

Finance Sub-Committee

Agenda

Date:	Monday, 3rd November, 2025
Time:	2.00 pm
Venue:	Committee Suites 1, 2, 3 - Delamere House, Crewe, CW1 2JZ

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.

Please Note: This Meeting Will Be Live Streamed. This meeting will be broadcast live and a recording may be made available afterwards. The live stream will include both audio and video. Members of the public attending and/or speaking at the meeting should be aware that their image and voice may be captured and made publicly available. If you have any concerns or require further information, please contact Democratic Services in advance of the meeting.

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.

For requests for further information

Contact: Chris Lunn - Democratic Services Officer

Tel: 01270 686466

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

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

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. **Second Financial Review 2025/26** (Pages 11 - 116)

To consider the Second Financial Review of 2025-26.

6. **Medium Term Financial Strategy Consultation 2026/27 - 2029/30** (Pages 117 - 136)

To consider the report on the Medium Term Financial Strategy Consultation 2026/27-2029/30.

7. **Financial Leadership Improvement Plan Update** (Pages 137 - 152)

To consider the update report on the Financial Leadership Improvement Plan.

8. **Liquidation of Cheshire Energy Network Ltd** (Pages 153 - 158)

To consider a report on the Liquidation of Cheshire Energy Network Ltd.

9. **Work Programme** (Pages 159 - 162)

To consider the Work Programme and determine any required amendments.

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

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Wednesday, 10th September, 2025 in the The Capesthorne Room -
Town Hall, Macclesfield, SK10 1EA

PRESENT

Councillor D Clark (Chair)
Councillor G Marshall (Vice-Chair)

Councillors D Brown, B Drake, S Gardiner, T Dean and R Vernon

OFFICERS IN ATTENDANCE

Ashley Hughes, Executive Director of Resources and S151 Officer
Chris Benham, Director of Finance
Tracy Baldwin, Strategic Finance Manager
Lianne Halliday, Head of Procurement
Julie Gregory, Acting Head of Legal Services
Nikki Bishop, Democratic Services Officer

15 APOLOGIES FOR ABSENCE

Apologies were received from Councillor C O'Leary. Councillor T Dean was present as substitute.

The Chair welcomed Chris Benham, Director of Finance, to his first Finance Sub Committee meeting.

16 DECLARATIONS OF INTEREST

There were no declarations of interest.

17 MINUTES OF PREVIOUS MEETING**RESOLVED:**

That the minutes of the meeting held on 2 June 2025 be agreed as a correct record and signed by the Chair.

18 PUBLIC SPEAKING/OPEN SESSION

There were no registered speakers.

19 FIRST FINANCIAL REVIEW OF 2025/26

The committee considered the report which set out the First Financial Review 2025-26 position based on income, expenditure and known commitments as at the end of June 2025. The First Financial Review 2025-26 (FR1) reported a forecasted revenue outturn position as an adverse variance of £3.1m (after the application of planned use of Exceptional Financial Support £25.3m).

It was noted that the value of additional mitigation plans to improve the overall forecast, which had not been reflected as delivered at FR1, were estimated at £2.8m, giving an improved overall forecast of £0.3m overspend. However, the committee noted that should the mitigations not materialise, alongside further risks identified within the report, the forecasted overspend position could increase to £18.7m adverse.

The committee agreed that the overall forecasted revenue overspend of £3.1m remained a significant financial challenge for the Council when considered in addition to the planned use of EFS of £25.3m. It was noted that the Council's reserves (£26.1m) were insufficient to cover the forecasted revenue outturn for 2025-26 without further action. The committee queried the level of confidence in mitigations materialising before the end of the financial year to ensure a balanced budget could be set in February 2026. It was clarified that work had begun on the Second Financial Review 2025-26 and early indications suggested a stable position. Management controls were in place to ensure mitigation plans remained on track. This included monthly monitoring meetings with senior managers and finance partners and regular briefings within Directorate Management Team meetings and with the Corporate Leadership Team. The committee was assured that should the S151 become significantly concerned with progress and direction of travel, Members would be consulted at the earliest opportunity.

The committee noted that there was ongoing recruitment to fill a number of key vacancies across the Council. Use of consultants had been utilised on an interim basis, particularly within the Change Management Office, to deliver the transformation needed, at pace. Work was underway to add additional, permanent, resource to key services including Children's and Families in order to support the Council's improvement journey to 'Good'.

The committee took the opportunity to thank the S151 Officer and his finance team for their continued hard work and efforts. It was agreed that the FR1 position highlighted significant financial challenges for the Council and Members agreed that they would need to make difficult decisions in the future to set a balanced budget and manage risks.

RESOLVED (unanimously):

That the Finance Sub Committee

1. Note the factors leading to a forecast adverse Net Revenue financial pressure of £3.1m against a revised budget of £440.5m (0.7%).
2. Note the contents of Annex 1, Section 2 and review progress on the delivery of the MTFS approved budget policy change items, the RAG ratings and latest forecasts, and to understand the actions to be taken to address any adverse variances from the approved budget.
3. Note the in-year forecast capital spending of £205.5m against an increased capital budget of £208.5m. This was adjusted at outturn following an approved MTFS budget of £173m.
4. Recommend to Council to approve the Supplementary Revenue Estimate Request for Allocation of Additional Grant Funding over £1,000,000 as per Annex 1, Section 3, Table 1.
5. Note that the Adults and Health, Children and Families and Environment and Communities committees will be asked to approve the Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding over £500,000 and up to £1,000,000 as per Annex 1, Section 3, Table 2.
6. Note the Capital Virements above £500,000 up to and including £5,000,000 as per Annex 1, Section 4, Table 4 to be approved in accordance with the Council's Constitution.
7. Recommend to Council to approve the Supplementary Capital Estimate Request for Allocation of Additional Grant Funding over £1,000,000 as per Annex 1, Section 4, Table 5.
8. Note the available reserves position as per Annex 1, Section 5.

20 ENTERPRISE CHESHIRE AND WARRINGTON - FIRST FINANCIAL REVIEW 2025-26

The committee considered the report which set out the First Financial Review of Enterprise Cheshire and Warrington (ECW) for 2025-26. A surplus of £0.1m was reported for FR1.

Enterprise Cheshire and Warrington was largely funded by various government initiatives such as the Growth Hub and Skills Boot Camp. Marketing Cheshire was more commercial in nature.

The committee noted that the combined financial position across Enterprise Cheshire and Warrington had resulted in a forecasted surplus position of just under £0.1m based on Quarter 1 data. Within this, Marketing Cheshire had reported a forecasted surplus of £16,741 compared to a budgeted deficit position of £33,259.

The committee highlighted the Devolution report that would be considered by all Members at the next Full Council meeting and queried how the outcome of the Council meeting could impact Enterprise Cheshire and Warrington – it was queried if Enterprise Cheshire and Warrington would continue to operation if devolution was not supported by Full Council. Equally, it was queried what would happen to the funds held by Enterprise Cheshire and Warrington if Full Council resolved to support devolution. Officers committed to providing a written response.

RESOLVED:

- 1 That the Finance Sub Committee
- 2 Note the information provided in the in-year financial review for Enterprise Cheshire and Warrington

21 COMPANIES DRAFT FINANCIAL STATEMENTS 2024/25

The committee considered the report which provided an overview of the Council's Wholly Owned Companies (WOCs) pre-audited Financial Statements for 2024-25 and a summary of the outturn position for the companies for the financial year 2024-25. It was noted that this report had recently been presented to the Council's Audit and Governance Committee in July 2025. The final audited Financial Statements would be presented to the Audit and Governance Committee in December 2025.

The committee noted that the WOCs reserves had decreased during 2024-25 leaving retained reserves at £0.848m. The WOC net core contract spending during 2024-25 was £43.611m which was slightly lower than in previous years, this reflected Orbitas services moving back in-house in February 2025.

It was clarified that once WOC services had been returned in-house, the reserves of that company would also be returned to the Council through a dividend payment which had already been taken into account within the Medium-Term Financial Strategy.

RESOLVED:

That the Finance Sub Committee

1. Note the summarised position of the WOC Financial Statements for year ended 31 March 2025 based on the information provided at this meeting and included in this report at Appendix 1.
2. Note the dates in relation to the approval process for the Financial Statements.

3. Note the overall financial performance of the WOC's in the 2024/25 financial year, as contained within the Appendix 1, as follows:

- a. ASDV Reserves increased by £0.334m, retained reserves are £0.848m.
- b. b. Wholly Owned Companies Net Core Contract Spending was £43.611m.

22 MEDIUM TERM FINANCIAL PLANNING ASSUMPTIONS - UPDATE (FINANCE SUB COMMITTEE)

The committee considered the report which updated on the development of the Medium-Term Financial Strategy (MTFS) 2026-2030 which had been further informed by Members of the Sub Committee Working Group which met in August 2025.

It was reported that whilst MHCLG had given a decision in principle to the Council in relation to Exceptional Financial Support for 2025-26, final confirmation was awaited. The conditions of use remained the same as previously agreed with MHCLG around capitalisation to deliver revenue budget transformation improvement. The costs of borrowing would be taken over a 20-year period. Members raised concerns in relation to the costs of borrowing however noted that without the application of EFS the S151 officer would not be able to provide a Section 25 Statement at the end of the year.

The committee noted that there had been further refinement to some of the budget assumptions and resulting values since the MTFS was approved in February 2025, as set out within the report. The committee queried the capital programme review to reduce the borrowing costs associated with the current MTFS planned programme by a third. It was agreed that informal conversations would commence next week at the officer Capital Board Review and members of the Sub Committee Working Group would be consulted prior to formal proposals being put to the committee at a public meeting.

The committee queried why the contingency budget had increased so significantly for 2026-27 compared to 2025-26. It was clarified that the 2026-27 contingency line included additionality for one off funding for transformation (£15m) and further transformation for Children's Services (£10m) along with other risks. Officers confirmed that there was a detailed breakdown of this which would be circulated to the committee.

An amendment was proposed by Councillor Gardiner, seconded and subsequently carried by a majority, in relation to recommendation 2, as set out below.

Amendment 1 - Recommendation 2

Work with officers and members to bring forward further budget change proposals to assist with presenting a balanced budget for 2026/27 (making use of Exceptional Financial Support) to the Corporate Policy Committee for consultation in November 2025.

A second amendment, which was accepted as a friendly amendment, was put forward in relation to recommendation 3, as set out below.

Amendment 2 – Recommendation 3

Recommend to Corporate Policy Committee to delegate to the S151 Officer the permission to continue dialogue with MHCLG on the continued use of Exceptional Financial Support over the life of this MTFS (2029-30).

RESOLVED (unanimously):

That the Finance Sub Committee

1. Note the updated budget assumptions for the period 2026/27 to 2029/30 including sensitivity analysis.
2. Work with officers and members to bring forward further budget change proposals to assist with presenting a balanced budget for 2026/27 (making use of Exceptional Financial Support) to the Corporate Policy Committee for consultation in November 2025.
3. Recommend to Corporate Policy Committee to delegate to the S151 Officer the permission to continue dialogue with MHCLG on the continued use of Exceptional Financial Support over the life of this MTFS (2029-30).

23 WORK PROGRAMME

It was highlighted that the 12 January 2026 meeting had now been moved to 30 January 2026.

RESOLVED:

That the Work Programme be received and noted.

24 PROCUREMENT PIPELINE

The committee considered the report which provided an overview of the pipeline of procurement activity, the contracts awarded during the financial year, and an update on the number of cases where and reasons why procurement activity had required the use of waivers.

The meeting adjourned for a 5 minute break at 11.40 am.

The committee noted the contract awarded to the 'Changing Lives Provider' for the provision of Christmas food hampers. It was clarified that

this related to food hampers provided for children and young people who were in receipt of free school meals during 2024. The funding for this provision came from the Holiday Activity Fund Grant from central government.

RESOLVED (unanimously):

That the Finance Sub Committee

1. Approve the 14 pipeline projects in Appendix 1 column G as business as usual.
2. Note the reason for 12 waivers approved between 1 December 2024 and 31 July (18 in total in 2024/25 and 5 for 2025/26).
3. Note the contracts awarded since April 2025, Appendix 2.
4. Note that this paper be presented to the next meeting of the Audit and Governance Committee on 29 September 2025 for assurance with regards procurement waiver compliance and reporting.

The meeting commenced at 10.30 am and concluded at 11.50 am

Councillor D Clark (Chair)

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OPEN

Finance Sub-Committee

3 November 2025

Second Financial Review 25/26

**Report of: Ashley Hughes, Executive Director of Resources
(Section 151 Officer)**

Report Reference No: FSC/11/25-26

Ward(s) Affected: Not applicable

For Decision or Scrutiny: Both

Purpose of Report

- 1 This report provides the current forecast outturn for the financial year 2025/26 based on our income, expenditure and known commitments as at the end of August 2025. It also identifies actions that are being taken to address adverse variances to urgently address our financial sustainability.
- 2 The report provides the forecast outturn for all services, to provide Members with contextual information on the position for the whole Council. Members are asked to focus their scrutiny on the forecasts and supporting information relating to services within the remit of the Committee whilst understanding the overall context.
- 3 The report highlights any changes and external pressures that are impacting the Council since setting the budget in February 2025.
- 4 As set out in previous Financial Reviews, the requirement to continue to identify further actions to bring the Council back to a position where we are living within our means remains, and it will be important that these actions are closely monitored, and appropriate action taken to manage our resources. This report includes information on the actions that are currently underway.

- 5 Reporting the financial forecast outturn at this stage, and in this format, supports the Council's vision of being an effective and enabling Council as set out in the Cheshire East Plan 2025-2029.
- 6 The report also requests member approval for amendments to the Council's budget in line with authorisation levels within the Constitution.

Executive Summary

- 7 This is the Second Financial Review monitoring report (FR2), showing the forecast outturn position for the 2025/26 financial year.
- 8 The report provides the current forecast outturn position for the revenue budget, capital budget, Dedicated Schools Grant (DSG) and Transformation Programme for the financial year 2025/26.
- 9 The Second Financial Review (FR2) forecast revenue outturn is an **adverse variance of £2.345m**, an improvement of £0.802m compared to the overspend reported at FR1 of £3.147m. This is after the application of planned use of conditional Exceptional Financial Support **£25.261m** as set out in the approved budget in February 2025. Further details are shown in **Table 1** in paragraph 20.
- 10 All Directorates continue to work on mitigation plans to improve the overall forecast overspend position and in doing so, are highlighting any risks associated with mitigations currently reflected in the reported £2.345m overspend. Each Directorate have plans underway to deliver approved budget changes (growth and savings) identified as part of the 2025/26 approved budget per MTFS line – see Annex 1, Section 2 of the report.
- 11 The value of additional mitigation plans not yet reflected as delivered at FR2 are estimated at £1.933m, giving a potential improved overall forecast of £0.412m overspend. However, should the current mitigations included in the FR2 forecast not materialise, alongside further risks identified, then the forecast overspend position could increase to £21.191m adverse.
- 12 The opening DSG deficit is £112.149m with an in-year projected movement of £33.829m to forecast a year end deficit of £145.978m – refer to paragraph 47 for further details.
- 13 The capital programme for the current year is forecasting expenditure of £167.700m in year, an underspend of £40.791m against a budget of £208.491m at FR2. This is an increase against the approved MTFS budget of £173.077m due to increases in Supplementary Capital Estimates (SCEs) of £23.031m as well as some reprofiling of projects.

14 The overall forecast revenue overspend of £2.345m remains a significant financial challenge for the Council when considered in addition to the planned use of Exceptional Financial Support (EFS) of £25.261m. Reserves at out-turn were £29.413m, being £6.299m of General Fund Reserves and £23.114m of Earmarked Reserves. A planned net use of Earmarked Reserves and the General Fund Reserve is forecast at £2.282m leaving £27.131m total available reserves. The Council's level of reserves is therefore insufficient to cover the current forecast revenue outturn for the year without further action. Further details are also available in the following Annexes to the main report.

15 **Annex 1: Detailed Second Financial Review 2025/26**

- **Section 1** 2025/26 Forecast Outturn
- **Section 2** 2025/26 Directorate Revenue Commentary and update on 2025/26 Approved Budget Change Items
- **Section 3** Revenue Grants for approval
- **Section 4** Capital
- **Section 5** Reserves

16 **Annex 2: Detailed Capital Programme 2025/26**

17 **Annex 3: Detailed Second Financial Review 2025/26 – additional information**

- **Section 1** Debt
- **Section 2** Council Tax and Business Rates
- **Section 3** Treasury Management
- **Section 4** Prudential Indicators

RECOMMENDATIONS

The Finance Sub Committee to:

1. Review the factors leading to a forecast adverse Net Revenue financial pressure of £2.345m against a revised budget of £360.198m (0.65%). To scrutinise the contents of **Annex 1, Section 2** and review progress on the delivery of the MTFS approved budget policy change items, the RAG ratings and latest forecasts, and to understand the actions to be taken to address any adverse variances from the approved budget.
2. Review the in-year forecast capital spending of £167.700m against an increased capital budget of £208.491m.
3. Approve the temporary virement of £1.415m budget from the Place Directorate to the Transformation budget, this relates to in year savings delivered of £1.039m to offset third party spend and £0.376m fees and charges.
4. Recommend to Council to approve the Supplementary Revenue Estimate Request for Allocation of Additional Grant Funding over £1,000,000 as per **Annex 1, Section 3, Table 1**.
5. Note the Capital Virements above £500,000 up to and including £5,000,000 as per **Annex 1, Section 4, Table 4** to be approved in accordance with the Council's Constitution.
6. Note the Capital Budget Reductions as per **Annex 1, Section 4, Table 5**
7. Note the available reserves position as per **Annex 1, Section 5**.

