicates that the capital programme needs to come in line with the Prudential Code, in that it needs to be prudent, affordable and sustainable within the current budget envelopes, it is therefore reassessed as Red.</p> <ul style="list-style-type: none"> <li>○ The impact of the MTFs proposals should be more clearly articulated in the Treasury Management Strategy (TMS).</li> <li>○ Reporting against funding targets should be enhanced and assessed against risk.</li> <li>○ Reporting to CLT should be simplified to enhance engagement with TMS</li> </ul>	<p>H-1 Align MTFs to cashflow, remove assumptions on slippage moving to risk assumptions instead.( Interim DoF/S151) <b>(Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)</p> <p>Finance Manager – Strategic Financing and Accounting</p>	Oct 2024 – Feb 2025	<p>Per Combined MTFs &amp; Transformation timetable – Budget Consultation period Improvements in forecasting actual capital spending requirements by project managers will be required to bring about improvements in cashflow and financial/borrowing costs planning by Finance. Reintroduction of a Capital Programme Board (see H-3), with streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
			H-2 Focus Treasury Management Strategy reporting on MTFS and high level borrowing / investment targets and actions to change them if necessary (Interim DoF/S151) <b>(Completed)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	Oct 2024 – Feb 2025	Treasury Management Strategy and Capital update is included in the quarterly in year monitoring reports to Committee. Includes focus on reducing borrowing – ie capital programme review
		<ul style="list-style-type: none"> <li>The Capital Programme Board needs resurrecting but in a different format/membership.</li> </ul>	H-3 Whole organisation ‘benefit’ approach to strategic capital investment and prioritisation (following an effective review of current programme and its unaffordability against the available financing envelope). (Interim DoF/S151) <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	March 2025	Capital Programme Board (CPB) – established in Jan 2025, ToRs being finalised – streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.
		<ul style="list-style-type: none"> <li>Capital Strategy Review to be undertaken to make the Capital Programme affordable for 2024/25 and beyond – See Capital Strategy – MTFS starting Page 361</li> </ul>	H-4 Capital Strategy Review Process – Refer to 2024/25 MTFS Page 361, Capital Strategy Review (Interim DoF/S151 ) <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	March 2025	During 2024/25 there has been reviews of the Capital Programme and where feasible some project spend has been deferred (Cross Ref to FR2 report) However, the significant growth to the capital financing requirements of the existing programme and new schemes for 2025/26 have been recognised in the updated MTFS. Further ongoing review needed under the scrutiny of the CPB
		<ul style="list-style-type: none"> <li>Capital HLBC’s to include whole life costs</li> </ul>	H-5 Widen HLBCs to cover whole life costs and cashflow implications (such as PMO dashboard) (Interim DoF/S151 / PMO) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)  Programme Management Office	March 2025	CEC is adopting the ICC business case template for Rev/Cap projects Methods such as Net Present Value are already used when developing capital schemes, however a formal and consistent approach will be proposed to be agreed at the outset with the newly established Capital Programme Board. Need to ensure Finance (Service FBP) have input to any new proposals at an early stage See also (E-4).
J - The authority complies with its statutory obligations in respect of the budget setting process	Green		J-1 Identify solutions – with Government – to the exceptional financial challenges of: <ul style="list-style-type: none"> <li>Abortive costs of HS2 and potentially other capital projects (post-review)</li> <li>The High Needs/ DSG deficit, per se, and the directly related cashflow effects of interest costs, need to follow up with</li> </ul>	Executive Director of Resources (S151 Officer)  Assistant Chief Executive	Ongoing	Exceptional Financial Support (EFS) Report taken to Corporate Policy Committee 13.02.2024. EFS request approved by Government 29.02.2024.  Follow on impacts <ul style="list-style-type: none"> <li>Peer Review – March 2024</li> <li>Action Plan – CPC Aug24</li> </ul>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
			<ul style="list-style-type: none"> <li>Government if there are alternative ways to account for the impact of the interest payable on the DSG deficit, as we do with the deficit itself.</li> <li>Underlying operational deficits on our revenue account in 2024/25 (Interim DoF/S151 / Chief Executive ) <b>(Ongoing)</b></li> </ul>			<ul style="list-style-type: none"> <li>DMA Review – March 2024</li> <li>Appointments in place by Mar 2025</li> <li>Transformation Programme Plan in place/submitted – Aug 2024</li> <li>CIPFA Review (EFS) - CIPFA Review (EFS) – published March 2025 - CIPFA review report and an update on our progress at the Finance sub-committee meeting 02 June 2025</li> </ul> <p>Further EFS request, approved via an urgent item at Dec full Council meeting, was submitted to Government in December 2024 to request the following –</p> <ol style="list-style-type: none"> <li>a roll together of the 23/24 and 24/25 amounts to be utilised all during 24/25 of up to £17.6m</li> <li>Up £31.4m for 2025/26,</li> <li>Also noting potential for up to £23.7m for 2026/27,</li> </ol> <p>The MTFS February 2025 then set a balance budget with the use of £25.3m for 2025/26. This was in the form of a capitalisation directive as the request to allow an increase in council tax above the referendum limit of 5% was refused.</p>
			J-2 Publish HLBCs, embed EIAs within HLBC template (Interim DoF/S151 / PMO) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)  Assistant Chief Executive		HLBCs for the 2025/26 budget were not published, and EIAs are not currently embedded in the business case template. We expect both areas to be revisited as part of future reforms to the business case process, aligned to wider governance and transformation priorities. These reforms will clarify ownership and ensure that decision-making documentation supports transparency and compliance.
			J-3 MTFS Assumptions / scenario plan demand led spending requirements (SFMB / CLT / FSC Working Group). <b>(Completed / Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Sub Committee working group	Done/Ongoing	Report to Finance Sub Committee June24 on MTFS Assumptions including requirement to increase general reserves to more appropriate levels, to support the future financial sustainability of the Council. Including proposals to build general reserves to the required levels plus make provision for Contingency/ Risk budgets. Follow up report to FSC September 2024 – including alternative scenarios around funding. All Member briefing – Aug24

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
						FSC Workshop on MTFS Assumptions – Aug24 MTFS Challenge Sessions – S151 by Directorate – October 2024 7 <sup>th</sup> November MTFS update – spending review To be repeated during 2025/26
			J-4 Develop Service Plans to address a profile aligned to affordable MTFS, to move away from central bidding process. (SFMB / CLT) <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)	MTFS & Transformation Timetable	2025-26 MTFS balanced through use of Exceptional Financial Support. MTFS includes Transformation Plan savings to reduce the budget over the medium term. Budget funding gap 2026-27 onwards. Ongoing delivery of 2025-26 Budget and savings and further reductions to address the future shortfall.
			J-5 Budget setting to be improved by greater focus of senior management in understanding and engagement on whole-Council strategies and need for transformation, and supporting processes, as well as Service-level focus and support for financial risk management, recognising the Council's low levels of reserves, and need to build greater resilience. (SFMB / CLT) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)	Ongoing	Dependant on Revised Cheshire East Plan / Transformation Plan / Peer Review / DMA Review outcomes, actions and timelines.  One all Council finance report to go to every committee to enhance cross budget oversight. This happened during 2024/25 and will continue into 2025/26. Implementation of Transformation Board from May 2025. Ongoing
K - The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves	Green	<ul style="list-style-type: none"> <li>○ S.25 Statement in 2024/25 MTFS identifies inadequate level of reserves to support the MTFS 2024/25+ - action needed to mitigate financial failure and the consequential impact on local services. Following reports to Corporate Policy Committee 13.02.2024 the following were taken and approved: <ul style="list-style-type: none"> <li>● Exceptional Financial Support Report</li> <li>● Local Government Association – Transformation Capability Framework (DMA Review)</li> <li>● LGA Peer Review which will input into the Council's transformation ambitions.</li> <li>● Whole Organisation Transformation Plan</li> </ul> </li> <li>○ The 2024/25 budget presents a robust set of forecasts, but that the Council must address the current trend of overspending. This requires further engagement of the Committees</li> </ul>	K-1 Enhance CFO communications with planned conversations, BLOG, DMT attendance, Management & Support briefings (Interim DoF/S151) <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)	From April 2024	Manager Share & Support Briefing on the MTFS and in year position 21&23.01.2025 – specific coverage on the robustness of the budget estimates and adequacy of reserves.
			K-2 Use CIPFA FM Code review to report problem areas - FM Code Action Plan (Interim DoF/S151) <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)	September 2024  June 2025	Last update via FSC 12 September 2024.  2024/25 update June 2025  Ongoing updates built into the Committee forward plan

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
		alongside enhanced controls associated with adherence to the CIPFA Financial Management Code.	K-3 Exceptional Financial Support (MHCLG) – Report to Corporate Policy Committee (approved). Transformation Plan required by August 2024 (Chief Executive) <b>(Completed)</b>	Executive Director of Resources (S151 Officer)	Complete August 2024	EFS as per section J-1 above Exceptional Financial Support (EFS) Report taken to Corporate Policy Committee 13.02.2024. EFS request approved by Government 29.02.2024. <ul style="list-style-type: none"> <li>Transformation Programme Plan in place/submitted – Aug 2024</li> <li>CIPFA Review (EFS) – published March 2025 - CIPFA review report and an update on our progress at the Finance sub-committee meeting 02 June 2025</li> </ul>
			K-4 Continue to explore options with MHCLG, DfE and DfT to resolve material issues regarding HS2 and High Needs (SEND) education expenditure. (Interim DoF/S151 / CLT) <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)	Ongoing	Next steps - dependant on 2024/25 in year reporting and deliverability of approved 24/25 MTFS proposals / Transformation Programme / Peer Review action plan / DMA Review outcome and their impact on 2024/25 and MTFS cycle 2025/26 to 2028/29.
			K-5 Budget delivery 2024/25 <ul style="list-style-type: none"> <li>monitor progress and performance against MTFS proposals delivery and developing MTFS 25 – 29 to CLT/SFMB/Committees</li> <li>monthly financial forecasting to CLT/SFMB</li> <li>In year reporting to Committees</li> <li>MTFS tracking to each Committee cycle</li> </ul> <b>(Completed)</b>	Executive Director of Resources (S151 Officer)	Ongoing since Apr 24	MTFS Tracker ongoing monitoring of proposals. Reporting to all committees on progress across all council areas to every committee cycle.  Monthly reporting to CLT / SFMB in 2024/25 In year reporting to Committees FR1, FR2, FR3 Revenue and Capital Capital Review throughout 2024/25
			K-6 Adequacy of reserves – 2024/25 and MTFS 2025 – 2029 <ul style="list-style-type: none"> <li>Out-turn 2023/24 report</li> <li>In year monitoring 2024/25 – delivery of proposals</li> <li>MTFS Assumptions - Funding, income, expenditure</li> </ul> MTFS Development  <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)	Ongoing	MTFS included the topping up of General Fund reserves to £20m over the life of the MTFS to help restore financial stability. The Public Health reserve was also retained. The following Strategic earmarked reserves were approved within the Reserves Strategy ( <a href="#">Appendix A, Annex 8</a> ), and in some cases, replenished over the four year MTFS as part of the Council's approach to improving the robustness of the MTFS and adequacy of Reserves: <ul style="list-style-type: none"> <li>PFI Equalisation Reserve - Extra Care Housing – to meet future payments on the existing PFI contract.</li> <li>Public Health unallocated ring-fenced grant – to be invested in areas to improve performance against key targets (subject to annual assurance sign off).</li> <li>Insurance Reserve – to settle insurance claims and manage excess costs.</li> </ul>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
						<ul style="list-style-type: none"> <li>Transformation Reserve – to fund the Council’s transformation programme costs.</li> <li>Collection Fund Reserve - to manage cash flow implications as part of the Business Rates Retention Scheme.</li> <li>Elections Reserve – to provide funds for Election costs every four years.</li> <li>Flood Risk and Adverse Weather Events Reserve - to help the service manage risks such as the impact of adverse weather, specifically flooding or extensive periods where winter maintenance is required.</li> </ul> <p>Budget provision made in the MTFS for Contingency &amp; Risk budgets to manage in year inflationary impacts and delivery of savings (overseen ./approved by CEX/S151 and any underspend to also replenish reserves)</p>
C - The leadership team demonstrates in its actions and behaviours, responsibility for governance and internal control.	Green	<ul style="list-style-type: none"> <li>Adherence to Nolan Principles is not frequently assessed by CLT / WLT / WLC</li> <li>There is evidence of confusion over some decision making - ODR/FPR/Delegations</li> </ul>	<p>C-1 Add recognition of Nolan principles to AGS. (Head of Audit &amp; Risk) <b>(Ongoing)</b></p> <p>C-2 Develop accountability statement for Service Plans (including links to supporting policies and guidance) and require positive acknowledgement of agreement. [see D-2] (Head of Audit &amp; Risk) <b>(Ongoing)</b></p> <p>C-3 Adequate review of Internal Audit action completion as part of internal control framework. (Head of Audit &amp; Risk) <b>(Ongoing)</b></p>	<p>Head of Audit Risk and Assurance</p> <p>Head of Audit Risk and Assurance</p>	<p><del>March 2025</del></p> <p>Ongoing - Dec 2025</p> <p>Ongoing</p>	<p>Demonstrable adherence to control framework</p> <p>The Code of Corporate Governance is currently being reviewed, needs to align to timeline for AGS update</p> <p>A new Delivery Plan and performance reporting framework are in development, aligned to the Cheshire East Plan 2025–29. A report is going to Corporate Policy Committee in June 2025 – this may need to be reviewed during 2025 (See also A1-2).</p> <p>The approach to follow up on agreed internal audit recommendations has been reviewed, and a number of changes introduced. This will ensure that progress on implementation is being reviewed by senior management, the Corporate Leadership Team and the Audit and Governance Committee more regularly. Progress updates provided by Internal Audit on the delivery of the 2024/25 internal audit plan will include an indication of whether there is improvement against the previous year’s opinion.</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
		<ul style="list-style-type: none"> <li>Publication of spend analysis is not reviewed or promoted</li> </ul>	C-5 Ensure oversight and spot-check reviews of spend (SFMB – Spend Control Panel) (Completed/Ongoing)	Head of Procurement	Ongoing	<p>All spend (requisitions) for £5k and above is sent to procurement using a workflow in Unit 4. This is reviewed to ensure it has a contract in place and has been approved by the expenditure control panel.</p> <p>All spend is published on the council's transparency pages. There is also a project looking at all spend below £5k and spot checking to ensure compliance.</p>
F - The authority has carried out a credible and transparent financial resilience assessment	Amber	<p>Consider / Review the CIPFA resilience assessment tool as there is no specific format to the testing of resilience</p> <p>Publish financial resilience assessment information This covers ctax/business rates, core spending power, capital/borrowing and reserves. CIPFA Resilience Index is not specifically shared with the Audit &amp; Governance Committee</p> <p>Alongside Oflog (Office for Local Government), DLUHC is publishing performance data on a new statistical tool – the Local Authority Data Explorer – there are 4 initial areas of performance – Adult Social Care, Waste Management, Adult Skills, Local Authority Finance</p> <p><b>This area is subject to changes depending on government policy on data publications</b></p>	<p>F-1 Review CIPFA assessment tool (Interim DoF/S151) (<b>Ongoing</b>)</p> <p>F-2 Review the inclusion of relevant data and benchmarking information around financial resilience in all relevant finance reporting (<b>Ongoing</b>)</p>	<p>Executive Director of Resources (S151 Officer)</p> <p>Finance Management Team</p> <p>Executive Director of Resources (S151 Officer)</p> <p>Finance Management Team</p>	<p>Complete (but reviewed as part of MTFS development)</p> <p>March 2026</p>	<p>Review as part of financial monitoring report development and MTFS development. Not progressed – to be reviewed in 2025/26</p> <p>Not progressed – to be reviewed in 2025/26</p>
N - The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	Amber	<ul style="list-style-type: none"> <li>Starting monthly reporting of financial activity to help support early identification that the authority is deviating from its approved budget and take prompt action from the start of financial year 2024/25</li> <li>Revenue / Capital reporting is not entirely inter-linked</li> <li>Whilst there are examples of sound integration of monitoring and forecasting within projects and recognition of wider effects on service/ organisational reporting, there is room for improvement to ensure necessary quality is realised across all areas.</li> </ul>	N-1 Develop Unit4 enquiries to provide up to date monthly info (Interim DoF/S151 / FLST) ( <b>Ongoing</b> )	<p>Executive Director of Resources (S151 Officer)</p> <p>Finance Management Team</p>	Subject to Unit 4 review timetable Ongoing	<p>Improvements in use of technology, systems and data capture will improve decision making. Existing Budget Monitoring reports in Unit4 available for budget managers to Self Serve (R2R200 and R2R217). During 2024 agreement was reached to establish the role of 'Finance super user', facilitating the opportunity for the Finance Team to exploit the standard functionality of the system to optimum effect, as it was designed to be used, and to realise the business benefits envisaged in the original business case. During 2025/26, a small team of super users will be formed, and work will commence on the creation and/ or</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
		<ul style="list-style-type: none"> <li>Individual transaction processes and approval limits are built into systems</li> </ul>				improvement of financial enquiries and reports, to better meet to multiple needs of both internal and external financial reporting.
			N-2 Develop Unit4 / MSBI to develop scenario / forecasting data for review as part of MTFs process (Interim DoF/S151 / FLST / BI) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	Subject to Unit 4 review timetable Ongoing	As referred to in N-1 above, Unit4 – Super Users to help develop reporting (including Statutory Reports / ad-hoc reports and Enquiries to aid Finance and Budget Managers to Monitor and Forecast budgets and develop scenario planning from Unit4.
			N-3 Enabling of Services and service management to meet their financial management responsibilities through technology and training (including FP&A for budget management and forecasting) (Interim DoF/S151 / FLST) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	Subject to Unit 4 review timetable Ongoing	FP&A – There have been significant modifications to FP&A (forecasting tool) throughout 2024/25, testing the stability of the environment early 2025/26, awaiting sign off. Finance will need to review/revise/develop a roll out plan once testing is signed off to ensure all Directorates/Services are full trained and engaged to use FP&A in the future. This could easily be a 12 month programme given other Transformation Work underway. This may include a budget management training course.
			N-4 Improve the quality of spend control and financial information and intelligence. (CLT / Interim DoF/S151 / SFMB / Performance Management Board) <b>(Complete and Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Management Team  Head of Procurement	July 2024 / Ongoing	Monthly monitoring implemented until FP&A forecasting can be launched across the authority Weekly officer CEBERT (Cheshire East Budget Emergency Recovery Team) replaced by Strategic Finance Management Board + Task & Finish Groups (Peer Review Action 1)  Expenditure Control Panel - reviews all requisitions above £5k to ensure they are essential spend.
			N-5 Oversight of Wholly Owned Company In-year performance (ASDV Review / FSC) <b>(Complete and Ongoing)</b>	Finance Manager - Place	Ongoing	Ansa and Orbitas (July2024) decision to bring back in house. Out-turn reporting and Financial Statements for 2024/25 to be produced. Orbitas back in house 1.2.2025,