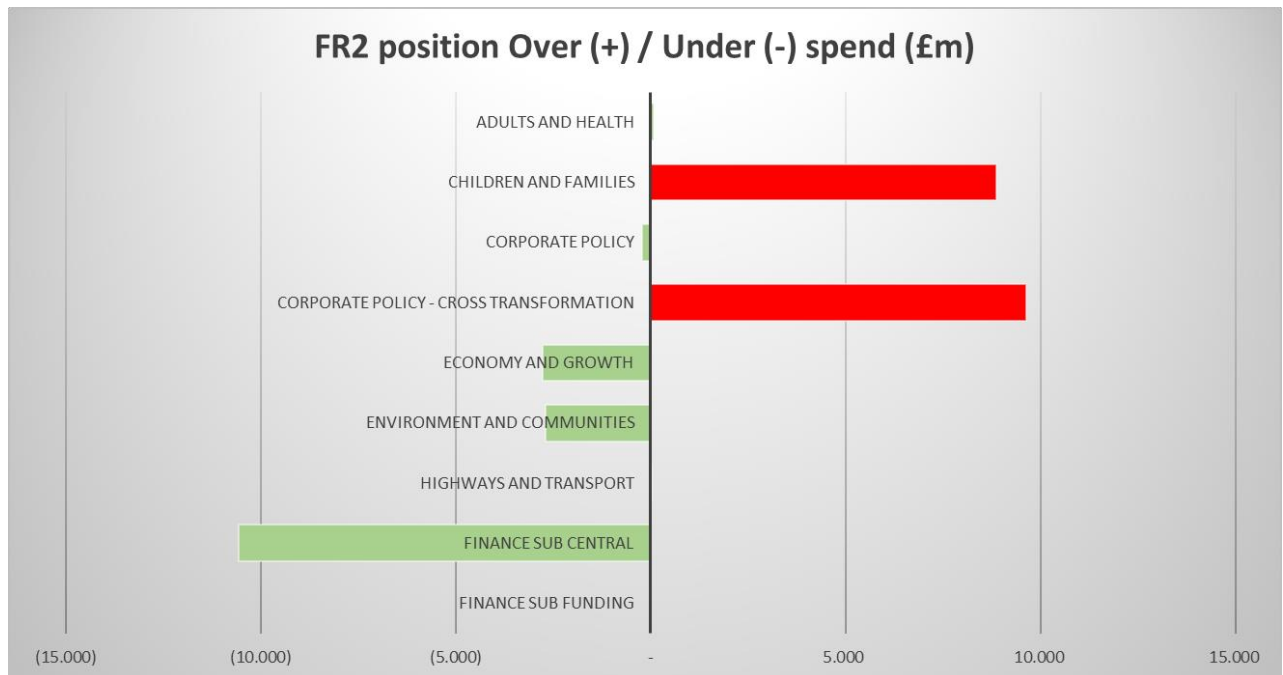
Background

- 18 The Council set its 2025/26 annual budget in February 2025. The budget was balanced, as required by statute, with planned use of EFS, by way of a capitalisation direction, totalling £25.261m, plus £24.415m of transformation 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) 2025 to 2029.
- 19 For the purposes of each committee, directorate budgets are aligned to a specific committee and the appendices to this report provide information at a level that should enable the committee to scrutinise the causes of any variations in budget and appropriate actions needed to bring the Council back into line in terms of managing its resources.

2025/26 Revenue Outturn – Financial Review 2 (FR2)

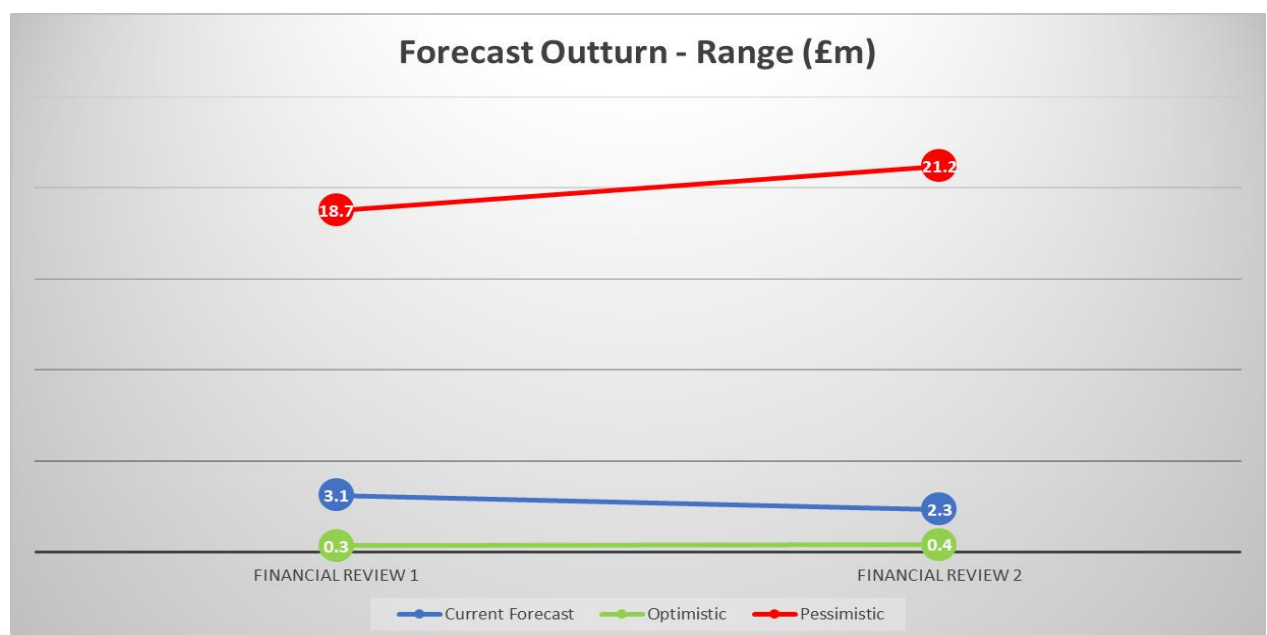
- 20 Overall, the Second Financial Review (FR2) forecast revenue outturn is an **adverse variance of £2.345m** (after the application of planned use of conditional Exceptional Financial Support **£25.261m** as set out in the approved budget in February 2025). Further details are shown in **Table 1 below**.

Table 1 2025/26 FR2	Revised Budget	Forecast Outturn	Forecast Variance	Forecast Variance FR1	Movement from FR1 to FR2
	£m	£m	£m	£m	£m
Service Committee					
Adults and Health	167.257	167.334	0.077	(0.295)	0.372
Children and Families	98.420	107.283	8.863	8.998	(0.135)
Corporate Policy	43.708	43.492	(0.216)	0.062	(0.278)
Corporate Policy - Cross Transformation	(13.452)	(3.821)	9.631	9.631	-
Economy Growth	28.756	25.996	(2.760)	(2.285)	(0.475)
Environment and Communities	43.618	40.921	(2.697)	(2.545)	(0.152)
Highways and Transport	17.151	17.159	0.008	0.114	(0.106)
Total Service Budgets	385.458	398.364	12.906	13.680	(0.774)
Finance Sub:					
Central Budgets	55.000	44.439	(10.561)	(10.533)	(0.028)
Funding	(415.197)	(415.197)	-	-	-
Total Finance Sub	(360.197)	(370.758)	(10.561)	(10.533)	(0.028)
Exceptional Financial Support	(25.261)	(25.261)	-	-	-
TOTAL	-	2.345	2.345	3.147	(0.802)



- 21 The key areas causing an overspend at FR2 continue to be the Children and Families directorate and pressures against the in-year cross-directorate Transformation savings. Children and Families have seen a slight improvement since FR1, but the projected overspend remains at £8.863m which is driven by the increased costs of placements (£7.979m adverse) and agency staffing overspend. A shortfall of £9.631m is forecast against in-year cross-directorate Transformation savings, details of all Transformation related activity can be found in paragraphs 41-46 below.
- 22 Offsetting these pressures, there is a favourable variance of £5.450m within the Place Directorate due to vacancy management and a number of one-off income items expected in year such as the Extended Producer Responsibility grant, reserves from the companies brought back in house and some overdue rent to be received.
- 23 The contingency budget is contributing a further £7.253m to the overspend position (including the use of £1.705m to cover the pay inflation pressure), whilst interest and Minimum Revenue Provision (MRP) are forecast to be £3.306m under budget due to lower than expected borrowing, increased levels of investment and slippage in the capital programme. More detailed narrative explanations of variances are included in Section 2 of Annex 1.
- 24 The most significant change since FR1 is the improvement in Place as described above and also within the Corporate directorate where the forecast has benefitted from further vacancy management.

- 25 The optimistic position of £0.412m may be achieved through a number of possible improvements: a betterment within Children and Families could occur due to the use of unallocated grant funding to mitigate staff costs, reduced agency cover due to permanent recruitment and minimise the spot purchasing of bednights.
- 26 The Environment and Communities forecast may be improved further due to better bereavement and recycling income, lower Household Waste Recycling Centres (HWRC) cost due to re-procurement and lower growth required for Refuse Collection Vehicles where modifications may provide an alternative solution.
- 27 The pessimistic position of £21.191m assumes a worsening forecast of £8.779m within the Adults & Health and Children & Families Directorates. For Adults there are risks of a delay in the realisation of transformation savings and the cost of Adult's Social Care increasing due to a change in the number of self-funders. The cost of placements for Children and Families may increase further together with the need to recruit International Social Workers towards the end of the year.
- 28 This position does not assume use of the Contingency Budget of £5.548m to offset the deficit and a further reduction of £3.0m of the level of Transformation savings.
- 29 Other changes include a reduction in Digital project income arising from staffing changes associated with Gemini. Transport costs may increase due to higher repairs and maintenance on an ageing fleet.



Overall mitigations planned to manage pressures

- 30 Work is underway across all Services to look at mitigating actions which can be taken to reduce the forecast position in-year, some of the actions below have contributed to date or are being considered:
- Line-by-line reviews of the establishment to identify where any budgets can be removed.
 - Actively manage vacancies, particularly agency usage and reduce any overspends on staffing as soon as possible.
 - Review the borrowing elements of the capital programme to minimise the minimum revenue provision and interest payable.
 - Review of capital receipts available and potential surplus assets that can be sold (for best consideration).
 - Children & Families – reviewing costs of placements, establishment reviews, Reunification of children, and Work on Edge of Care Service proposals to identify early intervention and cost reduction.
 - Place Services – mitigations in year through further vacancy management, reducing expenditure and maximising funding opportunities.
 - Finance Sub – potential further bad debt reviews generating one-off in year contributions to assist in reducing the in year overspend and review/reset process moving forward.
 - Contingency Budget - the remaining balance of £5.548m (after general pay inflation pressure of £1.705m) has been released from Contingency to support the overall Council over commitment.

Risks

- 31 The key risks to the year end outturn continue to be the cost and number of placements for children's social care, the level of agency staff needed to balance the resource required to support children's services and the demands on the Adult's Social care service. Whilst progress is being made against some Transformation projects, there remains a significant gap on the budgeted cross directorate savings which requires further mitigation.

Capital Programme

- 32 The MTFS budget of £173.077m was set at Full Council in February 2025. Following that approval, and the completion of the outturn position of 2024/25, the MTFS position was increased to £208.491m. This was driven by increases in Supplementary Capital Estimates (SCEs) of £23.013m as well as some reprofiling of projects.
- 33 The FR2 forecast position for capital spending for 2025/26 indicates capital expenditure of £167.700m against the revised MTFS budget of £208.491m.
- 34 **Table 2 below** sets out the capital programme position for 2025/26 as at FR2:

Table 2 Capital 2025/26	MTFS	Out - turn	Actuals FR1	Actuals FR2	Forecast Spend	Gov Grants	Ext Contri bution s	Rev Contri bution s	Cap Receipt	Prud Borrow	TOTAL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adults & Health	0.389	0.468	-	-	0.132	0.132	-	-	-	-	0.132
Children & Families	37.723	56.131	0.030	1.161	24.556	18.997	4.196	-	0.050	1.313	24.556
Corporate Policy	12.745	10.125	1.014	2.506	13.298	-	-	-	-	13.298	13.298
Economy & Growth	36.081	56.535	3.036	6.583	44.414	22.921	1.677	0.067	0.328	19.421	44.414
Environment & Communities	19.357	18.606	0.451	1.099	15.284	8.655	1.600	0.647	-	4.382	15.284
Highways & Transport	66.782	66.626	4.730	15.883	70.016	57.318	4.247	0.100	0.100	8.251	70.016
TOTAL	173.077	208.491	9.261	27.232	167.700	108.023	11.720	0.814	0.478	46.665	167.700

- 35 **Table 3** shows the movement in the 2025/26 Capital budget since the MTFS Budget was approved in February 2025.

Table 3 Capital Movement 2025/26	MTFS	SCE	Carry Forward & Budget Reduction Outturn and FR1	Virement	Re profiled to future	SCE	Virement	Budget Reduction	Re profiled to future	FR2 2025/26
	Budget 2025-29 £m	Outturn and FR1 £m	£m	Outturn and FR1 £m	FR1 £m	FR2 £m	FR2 £m	FR2 £m	FR2 £m	£m
Adults & Health	0.389	-	0.167	-	(0.424)	-	-	-	-	0.132
Children & Families	37.723	4.624	5.584	0.308	(0.493)	-	(3.460)	-	(19.730)	24.556
Corporate Policy	12.745	-	3.736	-	-	-	-	-	(3.183)	13.298
Economy & Growth	36.081	2.594	11.097	-	(5.352)	0.921	(0.409)	-	(0.518)	44.414
Environment & Communities	19.357	1.610	6.154	-	(1.229)	-	(0.050)	(0.004)	(10.555)	15.284
Highways & Transport	66.782	11.166	4.580	-	(10.136)	1.373	0.459	(0.284)	(3.924)	70.016
TOTAL	173.077	19.994	31.318	0.308	(17.634)	2.294	(3.460)	(0.288)	(37.910)	167.700

- 36 Detailed Committee tables are set out in **Annex 2**

- 37 A full update is being provided to the Capital Programme Board.
- 38 Changes to the capital programme will impact the capital financing budget in year through the costs of interest payable where borrowing is incurred. Minimum Revenue Provision (repayments for the capital borrowing) impacts in subsequent years once an asset has become operational. Therefore, reductions in borrowing achieved through capital programme budget changes, whether through delay, budget reduction or alternative sources of financing, will be reflected in the revenue position each year in the MTFs for 2025-29 and beyond.
- 39 The current Capital programme remains unaffordable and ongoing scrutiny of the capital programme will be undertaken by the Capital Programme Board.
- 40 The current forecast for achievable capital receipts in year remains at £1.000m at FR2 – in line with budget - however further receipts are in the pipeline and a further update will be provided at FR3. Any additional receipts above budget can be used to reduce revenue pressures from borrowing in year or could be used to assist with funding of transformation activity.

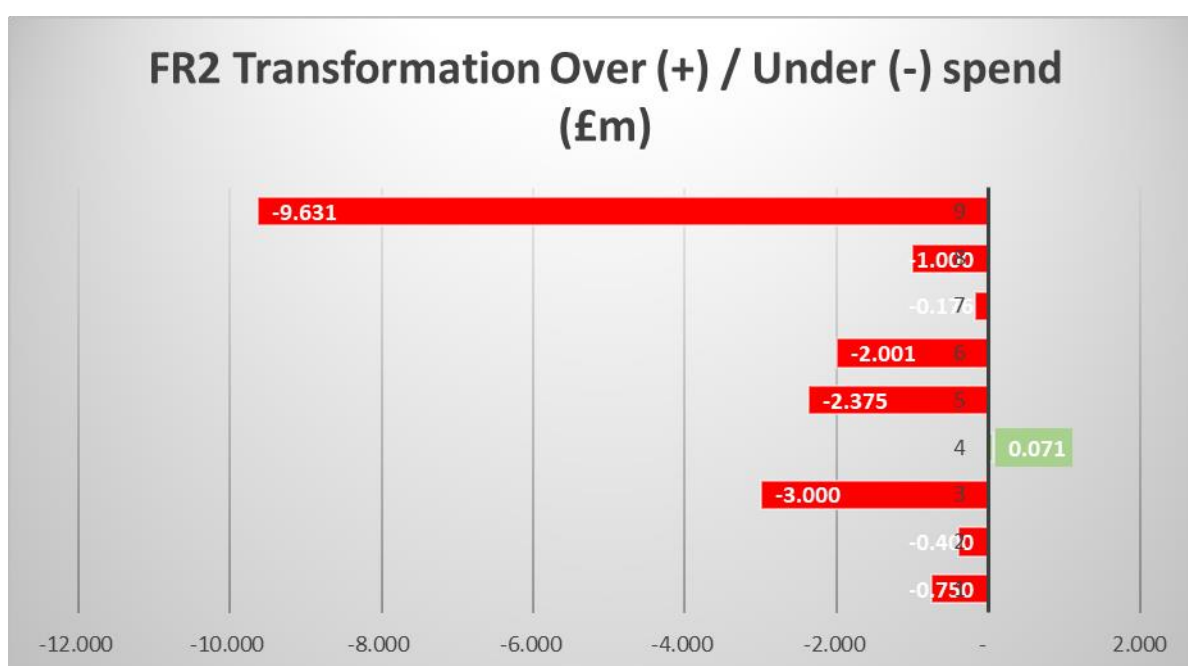
Transformation Savings

- 41 The FR2 forecast outturn position against the approved Transformation budget changes for 2025/26 is outlined in Table 4 below:

Table 4 - Transformation Budget Saving	Original Budget	Forecast Outturn	Forecast Variance	Forecast Variance FR1	Movement from FR1 to FR2
	£m	£m	£m	£m	£m
Access to Services & Corporate Core (Cross cutters including Digital/Workforce/3 rd Party Spend/Fees & Charges)	(13.452)	(3.821)	9.631	9.631	0
Service Delivery – Adults Social Care	(7.000)	(7.000)	0	0	0
Service Delivery – Children's	(3.788)	(0.868)	2.920	2.420	0.500
Service Delivery – Place	(0.175)	(0.175)	0	0	0
Total	(24.415)	(11.864)	12.551	12.051	0.500

- 42 The movement of £0.5m in the forecast variance is due to delays in the Children's Services Birth to Thrive Transformation project, which mean that savings will now not be delivered in 2025/26.
- 43 The FR2 forecast outturn position against the Access to Services and Corporate Core programmes is outlined in Table 5 below:

Table 5 Transformation Cross Cutting Budget Savings	2025/26 Budget	2025/26 FR2 Forecast	2025/26 Variance
Access to Services Customer Enablement	(0.750)	-	0.750
Digital Acceleration Invest to Save	(0.600)	(0.200)	0.400
Digital Blueprint Invest to Save	(4.000)	(1.000)	3.000
Fees and Charges	(0.750)	(0.821)	(0.071)
Third Party Spend	(3.000)	(0.625)	2.375
Workforce Resizing	(3.000)	(0.999)	2.001
Reduction of unavoidable agency usage	(0.352)	(0.176)	0.176
Productivity and wellbeing	(1.000)	-	1.000
TOTAL	(13.452)	(3.821)	9.631



- 44 Within the cross cutting Corporate Core, the Fees and Charges project will deliver agreed savings of £0.821m, above the planned budget saving of £0.750m. Across the other cross cutting projects within the Corporate Core and Access to Services programmes, delays in agreeing business cases and action plans to deliver associated savings mean that the full anticipated permanent savings can no longer be delivered in 2025/26.

- 45 Across the remaining cross cutting savings projects permanent savings of £3.000m are forecast against the budget saving of £12.702m. This forecast is based on a projection of delivery for each project, which collectively results in the achievement of approximately 24% of the planned 2025/26 budgeted savings.
- 46 However, in addition to these permanent savings one off in year mitigations totalling £1.789m have been identified to temporarily offset the forecast overspend. The Place directorate have identified £1.039m of in year savings to reduce the forecast Third Party Spend variance by this amount. In addition, the People and Customer Experience service within the Resources Directorate has identified in year savings of £0.750m to fully mitigate the variance against the Access to Services Customer Enablement Project. When these one-off mitigations are taken into account, the forecast variance across the Transformation cross cutting projects is reduced from £9.631m as set out in Table 5 to a revised variance of £7.842m.

Dedicated School Grant

- 47 The updated DSG Management Plan in July 2025, approved at Children and Families Committee in September 2025, reduces the growth rate of EHCP based on the lower in year deficit at the yearend outturn. The mitigated cumulative deficit forecast for 2025/26 is £145.978m after including mitigations of £14.792m. This seven-year plan reports a mitigated cumulative deficit by 2031/32 of £197.608m after including £792.689m mitigation.

Revenue Grants for Approval

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

Reserves Position

- 49 On 1 April 2025, Earmarked Reserves totalled £23.114m and the General Fund Reserve Balance totalled £6.299m. Of the total earmarked reserves, a net of £2.282m (7.76%) will be spent in 2025/26, on supporting the revenue budget for 2025/26.
- 50 Table 3 below shows the position on reserves forecast level of Earmarked and General reserves by the end of 2025/26.
- 51 As set out in the 2025/26 Budget/MTFS approved in February 2025, the overall level of reserves held by the Council remains insufficient.

Table 3: Total Reserves

Table 3 Earmarked Reserves	Balance at 1 April 2025	Drawdowns to Support Service Expenditure	Additional Contributions to Reserves	Balance Forecast at 31 March 2026
	£m	£m	£m	£m
Earmarked Reserves	(23.114)	16.811	(13.039)	(19.342)
General Fund Reserve	(6.299)	0	(1.490)	(7.789)
Total Usable Reserves	(29.413)	16.811	(14.529)	(27.131)

- 52 The Council is currently forecast to have £27.131m of useable reserves at the end of the financial year 2025/26. Of this £3.715m can be considered ringfenced, with specific conditions limiting their use.
- 53 A full list of all earmarked reserves per Committee can be found in **Annex 1, Section 5**.

Debt

- 54 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 on 31 August 2025 was £20.506m (£20.854m at 30 June 2025), of which £12.523m is over 6 months old (£11.998m at 31 August 2025). See **Annex 3, Section 1** for further details.

Council Tax and Business Rates

- 55 Council Tax and Business Rates income are collected into the Collection Fund. The fund is then shared between the billing authority (usually the local council), major preceptors (e.g. police and fire authorities), and for Business Rates, central government. It ensures transparency and proper allocation of resources to fund local services.
- 56 After accounting adjustments, the Council Tax Collection Fund is forecasting a £0.476m surplus for 2025/26, of which, £0.400m is attributable to Cheshire East Council. This estimated surplus would be paid out in 2026/27 and be credited to the Collection Fund Earmarked Reserve.
- 57 After accounting adjustments, the Non-Domestic Rates Collection Fund is forecasting a £3.157m surplus for 2025/26, of which, £1.547m is attributable to Cheshire East Council. This estimated surplus would be

paid out in 2026/27 and be credited to the Collection Fund Earmarked Reserve.

- 58 Further detailed information on both funds and the current collection rates for each can be found in **Annex 3, Section 2**.

Treasury Management Strategy update

- 59 Treasury Management income to 31 August 2025 is £1.380m which is higher than the budgeted £0.720m. Borrowing costs are also lower than budgeted at £7.456m compared to budget of £8.280 From the projected cash flows for the remainder of 2025/26 the net difference in financing costs (borrowing less investment interest) is expected to be £2.561m less than that budgeted.
- 60 Following the reductions in base rates, borrowing costs have begun to fall. The cost of borrowing is still higher than implied future rate cuts would suggest but this is driven by gilt yields and likely tightening of liquidity in the inter-LA market which has been witnessed in the last 2 years. The use of exceptional financial support has raised credit worthiness concerns with some lenders restricting the number of lenders available to the Council. The expectation is that borrowing costs will probably not start to fall until 2026/27 and beyond.
- 61 At the moment, cash shortfalls are generally being met by temporary borrowing from other Local Authorities which for a number of years has been considerably cheaper than other sources of borrowing and allowed the Council to keep financing costs low. -The cost of these loans remains good value compared with longer term loans and interest forecasts suggest it is still the cheaper option in the long term. However, liquidity risk remains an issue as funds become more scarce towards year end. To reduce liquidity risk, consideration is being given to taking more shorter term (1-5 years) PWLB loans.
- 62 The cost of short term borrowing for the first 5 months of 2025/26 is 4.71% which is a decrease from 5.29% for 2024/25. These costs are expected to reduce further as the outlook is for reducing interest rates and older higher cost debt is repaid.
- 63 Further detailed information is set out in **Annex 3, Section 3**.

Investment Strategy

- 64 There have not been any material changes to the Investment Strategy since that reported as part of the MTFS 2025-29, see [link](#) on the Cheshire East website.

Consultation and Engagement

- 65 As part of the budget setting process the Pre-Budget engagement process provided an opportunity for interested parties to review and comment on the Council's Budget principles.

Reasons for Recommendations

- 66 The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The budget and policy framework sets out rules for managing the Council's financial affairs and contains the financial limits that apply in various parts of the Constitution. As part of sound financial management and to comply with the constitution any changes to the budgets agreed by Council in the MTFS require approval in line with the financial limits within the Finance Procedure Rules.
- 67 This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring and management processes for financial and non-financial management of resources.

Other Options Considered

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

Implications and Comments

Monitoring Officer/Legal/Governance

- 69 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget and require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 70 The provisions of section 25 of the Local Government Act 2003, require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151)

officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

- 71 The Council should therefore have robust processes in place so that it can meet statutory requirements and fulfil its fiduciary duty. It must ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans. Local authorities are creatures of statute and are regulated through the legislative regime and whilst they have in more recent times been given a general power of competence, this must operate within that regime. Within the statutory framework there are specific obligations placed upon a local authority to support communities. These duties encompass general and specific duties and there is often significant local discretion in respect of how those services or duties are discharged. These will need to be assessed and advised on as each circumstance is considered.
- 72 The financial position of the Council must therefore be closely monitored, and Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings or alternative mitigations.
- 73 This report provides an update on progress for 2025/26 for all services.
- 74 It also provides updates and comments regarding the Council's use of Exceptional Financial Support under The Levelling-up and Regeneration Act 2023 which inserted an amended Section 12A as a trigger event within the Local Government Act 2003, in relation to capital finance risk management. The legislation also provides for risk mitigation directions to be given to the Council which limit the ability to undertake certain financial action. The limitations are based on identified risk thresholds.

Section 151 Officer/Finance

- 75 The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
- 76 Reserve levels are agreed, by Council, in February each year and are based on a risk assessment that considers the financial challenges facing the Council. If spending associated with in-year delivery of services is not contained within original forecasts for such activity it may be necessary to vire funds from reserves.

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

Human Resources

- 83 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

- 84 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 2025/26 financial scenario, budget, and reserves strategy.

Impact on other Committees

- 85 All Committees will receive this financial update report.

Policy

- 86 This report is a backward look at Council activities and predicts the year-end position. It supports the Council's vision of being an effective and enabling Council as set out in the Cheshire East Plan 2025-2029
- 87 The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2026 to 2030 Medium-Term Financial Strategy.
- 88 The approval of supplementary estimates and virements are governed by the Finance Procedure Rules section of the Constitution.

Equality, Diversity and Inclusion

- 89 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

Name of Consultee	Post held	Date sent	Date returned
Statutory Officer (or deputy):			
Ashley Hughes	S151 Officer	20/10/2025	24/10/2025
Kevin O'Keefe	Interim Monitoring Officer	20/10/2025	20/10/2025
Legal and Finance			
Chris Benham	Director of Finance	09/10/2025	23/10/2025
Julie Gregory	Legal Manager	09/10/2025	10/10/2025

Access to Information	
Contact Officer:	Chris Benham – Director of Finance Chris.benham@cheshireeast.gov.uk
Appendices:	Annex 1 - Detailed Second Financial Review 2025/26: • Section 1 2025/26 Forecast Outturn • Section 2 2025/26 Directorate Revenue Commentary and update on 2025/26 Approved Budget Change Items • Section 3 Revenue Grants for approval • Section 4 Capital • Section 5 Reserves Annex 2 - Detailed Capital Programme 2025/26 Annex 3 - additional information: • Section 1 Debt • Section 2 Council Tax and Business Rates • Section 3 Treasury Management • Section 4 Prudential Indicators
Background Papers:	The following are links to key background documents: MTFS 2025-2029 First Financial Review 2025/26

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Second Financial Review 2025/26

Results to end of August 2025

Finance Sub Committee

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Section 1: 2025/26 Forecast Outturn

- 1.1. **Table 1** provides a service summary of financial performance based on information available as at the end of August 2025. The current forecast is that services will be £12.906m over budget in the current year.
- 1.2. It also shows that central budgets are forecast to be £10.561m under budget resulting in an overall outturn of £2.345m overspend against a net revenue budget of £360.197m.
- 1.3. The forecast outturn position is based on a full financial management review across all service and reflects the following assumptions:
 - 1 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;
 - 2 A review of the on-going impacts of adverse variances identified in 2024/25;
 - 3 Any identified, emerging items of significance;
 - 4 Within Adult Social Care, significant growth is forecast for care costs, less mitigations linked to delivery of savings;
 - 5 Within Children's Services, the rising cost and number of placements is a continuing trend and the Directorate are reviewing governance in this area in order to mitigate the overspend.
 - 6 Forecast impact of the confirmed increased 2025/26 pay award £1.7m (assumed to be covered from the contingency budget);
 - 7 Detailed review of any vacancy underspends in all areas;
 - 8 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.
 - 9 Mitigation activities delivered or forecast to be delivered by 31 March as reflected in paragraph 30 of the main covering report.
- 1.4. Further items impacting on the level of the Council's balances are detailed in **Section 5**.
- 1.5. The tables below show details of the forecast by service area within each committee:

Committee	Service Area Tier 3	Revised Budget	Forecast Outturn	Variance	FR1 Variance	Movement from FR1
Adults and Health	Adult Health and Integration Total	(5.438)	(7.524)	(2.086)	-	(2.086)
Adults and Health	Communities and Integration Total	3.085	2.853	(0.232)	(0.445)	0.213
Adults and Health	Integrated Commissioning - MH, LD & Families Total	0.798	0.537	(0.261)	-	(0.261)
Adults and Health	Integrated Commissioning - New Models of Care Total	-	-	-	-	-
Adults and Health	Integrated Commissioning - Thriving & Prevention Total	0.782	1.496	0.714	0.075	0.639
Adults and Health	Integrated Urgent Care Total	(6.929)	(7.500)	(0.571)	-	(0.571)
Adults and Health	Adult Safeguarding Total	1.844	1.754	(0.089)	-	(0.089)
Adults and Health	Care4CE Total	17.918	17.937	0.018	0.038	(0.020)
Adults and Health	Community Care – Short Term Intervention Total	3.254	2.862	(0.393)	-	(0.393)
Adults and Health	Community Care – Locality Teams Total	87.635	89.749	2.114	(1.763)	3.877
Adults and Health	Mental Health and Learning Disability Total	65.522	66.661	1.139	1.800	(0.661)
Adults and Health	Operations Total	(1.769)	(2.115)	(0.346)	-	(0.346)
Adults and Health	Social Care Reform, Practice Assurance and Development Team	0.555	0.625	0.070	-	0.070
Adults and Health	Health Improvement Total	0.394	-	(0.394)	-	(0.394)
Adults and Health	Health Protection Total	-	-	-	-	-
Adults and Health	Infection Prevention & Control Total	0.354	-	(0.354)	-	(0.354)
Adults and Health	Joint Strategic Needs Assessment Total	0.246	-	(0.246)	-	(0.246)
Adults and Health	Public Health Total	(0.994)	-	0.994	-	0.994
Adults and Health		167.257	167.334	0.077	(0.295)	0.372
Children and Families	Children Prevention and Support Total	-	-	-	-	-
Children and Families	Childrens Improvement and Development Total	0.345	0.302	(0.043)	0.004	(0.047)
Children and Families	Early Start Total	3.192	2.979	(0.213)	(0.048)	(0.164)
Children and Families	Education and 14-19 Skills Total	(54.078)	(53.946)	0.132	0.133	(0.001)
Children and Families	Education Infrastructure and Outcomes Total	0.498	0.427	(0.071)	-	(0.071)
Children and Families	Education Participation and Pupil Support Total	19.758	20.283	0.525	0.295	0.230
Children and Families	Educational Psychologists Total	1.804	1.804	(0.000)	-	(0.000)
Children and Families	Preventative Services Total	3.749	3.553	(0.197)	(0.245)	0.048
Children and Families	SEND Total	59.682	59.719	0.037	0.003	0.034
Children and Families	Children's Services Total	1.169	1.621	0.452	1.229	(0.777)
Children and Families	Childrens Social Care - Safeguarding Total	2.424	2.423	(0.001)	0.009	(0.010)
Children and Families	Cared for Children Total	9.204	9.490	0.285	0.046	0.240
Children and Families	Children in Need, Protection and Disabilities Total	9.874	10.812	0.938	0.947	(0.009)
Children and Families	Childrens Social Care Total	1.429	1.382	(0.048)	(0.065)	0.017
Children and Families	Provider Services and Fostering Total	35.608	42.807	7.199	6.466	0.733
Children and Families	Integrated Front Door & Domestic Abuse Total	3.485	3.306	(0.179)	0.172	(0.351)
Children and Families	Social Worker Academy Total	0.276	0.323	0.047	0.054	(0.007)
Children and Families		98.420	107.285	8.864	8.998	(0.134)

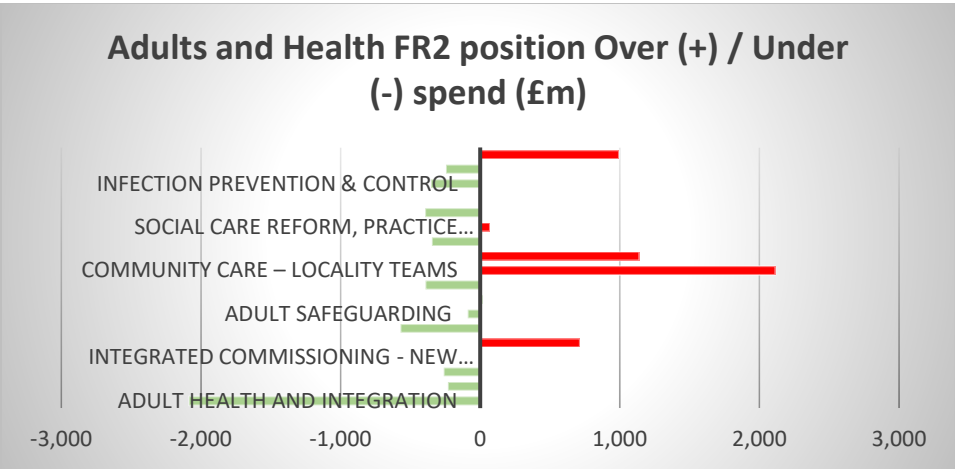
Committee	Service Area Tier 3	Revised Budget	Forecast Outturn	Variance	FR1 Variance	Movement from FR1
Corporate Policy	Corporate Total	1.302	0.967	(0.335)	(0.335)	-
Corporate Policy	Customer Service Centres Total	2.671	2.511	(0.161)	(0.100)	(0.061)
Corporate Policy	Human Resources & Organisational Development Total	2.838	2.619	(0.219)	(0.240)	0.021
Corporate Policy	Finance Total	5.718	5.618	(0.100)	-	(0.100)
Corporate Policy	Procurement Total	0.583	0.508	(0.075)	(0.030)	(0.045)
Corporate Policy	Revenues and Benefits - Rent Allowances	1.218	2.579	1.361	1.257	0.104
Corporate Policy	Revenues and Benefits Other	2.685	2.382	(0.303)	(0.303)	-
Corporate Policy	Digital Total	12.158	12.158	-	(0.091)	0.091
Corporate Policy	Audit and Risk Total	3.241	2.912	(0.329)	-	(0.329)
Corporate Policy	Democratic and Governance Services Total	4.118	3.811	(0.307)	(0.373)	0.066
Corporate Policy	Legal Services Total	4.117	4.315	0.198	(0.369)	0.567
Corporate Policy	Business Change Total	1.456	1.539	0.083	0.189	(0.106)
Corporate Policy	Engagement & Communications Total	1.072	1.042	(0.030)	0.475	(0.505)
Corporate Policy	Transformation Total	0.529	0.529	-	(0.018)	0.018
Corporate Policy		43.708	43.492	(0.217)	0.062	(0.279)
Corporate Policy	Cross Transformation Savings	(13.452)	(3.821)	9.631	9.631	-
Corporate Policy - Cross Transformation Savings		(13.452)	(3.821)	9.631	9.631	-
Economy and Growth	Economic Development Total	1.433	1.035	(0.398)	(0.410)	0.012
Economy and Growth	Estates Total	17.764	16.545	(1.219)	(0.778)	(0.441)
Economy and Growth	Growth and Enterprise Total	0.150	0.150	-	0.112	(0.112)
Economy and Growth	Housing Total	4.063	3.481	(0.582)	(0.468)	(0.114)
Economy and Growth	Rural and Cultural Directorate Total	4.777	4.519	(0.258)	(0.471)	0.213
Economy and Growth	Place Directorate	0.570	0.266	(0.304)	(0.270)	(0.034)
Economy and Growth		28.756	25.996	(2.761)	(2.285)	(0.476)
Environment and Communities	Environment and Neighbourhood Services Total	0.334	0.322	(0.012)	0.416	(0.428)
Environment and Communities	Environmental Services Total	7.882	5.108	(2.774)	(2.896)	0.122
Environment and Communities	Environmental Operations Total	23.741	24.033	0.292	0.217	0.075
Environment and Communities	Neighbourhood Services Total	4.561	5.349	0.788	0.420	0.368
Environment and Communities	Regulatory Services and Health Total	2.971	2.800	(0.171)	(0.145)	(0.026)
Environment and Communities	Planning Total	4.128	3.308	(0.820)	(0.557)	(0.263)
Environment and Communities		43.618	40.921	(2.697)	(2.545)	(0.152)
Highways and Transport	Highways Total	11.980	11.730	(0.250)	(0.250)	-
Highways and Transport	Infrastructure Total	0.110	0.138	0.028	0.028	-
Highways and Transport	Infrastructure and Highways Directorate Total	0.605	0.585	(0.020)	0.015	(0.035)
Highways and Transport	Strategic Transport Total	4.457	4.707	0.250	0.321	(0.071)
Highways and Transport		17.151	17.159	0.008	0.114	(0.106)