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
						majority of Ansa wef 1.4.2025, Ansa Transport to follow during 2025/26. Residual Ansa functions – timescale TBC Out-turn report – due to FSC/AGC July2025 Accounts – AGC – Autumn 2025
E - The financial management style of the authority supports financial sustainability	Amber	<ul style="list-style-type: none"> <li>○ Achieving financial sustainability requires the authority to have the capacity, the capability and the confidence to plan for the long term and to focus on the achievement of longer-term objectives, rather than to exist simply from year to year.</li> <li>○ The MTFS is supported by HLBC's and the MTFS should cover a 4 year period. HLBCs tend to focus on proposals in year 1 with less planning for new proposals in yrs 2 – 4.</li> <li>○ Beneficial impacts of capital investment are not always clearly linked with revenue implications</li> <li>○ There has been inconsistent forecasting of some income and expenditure in terms of recognising financial risks and opportunities, for both revenue and capital</li> <li>○ Pricing Strategies are not consistent or published</li> <li>○ Not all investment/savings are led by the Corporate Plan / Cheshire East Plan</li> </ul>	<p>E-1 Peer Review - March 2024. [See A2-2] (Chief Executive) <b>(Completed)</b></p> <p>E-2 Corporate financial challenge – a need for a whole-Council response; and the committee system and the wider engagement of elected Members (Interim DoF/S151) <b>(Completed/Ongoing)</b></p> <p>E-3 Whole organisation transformation programme to change service budget envelopes and re-establish corporate financial resilience and sustainability, including adequate reserves <b>(Completed/Ongoing)</b></p> <p>E-4 All HLBCs to consider whole life impact to support decision (Interim DoF/S151 / PMO / CLT) <b>(Ongoing)</b></p> <p>E-5 Continue to develop the financial literacy of managers/budget holders to ensure that they have access to the performance and financial information needed to plan and deliver their services effectively. Consider mandatory training (Interim DoF/S151 / FLST) <b>(Ongoing)</b></p> <p>E-6 Update Council charging strategy (Interim DoF/S151 / CLT / SFMB) <b>(Ongoing)</b></p>	<p>Governance, Compliance and Monitoring Officer</p> <p>Executive Director of Resources (S151 Officer)</p> <p>Executive Director of Resources (S151 Officer)</p> <p>Executive Director of Resources (S151 Officer)</p> <p>See H-5</p> <p>Executive Director of Resources (S151 Officer)</p> <p>Finance Management Team</p> <p>Executive Director of</p>	<p>October 2024</p> <p>Aug 2024 MTFS Timetable</p> <p>Aug 2024 / MTFS Timetable</p> <p>MTFS timetable</p> <p>Sept 2024</p> <p>MTFS Timetable and corporate plan development fully aligned</p>	<p>Governance colleagues have recently reviewed the decision-making process to ensure reports pass through appropriate stages before sign-off.</p> <p>Action Plan approved August 2024 Corporate Policy Committee to lead on Financial Recovery Transformation Plan / MTFS / Council Plan – approved Feb 2025</p> <p>The MTFS for 2025/26-29 established a new format, with a much shorter, clearer MTFS setting out strategic financial management principles and planning assumptions; followed the Budget for 2025/26; then further information in annexes on supporting detail and specific financial strategies</p> <p>Action Plan August 2024 Corporate Policy Committee to lead on Financial Recovery Transformation Plan / MTFS / Council Plan – approved Feb 2025</p> <p>MTFS/Transformation – proposals development 2025/26 – 2028/29 MTFS – 2025/26 Balanced through EFS, future years unbalanced – ongoing Transformation Plan, Budget Delivery 2025/26, Mitigations</p> <p>See update against Standard H-5</p> <p>Needs to be a recognition that finance is everyone's business by ensuring that our budget mangers have the right tools and training to do their jobs and make appropriate decisions</p> <p>Ongoing</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
<p>G - The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members</p>	<p>Green</p>	<ul style="list-style-type: none"> <li>Scenario planning is not currently a specific exercise within financial planning or the MTFS</li> <li>Financial Reports include responses to mitigate adverse forecasts and need to include information on actions that are being taken to address financial sustainability</li> <li>MTFS clearly articulated the need to address the medium term gap but that plan needs to be agreed alongside the transformation delivery plan</li> </ul>	<p>G-1 Develop Unit4 / MSBI to develop scenario / forecasting data for review as part of MTFS process (Interim DoF/S151) [See N-2] <b>(Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)</p>	<p>MTFS Timeline</p>	<p>MTFS to be clearly linked with transformation plan and identify options to close the financial gap with a clearly articulated financial strategy that aligns with the corporate plan</p> <p>Second MTFS update report included funding scenario options - FSC report September 2024</p> <p>Transformation targets included in 2025/26 MTFS - Cross cutting Transformation Savings not allocated to Service by 31.03.2025</p> <p>See N-2 above also</p>
			<p>G-2 Financial reporting to all committees to include mitigating actions <b>(Completed)</b></p>	<p>Executive Director of Resources (S151 Officer)</p>		<p>In year progress reports on the 2024/25 approved policy proposals undertaken and contained mitigation items and this will continue into 2025/26.</p>
			<p>G-3 MTFS to be clearly linked with transformation plan and identify options to close the financial gap with a clearly articulated financial strategy <b>(Completed/Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)</p>		<p>MTFS 2025/26 balanced with the use of EFS and transformation targets, both service specific and cross council items and referenced accordingly in the MTFS Approved Feb 2025.</p> <p>Transformation board are monitoring the service specific items and also managing the allocation of the council wide items during early 2025/26.</p>
<p>I - The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans</p>	<p>Amber</p>	<ul style="list-style-type: none"> <li>The FM Code requires that the authority prepares a multi year financial plan – the Annual budget is approved and the MTFS additional years should support/evidence the robustness and whole life impact of year 1 proposals.</li> <li>The current MTFS does not compare scenarios, such as High/Medium/Low but is presented as a single plan.</li> <li>Lifetime costs of assets does not systematically feature within the MTFS.</li> <li>2024/25 – 2027/28 MTFS – balanced for 2024/25 only, future years as yet to be balanced – See also Standard K re S25 Statement re robustness of estimates and adequacy of reserves and proposed actions.</li> </ul>	<p>I-1 MTFS is being refreshed during 2024/25 including the alignment of the Council’s published transformation plan and to align with the Council’s Target Operating Model. <b>(Completed)</b></p>	<p>Executive Director of Resources (S151 Officer)</p> <p>Finance Management Team</p>	<p>February 2025</p>	<p>The MTFS was streamlined for 2025-29 to ensure that key messages and direction of travel were articulated much more clearly and succinctly to help with readability and understandability. Risks within the budget were clearly set out.</p> <p>TOM savings included but still remain as single corporate item and work is ongoing to allocate out the savings in line with the TOM</p>
			<p>I-2 The refreshed MTFS will include sensitivity analysis and will include risk <b>(Completed)</b></p>	<p>Executive Director of Resources (S151 Officer)</p> <p>Finance Manager –</p>	<p>October 2024</p>	<p>Sensitivity analysis was included in the FSC reports on budget setting during 2024/25 to help articulate possible scenarios at varying stages of the budget setting process.</p> <p>Alternative Council Tax scenarios also presented in the report to CPC as a means of</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
		<ul style="list-style-type: none"> <li>The Asset Management Plan (AMP) is not suitably aligned to the MTFS.</li> </ul>		Strategic Financing and Accounting		balancing the budget but subsequently not pursued due to Government not agreeing to The Council increasing above the referendum level.
			I-3 Transformation Plan / Corporate Plan / balance MTFS in the medium term and increase GF reserves to sustainable level <b>(Completed &amp; Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	Aug 2024 / MTFS Timetable	The MTFS February 2025 set a balanced budget with the use of £25.3m EFS for 2025/26. This included the topping up of General Reserves to a forecast level of £20m over the medium term and building in Contingency and Risk budgets over the medium term. Future year MTFS remains unbalanced.
			I-5 Align Capital Strategy to AMP (Strategic Asset Board) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	Oct 2024 Ongoing	Capital Board re established January 2024 Terms of References still being refined Strategic oversight of Capital Programme and Investments Strategy plus proposed link to Asset Board
			I-6 Review Capital Strategy for 2024/25 re affordability <b>(Completed)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting		<p>Capital Review ongoing through 2024/25, some schemes deferred, reprofiled, none stopped in entirety. Borrowing profile therefore revised but not curtailed. Further “new” schemes added in addition through the development of the MTFS - further increase in the Capital Financing Budget in addition to the effects of financing Exceptional Financial Support for 2024/25 Out-turn and 2025/26 budget.</p> <p>Capital Strategy re-issued during 2024/26 as part of the Capital Review process including Prioritisation of schemes.</p> <p>A further review of forward funded schemes and an updated status on their repayment potential and affect on the overall borrowing demand on the Council is a priority.</p>

This page is intentionally left blank

Acronym	Full Title
(initials)	Brackets around two letters are initials of individual people
A&G	Audit and Governance
AGS	Annual Governance Statement
AMP	Asset Management Plan
BFT	Brighter Future Together
BFTP	Brighter Future Together Programme
BLOG	BLOG – Web Log
BMST	Business Management Support Team
BP	Business Partner
C&F	Children and Families
CEBERT	Cheshire East Budget Emergency Response Team
CEC	Cheshire East Council
CEO	Chief Executive Officer
CERF	Cheshire East Residents First Ltd
CFB	Capital Financing Budget
CFO	Chief Finance Officer
CIPFA	Chartered Institute of Public Finance and Accountancy
CLT	Corporate Leadership Team
COCG	Code of Conduct Group
CP	Corporate Plan
CPC	Corporate Policy Committee
CPD	Continued Professional Development
CPF	Cheshire Pension Fund
CPR	Contract Procedure Rules
CQC	Care Quality Commission
DMT	Directorate Management Team
DoGC	Director of Governance and Compliance
DSG	Dedicated Schools Grant
EA	External Audit
ED	Executive Director
EFMT	Extended Finance Management Team
EIA	Equality Impact Assessments
EU	European Union
FM	Financial Management
FPR	Finance Procedure Rules
FSC	Finance Sub-Committee
GT	Grant Thornton
HLBC	High Level Business Case
HML	High Medium Low
IA	Internal Audit
ICO	Information Commissioners Office
Interim DoF	Interim Director of Finance
IFAC	International Federation of Accountants

## FM Code – Glossary

## Appendix 4

KPI	Key Performance Indicator
LEP	Local Enterprise Partnership
LEP F&R	Local Enterprise Partnership Finance & Reporting Committee
LGO	Local Government Ombudsman
LGPS	Local Government Pension Scheme
MO	Monitoring Officer
MSBI	Microsoft Business Intelligence (Power BI)
MTFS	Medium Term Financial Strategy
MYR	Mid-Year Review
ODR	Officer Decision Record
OFSTED	Office for Standards in Education
PAIB	Professional Accountants in Business
PDR	Performance Development Review
PMO	Project Management Office
PP	Pay Policy
PSAA	Public Sector Audit Appointments
RAG	Red, Amber, Green
SFMB	Strategic Finance Management Board
S151	Section 151 Officer
SOA	Statement of Accounts
SOLACE	Society of Local Authority Chief Executives
SS	Shared Service
TMS	Treasury Management Strategy
ToRs	Terms of reference
TQR	Third Quarter Review
UK	United Kingdom
WARN	Waiver Approval / Record of Non-Adherence
WLC	Wider Leadership Community
WLT	Wider Leadership Team
WOC	Wholly Owned Company

Open

## **Finance Sub-Committee**

**2 June 2025**

**Finance Leadership Improvement Plan including progress of actions following the CIPFA Assurance Review (commissioned by MHCLG)**

---

**Report of: Executive Director of Resources and Section 151 Officer**

**Report Reference No: FSC/28/25-26**

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

**For Scrutiny**

### **Purpose of Report**

- 1 This report provides the Committee with an opportunity to scrutinize the activities undertaken to improve financial leadership across Cheshire East Council.
- 2 A thematic plan has been established to respond to several external reviews commissioned by both the Council and MHCLG to provide assurance on financial management. Due to the timing of these reviews, this work has been ongoing during 2024/25 and has led to a focused plan for 2025/26 to be developed, allowing for monitoring and managing progress alongside other performance management processes.

### **Executive Summary**

- 3 This report details the Council's progress against the Financial Leadership Improvement Plan, which outlines improvement activities aligned with external reviews, including the Corporate Peer Challenge, the CIPFA Assurance Review, and the recent External Audit.

## RECOMMENDATION

That the Finance Sub-Committee

1. Scrutinises the contents of the Finance Leadership Improvement Plan.
2. Agrees to receive progress reports on the Plan.

## Background

- 4 The Council is under unprecedented external scrutiny and faces significant financial challenges, coupled with a need to transform and improve. Numerous reviews have made recommendations.
- 5 While these recommendations are welcomed, many issues were already known to management and Members. Discussions had taken place, and issues were being addressed. Improvement plans were in place, as demonstrated by progress against the CIPFA review recommendations published in March 2025 (although commissioned by central government in July and August 2024 with the report and recommendations reflecting the position at that time) and the positive response to the Local Government Association Corporate Peer Challenge 2024.
- 6 To document ongoing activities and ensure a formal record of progress against CIPFA recommendations, an improvement plan for all finance-related matters was developed. This plan will guide holistic financial service improvements and enhance corporate financial leadership and governance within the Council.
- 7 Monitoring and reviewing progress against existing recommendations from external reviews and other activities is a priority. The Financial Leadership Improvement Plan, detailed in Appendix A, outlines progress as of May 2025 against these recommendations, impacting the Council's financial stewardship.
- 8 The reviews covered include:
  - (a) Corporate Peer Challenge 2024 (relevant recommendations)
  - (b) CIPFA Assurance Review 2024 (commissioned by MHCLG as part of the process of agreeing in principle Exceptional Financial Support)
  - (c) External Audit for 2023/24 Accounts undertaken in 2024/25 (please note that these remain draft recommendations until the audit is finalised)

9 The recommendations and responses have been grouped thematically under the following headings:

- (a) Financial Management & Sustainability
- (b) Capital Programme, Debt, Assets & Investments
- (c) Governance
- (d) Service Delivery
- (e) Leadership & Culture

10 The Council's financial management arrangements are the responsibility of the Section 151 Officer. This role includes supporting and advising officers and members, maintaining strong financial management arrangements, contributing to corporate leadership, and leading an effective and responsive financial service.

11 Good financial management and governance extend beyond the Section 151 Officer or the Council's Finance Service. Therefore, several activities detailed in the Financial Leadership Improvement Plan are the responsibility of other senior officers within the Council.

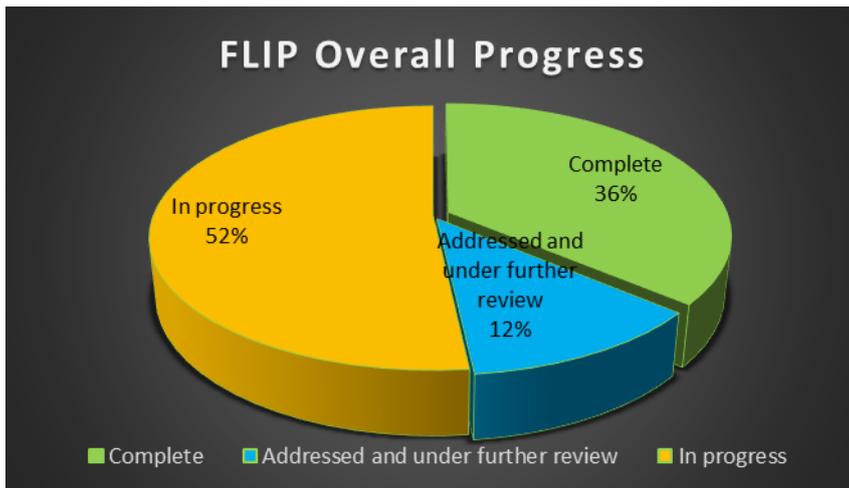
12 A summary of the progress made to date is provided below:

Thematic Heading	Complete	Addressed and under further review	In progress	Totals
<b>Financial Management &amp; Sustainability</b>	13	2	8	23
<b>Capital Programme, Debt, Assets &amp; Investments</b>	2	2	12	16
<b>Governance</b>	2	3	8	13
<b>Service Delivery</b>	2		2	4
<b>Leadership &amp; Culture</b>	2			2
<b>Totals</b>	<b>21</b>	<b>7</b>	<b>30</b>	<b>58</b>

As can be seen a significant number of activities have already been completed, and whilst there are some activities outstanding, they have been started. The Action Plan provides the latest updates to those activities as well as the anticipated completion date.