Committee	Service Area Tier 3	Revised Budget	Forecast Outturn	Variance	FR1 Variance	Movement from FR1
SUMMARY - SERVICE BUDGETS		385.459	398.365	12.906	13.681	(0.775)
Finance Sub - Central Budgets	Financing and Investment	34.039	30.731	(3.308)	(3.280)	(0.028)
Finance Sub - Central Budgets	Movements in Reserves	0.343	0.343	-	-	-
Finance Sub - Central Budgets	Parish Precepts & Other Operating Expenditure	12.664	12.664	-	-	-
Finance Sub - Central Budgets	Contingency Budget	7.953	0.700	(7.253)	(7.253)	-
Finance Sub - Central Budgets		54.999	44.438	(10.561)	(10.533)	(0.028)
TOTAL		440.458	442.803	2.345	3.147	(0.802)
Finance Sub - Funding Budgets	Council Tax	(320.086)	(320.086)	-	-	-
Finance Sub - Funding Budgets	Business Rates Retention	(57.122)	(57.122)	-	-	-
Finance Sub - Funding Budgets	Revenue Support Grant	(0.849)	(0.849)	-	-	-
Finance Sub - Funding Budgets	Unringfenced Grants	(37.140)	(37.140)	-	-	-
Finance Sub - Funding Budgets		(415.197)	(415.197)	-	-	-
Exceptional Financial Support		(25.261)	(25.261)	-	-	-
SUMMARY TOTAL - OVERALL POSITION		-	2.345	2.345	3.147	(0.802)

Section 2: Directorate Revenue Commentary and update on 2025/26 Approved Budget Change Items

2.1 The following section provides an explanation of the key drivers behind variances to Budget for the **Adults and Health Committee** and the tables below provide detailed commentary on the progress against the approved budget change items that were agreed as part of the approved budget in February 2025.

Adults and Health adverse variance of £0.1m:



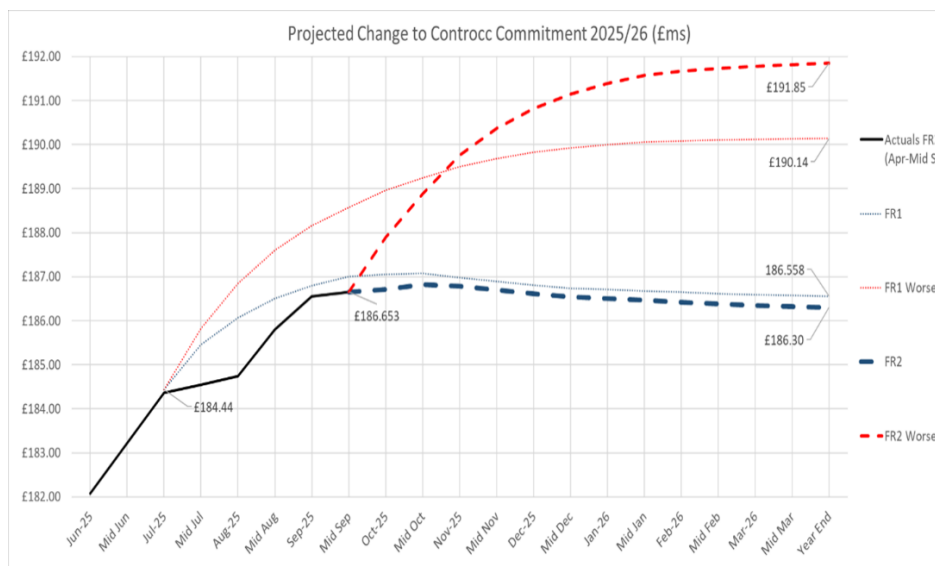
2.2 The Adults, Health and Integration budget is forecast to overspend by £0.077m at FR2. The early assumptions included in FR1 and FR2 have been developed using information about the impact of transformation activity. However, estimates remain subject to change over the remaining seven months of 2025/26. Under a worst-case scenario, FR2 indicates a potential overspend of £6.212m.

2.3 The forecast for client contributions to adult social care has been revised down following internal review work over the

summer. The expected over-recovery against budget has reduced from £3.462m to £2.717m. This £0.745m adjustment to the original projection reflects a more accurate assessment of recoverable income. The recently published annual review from the Local Government and Social Care Ombudsman’s reported a 28% rise in complaints nationally in respect of care charges, highlighting wider challenges in this area.

2.4 This has been partially offset by a £0.330m surplus on care cost accruals. This forecasted surplus for 2025/26 reflects a prudent estimate of the value of pending costs which relate to prior financial years. Now that 5 months of 2025/26 has elapsed, current forecasts predict this benefit in year.

2.5 Care costs have continued to rise since FR1. There was a sharper-than-expected increase in July. However, growth in August was below the forecasted rate, resulting in a broadly neutral impact over the two-month period. These variances reflect the variability in care cost trends and highlights the challenges in forecasting commissioned care costs. The following chart shows the change to forecasted gross cost commitment since FR1:



Figures in Chart:

FR1 (April – July) Actual Commitment for 2025/26, **£184.440m**

FR2 (April – Mid-September) Actual Commitment for 2025/26, **£186.653m**

FR2 Forecasted closing Commitment (including growth and savings estimates) **£186.300m**

FR2 Forecasted closing Commitment, worst case scenario, (including of growth and savings estimates) **£191.850m**

Summary of 2025/26 Financial Commitment as 12th September (FR2):

PSR	Age Band	Accommodation with Care	Supported Living	Care at Home	Direct Payment	Day Care	Shared Lives	Total
Learning Disability Support	18-64	£ 12,205,181	£ 26,854,178	£ 8,422,182	£ 5,607,750	£ 2,165,890	£ 277,434	£ 55,532,614
Learning Disability Support	65+	£ 1,773,730	£ 4,095,960	£ 1,056,724	£ 7,352	£ 93,545	£ 25,515	£ 7,052,826
Memory & Cognition	18-64	£ 2,042,129	£ 456,861	£ 270,843	£ 154,496	£ 9,892	£ 11,643	£ 2,945,864
Memory & Cognition	65+	£ 28,262,062	£ 255,688	£ 2,907,814	£ 662,434	£ 68,541	£ 58,343	£ 32,214,883
Mental Health	18-64	£ 2,243,393	£ 5,743,965	£ 2,035,980	£ 438,585	£ 11,256	£ 84,221	£ 10,557,398
Mental Health	65+	£ 5,667,641	£ 523,540	£ 956,047	£ 82,773	£ -	£ 39,875	£ 7,269,877
Physical Support	18-64	£ 3,114,119	£ 2,254,340	£ 3,752,477	£ 2,447,669	£ 97,601	£ 91,169	£ 11,757,375
Physical Support	65+	£ 31,890,380	£ 660,130	£ 19,604,394	£ 892,311	£ 12,972	£ 45,898	£ 53,106,085
Sensory Support	18-64	£ 157,900	£ 529,779	£ 191,476	£ 500,308	£ 44,627	£ -	£ 1,424,089
Sensory Support	65+	£ 537,361	£ 1,044	£ 181,288	£ 35,500	£ -	£ 3,842	£ 759,035
Social Isolation Support	18+	£ 395,915	£ 835,409	£ 387,750	£ 322,427	£ 118,757	£ 89,677	£ 2,149,935
Social Isolation Support	18-64	£ -	£ -	£ -	£ -	£ -	£ 22	£ 22
Substance Misuse Support	18+	£ 201,550	£ 107,778	£ 92,761	£ -	£ -	£ 703	£ 402,792
Support for Carer	18+	£ -	£ -	£ 3,635	£ 163,744	£ -	£ -	£ 167,379
Support for Carer	18-64	£ -	£ -	£ -	£ 2,221	£ -	£ -	£ 2,221
Block Contract Commitments								£ 1,310,587
Total		£ 88,491,360	£ 42,318,673	£ 39,863,371	£ 11,317,569	£ 2,623,081	£ 728,343	£ 186,652,984

Risks

- 2.6 FR2 assumes transformation savings to be delivered in the remaining 7 months of 2025/26 in line with the planned profile of savings. The original MTFS 2025/26 savings targets were informed by the Inner Circle deep dives (July 2024), which provided high-level estimates of potential savings. Business cases are now progressing, with pilots underway and implementation support being recruited. While the full-year savings remain achievable, some in-year mitigation is required due to the timing of delivery. An additional £2.549m is expected to be delivered in 2025/26, and £1.490m has been verified as delivered by FR2:

MTFS Saving 2025/26	Budget (£ms)	FR2 - Total Forecast (£ms)	FR2 Budget Variance (£ms)
Prevent, Reduce, Enable	-£1.500	-£0.339	£1.161
Learning Disability Transformation	-£2.500	-£1.000	£1.500
Commissioning and Brokerage	-£0.500	-£0.500	£0.000
Partnership Case Review	-£2.500	-£2.200	£0.300
Preparing for Adulthood	-£0.868	£0.000	£0.868
Total	-£7.868	-£4.039	£3.829

- 2.7 Demographic growth: The FR2 position assumes externally commissioned care growth of £2.2m between FR2 and year end. This estimate matches the trend seen in 2024/25 and is based on comparable conditions and internal constraints for expenditure growth. The chart above illustrates the forecasted impact of this £2.194m growth and the estimated £2.549m in savings between FR2 to the year end. The worst-case line excludes the estimated savings and adds in a £3.000m risk associated with an increase to the number of returning self-funders being picked up.

NHS

- 2.8 A material financial risk associated with the ongoing NHS restructuring which was highlighted in the FR1 report remains.
- 2.9 There is an emerging significant risk associated with current and forecasted winter pressures. Both Acute Trusts are being placed into NHS Tier 1 intervention status, which is part of a national escalation framework used during periods of extreme operational pressure. This escalation presents a challenge to the local authority; early indicators are already highlighting increased pressure on discharge pathways and increasing financial pressure to the local authority. This position will continue to be closely monitored through the winter period.

Mitigations

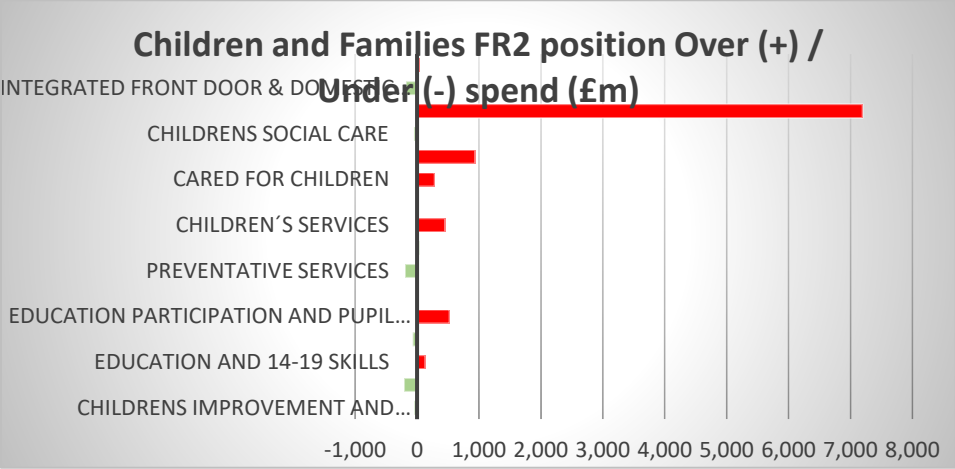
- 2.10 The position assumes it will be possible to replicate 2024/25's use of grants against eligible criteria.
- 2.11 The forecast assumes that staffing levels remain consistent with the September payroll. Underspends in year are currently being driven by held vacancies, which are forecast at FR2 to continue throughout 2025/26.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m		2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Adults and Health Committee 2025/26 Revised Budget as per Cover report Table 1		167.257	167.334		0.077	
Change from 2024/25 budget		21.494	21.571		0.077	
1	Client Contributions	(5.182)	(5.182)		-	Green - Income target for 2025/26 has been achieved.
2	Revenue Grants for Adult Social Care	(0.220)	(0.220)		-	Completed
3	Pensions Cost Adjustment	(0.517)	(0.517)		-	Completed
4	Demand in Adult Social Care	5.000	5.000		-	Amber – The Council has completed a model to forecast cost and demand in adult social care which will form the basis of future growth and saving requirements.
5	Pay Inflation	2.251	2.961		0.710	Red - LGS pay offer for 2025.Full and final offers of 3.20% increase resulting in overspend of c.£1.7m across the Council. Updated at FR1 to include additional pressure from the 2.5% not previously identified.
6	Funding the staffing establishment	3.800	3.800		-	Green - Increases in the number of social care staff to maintain safe services and to meet increasing demands.
7	Fully Funding current care demand levels 2024/25	24.500	24.500		-	Green - Growth, recognising the full year effect of current pressures on the externally commissioned care budget.
8	Remodel extra care housing catering service	(0.270)	(0.270)		-	Green - Work is ongoing to remodel the catering offer in extra care facilities.
9T	Prevent, Reduce, Enable - Older People	(1.500)	(0.339)		1.161	Amber - The Prevent Reduce Enable programme has been established in accordance with the Council's Strategic Transformation programme. The pilot began on 16th June. The Prevent, Reduce, Enable programme is focused on ensuring that people are supported to live independent lives for as long as possible, delaying the need for commissioned social care services. The business case for year one anticipates a realisable saving of £650k. This is a shortfall of £850k against the MTFS. Offsetting savings are being identified.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m		2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
10T	Learning Disability service transformation	(2.500)	(1.000)		1.500	Amber - Programme status has been updated to Amber due to continued challenges identified within working groups about delivery targets. The full year effect of the transformation programme remains at £2.5m as per the MTFS savings target, however, it is acknowledged the delivery of the full target will not be achieved this year due to a time lag in converting business cases into delivery. The forecast has been amended to £1m to reflect this. A breakdown of how the £2.5m (full year effect) savings target will be achieved is in development, covering the three key areas of the programme, Supported Living, Care4CE, and Shared Lives contributions. Work is also underway to confirm savings from the decommissioning of one of our Supported Living buildings, (estimated at £154k) this to be recorded against this target once validated
11T	Commissioning and brokerage transformation	(0.500)	(0.500)		-	Green - The Guide Price Policy is now in place and a tracker has been set up to monitor savings against the MTFS target. There is a high confidence level that this can be achieved.
12T	Preparing for Adulthood	(0.868)	-		0.868	Red - This saving will be realised in children's services, it is likely that this is double counting with saving identified in the Birth to Thrive transformation group. The Council is are reviewing as part of 'plan B' savings.
13T	Health and Social Care Partnership Case Review	(2.500)	(2.200)		0.300	Green - This is now part of BAU and the service will provide updates via a tracker as to the progress against the target. To date this year the Council has achieved £0.684m.
In year	Other forecast mitigations within the Adults services	-	(4.545)		(4.545)	Mitigations linked to maximisation of eligible grants, careful management of vacancies, and client income. To reconcile to FR2.
In year	Other forecast pressures within the Adults services	-	0.083		0.083	Other variances to reconcile to FR2 position.

2.12 The following section provides an explanation of the key drivers behind variances to Budget for the **Children and Families Committee** and the table below provide detailed commentary on the progress against the approved budget change items that were agreed as part of the approved budget in February 2025.

Children and Families adverse variance of £8.9m



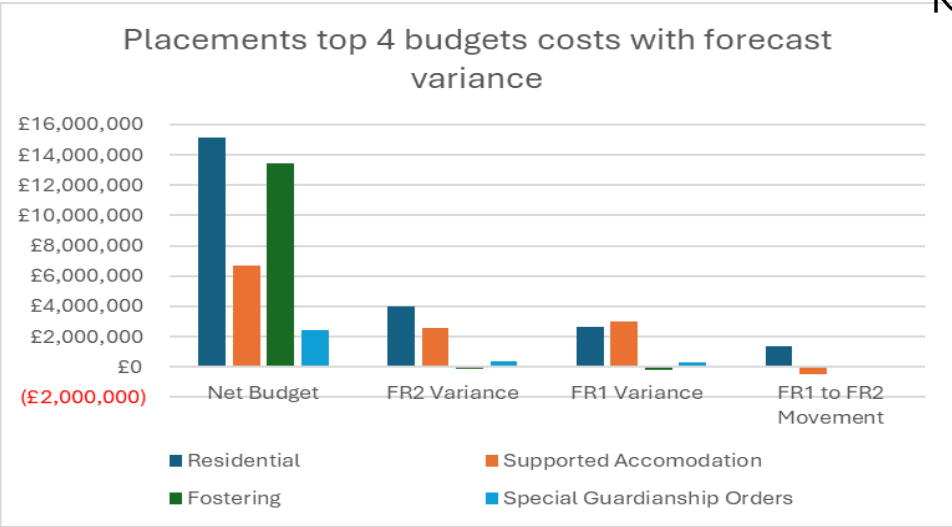
2.13 The Children’s Services second financial review for 2025/26 reflects a forecast overspend of £8.864m, based on the August 2025 reports, a reduction of £0.136m on FR1 overspend position £8.998m. The key pressures continue to be increased costs in placements and staffing, which are the focus of this commentary.

Change from FR1 (improvement of £0.136m)

2.14 The forecast placements cost for 2025/26 is updated to £7.979m adverse to budget compared to £6.414m at FR1, an increase cost of £1.565m. Budgeted growth for care demand of £3.295m was built into the 2025/26 MTFS to address the pressure on placements based on 2024/25 evidence. Growth for fee increases in 2025/26 was included in the central contingency budget which in FR2 includes a £0.400m virement to Children’s Services.

2.15 Although the number of children in care is reducing, FR2 is 539 (at 29.8.25) compared to FR1 of 549 (at 13.6.25) and 550 at March 2025, the cost of placements in 2025/26 has continued to increase, creating an un-budgeted pressure. These statistics excludes Care leavers (Post 18), with the FR2 position reporting 88 placements in August and the FR1 position of 95 in June for young people in high-cost accommodation. Block commissioning plans are in place to secure better value long term support for care leavers.

2.16 The following diagram represents the categories of placements which represent 93% of the annual budget and the main elements of the £7.979m forecast variance. Residential placements FR2 variance is £4.022m, compared to FR1 £2.669m, and Supported Accommodation £2.538m, an improvement compared to FR1 £3.005m.



- 2.17 The MTFS sets out savings in relation to placements for Right Child Right Home £1.32m and New Accommodation with Support Offer for 16-25 Young People £1.1m. Due to these increased placement costs the forecast has assumed these savings will not be met in 2025/26.
- 2.18 The updated forecast for the establishment staffing costs for 2025/26 is £1.190m (FR1 £2.145m) adverse to budget. The reduction from FR1, £0.955m, is due partly to the inclusion of the FR1 best case mitigation Family Help Grant funding of £0.514m. The key adverse variance at FR2 relates to Children in Need, Protection and Disabilities and Cared for Children which is then offset by forecasted underspend in Early Years and Preventative Services.
- 2.19 The Transport costs for 2025/26 has increased to £0.651m adverse to budget, an increase on FR1 of £0.197m. This continues to be a pressure for Home to School contracts and changes in fleet after the additional budget included in the current MTFS. In addition, MTFS savings related to Safer Walking Routes to School are not fully deliverable due to link to capital projects.

Risks

- 2.20 The number of children in placements and the costs of placements is difficult to estimate. The worst case forecast could add a further increase in costs of c.£1.800m.

Mitigations

- 2.21 The Directorate are undertaking work to review and manage the placement governance with the aim to reduce the cost of this overspend in year. The Directorate are working to reduce the reliance on agency staff and are developing a long-term workforce plan.

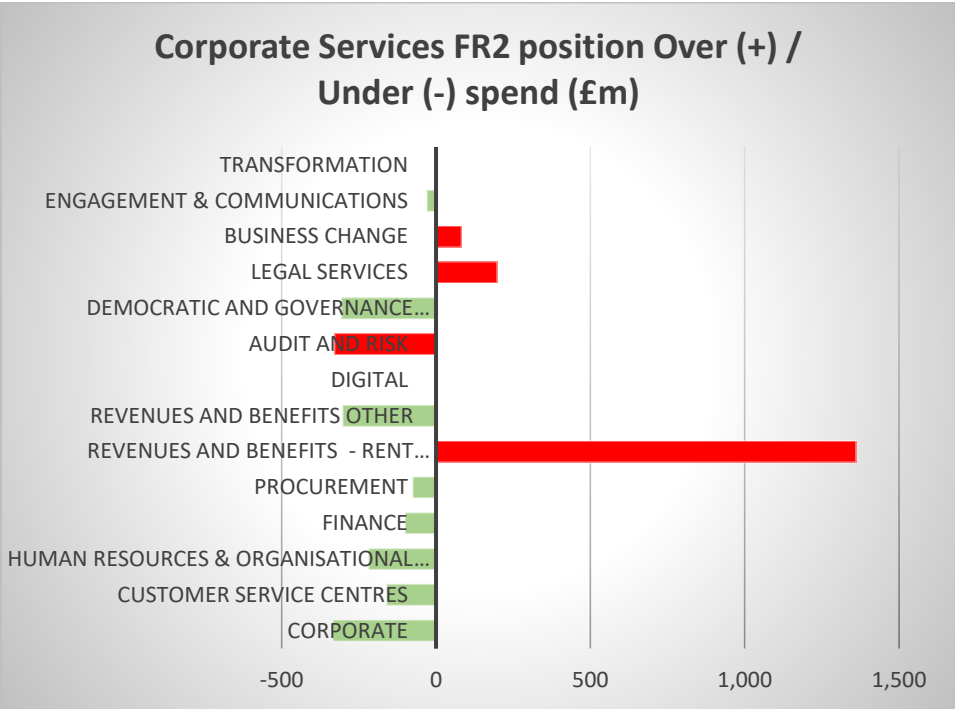
MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Children and Families Committee 2025/26 Revised Budget as per Cover report Table 1		98.420	107.285	8.864	
Change from 2024/25 budget		8.659	17.523	8.864	
14	Pension costs adjustment	(0.050)	0.082	0.132	Red - Teacher's pension legacy costs are not reducing as anticipated.
14	Pension costs adjustment	(0.487)	(0.487)	-	Completed - CEC pension reduction.
15	Growth to deliver statutory Youth Justice service, and meet Safeguarding Partnership duties	0.203	0.195	(0.008)	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.
16	Growth in School, SEND and Social Care Transport budget	1.501	1.884	0.383	Red - Being reviewed as part of ongoing SEND improvement
17	Pay Inflation	2.624	2.874	0.250	Red - LGS pay offer for 2025.Full and final offers of 3.20% increase resulting in overspend of c.£1.7m across the Council.
18	Fully Funding current care demand levels 2024/25	3.295	8.854	5.559	Red - Will need to be closely monitored throughout the year to ensure that funding is sufficient to meet demand and complexity. This is also part of transformation work to ensure Edge of care/Right Child Right home.
19	Court Progression Improvement	0.023	0.023	-	Red - Some of this will be covered in the new structure build and re-design, there is increased oversight on applications court delays at Director level, to minimise delays to court work.
20	Growth for annual contribution to the Regional Adoption Agency	0.213	0.213	-	Green
21	Growth for Unaccompanied Asylum Seeking Children due to emerging pressures	0.500	(0.013)	(0.513)	Green - Growth in Unaccompanied Asylum Seeking Children.
22	Reversal of a one year policy change for traded services	0.120	0.120	-	Green - Reversal of non-permanent 2023/24 policy change CF23-27 42.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
23	Schools Improvement	0.175	0.175	-	Green - Due to staffing previously been paid out of the school improvement grant and this grant is now ceasing there is insufficient budget to cover the existing staffing in the service to cover our statutory duties.
24	Funding the staffing establishment	2.739	3.657	0.918	Red - A families First transformation area of work has commenced and the re-structure will be delivered as part of this.
25	Safe Walking Routes to School	(0.250)	(0.018)	0.232	Red
26T	New accommodation with support offer for 16-25 young people	(1.100)	-	1.100	Red - This reduction in expenditure relates to commissioning work that has identified lower cost accommodation for this group of young people. Savings will be achieved through accessing lower unit cost places. A paper has been approved at C&F committee on the 9 June and 15 September. There is a delay in this saving, for 2025/26.
27T	Birth to Thrive	(0.500)	-	(0.500)	Red - This is delayed by SRO capacity and needs a review by Transformation Board.
28T	Right Child, Right Home	(1.320)	-	1.320	Red - The oversight of placements now in place should now support the future savings. This is unlikely to be delivered in 2025/26.
29	Extended Rights to Free Transport	0.388	0.388	-	The Extended Rights to Free Travel grant is being rolled in to the Local Government Financial Settlement. This growth item is offset by additional grants within the central budgets. Amount confirmed and updated as at provisional settlement 18/12/2024.
30	Children's Social Care Prevention Grant – Expenditure	0.905	1.033	0.128	Green - Expenditure relating to the Children's Social Care Prevention Grant.
31	Children's Social Care Prevention Grant – Grant Income	(0.905)	(1.033)	(0.128)	Green - Grant announced in 2025/26 financial settlement. Additional Funding now confirmed from Families First Partnership Programme Transformation Grant.
32	Foster4	0.114	0.057	(0.057)	Green - Grant Confirmation for 50% of costs.
33	Foster Carers uplift of National Minimum Allowance (NMA)	0.471	0.471	-	Green - 3.55% NMA foster carer uplift.
In-year	In year variances not included in MTFS Proposals.	-	0.058	0.058	FR2 In year variances mainly relating to unallocated budget savings and ILACS other staff related expenses.
In-year	In year variances not included in MTFS Proposals.	-	(0.194)	(0.194)	Quality Assurance, Commissioning and Partnership - Mitigations to balance back to Finance Review Position.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
In-year	In year variances not included in MTFS Proposals.	-	(0.946)	(0.946)	Family Help and Children's Social Care - mitigations to balance back to finance review position.
In-year	In year variances not included in MTFS Proposals.	-	0.130	0.130	In year variances mainly relating to Early Start and Transport.

2.22 The following section provides an explanation of the key drivers behind variances to Budget for the **Corporate Policy Committee** and the tables below provide detailed commentary on the progress against the approved budget change items that were agreed as part of the approved budget in February 2025.

Corporate Policy favourable variance of £0.2m



2.23 The corporate services, including Resources, Assistant Chief Executive and Law and Governance has a net budget of £43.7m. At Second Finance Review (FR2), the budget is forecast to underspend by £0.2m which is a £0.3m positive shift over the First Finance Review (FR1) position.

2.24 The key reason for the FR2 variance is vacancy management. The majority of services have forecast an underspend on staffing budgets totalling £1.9m. This is being partially offset by the use of agency staff in some areas.

2.25 These underspends have been offset by the following pressures:

- a forecast £1.4m (£1.3m at FR1) under-recovery on Rent Allowances, and a reduction in Housing Benefit Overpayment recovery rates;
- a forecast under-recovery of income of £0.3m (£0.6m at FR1) within several services particularly within Transformation and Improvement, Legal Services, and Audit and Risk;
- a £0.1m (£0.1m at FR1) pressure due to unachievable savings from previous year's MTFS savings relating to staffing.

Risks

2.26 Digital Services has undergone a considerable change in recent months due to the splitting of the shared service and remodelling of the Cheshire East element. FR2 projections are based on transitioning to new model and at this stage the expectation is that the service will come in on budget. There are significant risks in this position in terms of finalising staffing structures, forecasting contract spend and delivering the expected number of chargeable hours. This is a £0.1m worsening since FR1 as a number of agency staff contracts have been extended to complete the change programme.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Corporate Policy Committee 2025/26 Revised Budget as per Cover report Table 1		43.708	43.491	(0.217)	
Change from 2024/25 budget		1.078	0.861	(0.217)	
34	Enforce prompt debt recovery and increase charges for costs	(0.077)	(0.077)	-	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 the Council continues the regular recovery process during the year.
35	Pension costs adjustment	(0.396)	(0.396)	-	Completed
36	Pay Inflation	1.494	2.013	0.519	Red - LGS pay offer for 2025.Full and final offers of 3.20% increase resulting in overspend of c.£1.7m across the Council.
37	Shared Services Review - Move to Hybrid Model for ICT	(0.733)	(0.733)	-	Completed - The Shared Service continues to reduce third party costs and agency spend as per the Business case.
38	The achievement of additional Registration Service income, over and above that which is currently identified as required	(0.350)	(0.350)	-	Green - Additional Registration Service income. To be reviewed in year as the season progresses.
39	Recognising the annual receipt of £45k of Police and Crime Panel grant income	(0.045)	(0.045)	-	Green - This reflects a grant payment from the Home Office that is received each year in the Council's budget subject to adequate justification being provided.
40	Remove unspent element of phones budgets in corporate services	(0.060)	(0.060)	-	Completed. The phone budgets were reduced accordingly following approval of this proposal to align budgets with spend levels.
41T	Digital Acceleration Revenue Growth	-	-	-	No proposal in 2025/26
42T	Digital Blueprint Revenue Growth	-	-	-	No proposal in 2025/26
43	Transactional Shared Services stabilisation plan	0.270	0.270	-	Green - To provide TSS with additional capacity in 2025/26 - impact of this item and further review to be determined.
44	Additional cost of External Audit Fees	0.265	0.265	-	Green - Additional cost of External Audit Fees - based on 2024/25 fee level.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
45	Reduce Members Allowances budget	(0.100)	(0.100)	-	Green - Reduce Members Allowances budget for previous years pay award that was not taken.
46	Additional Cost of Bank Charges from 2025/26	0.120	0.170	0.050	Red – 2025/26 bank charges are above increased budget available and the latest information available suggests charges could increase further
47	Reverse reduction in leadership and management costs as posts are being retained	0.540	0.540	-	Completed. This reversal was necessary in light of the LGA review of decision making and the need to put an appropriate senior management structure in place in the corporate areas.
48	Reinstatement of a one-off saving of £150,000 from election budgets for 2024/25	0.150	0.150	-	Green - Reinstatement of a one-off saving of £150,000 from election budgets, for the 2024/25 year. Noted that the election costs will exceed the reserve and that difference will form a pressure on outturn. The next big local election is May 2027.
In year	Rent allowances and Housing Benefit Over payment pressure	-	1.361	1.361	Reduction in Overpayment Recovery Rates +£750k (£650k at FR1) due to: • reducing Housing Benefit (HB) caseload due to migration to Universal Credit affecting ability to recover overpayments via ongoing benefit; • PDP (Payment Deduction Program via DWP benefits) HB overpayments are low down in the hierarchy of recovery; • PDP deductions from Universal Credit (UC) payments are capped at 15% of the claimant's standard allowance, down from the previous maximum rate of 25% from April 2025 so less amount being able to recover; and • Less disposable income of debtors due to cost of living. Rent Allowances - shortfall in budgeted income versus budgeted expenditure +£611k (£607k at FR1) Shortfall is mainly due to the number of Supported Accommodation claims and increase in the number of new supported accommodation projects in Cheshire East. Housing costs are met from Housing Benefits and claimed back from DWP through the Housing Benefit Subsidy. The rents for supported accommodation are often higher than mainstream rents and not all expenditure is met by subsidy per HB regulations. Rent levels for new schemes and rent increases are reviewed and challenged by Benefits service who also work with the Councils Commissioning team.
In year	Mitigations to balance back to Finance Review position	-	(2.147)	(2.147)	Mitigations to balance back to Finance Review position

The tables below provide detailed commentary on the progress of the Council wide Transformation proposals against the approved budget change items that were agreed as part of the approved budget in February 2025.