13 The Financial Leadership Improvement Plan – Action Plan, which is included as Appendix B, provides the list of activities which are under further review or in progress. It is intended to be updated and reviewed at least quarterly at the relevant meeting of the Finance Sub-Committee, commencing in June 2025. It will also form the basis of discussions with the finance lead on the Assurance Panel and the Section 151 Officer.

14 An overall view of the performance against the Financial Leadership Improvement Plan is provided in the chart below.



- 15 Elsewhere on the agenda is the Financial Management (FM) Code Action Plan which provides an update on progress made towards compliance with the CIPFA Code. The Financial Leadership Improvement Plan complements the activities undertaken through the FM Code compliance and therefore provide a thorough set of actions to improve financial management activities across the Council.
- 16 All of this activity has been underway for some time. On 8 May 2025, a non-statutory Best Value notice was published for Cheshire East. This highlights the importance of addressing the recommendations of the CIPFA assurance report and the LGA peer review. This report provides evidence of what has already been done to address concerns and issues and what is remaining. This improvement plan will therefore provide sound evidence of our progress and so it is important that this remains a priority to deliver against the proposed actions.

### **Consultation and Engagement**

- 17 Senior Officers from across the Council have contributed to the updates and progress provided within the Financial Leadership Improvement Programme.

### **Reasons for Recommendations**

- 18 The recommendation ensures that the Council's progress against the Financial Leadership Improvement Plan is acknowledged, strengthening financial management and ensuring continued development. This will position the Council optimally regarding overall financial leadership and stewardship.

### **Other Options Considered**

- 19 This is not applicable.

## **Implications and Comments**

### *Monitoring Officer/Legal*

20 There are no direct legal implications.

### *Section 151 Officer/Finance*

21 There are no direct financial implications, although it is incumbent upon both officers and members to ensure good progress continues against the Plan, as this could impact future funding and government intervention.

22 The importance of demonstrating value for money is also integral to all of our work and therefore this provides an opportunity to demonstrate this too.

### *Policy*

23 This does not make any changes to Corporate Policy but does contribute to:

Commitment 3: An effective and enabling council
---

### *Equality, Diversity and Inclusion*

24 There are no direct implications for equality.

### *Human Resources*

25 There are no direct implications for human resources.

### *Risk Management*

26 The advancement within the Improvement Plan ensures positive progress in improving the Council's overall financial standing and external assessment recommendations. It is high-risk for the Council not to progress against the recommendations, as this would compromise governance, best practice, and Central Government requirements, adversely impacting the Council.

### *Rural Communities*

27 There are no direct implications for rural communities.

*Public Health*

28 There are no direct implications for public health.

*Climate Change*

29 There are no direct implications for climate change.

<b>Access to Information</b>	
Contact Officer:	Adele Taylor Interim Executive Director of Resources (S151) <a href="mailto:adele.taylor@cheshireeast.gov.uk">adele.taylor@cheshireeast.gov.uk</a>
Appendices:	A – Financial Leadership Improvement Plan - ALL ACTIONS B – Financial Leadership Improvement Plan – Action Plan
Background Papers:	Specific papers include: The Government publication of its review undertaken by CIPFA: <a href="#">Cheshire East Council - CIPFA external assurance review</a> The Corporate Peer Challenge 2024: <a href="#">LGA Corporate Peer Challenge 2024</a> The External Auditors' Interim Findings Report 2023/24 Statement of Accounts: <a href="https://www.cheshireeast.gov.uk/council_and_democracy/your_council/lga-corporate-peer-challenge-2024.aspx">https://www.cheshireeast.gov.uk/council_and_democracy/your_council/lga-corporate-peer-challenge-2024.aspx</a> <a href="#">EY Audit completion report</a>

Assessment	Assessment Risk Number	FLIP Reference Number	Key Risk Description	Risk Rating	Recommendation	Timeline where stated
<b>Financial Management / Sustainability</b>						
CIPFA	1	F1	There is no single dashboard to monitor all the mitigation activity across the council	9	That a SharePoint spreadsheet is developed as a single dashboard of information on the expected actions and deficit mitigations across the council and the single plan against which progress in delivering expected savings, additional income, asset sales and reduction in borrowing is monitored by Officers and scrutinised by Members.	As soon as possible
CIPFA	7	F8	The finance service resources, skills and experience do not keep up with the changing agenda	4	A review of financial services should identify the future skills and competencies that will be required to sustain transformation, such as expertise in data and scenario analysis and strategic financial management and how they will be developed.	During 24/25
CIPFA	8	F9	Members and Officers do not have sufficient understanding of local government finance and the current financial pressure to constructively engage	3	CEC should develop a continuing programme of financial training to Members and officers. It should conduct a survey or assessment to determine existing knowledge of local government finance and financial management skills and help tailor the training or support offer to meet need.	By the start of 25/26
CIPFA	9(B)	F11	That effective risk management is compromised by a lack of understanding of its role amongst members, a lack of cross-committee coordination and a failure to link Committee decision-making explicitly to risk.	4	Provide all Committee members with training on risk management	By April 2025
CIPFA	10	F12	That fixing the problems with the Enterprise Resource Planning are not receiving sufficient senior management focus and that the resulting inefficiencies and workarounds that impact badly on financial management will continue	6	That the health check of the ERP is broadened out to address all the implementation issues that are impacting on the council	As soon as possible
CIPFA	11	F13	That the improved functionality that the new ERP offers for financial management is not realised.	6	The Finance Service builds into its Service Plan the practical steps it will take to ensure officers are able to exploit the unused functionality of the ERP and to provide support and training to users	As soon as possible
CIPFA	12	F14	That CEC's plans for increased productivity may rely too much on technology without commensurate attention to reskilling the workforce	2	CEC makes sure its planning for digitalisation and other IT-enabled transformation pays adequate attention to the HR and reskilling aspects that will also be involved	During the next 12 months
CIPFA	13	F15	That the Transformation plan does not lead to a culture of continuous improvement.	3	CEC works with its transformation partner to identify as part of the plan the practical steps that need to be taken so that the council has a culture of continuous improvement.	During the next 12 months

Responsible Officer	Current Status	Status April 2025	Est completion date
Assistant Chief Executive	Completed	A simpler form of a holistic savings 'tracker' has been developed on SharePoint and will be used through 2025/26 to facilitate the capture and reporting of the delivery of both the Transformation Programme of changes, and also the growth and savings included in the budget for the financial year. This will therefore include information on performance and risks associated with the transformation programme.	Completed
Director of Finance	In progress	The CIPFA Competency Assessment has been commissioned and the Model will also be deployed to identify current skills and competencies, and help to determine if there are any gaps that require additional resources to support future change.	Sep-25
Director of Finance	In progress	Training in local government finance is already given as part of the induction for new Members after local elections; and various briefings and engagement sessions take place throughout each financial year, for Members and senior management, with regard to in-year forecasts and particularly the continuing development of the MTFS and associated policy and service budget change proposals. Training sessions by CIPFA and also other training based on CIPFA guidance has previously been provided to budget managers; Key finance briefings were deployed in 2024/25, particularly regarding the financial situation of the Council. Following the delivery of the CIPFA Competency Framework a training programme will be developed for 2025/26 will be developed. This will be informed by assessment of requirements to help Members and service budget managers at all levels meet their responsibilities for financial management (officers) and scrutiny and challenge (Members).	Dec-25
Monitoring Officer	In progress	Risk Management Training is programmed into the emerging Member Training and Development Plan.	Jul-25
Director of Digital	In progress	The health check workshops and discovery sessions with Unit4 have laid the foundation for a comprehensive programme addressing statutory compliance and functionality gaps. The health check was completed in August 2024, with a verbal update given to Audit and Governance committee in September 2024. The recommendations from the health check and roadmap for improvement is to be implemented from January 2025 through to March 2026 for the highest priority areas. The initial phase for highest priority areas of statutory compliance to be delivered by April 2025. Progress has been good in resolving high priority issues. A review of governance has been undertaken to ensure the appropriate representation at programme board and operational working groups. These are working well although timescales are tight for decision making. The improvement board has engaged Human Engine in January 2025 to review the operating model for Transactional Shared Service and ERP support. Options to be presented in April 2025.	Health check improvement programme Mar-26 TSS Service Design Review APR-25
Director of Finance	In progress	During 2024 agreement was reached to establish the role of 'Finance super user', facilitating the opportunity for the Finance Team to exploit the standard functionality of the system to optimum effect, as it was designed to be used, and to realise the business benefits envisaged in the original business case. During 2025/26, a small team of super users will be formed, and work will commence on the creation and/ or improvement of financial enquiries and reports, to better meet to multiple needs of both internal and external financial reporting. With regard to users/ Service budget managers, training will be provided on effective use of existing and any new reports created.	Mar-26
Director of Digital	In progress	Digital Programmes are focussing on the end to end delivery of change and are engaging services/staff in a number of workshops to better understand the adoption and change management implications of any digital change. Comms and OD colleagues engaged to support change process and assist with communicating improvements and sources for training and development available to the Council through existing arrangements. Working with training providers and other local authorities on best practice in this area.	Mar-26
Assistant Chief Executive	In progress	We are aligning the Performance Management Framework, Improvement Portfolio and cultural change work to support a shift toward continuous improvement. This includes an annual Delivery Plan for the new Corporate Plan, a reformed officer governance structure, and new Directorate Business Plans being developed for 2025/26. These frameworks will embed clearer accountability and tracking of progress.	Jul-25

CPC		F22		N/A		By March 2025
-----	--	-----	--	-----	--	---------------

**Capital Programme, Debts, Assets & Investments**

CIPFA	14 (B)	F25	The DSG deficit is not kept under control	9	The council should establish a schedule of regular reviews of the DSG deficit recovery plan to ensure the plan remains on track to bring the deficit under control	Ongoing
CIPFA	14 (C)	F26	The DSG deficit is not kept under control	9	The DSG Management Board needs to commission evaluations of early delivered measures in the DSG management plan to learn what has been effective and what might need refinement.	Ongoing
CIPFA	15 (Ci)	F29	Financing costs falling to the General Fund are not curtailed	9	The council needs to improve its future capital programme management by strengthening communication between the project implementing departments and finance at regular stages to ensure that all aspects of a project are considered in the financial forecasting process.	By April 2025
CIPFA	15 (Cii)	F30	Financing costs falling to the General Fund are not curtailed	9	The council needs to improve its future capital programme management by strengthening corporate scrutiny of new projects against the council plan and priorities	By April 2025
CIPFA	15 (Ciii)	F31	Financing costs falling to the General Fund are not curtailed	9	The council needs to improve its future capital programme management by implementing a more robust and consistently applied risk assessment framework across the programme that include financial, operational, regulatory and (where relevant) funding risks.	By April 2025
CIPFA	15 (Civ)	F32	Financing costs falling to the General Fund are not curtailed	9	The council needs to improve its future capital programme management by using standardised financial modelling software or agreed techniques to help simulate various scenarios and help anticipate risk.	By April 2025
CIPFA	16	F33	Ambitious carbon reduction targets contribute to financial challenges	4	CEC should review whether the pace of its carbon reduction ambition is achievable given current financial challenges	As soon as possible
CIPFA	17 (A)	F34	The council does not make hard decisions to dispose of some of its assets or review the affordability of some of its strategies, policies and non statutory services	4	CEC should review whether its farms strategy remains good value for money and a strategic fit and is in accordance with the direction of the target operating model being developed. It should consider whether a phased and controlled sale or partial sale could not contribute to the budget deficit over the life of the Medium-Term Financial Plan (MTFP).	Ongoing
CIPFA	17 (C)	F36	The council does not make hard decisions to dispose of some of its assets or review the affordability of some of its strategies, policies and non statutory services	4	CEC should conduct a post-disposal review on disposals in the early part of the MTFP to learn from the process and improve future asset disposal strategies.	By May 2025
CIPFA	18 (A)	F37	The benefits of in-housing ANSA waste and recycling services are not realised	2	CEC need to operate robust risk management in the in-housing of ANSA so as to identify and mitigate potential risks, including financial, operational and reputational.	As soon as possible
CIPFA	18 (B)	F38	The benefits of in-housing ANSA waste and recycling services are not realised	2	CEC should develop a benefits realisation plan for the in-housing of ANSA to help identify, direct and monitor the savings and improved services that should result.	As soon as possible

Executive Director of Resources	In progress	Training in local government finance is already given as part of the induction for new Members after local elections; and various briefings and engagement sessions take place throughout each financial year, for Members and senior management, with regard to in-year forecasts and particularly the continuing development of the MTFs and associated policy and service budget change proposals. Training sessions by CIPFA and also other training based on CIPFA guidance has previously been provided to budget managers; Key finance briefings were deployed in 2024/25, particularly regarding the financial situation of the Council. Following the delivery of the CIPFA Competency Framework a training programme will be developed for 2025/26 will be developed. This will be informed by assessment of requirements to help Members and service budget managers at all levels meet their responsibilities for financial management (officers) and scrutiny and challenge (Members).	Dec-25
Director of Education, Strong Start & Integration	In progress	There is a strong governance structure in place to monitor the DSG recovery plan. We have developed a new SEND Executive Board, chaired by the CEX which meets quarterly. Regular reporting on the plan is taken to Children & Families Committee. The deficit position has improved by £10M in 2023-24 and a further reduction of £10M-£15M is predicted for 2024-25.	Mar-32
Director of Education, Strong Start & Integration	In progress	We monthly monitor and evaluate the impact of the mitigations within the DSG Recovery Plan. This is also monitored and discussed with the SEND DfE to ensure that we are on track and making progress. The impact of the mitigations is then reported back through the Governance structures through all levels and in the Children & Families Committee.	Mar-32
Executive Director of Resources	In progress	Improvements in forecasting of actual spending requirements by project managers will be required to bring about improvements in cash flow and financial/ borrowing cost planning by Finance. Reintroduction of a Capital Programme Board, with streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.	May-25
Executive Director of Resources	In progress	The Capital Programme Board, with streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.	May-25
Executive Director of Resources	In progress	The Capital Programme Board, with streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.	May-25
Director of Finance	In progress	Methods such as Net Present Value are already used when developing capital schemes, however a formal and consistent approach will be proposed to be agreed at the outset with the newly established Capital Programme Board.	Jun-25
Director of Planning & Environment	In progress	Carbon reduction target has been extended to 2030, which is believed to be achievable.	Dec-30
Director of Growth & Enterprise	In progress	A Member Reference Group has been set up by the Economy & Growth Committee to consider the future Farms Strategy for the Council. As such it will review the application and direction of the Farms Estate, and one option for review will explore a phased strategic disposal of farms. A report will be taken back to Economy & Growth Committee for consideration and decision. Report to Committee is anticipated to be November 2025	Jan-26
Director of Growth & Enterprise	In progress	As part of the Asset Strategy review under the Transformation Plan, procedures will be put in place to carry out post-disposal review to understand any key improvements required for inform better practice. This would be included with the remit of the Asset Board	May-25
Director of Planning & Environment	In progress	ANSA have now successfully transferred back into the council as of 1st April. The transfer went well and the service is operating with no loss of service provision	Jul-25
Director of Planning & Environment	In progress	Service have now transferred back into the council and savings will be tracked through normal MTFs process	Mar-26

CIPFA	19	F39	CEC does not realise its investments where possible to help reduce the MTFS spending gap	6	CEC needs to review whether its interest in Alderley Park Limited can contribute to the funding gap at some stage over the life of the MTFP.	As soon as possible
<b>Governance</b>						
CIPFA	20	F40	The scheme of delegation does not achieve the right balance between the need for flexibility in making swift financial decisions with ensuring Members are appropriately involved in those decisions.	4	Internal Audit should undertake follow-up work in 9-12 months' time to see if understanding and practice has improved and whether there is any impact on the speed of decision-making.	By Late 2025
CIPFA	21 (A)	F41	Officers do not understand the implications of a revised scheme of delegation	4	The council needs to develop a plan to engage officers and communicate the revised delegation arrangements through multiple channels. There needs to be mandatory training sessions especially for those currently affected by the delegation and offer ongoing support and refresher training to ensure that employees stay informed and compliant.	By December 2025
CIPFA	21 (B)	F42	Officers do not understand the implications of a revised scheme of delegation	4	The council needs to ensure there are sufficient resource within the Monitoring and Governance Directorate to provide ad-hoc advice on issues of delegation and Officer Delegated Reports to appropriate deadlines.	Ongoing
CIPFA	24	F46	The Code of Corporate Governance becomes outdated	2	The council needs to review its Code of Corporate Governance to ensure it reflects the many changes in structure, process and governance that should have been implemented by then and to provide renewed assurance that the council is operating in line with the Nolan principles.	Late 2025
CIPFA	25	F47	Recruitment delays impede improvement	3	CEC needs to improve recruitment procedures so they do not impede development of the Children's Services improvement plan.	By November 2025
CIPFA	26	F48	Silo working continues to impede improvement	3	CEC should review how cross-Directorate and cross-Service working can be more encouraged and incentivised	By May 2025
CIPFA	27	F49	The commissioning and provision of legal advice is not VFM	4	CEC needs to make sure it has clear protocols and procedures governing all requests for legal advice and where an officer is unsatisfied with the initial legal advice there should be a formal procedure for reviewing the advice internally.	By December 2025
External Audit - EY	1	F50	Audit evidence was not readily available at the start of the audit.	R	Due to other operational commitments on the finance team there were delays in the provision of supporting information. <b>A project plan will need to be agreed to support the 2024/25 audit and in doing so management should ensure there are sufficient resources available to provide timely and accurate supporting information and working papers.</b>	By End May 2025
External Audit - EY	2	F51	System reports to facilitate sample selection were not available.	R	System reports for account balances were not available in a format to enable the identification of the true population making up the balance and facilitate our sample selection. The year end balance reports for Debtors and Creditors included full year transactions and adjustments without isolating the year end population. <b>Management should review the system reporting functions to ensure year end reports readily identify the actual population of transactions that support the reported balances.</b>	By End May 2025
External Audit - EY	3	F52	Bank reconciliation was not prepared on a regular basis.	R	As a result of changes in the finance team and capacity issues during the year the bank reconciliation was not undertaken on a monthly basis. We noted that the year end 31 March 2024 bank reconciliation was not completed until October 2024. <b>The bank reconciliation is a fundamental control and management should ensure there are at least up to date monthly reconciliations undertaken during the year.</b>	By End May 2025
<b>Service Delivery</b>						
CIPFA	28	F53	Higher than comparable neighbour per capita spend on cultural and related activities is poor VFM	4	CEC should investigate the validity of the indicator and investigate the implications for VFM.	By April 2025

Director of Growth & Enterprise	In Progress	Working with Finance colleagues this review is ongoing, and appropriate strategic approach will be assessed.	Mar-26
Monitoring Officer	In progress	This can be addressed in the work of the Governance Task and Finish Group and/or the Constitution Working Group. IA will also undertake a follow-up review.	Apr-26
Monitoring Officer	In progress	The review of Officer Schemes of Delegation is in progress and virtually complete. The ODR process will be subject to a review pending the outcome of an Internal Audit Review that is underway. This will also sit alongside the (CPC) Corporate Report Writing Project	Sep-25
Monitoring Officer	In progress	Training will be provided following adoption of the Schemes of Delegation	Sep-25
Monitoring Officer	In progress	The Code of corporate Governance is currently being reviewed.	Dec-25
Director of People	In progress	Ongoing review of all recruitment processes (noting that bulk of recruitment work involves TSS and Hiring Managers directly) to ensure that we are using Blum and Commensura consistently and effectively. Day to day improvements being made and most recently we have agreed a process review following WSG meeting 15/4/2025.	Jun-25
Director of People	In progress	Cross-directorate working is being built into the council's evolving operating model. A new people strategy is drafted with new values and behaviours co designed with staff. This will also be reflected in a new Cheshire Leader and Cheshire Manager programme to ensure that senior levels in the organisation proactively champion One Council working. As part of this work we are also redesigning the current CLT, Directors' Meetings and Wider Leadership Community groups to support collective ownership of organisational priorities.	Jul-25
Monitoring Officer	In progress	An escalation process is already in place re internal advice however a more formal protocol is to be established.	Dec-25
Director of Finance	Addressed and under further review	A Closure of Accounts Timetable and a Finance Team Responsibility plan is always prepared for the production of the Statement of Accounts and shared with External Auditors - this was also shared with EY. The 2024/25 Statements production timetable and working paper requirements have been expanded to include the detailed closure requirements list as provided by EY in October 2024. The 2024/25 timeline is working towards achieving the 30 June 2025 date for the production of the Draft Financial Statements. Achievement of this first deadline will be dependant on the impact of in year reporting 2025/26 (MTFS Budget delivery / Transformation Plan reporting) plus the implementation of IFRS16 - Additional Technical Accounting resources are being considered to support the implementation of IFRS16 and the wider ongoing impacts.	Jun-25
Director of Finance	In progress	For 2024/25, the proposal for Debtors and Creditors is to use the following approach: (i) Unit4 system reports to support system debtors and creditor balances (these have been run and saved as at 31.03.25), (ii) Support manual accruals for debtors and creditors from the Year End Accrual Logs (reconciled to Trial Balance codes), (iii) Other Debtor/Creditor balances supported by individual working papers to identify the population.	Jun-25
Director of Finance	Addressed and under further review	The 2024/25 Bank Reconciliation process in terms of which reports and the timing of running those reports has been reviewed. Bank Reconciliations are being finalised for March 2025 as part of Closure of Accounts and monthly reconciliations are to be performed for 2025/26.	Sep-25
Director of Growth & Enterprise	In progress	Review of cultural programme is ongoing and benchmarking against comparable neighbour authorities will be assessed. A wider piece of work on the cultural service is planned to identify further efficiencies and savings.	Jun-25

CIPFA	29	F54	Corporate performance reporting is not best practice	2	Report to Corporate Policy Committee could be improved by providing more consistent trend data across the range of activity in support of CEC priorities and including benchmark data where appropriate.	By May 2025
-------	----	-----	--	---	--	-------------

Assistant Chief Executive	In progress	A new Delivery Plan and performance reporting framework are in development, aligned to the Cheshire East Plan 2025-29. These will improve how we report to Corporate Policy Committee, including trend data, benchmarking where appropriate, and clearer governance routes for performance and accountability. These changes will be in place from Q1 2025/26.			Jul-25
---------------------------	-------------	--	--	--	--------

LEADERSHIP & CULTURE

Assessment	Assessment Risk Number	FLIP Reference Number	Key Risk Description	Risk Rating	Recommendation	Timeline where stated	Responsible Officer	Current Status	Status April 2025	Est completion date
<b>Financial Management / Sustainability</b>										
CIPFA	6	F7	The social care directorates do not receive the level of corporate (including financial service support) they need to implement their major improvement programmes	4	A review of financial services should identify the future skills and competencies that will be required to sustain transformation, such as expertise in data and scenario analysis and strategic financial management and how they will be developed.	During 24/25	Director of Finance	Addressed and under further review	During 2024 an opportunity was taken to make a key change at Finance Manager level, splitting the role of Finance Manager (Adults & Children's Services) into two Finance Manager roles, one for Adults Finance, one for Children's Finance. Of itself this will enhance senior Finance advice and support for both social care directorates, and the new Finance Manager (Children's Services) started her role on 3 March 2025. It is anticipated that further team restructure during 2025 - as part of the wider organisation Target Operating Model changes, will facilitate further improvement in support. The CIPFA Competency Model will also be deployed to identify current skills and competencies, and help to determine if there are any gaps that require additional resources to support future change.	Mar-26
CIPFA	7	F8	The finance service resources, skills and experience do not keep up with the changing agenda	4	A review of financial services should identify the future skills and competencies that will be required to sustain transformation, such as expertise in data and scenario analysis and strategic financial management and how they will be developed.	During 24/25	Director of Finance	In progress	The CIPFA Competency Assessment has been commissioned and the Model will also be deployed to identify current skills and competencies, and help to determine if there are any gaps that require additional resources to support future change.	Sep-25
CIPFA	8	F9	Members and Officers do not have sufficient understanding of local government finance and the current financial pressure to constructively engage	3	CEC should develop a continuing programme of financial training to Members and officers. It should conduct a survey or assessment to determine existing knowledge of local government finance and financial management skills and help tailor the training or support offer to meet need.	By the start of 25/26	Director of Finance	In progress	Training in local government finance is already given as part of the induction for new Members after local elections; and various briefings and engagement sessions take place throughout each financial year, for Members and senior management, with regard to in-year forecasts and particularly the continuing development of the MTFs and associated policy and service budget change proposals. Training sessions by CIPFA and also other training based on CIPFA guidance has previously been provided to budget managers; Key finance briefings were deployed in 2024/25, particularly regarding the financial situation of the Council. Following the delivery of the CIPFA Competency Framework a training programme will be developed for 2025/26 will be developed. This will be informed by assessment of requirements to help Members and service budget managers at all levels meet their responsibilities for financial management (officers) and scrutiny and challenge (Members).	Dec-25
CIPFA	9 (A)	F10	That effective risk management is compromised by a lack of understanding of its role amongst members, a lack of cross-committee coordination and a failure to link Committee decision-making explicitly to risk.	4	Committee papers should draw attention to the risks associated with decisions, including the risks of deferring or not making decisions	As soon as possible	Monitoring Officer	Addressed and under further review	The template for committee reports already includes a section to identify risk management matters, particularly those that are particularly relevant to the decision being taken. All reports are signed off by S151 and MO and include risk analysis and categorisation. It is also proposed to include a biennial training module as part of the Member Training and Development Plan.	Jul-25
CIPFA	9 (B)	F11	That effective risk management is compromised by a lack of understanding of its role amongst members, a lack of cross-committee coordination and a failure to link Committee decision-making explicitly to risk.	4	Provide all Committee members with training on risk management	By April 2025	Monitoring Officer	In progress	Risk Management Training is programmed into the emerging Member Training and Development Plan.	Jul-25
CIPFA	10	F12	That fixing the problems with the Enterprise Resource Planning are not receiving sufficient senior management focus and that the resulting inefficiencies and workarounds that impact badly on financial management will continue	6	That the health check of the ERP is broadened out to address all the implementation issues that are impacting on the council	As soon as possible	Director of Digital	In progress	The health check workshops and discovery sessions with Unit4 have laid the foundation for a comprehensive programme addressing statutory compliance and functionality gaps. The health check was completed in August 2024, with a verbal update given to Audit and Governance committee in September 2024. The recommendations from the health check and roadmap for improvement is to be implemented from January 2025 through to March 2026 for the highest priority areas. The initial phase for highest priority areas of statutory compliance to be delivered by April 2025. Progress has been good in resolving high priority issues. A review of governance has been undertaken to ensure the appropriate representation at programme board and operational working groups. These are working well although timescales are tight for decision making. The improvement board has engaged Human Engine in January 2025 to review the operating model for Transactional Shared Service and ERP support. Options to be presented in April 2025.	Health check improvement programme Mar-26 TSS Service Design Review APR-25
CIPFA	11	F13	That the improved functionality that the new ERP offers for financial management is not realised.	6	The Finance Service builds into its Service Plan the practical steps it will take to ensure officers are able to exploit the unused functionality of the ERP and to provide support and training to users	As soon as possible	Director of Finance	In progress	During 2024 agreement was reached to establish the role of 'Finance super user', facilitating the opportunity for the Finance Team to exploit the standard functionality of the system to optimum effect, as it was designed to be used, and to realise the business benefits envisaged in the original business case. During 2025/26, a small team of super users will be formed, and work will commence on the creation and/or improvement of financial enquiries and reports, to better meet to multiple needs of both internal and external financial reporting. With regard to users/ Service budget managers, training will be provided on effective use of existing and any new reports created.	Mar-26
CIPFA	12	F14	That CEO's plans for increased productivity may rely too much on technology without commensurate attention to reskilling the workforce	2	CEC makes sure its planning for digitalisation and other IT-enabled transformation pays adequate attention to the HR and reskilling aspects that will also be involved	During the next 12 months	Director of Digital	In progress	Digital Programmes are focussing on the end to end delivery of change and are engaging services/staff in a number of workshops to better understand the adoption and change management implications of any digital change. Comms and OD colleagues engaged to support change process and assist with communicating improvements and sources for training and development available to the Council through existing arrangements. Working with training providers and other local authorities on best practice in this area.	Mar-26
CIPFA	13	F15	That the Transformation plan does not lead to a culture of continuous improvement.	3	CEC works with its transformation partner to identify as part of the plan the practical steps that need to be taken so that the council has a culture of continuous improvement.	During the next 12 months	Assistant Chief Executive	In progress	We are aligning the Performance Management Framework, Improvement Portfolio and cultural change work to support a shift toward continuous improvement. This includes an annual Delivery Plan for the new Corporate Plan, a reformed officer governance structure, and new Directorate Business Plans being developed for 2025/26. These frameworks will embed clearer accountability and tracking of progress.	Jul-25

CPC		F22		N/A		By March 2025
-----	--	-----	--	-----	--	---------------

Executive Director of Resources	In progress	Training in local government finance is already given as part of the induction for new Members after local elections; and various briefings and engagement sessions take place throughout each financial year, for Members and senior management, with regard to in-year forecasts and particularly the continuing development of the MTFs and associated policy and service budget change proposals. Training sessions by CIPFA and also other training based on CIPFA guidance has previously been provided to budget managers; Key finance briefings were deployed in 2024/25, particularly regarding the financial situation of the Council. Following the delivery of the CIPFA Competency Framework a training programme will be developed for 2025/26 will be developed. This will be informed by assessment of requirements to help Members and service budget managers at all levels meet their responsibilities for financial management (officers) and scrutiny and challenge (Members).	Dec-25
---------------------------------	-------------	---	--------

**Capital Programme, Debts, Assets & Investments**

CIPFA	14 (B)	F25	The DSG deficit is not kept under control	9	The council should establish a schedule of regular reviews of the DSG deficit recovery plan to ensure the plan remains on track to bring the deficit under control	Ongoing
CIPFA	14 (C)	F26	The DSG deficit is not kept under control	9	The DSG Management Board needs to commission evaluations of early delivered measures in the DSG management plan to learn what has been effective and what might need refinement.	Ongoing
CIPFA	15 (A)	F27	Financing costs falling to the General Fund are not curtailed	9	CEC action any recommendations made by its Treasury management advisors in support of balancing the books this year.	As soon as possible
CIPFA	15 (B)	F28	Financing costs falling to the General Fund are not curtailed	9	The council needs to review its capital programme and where overall Value For Money (VFM) is not threatened cut or defer individual projects.	As soon as possible
CIPFA	15 (Ci)	F29	Financing costs falling to the General Fund are not curtailed	9	The council needs to improve its future capital programme management by strengthening communication between the project implementing departments and finance at regular stages to ensure that all aspects of a project are considered in the financial forecasting process.	By April 2025
CIPFA	15 (Cii)	F30	Financing costs falling to the General Fund are not curtailed	9	The council needs to improve its future capital programme management by strengthening corporate scrutiny of new projects against the council plan and priorities	By April 2025
CIPFA	15 (Ciii)	F31	Financing costs falling to the General Fund are not curtailed	9	The council needs to improve its future capital programme management by implementing a more robust and consistently applied risk assessment framework across the programme that include financial, operational, regulatory and (where relevant) funding risks.	By April 2025
CIPFA	15 (Civ)	F32	Financing costs falling to the General Fund are not curtailed	9	The council needs to improve its future capital programme management by using standardised financial modelling software or agreed techniques to help simulate various scenarios and help anticipate risk.	By April 2025
CIPFA	16	F33	Ambitious carbon reduction targets contribute to financial challenges	4	CEC should review whether the pace of its carbon reduction ambition is achievable given current financial challenges	As soon as possible
CIPFA	17 (A)	F34	The council does not make hard decisions to dispose of some of its assets or review the affordability of some of its strategies, policies and non statutory services	4	CEC should review whether its farms strategy remains good value for money and a strategic fit and is in accordance with the direction of the target operating model being developed. It should consider whether a phased and controlled sale or partial sale could not contribute to the budget deficit over the life of the Medium-Term Financial Plan (MTFP).	Ongoing
CIPFA	17 (C)	F36	The council does not make hard decisions to dispose of some of its assets or review the affordability of some of its strategies, policies and non statutory services	4	CEC should conduct a post-disposal review on disposals in the early part of the MTFP to learn from the process and improve future asset disposal strategies.	By May 2025