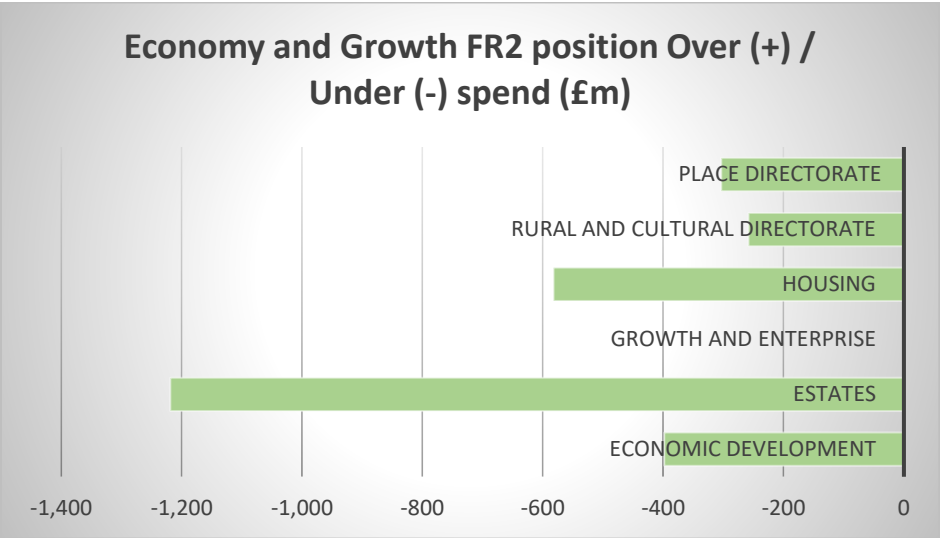
MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Corporate Policy Committee - Council Wide Transformation 2025/26 Budget as per Cover report Table 1		(13.452)	(3.821)	9.631	
Change from 2024/25 budget		(13.452)	(3.821)	9.631	
49T	Digital Customer Enablement Invest to Save	(0.750)	-	0.750	Amber- Delivery of a Digital Enablement Framework which directly supports the ambitions of the Corporate Plan. This existing initiative is a key enabler for deliverables within Customer Experience Workstream, putting customer considerations at the centre of ongoing service delivery. It additionally provides transformational capabilities for ongoing change management and increased efficiencies within the end-to-end service delivery processes including keeping customers informed and corporate case management options.
50T	Digital Acceleration Invest to Save	(0.600)	(0.200)	0.400	Red - The Digital Acceleration Project is now rated RED to reflect a material delay in the project. To mitigate this, the Digital Opportunities Long List process has been started with Directorates with the aim of confirming and signing off benefits realisation. Additionally, strategic alignment with the Workforce Programme is ongoing to secure accountable ownership and embed benefit realisation into service planning. This alignment is critical to unlocking the value of the projects within the programme and ensuring sustainable adoption and benefits realisation across directorates. The Acceleration enablement process remains broadly on track. The AI Transformation Platform contract is now in place and the design and delivery planning is being commenced across all directorates. Realisation of the associated savings are dependent on the various Directorates adopting the solutions within the same financial period and delays in this area are likely to have a significant impact on the 2025/26 benefit realisation forecast. Any potential impact will be identified and assessed during the detailed design activities which will be completed over the coming period.
51T	Digital Blueprint - Invest to Save	(4.000)	(1.000)	3.000	Red - Digital Adoption is now rated RED to reflect a material delay in the project. While quality and resource indicators remain green, the overall programme has moved from amber to red due to delays within business case approval. Phase 1 business cases have been drafted and are awaiting sign-off. These delays are impacting delivery momentum and continued delays in this area are likely to have a significant impact on the 2025/26 benefit realisation forecast.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
					To mitigate this, the Digital Opportunities Long List process has been started with Directorates, with the aim of confirming and signing off benefits realisation. The initiative is designed to fast-track digital solutions that deliver council-wide service improvements and efficiencies. Realisation of the associated savings are dependent on the various Directorates adopting the solutions within the same financial period and delays in this area are likely to have a significant impact on the 2025/26 benefit realisation forecast. Any potential impact will be identified and assessed during the detailed design activities which will be completed over the coming period.
52T	Target Operating Model (TOM)	(3.000)	(0.999)	2.001	Red - At FR2 the forecast for this transformation proposal is £1m achievement. A significant amount of work is taking place to establish a basis for making savings. This includes a line by line review and a number of other projects to identify savings. WF1 has seen good progress to date with the Operating Model, it has recently been re-scoped and delivered a draft People Strategy in preparation for the next phase of work around spans and layers across the Council.
53T	Agency Staffing	(0.352)	(0.176)	0.176	Red - At FR2 the forecast for this transformation proposal is being set at £176k against this corporate line. There are expected savings from the first round of the purchase of additional annual leave scheme and from holiday payments to agency staff. These will be included in service figures so are not included here to avoid any double counting. A significant amount of work is taking place to establish a basis for making the savings. This includes a line by line review and a number of other projects to identify savings which will include reducing agency spend, increasing uptake of benefits through our Vivup Employee Benefits Platform (which increases income to us). WF2 is focusing on delivery of tangible and non-tangible benefits. Savings modelling work is progressing with all Directorates.
54T	Workforce Productivity	(1.000)	-	1.000	Red - At FR2 the forecast for this transformation proposal is nil achievement. A significant amount of work is taking place to establish a basis for making savings. This includes a line by line review and a number of other projects to identify savings.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
					WF3 has delivered an Employee Engagement Strategy and refreshed Council Values. A new Employee Lifecycle is under development to support our People Strategy and delivery of our Cheshire East Plan 2024 - 2029.
55T	Fees and Charges	(0.750)	(0.821)	(0.071)	Amber - The project has identified business activities where fees and charges can be increased in order to meet the target and this was approved by the Transformation Board. There have since been suggested changes provided approved at the May 2025 Transformation Board which allow for additional income of £0.821M to be raised. A corporate Fees and charges Policy has been developed and is progressing through the Committee approval process to support the drive to maximise income.
56T	Third Party Spend	(3.000)	(0.625)	2.375	Amber - The project has identified a number of opportunities where savings may be made, and work is ongoing to identify savings within major contracts. This is supplemented through other related opportunities such as procurement cards.

2.27 The following section provides an explanation of the key drivers behind variances to Budget for the **Economy and Growth Committee** and the table below provide detailed commentary on the progress against the approved budget change items that were agreed as part of the approved budget in February 2025.

Economy and Growth favourable variance of £2.8m



- 2.32 Housing: -£0.6m underspend (vacancies, income and reduced spend).
- 2.33 Facilities management: - £0.5m underspend (Vacancies and underspends on utility costs offsetting pressures).
- 2.34 Other -£0.3m underspend (Farms, Green infrastructure and cultural economy).
- 2.35 Directorate -£0.3m (reduction in expenditure and use of reserves).

- 2.28 Growth and Enterprise Directorate and Place Directorate are forecasting an underspend of -£2.8m against a budget of £31.3m which is £0.5m further improvement since FR1.
- 2.29 The key reasons for the underspend are evident in a number of service areas, as explained below:
- 2.30 Assets Service: -£0.6m underspend (vacancies and one-off invoicing for backdated rent).
- 2.31 Economic Development: -£0.4m underspend (vacancies, use of grants and additional recharges to capital).

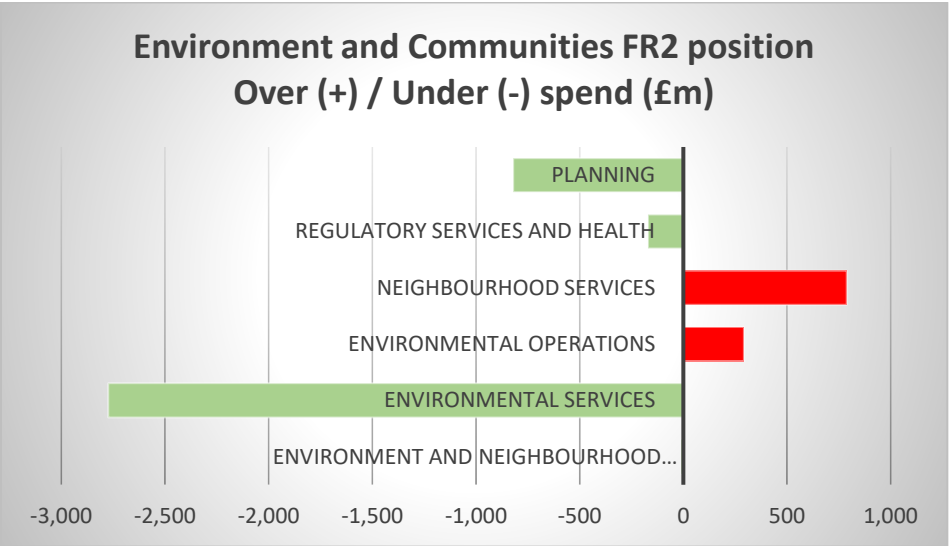
MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Economy and Growth 2025/26 Revised Budget as per Cover report Table 1		28.756	25.996	(2.761)	
Change from 2024/25 budget		0.534	(2.227)	(2.761)	
57	Office Estate Rationalisation	(0.150)	(0.100)	0.050	Amber - due to the timeline for the transfer of buildings being extended. Risk associated with the transfer of Westfields to Education for a SEND school. This item is being mitigated by in year savings.
58	Pension Costs Adjustment	(0.164)	(0.164)	-	Completed
59	Tatton Park ticketing and EPOS upgrade	0.001	0.001	-	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.
60	CEC Archives	0.014	0.014	-	Green - All elements of the programme are progressing well, on time and on budget.
61	Rural and Visitor Economy Electricity costs	(0.021)	(0.021)	-	Green - In line with wider national industry price caps, the projections of energy reduction costs to users were due to be introduced during 2025/26 and therefore consideration to reduce the budget provision has been carried out in the base budget.
62	Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment	0.023	0.102	0.079	Amber – Prioritised negotiations with 3rd parties/tenants occupying premises being expedited to mitigate delays on obtaining access for surveys, completing necessary improvement works and legally completing lease renewals.
63	Pay Inflation	1.064	1.187	0.123	Red - LGS pay offer for 2025.Full and final offers of 3.20% increase resulting in overspend of c.£1.7m across the Council.
64	Maintenance and operation of new assets in Crewe town centre	0.205	0.205	-	Green - Expected to spend to allocated budget.
65	Land Fill Site Assessments Revenue Adjustment - Estates – Review and Risk Assessment of Council owned Landfill sites (53 sites) Review and Risk Assessment completions	0.010	0.010	-	Green - Environment Service capacity identified. 2nd stage review underway.
66	Tatton Park Estate Dwellings Refurbishment	0.015	0.015	-	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.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
67	Improving Crewe Rented Housing Standards	0.188	-	(0.188)	Amber - Due to the progression of the Governments Renters Rights Bill which will bring forward improvements to the private rented sector, but place new requirements on Council's to carry out enforcement activity it is the intention to utilise the funding to undertake a stock condition survey of the private rented sector which will be used to influence future direction and enable us to formulate a robust plan to improve the private rented sector and recruit to new posts to undertake the new requirements being brought forward under the new regulations.
68	Maximise potential of Countryside Access Management System	0.020	0.020	-	Green - Software contract signed following Procurement Engagement. Roll out initiation meeting held with supplier.
69	Assets - building and operational – Energy	(0.860)	(0.860)	-	Completed - This was a known reduction as agreed last year as part of the overall MTFS savings target.
70	Assets - building and operational – Maintenance	0.465	0.465	-	Green - Whilst Inflation limits have stabilised, the additional funding is required to offset known increases in material costs and labour rates that were inadequate in previous financial years and to mitigate the impacts moving forward. The overall backlog of maintenance still remains a challenge, alongside the continued holding costs associated with managing vacant premises, pending the implementation of the future use / operation.
71	Tatton Park - Increase Fees and Charges	(0.126)	(0.126)	-	Green - Following the strategic pricing review in 2020, Tatton Park continues to monitor and review parkland and attraction admission prices on an annual basis. Appropriate adjustments are made after considering the wider national economic situation, local competitor pricing and visitor dynamics to ensure that Tatton is able to achieve its budget targets.
72T	Corporate Landlord Model Refresh	(0.050)	(0.050)	-	Amber - This is a notional target saving allocation, based on the potential reduction of assets, linked to the disposals programme. Budget savings have been allocated from both the Assets Disposal programme and existing Facilities Management revenue funding.
73T	Asset Strategy Refresh	(0.100)	(0.100)	-	Amber - This was a notional target saving allocation, based on the potential reduction of assets, linked to the disposals programme. Several of the key sites are subject to planning consents or contractual conditions as part of the disposal strategy and may therefore be a challenge to achieve within year. Provisional budget has been identified from additional income and savings within the investment portfolio.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
In-year	Place Directorate Mitigations to balance back to Finance Review position	-	(0.304)	(0.304)	Place Directorate Mitigations to balance back to Finance Review position
In-year	Growth & Enterprise Mitigations to balance back to Finance Review position	-	(2.521)	(2.521)	Growth & Enterprise Mitigations to balance back to Finance Review position

2.36 The following section provides an explanation of the key drivers behind variances to Budget for the **Environment and Communities Committee** and the table below provide detailed commentary on the progress against the approved budget change items that were agreed as part of the approved budget in February 2025.

Environment and Communities favourable variance of £2.7m



Mitigations

- 2.39 Within Environmental services there is a reported underspend of £2.8m which is due to one-off benefits from an Extended Producer Responsibility grant of £1.4m; improved company reserves of £0.8m and a lower Ansa management fee of £0.2m from vacancies. General underspends have been generated from vacancy management and additional income.
- 2.40 Within Development Management there is a £0.7m underspend mainly from additional income.
- 2.41 Other service underspend of -£0.2m due to vacancies.

2.37 Environment and Neighbourhood Services is forecasting an underspend of -£2.7m against a budget of £43.6m. This is an improvement of £0.152m since FR1.

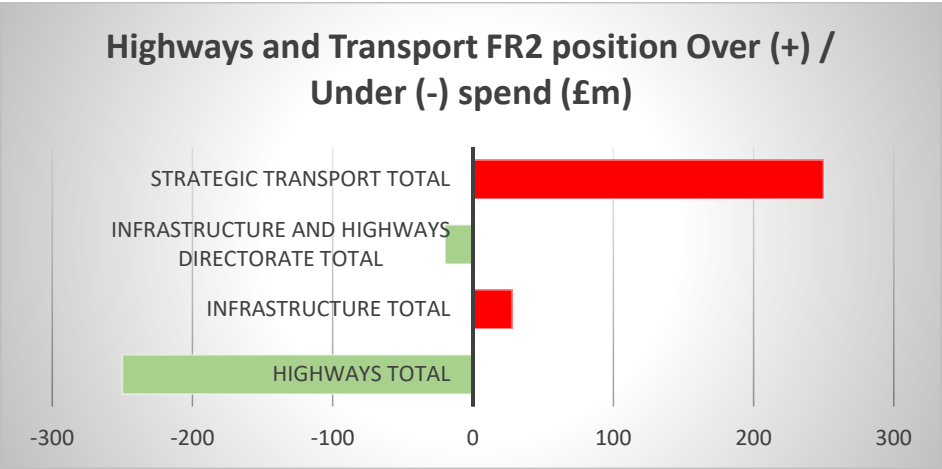
2.38 There are a number of one off items generating an in-year improvement versus budget. This is partially offset by a £1m pressure within Leisure Commissioning which is as a result of delays in the delivery of MTFS savings, a pressure of capital financing costs and a shortfall in income.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Environment and Communities 2025/26 Revised Budget as per Cover report Table 1		43.618	40.921	(2.697)	
Change from 2024/25 budget		(2.741)	(5.438)	(2.697)	
74	Strategic Leisure Review (Stage 2)	0.403	0.626	0.223	Red - Initial savings secured via committee decision on 11 March 2024. Proposals are being developed with EHL and town and parish councils to secure the residual £0.250m amount - dialogue is ongoing. Delays to disposing of Middlewich and Holmes Chapel Leisure Centres in year are having a negative impact on savings position.
75	Libraries Strategy - Stage 1	(0.100)	(0.061)	0.039	Amber - Committee approval to implement final Strategy secured on 27th November 2024, implementation now ongoing with revised opening hours at Tier 3 sites going live from January 2025 and Tier 2 sites as of 1st April 2025. Staff consultations now complete, new structure implemented from 7th July. Engagement with Town and Parish Councils undertaken to shape the Strategy proposals and seek funding contributions, which has resulted in a total of 8 sites being supported to a total of c.£154k enabling over 2,150 hours of library opening time per annum. Budget gap of £39,000 yet to be found, mitigated through in year savings from ongoing staff vacancies.
76	Reduce revenue impact of carbon reduction capital schemes	0.171	0.171	-	Green - Carbon Neutral Council target 2030 for the Council to be Carbon neutral with minimum of offset.
77	Pay Inflation	2.270	2.698	0.428	Red - LGS pay offer for 2025.Full and final offers of 3.20% increase resulting in overspend of c.£1.7m across the Council.
78	Pension Costs Adjustment	(0.159)	(0.159)	-	Completed
79	Explore a Trust delivery model for Libraries and other services	(0.150)	(0.150)	-	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.
80	Land Charge Income Adjustment	0.147	0.147	-	Amber - Uncertainty around implementation timescales of HM Land Registry changes to centralise some aspects of land charges functions hence understanding of actual impact, to be regularly monitored.
81	Local Plan Review	0.315	0.315	-	Amber - Reprofiled budget adjustment to provide additional funding towards development of new Local Plan which has now commenced.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
82	Review of CCTV service - service efficiencies and income generation from existing services	(0.040)	(0.040)	-	Green - On target. Restructure has been subject to recruitment process with final outcomes communicated. Establishment to be updated on Unit 4.
83	Environmental Services Growth 2025/26 onwards	3.041	1.808	(1.233)	Green - Environmental Services Growth 2025/26 onwards.
84	Environmental Services Savings 2025/26 onwards	(2.366)	(2.170)	0.196	Green - Environmental Services Savings 2025/26 onwards.
85	Environmental Services Growth - Pensions	0.727	0.727	-	Green - Environmental Services Growth - Pensions (2025/26 onwards). This is net nil for the Council and forms a housekeeping item to ensure the budgets for staff who have transferred in from the ASDVs, at different pension contribution rates, are consistent in advance of changes for all employees.
86	Environmental Services – expected income from Extended Producer Responsibility for packaging	(7.000)	(8.394)	(1.394)	Green - New Central Government Legislation Extended producer responsibility (EPR) 2025-26, Deposit Return Scheme 2027-2028 and Waste Disposal Carbon Tax UK Emissions Trading Scheme (ETS) 2027-28.
In year	Libraries Strategy Stage 1 (mitigation)	-	(0.039)	(0.039)	Savings mitigated through in year vacancy saving. 2025/26 RAG rated amber.
In year	Environment & Communities Mitigations to balance back to Finance Review position	-	(1.077)	(1.077)	Environment & Communities Mitigations to balance back to Finance Review position
In year	Fees and Charges	-	0.160	0.160	Adjustment for fees and charges - presenting Lyon Review items centrally

2.42 The following section provides an explanation of the key drivers behind variances to Budget for the **Highways and Transport Committee** and the table below provide detailed commentary on the progress against the approved budget change items that were agreed as part of the approved budget in February 2025.

Highways and Transport adverse variance of £0.008m



2.43 Highways & Infrastructure are forecasting a balanced position against a budget of £17.2m at FR2. This is an improvement of £0.1m since FR1.

2.44 The car parking service has seen a £0.4m overspend which is due to reduced income offset by back dated rent reviews.