Director of Education, Strong Start & Integration	In progress	There is a strong governance structure in place to monitor the DSG recovery plan. We have developed a new SEND Executive Board, chaired by the CEX which meets quarterly. Regular reporting on the plan is taken to Children & Families Committee. The deficit position has improved by £10M in 2023-24 and a further reduction of £10M-£15M is predicted for 2024-25.	Mar-32
Director of Education, Strong Start & Integration	In progress	We monthly monitor and evaluate the impact of the mitigations within the DSG Recovery Plan. This is also monitored and discussed with the SEND DfE to ensure that we are on track and making progress. The impact of the mitigations is then reported back through the Governance structures through all levels and in the Children & Families Committee.	Mar-32
Director of Finance	Addressed and under further review	Advice from the Council's treasury management advisors always followed, with regard to investment and borrowing decisions. Specifically during 2024/25, the advisors were commissioned to carry out a review of our current approach to Minimum Revenue Provision (MRP); this has resulted in a change in MRP policy, effected in 2024/25, offering a significant reduction in the annual charge to the revenue account, for many years to come.	Mar-26
Director of Finance	Addressed and under further review	A review of the Capital Programme was carried out, and where feasible without unduly compromising VFM, some project spending has been deferred. However, the significant growth to the capital financing requirements of the existing programme have been recognised in the updated MTFs.	Mar-26
Executive Director of Resources	In progress	Improvements in forecasting of actual spending requirements by project managers will be required to bring about improvements in cash flow and financial/borrowing cost planning by Finance. Reintroduction of a Capital Programme Board, with streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.	May-25
Executive Director of Resources	In progress	The Capital Programme Board, with streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.	May-25
Executive Director of Resources	In progress	The Capital Programme Board, with streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.	May-25
Director of Finance	In progress	Methods such as Net Present Value are already used when developing capital schemes, however a formal and consistent approach will be proposed to be agreed at the outset with the newly established Capital Programme Board.	Jun-25
Director of Planning & Environment	In progress	Carbon reduction target has been extended to 2030, which is believed to be achievable.	Dec-30
Director of Growth & Enterprise	In progress	A Member Reference Group has been set up by the Economy & Growth Committee to consider the future Farms Strategy for the Council. As such it will review the application and direction of the Farms Estate, and one option for review will explore a phased strategic disposal of farms. A report will be taken back to Economy & Growth Committee for consideration and decision. Report to Committee is anticipated to be November 2025	Jan-26
Director of Growth & Enterprise	In progress	As part of the Asset Strategy review under the Transformation Plan, procedures will be put in place to carry out post-disposal review to understand any key improvements required for inform better practice. This would be included with the remit of the Asset Board	May-25

CIPFA	18 (A)	F37	The benefits of in-housing ANSA waste and recycling services are not realised	2	CEC need to operate robust risk management in the in-housing of ANSA so as to identify and mitigate potential risks, including financial, operational and reputational.	As soon as possible	Director of Planning & Environment	In progress	ANSA have now successfully transferred back into the council as of 1st April. The transfer went well and the service is operating with no loss of service provision	Jul-25
CIPFA	18 (B)	F38	The benefits of in-housing ANSA waste and recycling services are not realised	2	CEC should develop a benefits realisation plan for the in-housing of ANSA to help identify, direct and monitor the savings and improved services that should result.	As soon as possible	Director of Planning & Environment	In progress	Service have now transferred back into the council and savings will be tracked through normal MTFS process	Mar-26
CIPFA	19	F39	CEC does not realise its investments where possible to help reduce the MTFS spending gap	6	CEC needs to review whether its interest in Alderley Park Limited can contribute to the funding gap at some stage over the life of the MTFP.	As soon as possible	Director of Growth & Enterprise	In Progress	Working with Finance colleagues this review is ongoing, and appropriate strategic approach will be assessed.	Mar-26
<b>Governance</b>										
CIPFA	20	F40	The scheme of delegation does not achieve the right balance between the need for flexibility in making swift financial decisions with ensuring Members are appropriately involved in those decisions.	4	Internal Audit should undertake follow-up work in 9-12 months' time to see if understanding and practice has improved and whether there is any impact on the speed of decision-making.	By Late 2025	Monitoring Officer	In progress	This can be addressed in the work of the Governance Task and Finish Group and/or the Constitution Working Group. IA will also undertake a follow-up review.	Apr-26
CIPFA	21 (A)	F41	Officers do not understand the implications of a revised scheme of delegation	4	The council needs to develop a plan to engage officers and communicate the revised delegation arrangements through multiple channels. There needs to be mandatory training sessions especially for those currently affected by the delegation and offer ongoing support and refresher training to ensure that employees stay informed and compliant.	By December 2025	Monitoring Officer	In progress	The review of Officer Schemes of Delegation is in progress and virtually complete. The ODR process will be subject to a review pending the outcome of an Internal Audit Review that is underway. This will also sit alongside the (CPC) Corporate Report Writing Project	Sep-25
CIPFA	21 (B)	F42	Officers do not understand the implications of a revised scheme of delegation	4	The council needs to ensure there are sufficient resource within the Monitoring and Governance Directorate to provide ad-hoc advice on issues of delegation and Officer Delegated Reports to appropriate deadlines.	Ongoing	Monitoring Officer	In progress	Training will be provided following adoption of the Schemes of Delegation	Sep-25
CIPFA	22 (A)	F43	The Committee system slows decision making down	6	The council review what quick steps can be taken to prioritise urgent and strategic financial issues, identifying the critical path and ensuring they move through the committee system more quickly. This can involve fast-tracking important decisions or holding additional meetings when necessary.	As soon as possible	Monitoring Officer	Addressed and under further review	The Council already has well-used Urgency Provisions which can be implemented as needed Additional Meetings are already in place. Cross Party Member Task & Finish Group already in place to look at opportunities for improvement. Council's Urgent Provision.	Sep-25
CIPFA	24	F46	The Code of Corporate Governance becomes outdated	2	The council needs to review its Code of Corporate Governance to ensure it reflects the many changes in structure, process and governance that should have been implemented by then and to provide renewed assurance that the council is operating in line with the Nolan principles.	Late 2025	Monitoring Officer	In progress	The Code of corporate Governance is currently being reviewed.	Dec-25
CIPFA	25	F47	Recruitment delays impede improvement	3	CEC needs to improve recruitment procedures so they do not impede development of the Children's Services improvement plan.	By November 2025	Director of People	In progress	Ongoing review of all recruitment processes (noting that bulk of recruitment work involves TSS and Hiring Managers directly) to ensure that we are using Blum and Commensura consistently and effectively. Day to day improvements being made and most recently we have agreed a process review following WSG meeting 15/4/2025.	Jun-25
CIPFA	26	F48	Silo working continues to impede improvement	3	CEC should review how cross-Directorate and cross-Service working can be more encouraged and incentivised	By May 2025	Director of People	In progress	Cross-directorate working is being built into the council's evolving operating model. A new people strategy is drafted with new values and behaviours co designed with staff. This will also be reflected in a new Cheshire Leader and Cheshire Manager programme to ensure that senior levels in the organisation proactively champion One Council working. As part of this work we are also redesigning the current CLT, Directors' Meetings and Wider Leadership Community groups to support collective ownership of organisational priorities.	Jul-25
CIPFA	27	F49	The commissioning and provision of legal advice is not VFM	4	CEC needs to make sure it has clear protocols and procedures governing all requests for legal advice and where an officer is unsatisfied with the initial legal advice there should be a formal procedure for reviewing the advice internally.	By December 2025	Monitoring Officer	In progress	An escalation process is already in place re internal advice however a more formal protocol is to be established.	Dec-25
External Audit - EY	1	F50	Audit evidence was not readily available at the start of the audit.	R	Due to other operational commitments on the finance team there were delays in the provision of supporting information. A project plan will need to be agreed to support the 2024/25 audit and in doing so management should ensure there are sufficient resources available to provide timely and accurate supporting information and working papers.	By End May 2025	Director of Finance	Addressed and under further review	A Closure of Accounts Timetable and a Finance Team Responsibility plan is always prepared for the production of the Statement of Accounts and shared with External Auditors - this was also shared with EY. The 2024/25 Statements production timetable and working paper requirements have been expanded to include the detailed closure requirements list as provided by EY in October 2024. The 2024/25 timeline is working towards achieving the 30 June 2025 date for the production of the Draft Financial Statements. Achievement of this first deadline will be dependant on the impact of in year reporting 2025/26 (MTFS Budget delivery / Transformation Plan reporting) plus the implementation of IFRS16 - Additional Technical Accounting resources are being considered to support the implementation of IFRS16 and the wider ongoing impacts.	Jun-25
External Audit - EY	2	F51	System reports to facilitate sample selection were not available.	R	System reports for account balances were not available in a format to enable the identification of the true population making up the balance and facilitate our sample selection. The year end balance reports for Debtors and Creditors included full year transactions and adjustments without isolating the year end population. Management should review the system reporting functions to ensure year end reports readily identify the actual population of transactions that support the reported balances.	By End May 2025	Director of Finance	In progress	For 2024/25, the proposal for Debtors and Creditors is to use the following approach: (i) Unit4 system reports to support system debtors and creditor balances (these have been run and saved as at 31.03.25), (ii) Support manual accruals for debtors and creditors from the Year End Accrual Logs (reconciled to Trial Balance codes), (iii) Other Debtor/Creditor balances supported by individual working papers to identify the population.	Jun-25

External Audit - EY	3	F52	Bank reconciliation was not prepared on a regular basis.	R	As a result of changes in the finance team and capacity issues during the year the bank reconciliation was not undertaken on a monthly basis. We noted that the year end 31 March 2024 bank reconciliation was not completed until October 2024. The bank reconciliation is a fundamental control and management should ensure there are at least up to date monthly reconciliations undertaken during the year.	By End May 2025
<b>Service Delivery</b>						
CIPFA	28	F53	Higher than comparable neighbour per capita spend on cultural and related activities is poor VFM	4	CEC should investigate the validity of the indicator and investigate the implications for VFM.	By April 2025
CIPFA	29	F54	Corporate performance reporting is not best practice	2	Report to Corporate Policy Committee could be improved by providing more consistent trend data across the range of activity in support of CEC priorities and including benchmark data where appropriate.	By May 2025

LEADERSHIP & CULTURE

Director of Finance	Addressed and under further review	The 2024/25 Bank Reconciliation process in terms of which reports and the timing of running those reports has been reviewed. Bank Reconciliations are being finalised for March 2025 as part of Closure of Accounts and monthly reconciliations are to be performed for 2025/26.	Sep-25
Director of Growth & Enterprise	In progress	Review of cultural programme is ongoing and benchmarking against comparable neighbour authorities will be assessed. A wider piece of work on the cultural service is planned to identify further efficiencies and savings.	Jun-25
Assistant Chief Executive	In progress	A new Delivery Plan and performance reporting framework are in development, aligned to the Cheshire East Plan 2025-29. These will improve how we report to Corporate Policy Committee, including trend data, benchmarking where appropriate, and clearer governance routes for performance and accountability. These changes will be in place from Q1 2025/26.	Jul-25

OPEN

## Finance Sub Committee

02 June 2025

### Appointments to Sub-Committees, Working Groups, Panels, Boards and Joint Committees

---

**Report of: Janet Witkowski, Acting Governance, Compliance and Monitoring Officer**

**Report Reference No: FSC/01/25-26**

**Ward(s) Affected: N/A**

**For Decision**

#### **Purpose of Report**

- 1 This report seeks approval from the Finance Sub Committee to appoint the bodies referred to in the report and to nominate members to them.
- 2 This report contributes to the Council's objective of being an effective and enabling organisation – effective and responsive governance, compliance and evidence-based decision-making.

#### **Executive Summary**

- 3 The Council, at its annual meeting on 14 May 2025 [approved](#) the political representation on its main committees, and appointed those committees. The appointment of certain sub-committees, working groups, panels and boards is a matter for the relevant service committee.
- 4 This report concerns those bodies which fall to be appointed by the Finance Sub Committee or by the Committee in conjunction with other service committees. Where political proportionality is applicable, the agreed conventions and methods of calculation have been applied.
- 5 Appointments to Outside Organisations are made by the Corporate Policy Committee and will next be reviewed in May 2027.

## RECOMMENDATIONS

That the Finance Sub Committee

1. Appoints the sub-committees, working groups, panels, boards and joint committees for 2025-26, and the member appointments to them, as set out within this report.
2. Where appropriate, agrees to submit member nominations to the below bodies to the Head of Democratic Services.

### Background

6 Bodies which the Finance Sub Committee is required to appoint to:

Body	Purpose	Membership 2024-25	Proposed Membership 2025-26
Joint Extra Care Housing Management Board	<p>The <a href="#">Joint Extra Care Housing Management Board</a> is a joint board of Cheshire East Council and Cheshire West and Chester Council. It is responsible for providing strategic guidance, making strategic decisions and reviewing performance in relation to extra care housing provision.</p> <p><i>*each Council appoints 3 members.</i></p> <p>The Corporate Policy Committee, Finance Sub Committee and Adults and Health Committee are required to appoint x1 nominee each.</p> <p><i>*Finance Sub Committee to appoint <b>x1 elected member</b>. There are no specific criteria which apply to the appointments.</i></p>	<p>Vacant.</p> <p><b><i>(1 elected member)</i></b></p>	Cllr G Marshall

### Consultation and Engagement

- 7 There has been consultation with Group Leaders and Administrators in relation to the political representation of the bodies set out within this report.

## Reasons for Recommendations

- 8 In accordance with the Constitution, the Finance Sub Committee is responsible for the appointment of the bodies referred to in this report.

## Other Options Considered

9

Option	Impact	Risk
Do nothing	The Council's Constitution requires these bodies to be appointed in line with the legislation referenced in this report. Not appointing to these bodies would negatively affect the Council's ability to make decisions in an open and transparent manner.	Failure to comply with the Council's Constitution and the legislation referenced in this report could leave the Council open to legal challenge.

## Implications and Comments

### *Monitoring Officer/Legal/Governance*

- 10 The Finance Sub Committee has power to appoint informal working groups, panels or task groups with defined terms of reference and timeframes.
- 11 The Committee also has power and/or has historically been asked to nominate members to each of the sub-committees particularly where they fall within the remit of the Committee.
- 12 The Local Government (Committees and Political Groups) Regulations 1990, made pursuant to the Local Government and Housing Act 1989, make provisions in respect of the political group representation on a local authority's committees in relation to the overall political composition of the Council. The legislation applies to the decision-making committees and sub-committees of the Council and requires that, where proportionality applies, and seats are allocated to different political groups, the authority must abide by the following principles, so far as is reasonably practicable:
- Not all of the seats can be allocated to the same political Group (i.e., there are no single group committees).

- The majority of the seats on the body are to be allocated to a political Group with a majority membership of the authority.
- The total number of seats on all ordinary committees and sub committees allocated to each Political Group bears the same proportion to the proportion on the full Council.
- The number of seats on each ordinary committee allocated to each Political Group bears the same proportion to the proportion on full Council.
- The proposals contained in this report meet the requirements of the legislation.
- The 1990 Regulations require Political Group Leaders to notify the Proper Officer of the Groups' nominations to the bodies in question.

*Section 151 Officer/Finance*

- 13 There are no financial implications that require an amendment to the Medium-Term Financial Strategy.

*Human Resources*

- 14 There are no HR implications.

*Risk Management*

- 15 Failure to comply with the Act and Regulations when appointing its committee memberships would leave the Council open to legal challenge.

*Impact on other Committees*

- 16 There are no implications on other committees.

*Policy*

- 17 There are no direct policy implications.

**Commitment 3: An effective and enabling organisation**

Effective and responsive governance, compliance and evidence-based decision-making.

*Equality, Diversity and Inclusion*

18 There are no equality, diversity and inclusion implications.

*Other Implications*

19 There are no other implications.

*Consultation*

<b>Name of Consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
<i>Statutory Officer (or deputy) :</i>			
Sal Khan	Interim Deputy S151 Officer / Finance Support for FSC	20/05/25	20/05/25
Janet Witkowski	Acting Monitoring Officer	20/05/25	20/05/25
<i>Legal and Finance</i>			
Julie Gregory	Legal Services	06/05/25	07/05/25

<b>Access to Information</b>	
Contact Officer:	Brian Reed, Head of Democratic Services <a href="mailto:Brian.reed@cheshireeast.gov.uk">Brian.reed@cheshireeast.gov.uk</a>
Appendices:	NA
Background Papers:	NA

This page is intentionally left blank

## Finance Sub Committee Work Programme 2025-2026

Report Reference	Finance Sub-Committee	Title	Purpose of Report	Lead Officer	Consultation	Equality Impact Assessment	Part of Budget and Policy Framework	Exempt Item	Is the report for decision or scrutiny?
<b>June 2025</b>									
FSC/01/25-26	02/06/25	Appointments to Working Groups and Wholly Owned Companies	To consider a report on appointments to the Shareholder Working Group, Joint Extra Case Housing Management Board and to appoint Shareholder representatives to attend and observe the wholly owned companies boards.	Governance, Compliance and Monitoring Officer	No	No	No	No	Decision
FSC/26/25-26	02/06/25	Final Outturn 2024/25	This report outlines how the Council managed its resources to achieve both positive outcomes and value for money in the delivery of services during the 2024/25 Financial Year. The purpose of the report is to note and comment on the final financial and performance outturn position and (if necessary) to approve Supplementary Estimates and Virements	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny
FSC/04/25-26	02/06/25	Financial Management Code Update (Finance Sub Committee)	The purpose of this report is to inform the Sub Committee of the current status of the Council's compliance with CIPFA's Finance Management Code and to advise on next steps	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny
FSC/05/25-26	02/06/25	Medium Term Financial Strategy Assumptions - update 2026/27 to 2029/30 (Finance Sub Committee)	To set out the current financial assumptions underpinning the fur year MTFS that was approved at full council in February 2025. The report will allow members to review and comment on the assumptions for the coming MTFS period 2026-30	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny
FSC/28/25-26	02/06/25	CIPFA Assurance Review Response	For the Committee to consider progress made by the Council against the CIPFA Assurance Review and how the directorate has responded to other external reviews including the Corporate Peer Challenge and the audit of accounts 2023/2024	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny

## Finance Sub Committee Work Programme 2025-2026

TBC	02/06/25	Acquisitions and Disposal Summary 2025-26	To provide information about acquisitions and disposals undertaken by the Council thereby allowing transparency in terms of the Council's land and property activity.	Executive Director – Place	No	No	Yes	No	Information only
FSC/29/25-26	02/06/25-26	Options Agreement – Land at Longridge, Knutsford	The purpose of this report is to enter into a new option agreement with Dewscope Ltd to dispose of the land at Longridge and North Downs, Knutsford.	Executive Director – Place	No	Yes	No	TBC	Decision
<b>September 2025</b>									
FSC/07/25-26	01/09/25	Medium Term Financial Planning Assumptions - Update (Finance Sub Committee)	To consider the update report on the development of the Medium-Term Financial Strategy 2026 to 2030	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny
FSC/25/25-26	01/09/25	First Financial Review of 2025/26	To note and comment on the First Financial Review and Performance Position of 2025/26, including progress on policy proposals and material variances from the MTFS and (if necessary) approve Supplementary Estimates and Virements	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny
FSC/09/25-26	01/09/25	Companies Draft Financial Statements 2024/25	The purpose of this report is to present the draft financial statements of Ansa Environmental Services Ltd and Orbitas Bereavement Services Ltd for the year 2024/25	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny
FSC/10/25-26	01/09/25	ECW (Enterprise Cheshire & Warrington) First Financial Review 2025/26	To note and comment on the ECW (Enterprise Cheshire & Warrington)'s First Financial Review and Performance position of 2025/26.	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny
<b>November 2025</b>									
FSC/11/25-26	03/11/25	Second Financial Review of 2025/26	To note and comment on the Second Financial Review and Performance position of 2025/26, including progress on policy proposals and material variances from the MTFS and (if necessary) approve Supplementary Estimates and Virements	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny

## Finance Sub Committee Work Programme 2025-2026

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

## Finance Sub Committee Work Programme 2025-2026

FSC/17/25-26	12/01/26	MTFS Strategies - Investment Strategy	To note and comment on the Council's Investment Strategy in light of the ongoing budget consultation document and to set out the Council's approach to managing investments in 2026/27	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny
FSC/18/25-26	12/01/26	MTFS Strategies - Treasury Management Strategy	The Treasury Management Strategy details the activities of the Treasury Management function in the forthcoming year 2026/27. To review the draft Treasury Management Strategy as part of the performance management framework	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny
FSC/19/25-26	12/01/26	MTFS Strategies - Capital Strategy	The Capital Strategy is a key document for the Council and forms part of the authority's integrated revenue, capital and balance sheet planning. It provides a high level of overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of services. It also provides a framework within which the Council's capital investment plans will be delivered	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny
FSC/20/25-26	12/01/26	MTFS Strategies - Reserves Strategy	To provide information about the requirements to maintain financial reserves, and to provide statements on the types of reserves and current and predicted balances	Executive Director of Resources and S151 Officer	No	No	Yes	Yes	Scrutiny
FSC/22/25-26	12/01/26	ECW (Enterprise Cheshire & Warrington) Third Financial Review 2025/26	To note and comment on the ECW (Enterprise Cheshire & Warrington)'s Third Financial Review and Performance position of 2025/26.	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny
<b>March 2026</b>									
FSC/24/25-26	09/03/26	Service Budgets 2026/2027	The purpose of the report is to set out the allocation of budgets for 2026/27, for all Committees, following Council's approval of the Medium-Term Financial Strategy in February 2024, as determined by Finance Sub	Executive Director of Resources and S151 Officer	No	No	Yes	No	Scrutiny

## Finance Sub Committee Work Programme 2025-2026

### Briefing Reports/Reports for noting

Title	Purpose of Report	Lead Officer	Expected Circulation Date via the Members Hub
Local Government Pension Scheme and Cheshire Pension Fund Update - June 2025	The purpose of this report is to present the latest in a series of briefing notes in respect of key items being presented to the Cheshire Pension Fund Committee.	Executive Director of Resources and S151 Officer	June 2025
Local Government Pension Scheme and Cheshire Pension Fund Update - September 2025	The purpose of this report is to present the latest in a series of briefing notes in respect of key items being presented to the Cheshire Pension Fund Committee	Executive Director of Resources and S151 Officer	September 2025
Local Government Pension Scheme and Cheshire Pension Fund Update - December 2025	The purpose of this report is to present the latest in a series of briefing notes in respect of key items being presented to the Cheshire Pension Fund Committee	Executive Director of Resources and S151 Officer	January 2026
Local Government Pension Scheme and Cheshire Pension Fund Update - March 2025	The purpose of this report is to present the latest in a series of briefing notes in respect of key items being presented to the Cheshire Pension Fund Committee	Executive Director of Resources and S151 Officer	March 2026

Note: These reports will be circulated outside of committee meetings.

[Library folder - Reports for Noting - Reports for Noting | Cheshire East Council](#)

This page is intentionally left blank

OPEN

## **Finance Sub Committee**

**Date: 02 June 2025**

### **Option Agreement – Land at Longridge, Knutsford**

---

**Report of: Peter Skates, Director of Growth and Enterprise**

**Report Reference No: FSC/29/25-26**

**Ward(s) Affected: Knutsford Ward**

**For Decision**

#### **Purpose of Report**

- 1 The purpose of this report is to enter into a new Option Agreement with Dewscope Ltd to dispose of the land (outlined in blue and green on the attached plan at Appendix 1) at Longridge and North Downs, Knutsford.
- 2 The new Option Agreement and subsequent disposal will facilitate the development of Local Plan Site 38 (Land South of Longridge, Knutsford), which has an allocation for up to 225 dwellings, and generate a capital receipt for the Council. The owner of LPS38 (Dewscope Ltd) recently obtained Outline Planning Permission for the development of up to 225 dwellings on LPS38 via Planning Appeal (21/3100M – the Masterplan for the development is provided at Appendix 2).

#### **Executive Summary**

- 3 On the 10 October 2017, Cabinet considered a report exploring the potential for enabling access to LPS38 via Council owned land. The Cabinet report set out options and issues in respect of the Council owned land, being a thin strip of land subject to a covenant (referred to as the Green Land) and a block of amenity land (referred to as the Blue Land).
- 4 Cabinet approved the freehold disposal of part of the land delineated 'blue' on the plan annexed to a report dated 10th October 2017 (the Blue Land) and the land delineated 'green' on the same plan (the Green Land) for the purposes of facilitating access to LPS38, on terms to be agreed by the Executive Director for Place in consultation with the Director of

Legal Services, the Section 151 officer, the Cabinet Member for Finance and Communities, and the Cabinet Member for Regeneration subject as set out below.

- 5 The Cabinet decision was qualified in that the delegation was subject to adherence to the provisions of s123 of the Local Government Act 1972 regarding the proposed disposal of open space land. The intention to dispose of the Blue Land and Green Land was duly advertised in the local press pursuant to s123 of the Local Government Act 1972. The Portfolio Holder for Planning, Housing and Regeneration gave due consideration to all the objections and representations received and determined to proceed with the disposal as considered by Cabinet. As a consequence of that decision, negotiations were commenced with Dewscope Ltd in relation to the disposal of the Blue Land and the Green Land for the purposes of facilitating access to LPS38.
- 6 Dewscope Ltd and the Council subsequently entered into an Option Agreement in relation to the Green Land and Blue Land. The Option Agreement required Dewscope Ltd to submit a planning application and then to advertise LPS38 'For Sale' on the open market with the benefit of a planning permission, with the net sale proceeds shared between Dewscope Ltd and the Council in accordance with the detailed provisions of the agreement.
- 7 Even though Planning Permission has now been obtained (by way of Appeal) the Option Agreement has now expired and as such a new Option Agreement on similar terms is required.

#### RECOMMENDATIONS

The Finance Sub Committee is recommended to:

1. Approve the entering into the option agreement for the disposal of the land at Longridge and North Downs Knutsford.
2. Delegate authority to the Director of Growth and Enterprise to enter into an Option Agreement and subsequently dispose of the land at Longridge and North Downs, Knutsford on terms and conditions to be agreed in consultation with the Governance, Compliance and Monitoring Officer and the Executive Director of Resources (S151) and the Executive Director of Place; and
3. Delegate authority to the Director of Growth and Enterprise, in consultation with the Governance, Compliance and Monitoring Officer and the Executive Director of Resources (S151); to complete all legal documentation required in relation to the Option Agreement and disposal of the land at Longridge and North Downs, Knutsford and including (but not limited to) the completion of any licence or

similar agreements required prior to disposal or relating to the Councils retained land.

## **Background**

- 8 LPS38 measures a total of circa 39.74 acres and is located off Longridge and North Downs, Knutsford, situated circa 0.5 miles to the east of Knutsford town centre on the edge of the settlement boundary.
- 9 The Green Land is circa 0.9 acres of land consisting of a thin strip of overgrown land running parallel to Longridge. The Blue Land consists of circa 6.6 acres of land and consists of grassland and hedges. It is proposed that only a small piece of this land would be disposed of.
- 10 The Green Land is open space, and the Blue Land is designated public open space. Although the Green Land is not designated as open space in the Council's Local Plan assessment, the nature and the customary use of that land is such that it is appropriate to treat the land as open space and consequently to consider the proposed disposition in the context of the statutory procedure for the disposal of public open space. The Blue Land is designated as Green Belt. The Green Land is subject to a covenant restricting its use as open space and should the Council dispose of this land the covenant would remain in place.
- 11 The Blue Land is included in the proposed disposal for the purposes of constructing an access road into LPS38 from Longridge. This is required to facilitate access into LPS38 because constructing an access road through the Green Land would breach the covenant restricting its use as open space. The Green Land is included to allow the developer of LPS38 to integrate amenity space and non-motorised user connectivity between LPS38 and Longridge. This will be subject to obtaining full planning permission.
- 12 Dewscope Ltd has agreed to minimise the amount of Blue Land required for the access road. The Council will retain the Blue Land that is not required for the access road. The Access Plan provided at Appendix 3 was approved in relation to the Outline Planning Permission (21/3100M), showing that only a limited section of the Blue Land should be required for the access road.

## **Consultation and Engagement**

- 13 The Council has complied with the requirements of Section 123 of the Local Government Act 1972 by advertising the intention to dispose of the land for two consecutive weeks in the local press. This was undertaken in November and December in 2017. This allowed the local community an opportunity to comment on and make any representations in respect of the proposed disposal of Public Open Space.

- 14 The Council received a number of objections and representations in respect of the proposed disposal of Public Open Space. These were considered by the Portfolio Holder for Housing, Planning and Regeneration on the 5th of October 2018 and approval was obtained to proceed with the disposal of all or any part of the Green Land and part of the Blue Land.

### **Reasons for Recommendations**

- 15 If the Option Agreement and disposal of the subject land is approved and the development of LPS38 is delivered, the following benefits (subject to full planning permission) could be achieved: -
- Circa 225 homes allocated under the Local Plan.
  - Provision of significant additional public open space.
  - Development of a sustainable and accessible residential site in Knutsford.
  - The developer would be able to design a scheme that enhances the overall provision and quality of public open space in the locality.
  - Replace the public open space land lost to enable access to LPS38; and
  - Deliver a capital receipt.

### **Other Options Considered**

- 16 The Council could retain the subject land; however, this would not deliver the much-needed homes in the Borough.

### **Implications and Comments**

#### *Monitoring Officer/Legal/Governance*

- 17 This report involves the disposal of land, and it is therefore necessary to ensure that the decision makers have the necessary authority to authorise the proposed transactions. Under the current Constitution dated December 2024 at Chapter 2-part 4 paragraph 2.2 the Finance Subcommittee have within their responsibilities the remit to consider property transactions which include the buying and selling of land.
- 18 In addition, it is necessary for all decision makers to ensure that they are not only empowered under the Constitution to make a decision but that they are also authorised under the Financial Procedure Rules to incur the financial consequences of the decision that they make. As this matter

involves the disposal of land it will be necessary to satisfy the Financial Procedure Rules contained in the Constitution at Chapter 3 part 4 paragraph 4.44, this states that the acquisition and disposal of land and property and other assets over £2 million is the responsibility of the Finance Subcommittee. Therefore, the Finance Sub-committee are duly authorised under the Constitution to consider the content of this report.

- 19 In accordance with section 123 of the Local Government Act 1972 the Council is under an obligation to obtain the best consideration reasonably obtainable upon the disposal of its Property.
- 20 The duty to obtain best consideration does not require the highest offer to be accepted, but it needs to take into account other factors such as any terms or conditions attached to the disposal which may identify a special commercial benefit to the vendor for e.g. covenants requiring the land to be used for a particular purpose. Each transaction should be assessed on its facts.
- 21 The General Disposal Consent (England) 2003 allows the Council to dispose of land at an undervalue provided that the disposal contributes to the achievement of; -
  - The promotion or improvement of economic wellbeing,
  - The promotion or improvement of social well-being,
  - The promotion or improvement of environmental well-being and
  - That the best price reasonably obtainable does not exceed £2m.
- 22 The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous well-being powers; however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles.
- 23 The Council has a fiduciary duty at all times to the taxpayers and must fulfil its duty in a way that is accountable to local people.
- 24 If the Council were minded not to enter into a new option agreement with the developer, it needs to be aware that the developer may challenge the members decision, given that the Council has previously indicated it would sell the land and had been contractually bound.

*Section 151 Officer/Finance*

- 25 The sale of the land will generate a capital receipt for the Council and will reduce the maintenance liability on the revenue budget, although this has minimal impact against the maintenance budget.

*Human Resources*

- 26 For the recommended option, no additional human resources would be required.

*Risk Management*

- 27 A disposal of the subject site will support the delivery of circa of 225 residential units which is in line with Local Plan Site LPS 38 Land South of Longridge, Knutsford.
- 28 The disposal will ensure the Council receives a capital receipt. The Council has received valuation advice from its retained commercial agent in respect of this transaction, and it is considered that it represents the best consideration available and satisfies the duty under s123 of the Local Government Act 1972.
- 29 The disposal aligns within the direction of travel for assets and assists with the Councils budget position.

*Impact on other Committees*

- 30 No direct implications have been identified.

*Policy*

- 31 A disposal of the subject site will support the delivery of circa of 225 residential units which is in line with Local Plan Site LPS 38 Land South of Longridge, Knutsford.
- 32 The disposal will ensure the Council receives a capital receipt. The Council has received valuation advice from its retained commercial agent in respect of this transaction, and it is considered that it represents the best consideration available and satisfies the duty under s123 of the Local Government Act 1972.
- 33 The disposal aligns within the direction of travel for assets and assists with the Councils budget position.

*Equality, Diversity, and Inclusion*

- 34 An Equality Impact Assessment has been undertaken in respect of this matter. A copy can be seen in Appendix 4.

*Other Implications*

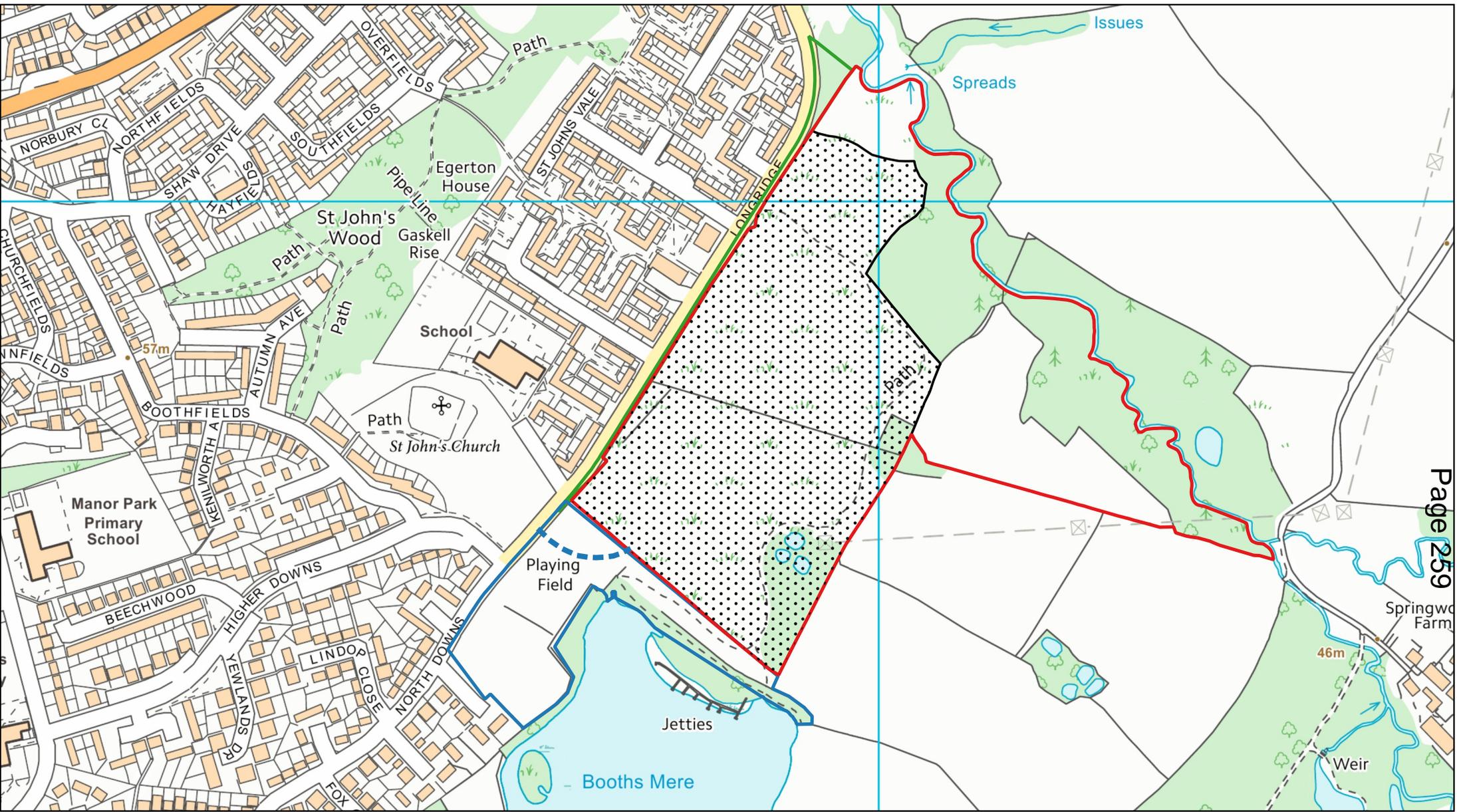
- 35 In terms of Public Health, providing good quality housing and living accommodation will benefit residents mental and physical wellbeing which could reduce demand on health and social care services, therefore there would be a positive impact on health and wellbeing of Cheshire East residents.
- 36 In terms of Climate Change, Dewscope Ltd or the developer will be responsible for complying with any climate change/energy efficiency requirements as part of the planning process.