Mitigations

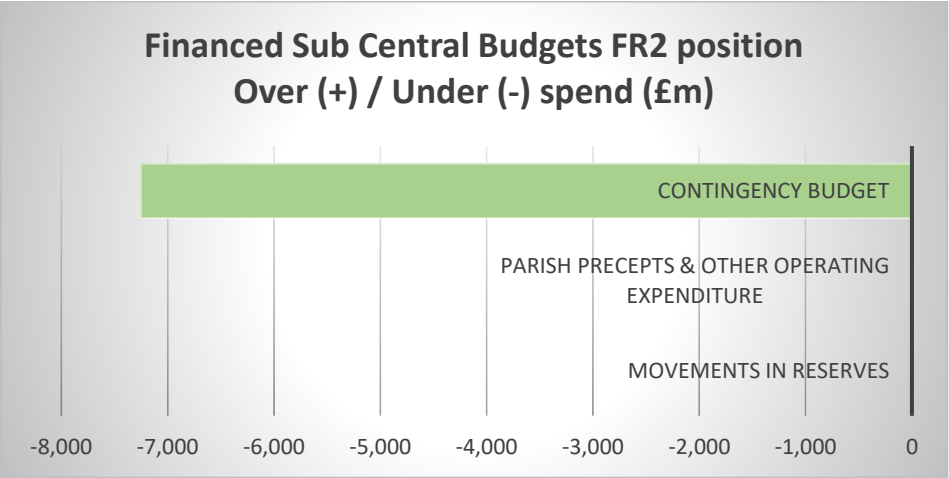
2.45 Transport Policy is £0.2m underspent due to vacancies and Highways income is forecast to be £0.2m better than budget, both of which are addressing the pressures in parking.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Highways and Transport 2025/26 Revised Budget as per Cover report Table 1		17.151	17.159	0.008	
Change from 2024/25 budget		1.061	1.069	0.008	
87	Increase parking charges	(0.450)	(0.450)	-	Green - Annual inflation adjustment to existing Pay & Display tariffs was implemented on 5th July 2024, in advance of bringing charges into effect in the "free towns" on the 2nd December 2024. A further inflation adjustment took effect in May 2025.
88	Safe Haven outside schools (Parking)	0.010	0.010	-	Green – 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.
89	Parking PDA / Back Office System contract - fall out of one off set up cost	(0.030)	(0.030)	-	Green - Introduction of a new system to administer the Council's parking services and process Penalty Charge Notices which will reduce administration costs and improve service response times.
90	Parking - Part-year effect of strategy changes	(0.720)	(0.195)	0.525	Red - Following decisions in January 2024, tariffs were uplifted from 1st July 2024 to extend pay and display to car parks in "free towns" from 2nd December 2024.
91	Parking - Staff and member parking	(0.250)	-	0.250	Red - Proposals for a new scheme of staff and members parking permits, integrated with the corporate travel plan, are being developed for consultation in 2025.
92	Transport and Infrastructure Strategy Team – Restructure	-	-	-	Green - The proposed changes will develop a more resilient in-house team and reduce reliance on agency / consultancy staff. The changes meet the needs of the Council, as it moves towards a new statutory Local Transport Plan and the development of transport functions in a new Cheshire and Warrington Combined Authority.
93	Local Bus	1.545	1.545	-	Green - A network of new bus service contracts has been procured and services started on 30 March 2025. Extra evening and weekend services are planned to complement our Bus Service Improvement Plan.
94	FlexiLink Service Improvement Plan - invest to save	0.592	0.592	-	Green - Bus service review is complete and specification for a revised flexible transport service (DRT) have been prepared. Flexible transport will be designed to fill gaps in local bus service provision, especially in rural areas, and over extended hours of operation, to open up the service to more users.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
95T	Advertising Income. Initial project scoping work being undertaken to understand scale/complexity and resourcing needs	(0.025)	(0.025)	-	Amber - Proposal for the transformation of the Council's approach to on-street sponsorship and advertising have been prepared as part of the Transformation Programme.
96	Pension Costs Adjustment	(0.055)	(0.055)	-	Completed
97	Pay Inflation	0.228	0.263	0.035	Red - LGS pay offer for 2025. Full and final offers of 3.20% increase resulting in overspend of c.£1.7m across the Council.
98	Flood and Water Management Act 2010 SuDS and SABs Schedule 3 Implementation	-	-	-	Amber - The requirement is to be ready to implement changes when regulations are implemented nationally. A training plan for existing staff has been identified. Recruitment is to be progressed.
99	Highways: Revenue Service	0.216	0.216	-	Completed - This provides investment in highway infrastructure that will arrest the deterioration of the asset. This will reduce costs of reactive maintenance, improve safety and reduce risks of significant incidents. It will also control revenue budget pressures and work towards addressing customer dissatisfaction
100	Highways: Depots	-	-	-	Green - The highways depots need investment to reduce the risk that facilities could be unusable for reactive and winter maintenance. Investment will enable some operational efficiencies, provides winter service resilience and a reduction in highways depots from 3 to 2, potentially delivering a capital receipt.
In year	Highways and Transport Mitigations to balance back to Finance Review positions	-	(1.018)	(1.018)	Highways and Transport Mitigations to balance back to Finance Review positions.
In year	Fees and Charges	-	0.216	0.216	Adjustment for fees and charges - presenting Lyon Review items centrally

2.46 The following section provides an explanation of the key drivers behind variances to Budget for the **Finance Sub Committee** and the table below provide detailed commentary on the progress against the approved budget change items that were agreed as part of the approved budget in February 2025.

Finance Sub favourable variance of £10.6m



2.47 The favourable position for the Finance Sub Committee is due to 3 factors: £5.5m underspend is due to the use of the contingency budget to assist the overspend position; a favourable variance of £1.7m which offsets the unbudgeted costs of the pay award being included in the service lines and an improvement in the capital financing budget of £3.3m, this is in part due to a reduction in the cost of borrowing and also some slippage in the capital programme leading to a reduction in Minimum Revenue Provision (MRP) payable in year.

Change from FR1

2.48 This is a minor change from FR1 due to a small adjustment in the interest calculation.

Risks

2.49 Risks include the need to utilise part of the contingency budget to offset further pressures elsewhere.

Mitigations

2.50 Mitigations include the possibility of further reduction in the MRP due in year as the level of Capital expenditure is subject to change. The current Capital Receipts forecast is prudent and may be improved by further disposals by the end of the year.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Finance Sub Committee (Central) 2025/26 Revised Budget as per Cover report Table 1		54.999	44.438	(10.561)	
Change from 2024/25 budget		35.294	24.733	(10.561)	
101	Capital Financing Budget	3.387	0.079	(3.308)	Green - Improvement against MRP of £0.5m, linked to slippage in capital programme. Improvement on net interest cost due to lower than expected borrowing (int cost) and slight improvement on rates/levels of investments (int income) of £2.8m.
102	Creation of Contingency Budget	15.953	8.700	(7.253)	Green - Creation of Contingency Budget as per Finance Sub Committee June Budget Assumptions Report (virements of £0.7m for C&F and £8m for A&H approved at FSC 10/03/2025). Assumed general pay inflation pressure of £1.705m to be taken from this budget to offset pressure in service budgets.
103	Risk of unachievable budget savings or growth demands exceeding estimates	-	-	-	Green - Risk of unachievable budget savings or growth demands exceeding estimates.
104	Pension adjustment – linked to E&C growth item	(0.727)	(0.727)	-	Green - Linked to growth item in E&C. ASDVS coming back in-house but currently paying lower pension contribution rate than the standard CEC rate.
105	Use of Earmarked Reserves (reversal of 2024/25 one off use of central EMRs)	3.723	3.723	-	Completed - Budget adjustment - reversal of prior year drawdown
106	Top up of Earmarked Reserves	-	-	-	Completed – Planned budget adjustment not until 2026/27
107	Use of General Reserves (reversal of one off use in 2024/25)	11.654	11.654	-	Completed - Budget adjustment - reversal of prior year drawdown
108	Top up General Reserves	1.304	1.304	-	Completed

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Finance Sub Committee (Funding) 2025/26 Budget as per Cover report Table 1		(415.197)	(415.197)	-	
Change from 2024/25 budget		(26.666)	(26.666)	-	
109	Council Tax increase % growth	(14.326)	(14.326)	-	Green - Council tax and business rates income collection is managed through the Collection Fund therefore no impact on current year funding target if actual amount collected was to vary from budget.
110	Council Tax increase base growth	(5.852)	(5.852)	-	Green - Council tax and business rates income collection is managed through the Collection Fund therefore no impact on current year funding target if actual amount collected was to vary from budget.
111	Business Rates Retention	(0.495)	(0.495)	-	Green - S31 Grants to be received in line with final settlement from MHCLG plus net income from NNDR1. Increase related to inflationary forecast increase in settlement funding assessment (related to business rates baseline)
112	Unringfenced general grants change	(3.012)	(3.012)	-	Green - grants to be received in line with final settlement from MHCLG
113	National Insurance increase contribution	(2.981)	(2.981)	-	Green - grants to be received in line with final settlement from MHCLG

Section 3: Revenue Grants for approval

- 3.1 Cheshire East Council receives two main types of Government grants; specific purpose grants and general use grants. Specific purpose grants are held within the relevant service with a corresponding expenditure budget. Whereas general use grants are held in central budgets with a corresponding expenditure budget within the allocated service area. Spending in relation to specific purpose grants must be in line with the purpose for which it is provided.
- 3.2 General use grants, also known as unring-fenced grants, are funds provided by the Government to local authorities without specific restrictions on how the money is spent. They allow councils to determine how best to utilise the funding to address local needs and priorities.
- 3.3 **Table 1** shows additional grant allocations that have been received over £1m that **Council** will be asked to approve and grant allocations that have been received which are over £0.5m and up to £1m and are for **Committee** approval.

Table 1

Committee	Decision	Reason	Type of Grant	£m	Details
Children & Families - Schools	Council	Core Schools Budget Grant (special schools)	Specific Purpose	2.459	A Department for Education initiative to support special schools, AP settings, and post-16 institutions with rising staffing costs. It consolidates previous grants and introduces new support for employer contributions and anticipated pay increases. Funding is distributed via local authorities with strict conditions on use and full pass-through to eligible settings.

Section 4: Capital

- 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 for the whole Council 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 Budget reductions for noting.

Table 1: Financial Parameters for 2024/25 to 2027/28		Value (£m)			
Parameter	2024/25	2025/26	2026/27	2027/28	
Repayment of Borrowing					
Minimum Revenue Provision*	15.327	17.977	21.049	23.797	
External Loan Interest	19.412	18.451	20.006	21.849	
Investment Income	(4.329)	(3.393)	(2.700)	(2.639)	
Contributions from Services Revenue Budgets	(0.977)	(1.311)	(1.862)	(2.076)	
Total Capital Financing Costs	29.433	31.724	36.493	40.931	
Use of Financing EMR	(2.100)	0.000	0.000	0.000	
Actual CFB in MTFS	28.508	35.039	38.758	41.860	
Budget Deficit /(Surplus)	(1.175)	(3.315)	(2.265)	(0.929)	
Capital Receipts targets*	1.000	1.000	1.000	1.000	
Flexible use of Capital Receipts	1.000	1.000	1.000	1.000	

*Anticipated MRP based on achieving capital receipts targets

Table 2: Capital Programme Update

Cheshire East Council		Capital Programme 2025/26 – 2028/29			
Capital Programme Summary	Forecast 2025/26 £m	Forecast 2026/27 £m	Forecast 2027/28 £m	Forecast 2028/29 £m	Total Forecast 2025-29 £m
Committed Schemes – In Progress					
Adults and Health	0.132	0.424	0.000	0.000	0.556
Children and Families	23.686	39.446	20.932	13.403	97.467
Corporate Policy	13.298	7.172	3.917	1.376	25.763
Economy and Growth	44.414	40.202	48.063	49.560	182.239
Environment and Communities	13.212	13.201	6.033	9.285	41.731
Highways and Transport	62.230	57.526	43.985	92.933	256.674
Total Committed Schemes – In Progress	156.972	157.971	122.930	166.557	604.430
New Schemes					
Adults and Health	0.000	0.000	0.000	0.000	0.000
Children and Families	0.870	0.040	0.000	0.000	0.910
Corporate Policy	0.000	0.000	0.000	0.000	0.000
Economy and Growth	0.000	0.000	0.000	0.000	0.000
Environment and Communities	2.072	0.370	0.214	0.349	3.005
Highways and Transport	7.786	13.321	13.069	11.502	45.678
Total New Schemes	10.728	13.731	13.283	11.851	49.593
Total	167.700	171.702	136.213	178.408	654.023
Funding Requirement – Indicative Funding Analysis: (see Note 1)					
Government Grants	108.023	110.864	44.601	102.099	365.587
External Contributions	11.720	15.199	36.556	40.874	104.349
Revenue Contributions	0.814	1.001	0.000	0.000	1.815
Capital Receipts	0.478	2.460	21.143	11.840	35.921
Prudential Borrowing (see Note 2)	46.665	42.178	33.913	23.595	146.351
Total	167.700	171.702	136.213	178.408	654.023

Note 1:

The funding requirement identified in the above table does not currently represent a balanced and affordable position, in the medium term. The Council will need to transform the capital programme to reduce the number of schemes requiring Cheshire East Resources and the need to borrow.

Note 2:

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 – Supplementary Capital estimates and Budget virements up to £500,000

Committee / Capital Scheme	Amount Requested £m	Reason and Funding Source
Supplementary Capital Estimates that have been made up to £500,000		
Economy and Growth: Estates		
WorkplaCE	0.095	To transfer funds to the WorkplaCE budget from the underspend in Member's Allowances Budget, to upgrade broadcasting and conferencing equipment in the Capesthorne Room at Macclesfield Town Hall ensuring consistency with facilities available at Delamere House, Crewe.
Economy and Growth: Economic Development		
Future High Street Funding – CEC Innovation Centre	0.125	To add the UK Shared Prosperity Fund allocated.
Demolition of Crewe Library and concourse CTC10	0.130	Crewe Towns Fund Grant allocation adjusted.
Highways and Transport		
Highway Maintenance Minor Works	0.260	To add grant funding received from the Environment Agency (EA) £142,308 and the North West Regional Flood and Coastal Committee (RFCC) £117,692 to provide budget for flood preventative works on Hodson Street/ Ryle Street Macclesfield.
Total Supplementary Capital Estimates Requested	0.610	

Committee / Capital Scheme	Amount Requested £m	Reason and Funding Source
Capital Budget Virements that have been made up to £500,000		
Economy and Growth: Economic Development		
Future High Street Funding – CEC Innovation Centre	0.050	Future High Street Funding realigned from Sustainable Energy Network to TADIC's energy improvement measures.
Highways & Transport		
Future High Street Funding – Southern Gateway	0.459	To vire Crewe Towns Fund from "Crewe Towns Fund – Mill Street Corridor" project.
Total Capital Budget Virements Approved	0.509	
Total Supplementary Capital Estimates and Virements	1.119	

Table 4: Requests for Supplementary Capital Estimates (SCEs) and Capital Virements

Committee / Capital Scheme	Amount Requested £m	Reason and Funding Source	
Service Committee are asked to approve the Supplementary Capital Estimates above £500,000 up to and including £1,000,000			
Growth and Enterprise		Approval of SCE to provide additional budget to the Capital Programme as per the below S106 agreement/s (and any incurred interest):	
Crewe Towns Fund - Mill Street Corridor	0.571		
		Planning Reference	Amount
		13/2069	143,092.15
		11/2069	140,151.33
		12/311N	232,342.54
		11/4549 & 13/1021	54,996.47
		Total	570.582.49

Committee / Capital Scheme	Amount Requested £m	Reason and Funding Source
Highways & Transport		
Acton Village	0.548	To add S106 Developer Contribution balance to the Capital Programme to fund this scheme.
Future High Street Funding – Southern Gateway	0.565	To add Consolidated Active Travel Fund (CATF) as agreed with Active Travel England
Total Supplementary Capital Estimates Requested	1.684	
Service Committee are asked to approve the Supplementary Capital Virements above £500,000 up to and including £5,000,000 for approval by relevant member(s) of CLT and Chief Finance Officer in consultation with Chair of the relevant committee and the Chair of Finance Sub Committee.		
Children and Families		
Education and 14-19 Skills Shavington Planning Area- New Basford Primary School	3.460	To increase Capital budget required to progress with the new school proposal with the virement of funds from Basic Need Grant to support the scheme.
Total Capital Virements Requested	3.460	
Total Supplementary Capital Estimates and Virements	5.143	

Table 5: To Note – Capital Budget Reductions

Committee / Capital Scheme	Approved Budget £m	Revised Approval £m	Reduction	Reason and Funding Source
Finance Sub Committee are asked to note the reductions in Approved Budgets				
Environment & Communities Wybunbury Parish Open Space	0.005	0.001	(0.004)	Project now complete
Highways & Transport Mill Street Corridor – Station Link Project	0.847	0.563	(0.284)	This project had been mothballed, this S106 funding has been allocated to another project within the vicinity.
Total Budget Reductions	0.852	0.564	(0.288)	

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 2025 in the Council's General Fund Reserves was £6.299m, as published in the Council's Statement of Accounts for 2024/25.
- 5.3 At FR2, the closing balance at 31 March 2026 in the Council's General Fund Reserve is forecast to be £7.789m.
- 5.4 The current balance on reserves is insufficient in order to provide adequate protection against established and newly emerging risks, particularly the DSG deficit, which is projected to rise to £145.978m by year end and has been highlighted in the MTFS as having no alternative funding.
- 5.5 The Council also maintains Earmarked Revenue Reserves for specific purposes. The opening balance at 1 April 2025 was £23.114m.
- 5.6 During 2025/26, £16.811m will be drawn down to fund expenditure specifically provided for by services. This includes £4.561m to fund one off Transformation costs, £2.234m for Capital expenditure and £6.193m to support the Collection Fund. These balances fall within the forecasts approved during the MTFS budget setting process. £13.039m will be added back to reserves, this is predominantly related to the Collection Fund and will be used to mitigate future legislative changes over the short to medium term. Net movement on earmarked reserves is therefore £3.772m.
- 5.7 The indicative closing balance on Earmarked Reserves at 31 March 2026, is forecast at £19.342m. With the General Fund reserves of £7.789m, total reserves available for Council use at 31 March 2026 are forecast at £27.131m.
- 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.