*Consultation*

<b>Name of Consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
<i>Statutory Officer (or deputy):</i>			
Adele Taylor	S151 Officer	22/05/25	22/05/25
Janet Witkowski	Acting Monitoring Officer	22/05/25	22/05/25

<b>Access to Information</b>	
Contact Officer:	Lee Beckett Estates Lee.beckett@cheshireeast.gov.uk
Appendices:	Appendix 1 – Plan Appendix 2 – Approved Masterplan Appendix 3 – Access Plan

	Appendix 4 – Equality Impact Assessment
Background Papers:	<ol style="list-style-type: none"><li>1. Cabinet Decision 10<sup>th</sup> October 2017 relating to sale of land at Longridge, Knutsford.</li><li>2. Portfolio Holder for Housing, Planning and Regeneration decision dated 5<sup>th</sup> October 2018 relating to the proposed disposal of public open space land at Longridge, Knutsford.</li></ol>



### Longridge, Knutsford

Ref: 50721 Longridge, Knutsford  
 Date: 11/06/18

© Crown copyright and database rights 2018 Ordnance Survey 100049045

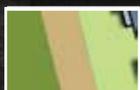


1:5,000

This page is intentionally left blank



### Key

-  Site Boundary
-  Retained Trees & Woodlands
-  Green Infrastructure
-  Blue Infrastructure (SUDs, Existing & Proposed Ponds etc)
-  Recreational Footpaths and/or Cycleways
-  Play Space Location (NEAP/LEAP)
-  Homes
-  Avenue
-  Streets & Lanes
-  Shared Drives
-  Shared Space (Squares & Mews)
-  Gardens

**e\*SCAPE** 10 years  
urbanists 2009-2019

Project Title  
**Mereside, Longridge, Knutsford**

e\*SCAPE Job No.  
**017-016**

Client  
**Dewscope Limited**

Drawing Number      Revision  
**017-016-P007      REV J**

Drawing Title  
**Illustrative Masterplan  
(Internal layout indicative only)**

Scale      Date  
**1:2,500 @ A3      June '23**

**n\*ORTH**

0m 20m 40m 60m 80m 100m

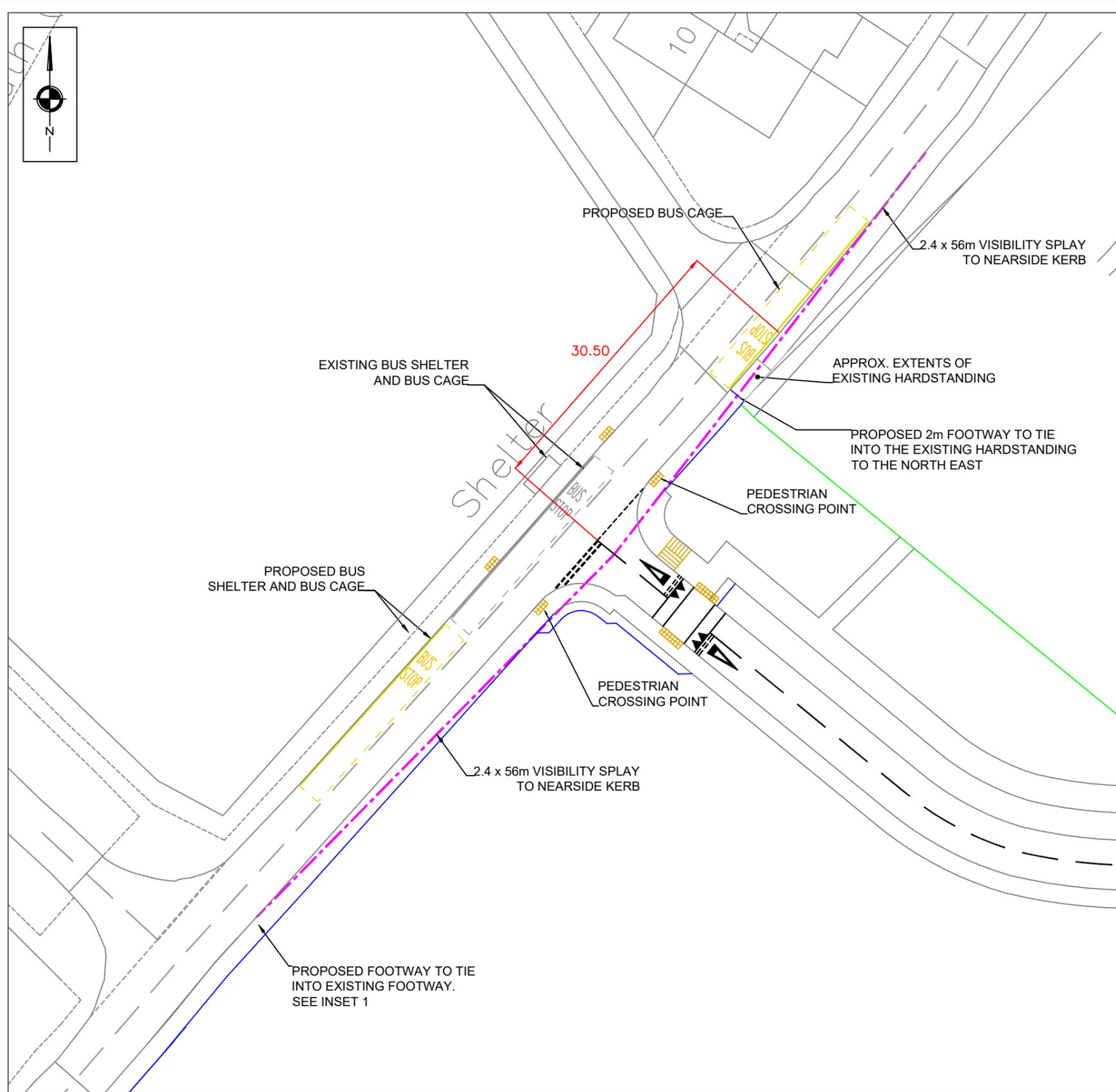
Scale 1:2,500 (@A3)

Ordnance Survey © Crown copyright 2023.  
All rights reserved. Licence number LIG1024

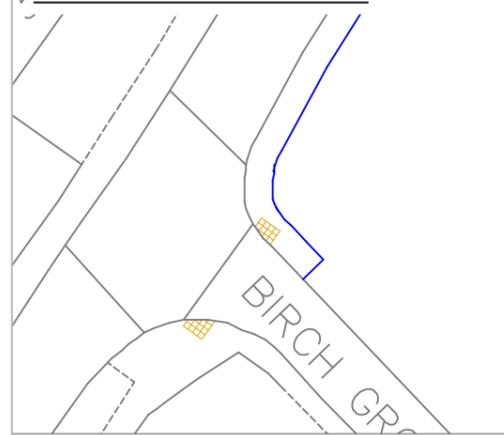
Booths Mere

Spring Wood

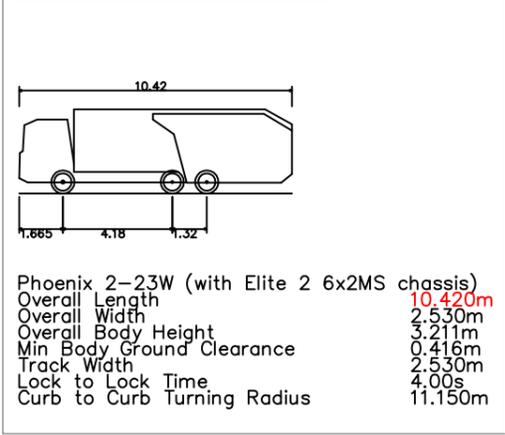
This page is intentionally left blank



INSET 1 - FOOTWAY TIE-IN



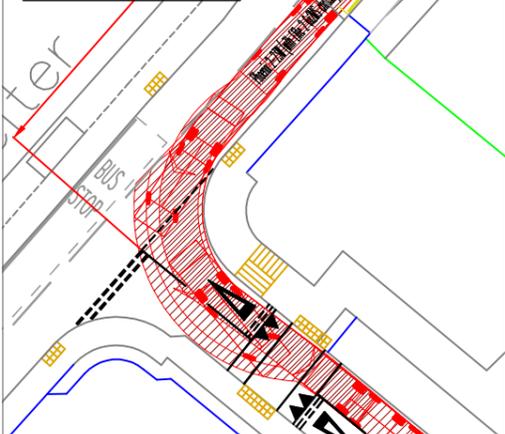
INSET 2 - VEHICLE SPEC



INSET 3 - LEFT OUT



INSET 4 - LEFT IN



© Crown Copyright, All Rights Reserved. 2021 Licence Number 0100031673



Project Title  
**DEWScope LTD**  
 MERESIDE, LONGRIDGE,  
 KNUTSFORD

Drawing Title  
**PROPOSED SITE ACCESS**

Scale  
**1:500 @ A3**

Date  
**27.04.2021**

Approved/  
 Unapproved  
 -

By  
**BA**

Checked  
**PT**

Status  
**PLANNING**

Rev	Description	Date	By
A	-BUS CAGE ADDED TO S.WEST BOUND BUS STOP. FOOTWAY EXTENDED TO SUIT.	15.11.22	BA
B	-NEW SITE UNDERLAID & SITE ACCESS UPDATED	07.08.23	LD
C	-UPDATED DRAWING AND TRACKING	05.08.23	AM

Drawing No.  
**SCP/16132/F02**

Revision  
**C**

This page is intentionally left blank

## Equality Impact Assessment (EIA) and our equality duty

The Equality Duty helps public bodies to deliver their overall objectives for public services, and as such should be approached as a positive opportunity to support good decision-making.

It encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people's needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people's opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.

Complying with the Equality Duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve providing a service in a way which is appropriate for people who share a protected characteristic, such as providing computer training to all people to help them access information and services.

Whilst [the Gunning Principles](#) set out the rules for consulting with 'everyone', additional requirements are in place to avoid discrimination and inequality.

Cheshire East Council is required to comply with the Equality Act 2010 and the Public Sector Equality Duty. The Equality Act 2010 simplified previous anti-discrimination laws with a single piece of legislation. Within the Act, the Public Sector Equality Duty (Section 149) has three aims. It requires public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, by consciously thinking about equality when making decisions (such as in developing policy, delivering services and commissioning from others)
- advance equality of opportunity between people who share a protected characteristic and people who do not share it, by removing disadvantages, meeting their specific needs, and encouraging their participation in public life
- foster good relations between people who share a protected characteristic and people who do not

The Equality Act identifies nine 'protected characteristics' and makes it a legal requirement to make sure that people with these characteristics are protected from discrimination:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnerships
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

## Applying the equality duty to engagement

If you are developing a new policy, strategy or programme you may need to carry out an Equality Impact Assessment. You may be able to ascertain the impact of your proposal on different characteristics through desk-based research and learning from similar programmes, but you also need to carry out some primary research and engagement.

People with protected characteristics are often described as ‘hard to reach’ but you will find everyone can be reached – you just need to tailor your approach, so it is accessible for them.

Please feel free to contact the [Equality and Diversity mailbox](#) who will try to help you to assess the impacts of your proposals and will ensure that you help the Council to comply with the Equality Act 2010 and the Public Sector Equality Duty.

## Section 1 – Details of the service, service change, decommissioning of a service, strategy, function or procedure

*(Please delete the guidance in italics once you complete a section)*

<b>Proposal Title</b>	Option Agreement – Disposal of Land at Longridge, Knutsford
<b>Date of Assessment</b>	15 <sup>th</sup> April 2025
<b>Assessment Lead Officer Name and other officers involved</b>	Lee Beckett Report of: Peter Skates, Acting Executive Director – Place & Director of Growth and Enterprise
<b>Directorate/ Service</b>	Estates Service / Place
<b>Details of the service, service change, decommissioning of the service, strategy, function or procedure.</b>	An option agreement to dispose of the land at Longridge, Knutsford which will facilitate a residential development of up to 225 dwellings which is referenced in the Local Plan as Site LPS 38 Land South of Longridge, Knutsford and has recently obtained outline planning permission (21/3100M) via appeal.
<b>Who is impacted?</b>	There will no impact on the groups with protected characteristics as defined with the Equality Act 2010.
<b>Links and impact on other services, strategies, functions or procedures.</b>	A disposal will facilitate a residential development of up to 225 dwellings which is referenced in the Local Plan as Site LPS 38 Land South of Longridge, Knutsford and has recently obtained outline planning permission (21/3100M) via appeal.
<b>How does the service, service change, strategy, function or procedure</b>	Should the site be utilised for the purpose of development then any disposal will be in accordance with Council policy and any future application by a third party will be subject to a planning application and building regulations application.

<p><b>help the Council meet the requirements of the <a href="#">Public Sector Equality Duty</a>?</b></p>	<p>This process in turn will be subject to elements of the Equality Act. The appropriate legislation (Town and Country Planning Act 1990) in terms of planning permission etc will ensure that no individual or party is discriminated against.</p>
--	---

## Section 2 - Information – What do you know?

<p><b>What do you know?</b></p>	<p>On the 10 October 2017, Cabinet considered a report exploring the potential for enabling access to a development site at Longridge, Knutsford known as LPS 38 in the Local Plan. The Cabinet report set out options and issues in respect of a thin strip of land subject to a covenant (referred to as the Green Land) and the disposal of a strip of land to enable access across other land (referred to as the Blue Land).</p> <p>Cabinet approved the freehold disposal of part of the land delineated 'blue' on the plan annexed to a report dated 10th October 2017 for the purposes of providing access to the site and the land delineated 'green' on the same plan, on terms to be agreed by the Executive Director for Place in consultation with the Director of Legal Services, the Section 151 officer, the Cabinet Member for Finance and Communities, and the Cabinet Member for Regeneration subject as set out below.</p> <p>The Cabinet decision was qualified in that the delegation was subject to adherence to the provisions of s123 of the Local Government Act 1972 regarding the proposed disposal of open space land. The intention to dispose of the land delineated in blue and the land delineated green was duly advertised in the local press pursuant to s123 of the Local Government Act 1972. The Portfolio Holder for Planning, Housing and Regeneration gave due consideration to all the objections and representations received and determined to proceed with the disposal as considered by Cabinet. As a consequence of that decision, negotiations were commenced with the owner of the LPS 38 land (Dewscope Ltd).</p> <p>Dewscope Ltd and the Council entered into an option agreement option over the green and blue land. The Option agreement required Dewscope Ltd to make a planning application and to market the whole site on the open market with the benefit of a planning permission, before disposing of the site sharing costs and receipts in accordance with the detailed provisions of the agreement.</p>
---------------------------------	--

	Even though Planning Permission has now been obtained (by way of appeal) the option agreement has now expired and as such a new option agreement on similar terms is required.
<b>Information you used to arrive at the decision</b>	As above.
<b>Gaps in your Information</b>	As above.