Reserves Balances

Table 1 – Adults and Health Committee

Earmarked Reserves	Balance at 1 April 2025	Drawdowns to Support Service Costs (+)	Additional Funds to Reserve (-)	Forecast Balance at 31 March 2026	Notes
Adults and Health Committee	£m	£m	£m	£m	
Public Health Reserve	(3.204)	0	(0.465)	(3.669)	Ring-fenced underspend to be invested in areas to improve performance against key targets.
PFI Equalisation - Extra Care Housing	0	0	(0.046)	(0.046)	Surplus grant set aside to meet future payments on existing PFI contract. The reserve was temporarily appropriated to support the budget deficit. Additional contributions, above the original schedule, will be required to realign the reserve balance to the funding shortfall.
Adults and Health Committee Total:	(3.204)	0	(0.511)	(3.715)	

Table 2 – Children and Families Committee

Earmarked Reserves	Balance at 1 April 2025	Drawdowns to Support Service Costs (+)	Additional Funds to Reserve (-)	Forecast Balance at 31 March 2026	Notes
Children and Families Committee	£m	£m	£m	£m	
ILACS Spending Plan	(0.456)	0.456	0	0	To address the findings from the Ofsted inspection of local authority children's services.
Children and Families Committee Total:	(0.456)	0.456	0	0	

Table 3 – Corporate Policy Committee

Earmarked Reserves	Balance at 1 April 2025	Drawdowns to Support Service Costs (+)	Additional Funds to Reserve (-)	Forecast Balance at 31 March 2026	Notes
Corporate Policy Committee	£m	£m	£m	£m	
Collection Fund Management	(5.120)	6.193	(10.133)	(9.060)	To manage cash flow implications as part of Business Rates Retention Scheme.
Capital Financing Reserves	(2.234)	2.234	(0.208)	(0.208)	To provide for financing of capital schemes, other projects and initiatives. Additional funds for Tatton Park substation and Green Infrastructure.
Insurance Reserve	(0.314)	1.415	(1.183)	(0.082)	To settle insurance claims and manage excess costs.
Elections General	(0.432)	0	0	(0.432)	To provide funds for Election costs every 4 years.
Digital Solutions Architect	(0.074)	0.074	0	0	To help fund the Digital Customer Enablement programme and will be key to realising the cost savings and efficiencies across the Council through a number of digital initiatives.
2025/26 Transformation Reserve 1	(3.500)	3.500	0	0	To support a group of projects across the Council's four Directorates to deliver improved service delivery through efficiency and revenue savings.
2025/26 Transformation Reserve 2	(5.300)	1.061	0	(4.239)	The Transformation Programme 2 reserve has been created to help mitigate one-off costs of the change delivery programme over the next two financial years.
ICT Programme	(0.300)	0.250	0	(0.050)	To support the costs associated with the Gemini project, including potential redundancies.
Corporate Policy Committee Total:	(17.274)	14.727	(11.524)	(14.071)	

Table 4 – Economy and Growth Committee

Earmarked Reserves	Balance at 1 April 2025	Drawdowns to Support Service Costs (+)	Additional Funds to Reserve (-)	Forecast Balance at 31 March 2026	Notes
Economy and Growth Committee	£m	£m	£m	£m	
Place Directorate Reserve	(0.418)	0.418	0	0	To support a range of projects within the Place Directorate.
Investment (Sustainability)	(0.549)	0.050	0	(0.499)	To aid investment that can increase long-term financial independence and stability of the Council.
Legal Proceedings	(0.179)	0.025	0	(0.154)	To respond to insolvency/legal proceedings on land and property matters.
Tatton Park Trading Reserve	(0.050)	0.050	(0.080)	(0.080)	To support the replacement of vehicles and Tatton Park transformation projects.
Economy and Growth Committee Total:	(1.196)	0.543	(0.080)	(0.733)	

Table 5 – Environment and Communities Committee

Earmarked Reserves	Balance at 1 April 2025	Drawdowns to Support Service Costs (+)	Additional Funds to Reserve (-)	Forecast Balance at 31 March 2026	Notes
Environment and Communities Committee	£m	£m	£m	£m	
Strategic Planning	(0.287)	0.050	0	(0.237)	To meet costs associated with the Local Plan - site allocations, minerals and waste DPD. - Reserve needed in 26/27
Trees / Structures Risk Management	(0.084)	0	0	(0.084)	To help respond to increases in risks relating to the environment and adverse weather events.

Earmarked Reserves	Balance at 1 April 2025	Drawdowns to Support Service Costs (+)	Additional Funds to Reserve (-)	Forecast Balance at 31 March 2026	Notes
Air Quality	(0.036)	0.036	0	0	Air Quality Management - DEFRA Action Plan. Relocating electric vehicle chargepoint in Congleton
Licensing Enforcement	(0.010)	0.010	0	0	Three-year reserve to fund a third party review and update of the Cheshire East Council Taxi Licensing Enforcement Policies.
Flood Water Management (Emergency Planning)	(0.002)	0.002	0	0	Grant relating to Public Information Works.
Neighbourhood Planning	(0.041)	0.041	0	0	To match income and expenditure.
Street Cleansing	(0.022)	0.022	0	0	Committed expenditure on voluntary litter picking equipment and electric blowers.
Environment and Communities Committee Total:	(0.482)	0.161	0	(0.321)	

Table 6 – Highways and Transport Committee

Earmarked Reserves	Balance at 1 April 2025	Drawdowns to Support Service Costs (+)	Additional Funds to Reserve (-)	Forecast Balance at 31 March 2026	Notes
Highways and Transport Committee	£m	£m	£m	£m	
Flood Risk and Adverse Weather Events	(0.400)	0.924	(0.924)	(0.400)	To help the service manage risks such as the impact of adverse weather.
Highways Procurement Project	(0.083)	0	0	(0.083)	To finance the development of the next Highway Service Contract. Depot mobilisation costs, split over 7 years from start of contract in 2018.

Earmarked Reserves	Balance at 1 April 2025	Drawdowns to Support Service Costs (+)	Additional Funds to Reserve (-)	Forecast Balance at 31 March 2026	Notes
LEP - Local Transport Body	(0.019)	0	0	(0.019)	Contribution to LEP transport studies/consultancy. Ongoing working around Transport Legacy issues.
Highways and Transport Committee Total:	(0.502)	0.924	(0.924)	(0.502)	

Table 7 – Earmarked Reserves Summary

Earmarked Reserves	Balance at 1 April 2025	Drawdowns to Support Service Costs (+)	Additional Funds to Reserve (-)	Forecast Balance at 31 March 2026
Committee	£m	£m	£m	£m
Adults and Health	(3.204)	0	(0.551)	(3.715)
Children and Families	(0.456)	0.456	0	0
Corporate Policy	(17.274)	14.727	(11.524)	(14.071)
Economy and Growth	(1.196)	0.543	(0.080)	(0.733)
Environment and Communities	(0.482)	0.161	0	(0.321)
Highways and Transport	(0.502)	0.924	(0.924)	(0.502)
Earmarked Reserves Total	(23.114)	16.811	(13.039)	(19.342)
General Fund Reserve	(6.299)	0	(1.490)	(7.789)
CEC Total Usable Reserves	(29.413)	16.811	(14.529)	(27.131)

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Second Financial Review 2025/26

Results to end of August 2025

Capital tables by Committee

Adults & Health

CAPITAL

CAPITAL PROGRAMME 2025/26-2028/29													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £m
	Total Approved Budget £m	Prior Years £m	Forecast Budget 2025/26 £m	Forecast Budget 2026/27 £m	Forecast Budget 2027/28 £m	Forecast Budget 2028/29 £m	Total Forecast Budget 2025/29 £m	Grants £m	External Contributions £m	Revenue Contributions £m	Capital Receipts £m	Prudential Borrowing £m	
Committed Schemes in progress													
Adults Services													
Community - Rural Shared Prosperity Fund	0.449	0.361	0.088	0.000	0.000	0.000	0.088	0.088	0.000	0.000	0.000	0.000	0.088
Electronic Call Monitoring System	0.389	0.000	0.000	0.389	0.000	0.000	0.389	0.000	0.000	0.389	0.000	0.000	0.389
People Planner System	0.094	0.043	0.026	0.025	0.000	0.000	0.051	0.051	0.000	0.000	0.000	0.000	0.051
Replacement Care4CE Devices	0.093	0.065	0.018	0.010	0.000	0.000	0.028	0.028	0.000	0.000	0.000	0.000	0.028
Total Committed Schemes	1.025	0.469	0.132	0.424	0.000	0.000	0.556	0.167	0.000	0.389	0.000	0.000	0.556
Total Adults and Health Schemes	1.025	0.469	0.132	0.424	0.000	0.000	0.556	0.167	0.000	0.389	0.000	0.000	0.556

Children and Families

CAPITAL

CAPITAL PROGRAMME 2025/26 - 2028/29													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding
	Total Approved Budget £m	Prior Years £m	Forecast Budget 2025/26 £m	Forecast Budget 2026/27 £m	Forecast Budget 2027/28 £m	Forecast Budget 2028/29 £m	Total Forecast Budget 2025/29 £m	Grants £m	External Contributions £m	Revenue Contributions £m	Capital Receipts £m	Prudential Borrowing £m	
Committed Schemes in progress													
Childrens Social Care													
Foster Carer Capacity Scheme	0.534	0.468	0.067	0.000	0.000	0.000	0.067	0.000	0.000	0.000	0.000	0.067	0.067
Crewe Youth Zone	5.135	0.570	3.718	0.847	0.000	0.000	4.565	3.718	0.000	0.000	0.000	0.847	4.565
Family Hubs Transformation (Early Years - C110120)	0.387	0.282	0.105	0.000	0.000	0.000	0.105	0.105	0.000	0.000	0.000	0.000	0.105
Children's Home Sufficiency Scheme	1.404	0.358	1.046	0.000	0.000	0.000	1.046	0.000	0.000	0.000	0.000	1.046	1.046
Strong Start, Family Help & Integration													
Early Years Sufficiency Capital Fund	1.036	0.985	0.050	0.000	0.000	0.000	0.050	0.050	0.000	0.000	0.000	0.000	0.050
Childcare Capital Expansion	0.749	0.009	0.640	0.100	0.000	0.000	0.740	0.740	0.000	0.000	0.000	0.000	0.740
Education and 14-19 Skills													
Adelaide Academy	0.904	0.069	0.050	0.785	0.000	0.000	0.835	0.665	0.000	0.000	0.000	0.170	0.835
Basic Need Grant Allocation	3.941	0.017	0.500	3.424	0.000	0.000	3.924	3.924	0.000	0.000	0.000	0.000	3.924
Congleton Planning Area - Primary (1)	2.209	0.179	0.000	2.030	0.000	0.000	2.030	0.764	1.266	0.000	0.000	0.000	2.030
Congleton Planning Area - Primary (2)	0.628	0.579	0.049	0.000	0.000	0.000	0.049	0.049	0.000	0.000	0.000	0.000	0.049
Congleton Planning Area - Primary (3)	7.504	0.004	0.010	0.539	2.000	4.950	7.499	4.299	3.200	0.000	0.000	0.000	7.499
Devolved Formula Grant - Schools	1.143	0.443	0.391	0.310	0.000	0.000	0.701	0.701	0.000	0.000	0.000	0.000	0.701
Energy Efficiency Grant - Schools	0.541	0.541	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Future Schemes - Feasibility Studies	0.400	0.124	0.100	0.126	0.050	0.000	0.276	0.276	0.000	0.000	0.000	0.000	0.276
Gainsborough Primary - Flooring	0.304	0.017	0.287	0.000	0.000	0.000	0.287	0.287	0.000	0.000	0.000	0.000	0.287
Handforth Planning Area - New School	13.003	0.010	0.040	0.500	4.000	8.453	12.993	0.129	12.864	0.000	0.000	0.000	12.993
Leighton Academy – Resourced unit (New SEN places	0.193	0.141	0.052	0.000	0.000	0.000	0.052	0.052	0.000	0.000	0.000	0.000	0.052
Leighton SEND Reception Adaptations	0.026	0.000	0.026	0.000	0.000	0.000	0.026	0.026	0.000	0.000	0.000	0.000	0.026
Little Angels Satellite Sites	0.029	0.021	0.008	0.000	0.000	0.000	0.008	0.008	0.000	0.000	0.000	0.000	0.008
Macclesfield Planning Area - Secondary New	0.531	0.006	-0.175	0.700	0.000	0.000	0.525	0.525	0.000	0.000	0.000	0.000	0.525
Macclesfield Planning Area - New School	4.001	0.002	0.000	0.000	4.000	0.000	4.000	0.000	4.000	0.000	0.000	0.000	4.000
Malbank High School	1.922	1.897	0.025	0.000	0.000	0.000	0.025	0.025	0.000	0.000	0.000	0.000	0.025
Mobberley Primary School	1.208	0.037	0.050	0.861	0.259	0.000	1.170	0.870	0.000	0.000	0.300	0.000	1.170
Nantwich Planning Area (Primary Schools - 210	9.061	0.793	6.091	2.177	0.000	0.000	8.268	5.308	2.960	0.000	0.000	0.000	8.268

Children and Families

CAPITAL

CAPITAL PROGRAMME 2025/26 - 2028/29													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding
	Total Approved Budget	Prior Years	Forecast Budget 2025/26	Forecast Budget 2026/27	Forecast Budget 2027/28	Forecast Budget 2028/29	Total Forecast Budget 2025/29	Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
New AP Free School	0.525	0.003	0.005	0.516	0.000	0.000	0.521	0.521	0.000	0.000	0.000	0.000	0.521
New Satellite school - 2	9.000	0.013	0.050	2.000	6.937	0.000	8.987	8.987	0.000	0.000	0.000	0.000	8.987
New SEN Free School	0.998	0.010	0.010	0.978	0.000	0.000	0.988	0.988	0.000	0.000	0.000	0.000	0.988
New SEN places - 1	1.089	0.004	0.400	0.685	0.000	0.000	1.085	1.085	0.000	0.000	0.000	0.000	1.085
Oakfield Lodge & Stables	0.050	0.013	0.037	0.000	0.000	0.000	0.037	0.037	0.000	0.000	0.000	0.000	0.037
Poynton Planning Area	1.500	0.021	0.479	1.000	0.000	0.000	1.479	0.676	0.803	0.000	0.000	0.000	1.479
Provision of Sufficient School Places - SEND	7.182	6.974	0.100	0.108	0.000	0.000	0.208	0.000	0.000	0.000	0.000	0.208	0.208
Sandbach Primary Academy	1.583	0.912	0.671	0.000	0.000	0.000	0.671	0.671	0.000	0.000	0.000	0.000	0.671
Schools Condition Capital Grant	6.497	1.037	3.460	2.000	0.000	0.000	5.460	5.460	0.000	0.000	0.000	0.000	5.460
SEN/High Needs Capital Allocation	4.860	0.187	0.500	4.173	0.000	0.000	4.673	4.673	0.000	0.000	0.000	0.000	4.673
Shavington Planning Area - New Primary School	11.500	0.162	0.300	7.352	3.687	0.000	11.338	9.009	2.329	0.000	0.000	0.000	11.338
Springfield Satellite Site (Dean Row)	6.112	5.820	0.100	0.192	0.000	0.000	0.292	0.000	0.000	0.000	0.000	0.292	0.292
Springfield Satellite Site - Middlewich	5.999	0.017	1.500	4.483	0.000	0.000	5.983	5.983	0.000	0.000	0.000	0.000	5.983
The Dingle PS Expansion (Was Haslington PA-	1.395	1.373	0.022	0.000	0.000	0.000	0.022	0.022	0.000	0.000	0.000	0.000	0.022
Tytherington High School	3.005	0.208	2.200	0.597	0.000	0.000	2.797	2.797	0.000	0.000	0.000	0.000	2.797
Various SEN Sites - Small Works/Adaptations	0.150	0.001	0.079	0.070	0.000	0.000	0.149	0.149	0.000	0.000	0.000	0.000	0.149
Wheelock Primary School	2.411	0.890	0.521	1.000	0.000	0.000	1.521	1.062	0.460	0.000	0.000	0.000	1.521
Wilmslow High School BN	14.179	12.788	0.100	1.291	0.000	0.000	1.391	0.193	1.150	0.000	0.000	0.048	1.391
Wilmslow Primary Planning Area	0.626	0.001	0.025	0.600	0.000	0.000	0.625	0.125	0.500	0.000	0.000	0.000	0.625
Total Committed Schemes	135.454	37.986	23.686	39.445	20.932	13.403	97.467	64.959	29.531	0.000	0.300	2.677	97.467
New Schemes													
Education and 14-19 Skills													
Chelford Primary School	0.340	0.000	0.300	0.040	0.000	0.000	0.340	0.340	0.000	0.000	0.000	0.000	0.340
Park Lane Refurbishment additional SEND places	0.200	0.005	0.195	0.000	0.000	0.000	0.195	0.195	0.000	0.000	0.000	0.000	0.195
Alderley Edge Primary - 25-26 Condition Project	0.050	0.000	0.050	0.000	0.000	0.000	0.050	0.050	0.000	0.000	0.000	0.000	0.050
Rainow Primary - 25-26 Condition Project	0.025	0.000	0.025	0.000	0.000	0.000	0.025	0.025	0.000	0.000	0.000	0.000	0.025
Ruskin - 25-26 Condition Project	0.200	0.000	0.200	0.000	0.000	0.000	0.200	0.200	0.000	0.000	0.000	0.000	0.200
Styal primary - 25-26 Condition Project	0.100	0.000	0.100	0.000	0.000	0.000	0.100	0.100	0.000	0.000	0.000	0.000	0.100
Total New Schemes	0.915	0.005	0.870	0.040	0.000	0.000	0.910	0.910	0.000	0.000	0.000	0.000	0.910
Total Children and Families Schemes	136.369	37.991	24.556	39.485	20.932	13.403	98.378	65.