### Section 3 - Information - What did people tell you?

<b>What did people tell you about your proposals?</b>	<p>The Council has complied with the requirements of Section 123 of the Local Government Act 1972 by advertising the intention to dispose of the land for two consecutive weeks in the local press. This was undertaken in November and December in 2017. This allowed the local community an opportunity to comment on and make any representations in respect of the proposed disposal of Public Open Space.</p> <p>The Council received 185 representations in respect of the proposed disposal of Public Open Space. The main points raised in objection to the proposed disposal of land include:</p> <ul style="list-style-type: none"> <li>• public open space contributes to social wellbeing;</li> <li>• relocating public open space would make it less accessible to local residents;</li> <li>• the subject land is used for recreation purposes (including football);</li> <li>• the subject land is used regularly for dog walking;</li> <li>• loss of wildlife habitat.</li> </ul> <p>These were considered by the Portfolio Holder for Housing, Planning and Regeneration on the 5th October 2018 and approval was obtained to proceed with the disposal of all or any part of the Green land and part of the Blue land. Reasonable endeavours are to be used to minimise the Blue land disposed of for the access road. Such disposals are to be subject to planning.</p>
<b>Details and dates of the consultation/s and/or engagement activities</b>	Pursuant to section 123 of the Local Government Act 1972 (as amended by the Local Government Planning and Land Act 1980) the Council published public open space disposal notices for two consecutive weeks in the local press to confirm its intention to dispose of the land. This allowed all interested parties to comment on or raise any objections to the proposed

	<p>disposal and the Council must consider the responses in accordance with the statutory process as set out in that legislation. The first advertisement was published in the Knutsford Guardian, a newspaper circulating in the Knutsford area, for two consecutive weeks on 23 November 2017 and again on 30 November 2017 and the deadline for objections / representations was 15 December 2017.</p> <p>As a result of feedback from residents, an amended plan (see Appendix 4) was prepared and consequently, a further notice was placed in the Knutsford Guardian. The amended plan showed a reduced subject area focused on the specific part where the strip of land is located which it is proposed to dispose of. Although the land potentially affected fronts onto Longridge, the second notice referred to both Longridge and North Downs as feedback in response to the first notice indicated the subject land may not be clear to residents from the title used in the notices, particularly those of North Downs. The notice was advertised for a further two consecutive weeks in the 14 December 2017 and 21 December 2017 editions and the deadline for objections / representations was 19 January 2018. All communications received whether in response to the first or to the second set of notices are being given due consideration and have been included in Appendix 3 of this report. As a result of the amended publications we do not believe that any interested parties have been disadvantaged.</p> <p>In addition to this statutory requirement, the Council also made the information available at its Westfields office and on the Council's web site and briefed Knutsford Town Council in relation to the notices.</p>
<p><b>Are there any gaps in consultation and engagement feedback?</b></p>	<p>No.</p>

#### **Section 4 - Review of information, consultation feedback and equality analysis**

Protected characteristics groups from the <a href="#">Equality Act 2010</a>	What do you know? <i>Summary of information used to inform the proposal</i>  <u>Refer to Section 2</u>	What did people tell you? <i>Summary of customer and/or staff feedback</i>  <u>Refer to section 3</u>	What does this mean? <i>Impacts identified from the information and feedback (actual and potential).</i>  <i>These can be either positive, negative or have no impact.</i>
Age			no impact
Disability			no impact
Gender reassignment			no impact
Pregnancy and maternity			no impact
Race/ethnicity			no impact
Religion or belief			no impact
Sex			no impact
Sexual orientation			no impact
Marriage and civil partnership			no impact

## Section 5 - Review of information, consultation feedback and equality analysis

<b>Mitigation</b>	<b>What can you do to mitigate any negative impacts or further enhance positive impacts?</b>
<i>Please summarise the impacts listed in <b>section 4</b> and what will be done to mitigate these impacts</i>	Not applicable.

## Section 6 – Monitoring and review

<b>Details of monitoring activities</b>	The Councils Estates and Legal Services will oversee the disposal. Any future development will be subject to the planning process with any submission made by a third party.
<b>Date and responsible officer for the review of the EIA</b>	Lee Beckett - Senior Surveyor

## Section 7 – Sign off

When you have completed your draft EIA, it should be sent to the [Equality, Diversity and Inclusion Mailbox](#) for review.

If your EIA is approved, it must then be signed off by a senior manager within your Department (Head of Service or above).

<b>Name</b>	Joanne Jones – Interim Head of Estates
<b>Date</b>	01/05/2025
<b>Signature</b>	<i>J M Jones</i>

Once the EIA has been signed off, please forward a copy to the [Equality, Diversity and Inclusion mailbox](#) for it to be published on the website.

For Transparency, we are committed to publishing all Equality Impact Assessments relating to public engagement.

**Help and support** - For support and advice please contact the [Equality, Diversity and Inclusion mailbox](#)

OPEN

**Appendix C NOT FOR PUBLICATION**

By virtue of paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972

**BRIEFING REPORT**

**Finance Sub Committee**

**2 June 2025**

**Acquisitions and Disposal Summary 2024-2025**

---

**Report of: Peter Skates - Director of Growth & Enterprise**

**Report Reference No: FSC/30/25-26**

**Purpose of Report**

- 1 The Finance Sub Committee has oversight, scrutiny and budgetary review of the Council's Land and Property Function. This report presents information about acquisitions and disposals undertaken by the Council thereby allowing transparency in terms of the Council's land and property activity. This supports the Council's corporate aim of being an open and enabling organisation and making Cheshire East a thriving and sustainable place.

**Executive Summary**

- 2 In the constitution, the Sub-Committee has responsibilities relating to property transactions including the buying, selling and appropriate of land and property, including compulsory purchase where required. The Sub-Committee also has responsibility for approval of property transactions over £2m.
- 3 The report is designed to assist members of the Sub-Committee to understand the relationship between property transactions and the Medium- Term Financial Strategy (MTFS) of the Council.
- 4 The report updates members on acquisitions and disposals undertaken by the Council over the financial year 2024 – 2025.

5 The Finance Sub-Committee is recommended to:

- Note the acquisition and disposal activity undertaken by the Council in the financial year 2024 /2025, identified in the Appendices A and B and to note the confidential disposal programme of future proposed disposals in Appendix C
  - Appendix A – Summary of Acquisitions completed,
  - Appendix B – Summary of Disposals completed.
  - Appendix C – Disposals Programme: this appendix is subject to confidentiality and is an exempt item.

## **Background**

### **Acquisition of Land & Property**

6 Cheshire East has an extensive Capital programme and often acquisition of land and property will form a significant part of these proposals. A summary of acquisitions is set out in Appendix A. The largest category of works in this category are the Council's highway capital programme, where several highways have been constructed or are in the pipeline of delivery. Land is required to construct these roads and can be bought prior to a CPO been in place, or once a CPO is in place using compulsory powers of acquisition. In these cases, the Council will seek to purchase land by agreement, prior to exercising compulsory powers. In these instances, the acquisitions are completed on a statutory basis using established surveying practices.

### **Capital Receipts**

7 The Council disposes of assets on the open market, generating a capital receipt, currently as part of balancing the MTFS for 2025/26, a sum of £2.25m has been identified the MTFS which includes:

- £1.0m – Capital Financing Budget – available to support the general financing of the capital programme
- £1.0m - Revenue financed from capital under statute (Flexible Capital Receipts)
- £0.25m – Funding of specific capital programme schemes

8 In addition, as reported in the MTFS approved in February 2025, a prudent forecast for additional Capital Receipts of £33m over 4 years has been set as follows:

<b>MTFS (Para 62 Cover Report): Forecast – Prudent View</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>2027/28+ £m</b>
Forecast (Prudent view)	9.07	10.94	12.75
Already included in MTFS / Capital Programme	(2.25)	(2.75)	(5.0)
<b>Additional Receipts Forecast</b>	<b>6.82</b>	<b>8.19</b>	<b>7.75</b>

- 9 The prudent forecast above, allows for some slippage / timing differences against receipts reflected in Appendix C plus adjustments for receipts already included in the currently approved MTFS 2024/25 either within the Capital programme or as part of the Capital Financing Budget. The net additional receipts forecast above are not included as part of the balancing of the MTFS as they have yet to be realised.
- 10 The target has been set against land and property owned by the Council but is surplus to its requirements. The information set out in Appendix C reflects the forecast before adjustments excluding slippage/timing differences of receipts. It also includes some additional disposals not identified at the time the MTFS was prepared. Disposals are subject to s123 of the Local Government Act 1972.
- 11 The Council has an ongoing process of estate rationalisation and disposals in the current and future years. This is set out in Appendix C.
- 12 To deliver this programme of disposals the council is setting up a dedicated transformation delivery unit to increase rapid delivery on disposals. This will provide confidence in delivery, through:
- Lead Surveyor with ability to call off a contract for external Agent resource and valuation.
  - Lead Lawyer/Solicitor with ability to call off a contract/framework for external resource and legal advice.
  - Lead Planner with the ability to call off a contract for external resource and planning briefs/advice.
  - Dedicated, direct resources will accelerate the progress on capital receipts and disposals.
  - Programme management environment – programme PID status reporting.
  - Governance: through existing capital monitoring and asset management governance.

- Tackling and unlocking opportunity.
  - Working across the transformation programme.
  - Working across the capital programme and through established governance.
  - Agents and consultants would work under dedicated SMEs / lead professionals.
  - Funding for posts would be from general fund and then re-paid from capital receipts.
- 13 The Sub-Committee is responsible for decision taking on assets valued over £2m, however at this time there are no assets that require this decision. Although no decisions are required this report provides information to aid members understanding of the relationship between these works and the MTFS.

#### **Asset Strategy and the Transformation Plan.**

- 14 In the Councils Transformation Plan - PL3: Asset Strategy Refresh – is detailed as a rapid review of assets to identify priority opportunities to drive greater value out of specific properties within the Council's portfolio.
- 15 A rapid review of our assets and asset management strategy is being conducted in conjunction with a review of our corporate landlord model.
- 16 We want to ensure that the Council is still getting the full operational, financial, and social benefits from the land and property estate – the buildings and land we own – and that we reduce any liabilities that may come with owning them.
- 17 We are working to identify key priorities for the council in delivering our services and the opportunities there are to drive greater value out of specific properties within our portfolio. This could include selling some assets that are not being used so that we can maximise long-term saving opportunities and release any identified capital receipts. Ultimately, we want an estate that's fit-for-purpose.
- 18 Once refreshed, our asset management plan will work alongside the council's new corporate plan and growth strategy and provide a strategic framework that will guide the decisions we make around our assets.
- 19 Recommendations for progressing this review have been discussed at Transformation Board and meetings/workshops have been held to

collaborate with key services to review this activity along with the corporate landlord refresh.

- 20 A refreshed asset management plan will come forward for review and comment at the Economy and Growth Committee in September 2025.

## Implications

### *Monitoring Officer/Legal*

- 21 This report involves the disposal of land, and it is therefore necessary to ensure that the decision makers have the necessary authority to authorise the proposed transactions. Under the current Constitution dated December 2024 at Chapter 2-part 4 paragraph 2.2 the Finance Subcommittee have within their responsibilities the remit to consider property transactions which include the buying and selling of land. In addition, it is necessary for all decision makers to ensure that they are not only empowered under the Constitution to make a decision but that they are also authorised under the Financial Procedure Rules to incur the financial consequences of the decision that they make. As this matter involves the disposal of land it will be necessary to satisfy the Financial Procedure Rules contained in the Constitution at Chapter 3 part 4 paragraph 4.44, this states that the acquisition and disposal of land and property and other assets over £2 million is the responsibility of the Finance Subcommittee. Therefore, Finance Subcommittee are duly authorised under the Constitution to consider the content of this report.
- 22 In accordance with section 123 of the Local Government Act 1972 the Council is under an obligation to obtain the best consideration reasonably obtainable upon the disposal of its Property.
- 23 The duty to obtain best consideration does not require the highest offer to be accepted, but it needs to take into account other factors such as any terms or conditions attached to the disposal which may identify a special commercial benefit to the vendor for e.g. covenants requiring the land to be used for a particular purpose. Each transaction should be assessed on its facts.
- 24 The General Disposal Consent (England) 2003 allows the Council to dispose of land at an undervalue provided that the disposal contributes to the achievement of; -
- The promotion or improvement of economic wellbeing

- The promotion or improvement of social well being
- The promotion or improvement of environmental well-being and
- That the best price reasonably obtainable does not exceed £2m

- 25 The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous well-being powers; however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles.
- 26 The Council always has a fiduciary duty to the taxpayers and must fulfil its duty in a way that is accountable to local people.

### **Section 151 Officer/Finance**

- 27 The 2025/26 to 2028/29 Medium Term Financial Strategy includes an ambitious capital programme, totalling £595m over the next 4 years, 71% of the programme is externally funded from grants and developer contributions, 22% is funded through prudential borrowing, with only 7% funded from capital receipts and direct revenue contributions.
- 28 Capital receipts from asset disposal represent a finite funding source and it is important that a planned and structured manner of disposals is created to support the priorities of the Council. Cash receipts from the disposal of surplus assets are to be used to fund new capital investment or offset future debt or transitional costs, included within the new flexibilities provision, as and when received.
- 29 The MTFFS Report approved at Full Council on 26 February 2025 includes the following estimates of capital receipts:

<b>Table 16 Forecast – Prudent View</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>2027/28+ £m</b>
Forecast (Prudent view)	9.07	10.94	12.75
Already included in MTFFS / Capital Programme	(2.25)	(2.75)	(5.0)
<b>Additional Receipts Forecast</b>	<b>6.82</b>	<b>8.19</b>	<b>7.75</b>

- 30 The Council continues to maintain a policy of not ring-fencing the use of capital receipts to fund new investment in specific schemes or services unless a suitable business case is made available, but instead subject to any claw back provisions, to allocate resources in accordance with key aims and priorities. Capital receipts can arise from certain developments and in those cases will be included as direct funding to a particular scheme.

- 31 Capital receipts have been an important source of finance in previous financial years. A minimum amount of £1m additional capital receipts has been anticipated in 2025/26 to 2028/29. The Council's current strategy is to realise net receipts of £4m for the period 2025/26 to 2028/29 and that these receipts reduce the overall Capital Financing Budget.
- 32 The Council is looking to rationalise assets over this period with a view to bringing in additional capital receipts. These additional capital receipts will be utilised at the discretion of the Section 151 Officer to best support the Council's revenue position. Options that will be considered include supporting the transformation programme as flexible capital receipts, repayment of EFS to reduce annual borrowing and MRP costs, repayment of borrowing for the capital programme, particularly short-term high-cost items (e.g. ICT).
- 33 In March 2016 the government published statutory guidance on the flexible use of capital receipts which allows Local Authorities to use capital receipts to offset the revenue cost of transformational projects which are expected to deliver future ongoing revenue savings for either the Council or other public sector delivery partners.
- 34 The MTFS includes plans to utilise £1m pa of capital receipts to offset the cost of transformational projects each year over the period 2025/26 to 2028/29. The wider disposal programme and targets reflected in this report are forecast to generate larger capital receipts, decisions on use of any additional capital receipts have not yet been taken and will be within the remit of Section 151 Officer to determine best use in managing the Council's finances.

### ***Policy***

- 35 This paper provides the Sub-Committee information relating to its role, enabling it to undertake its functions as set out in the constitution.

### ***Equality, Diversity, and Inclusion***

- 36 This is an information report that describes the Council's acquisition and disposal of property activity identifying the linkages between these activities and the MTFS. It does not consider any individual property transactions. Equality implications are considered at the point of creation of the MTFS and at the point that a decision is made about the individual property transactions and therefore an Equality Impact Assessment is not required to support this report.

### ***Human Resources***

37 None.

### ***Risk Management***

38 Presently there is uncertainty in the UK property market, and this is anticipated to have an impact on the Council's property transactions. This uncertainty is due to the widely reported national and international economic conditions and are outside the control of the Council.

39 The risks associated with management of risk for property transactions are dealt with on a case by case, at a project and programme level. There is a risk that the Council is not able to achieve the target that it has set out for Capital Receipts. This is managed at these levels and risks are escalated where appropriate.

### ***Rural Communities***

40 None directly. The programme of acquisitions directly supports programmes of activity that the Council undertakes to achieve its aims and priorities.

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

41 None directly. The programme of acquisitions directly supports programmes of activity that the Council undertakes to achieve its aims and priorities.

### ***Public Health***

42 None directly. The programme of acquisitions directly supports programmes of activity that the Council undertakes to achieve its aims and priorities.

### ***Climate Change***

43 None directly. Climate change implications are considered on a case-by-case basis for each project requiring acquisition or each disposal activity. However, by undertaking a programme of disposals will have a wide range of implications for the Council. This will allow the Council to have a smaller leaner estate, which in turn will generate opportunities for efficiencies and minimising the amount of carbon generated by the Council in its day-to-day activities. Releasing unwanted assets for future economic use will also have benefits potentially reducing the generation of carbon in future construction projects by third parties.

<b>Access to Information</b>	
Contact Officer:	Lee Beckett - <a href="mailto:Lee.beckett@cheshireeast.gov.uk">Lee.beckett@cheshireeast.gov.uk</a>
Appendices:	<ul style="list-style-type: none"><li>• Appendix A – Summary of Acquisitions completed.</li><li>• Appendix B – Summary of Disposals completed.</li><li>• Appendix C – Disposals Programme: - EXEMPT FROM PUBLICATION.</li></ul>
Background Papers:	None.

## Appendix A

## OPEN

**Summary of Acquisitions**

Each key acquisition will have been subject to Cabinet or Council decision making, with appropriate delegations to officers to progress, and within reports and decisions appropriate budget provision was identified and included into the Medium-Term Financial Strategy (MTFS).

Acquisitions (and legal agreements)	2024/25 (Number of Schemes)
Acquisition for operational reasons  1. Land at Mill Street, Crewe (Mill Street Regeneration Project) – completed on the 29 <sup>th</sup> of September 2024 for £228,000.	01

OPEN

**Completed Disposal 2024-2025**

COMPLETED SALES	Receipt Value £	Completion Date
Mode Cottage, Mobberley	£330,000.00	11/04/2024
Wellington House, Crewe	£135,000.00	31/05/2024
Redroofs, Alderley Edge	£668,000.00	23/08/2024
Land (parking) at Broken Cross Club, off Fallibroome Road, Macclesfield	£65,000.00	14/10/2024
Land adj to Electra House, CBP, Crewe	£25,000.00	05/03/2025
<b>TOTAL COMPLETED SALES</b>	<b>£1,223,000.00</b>	

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank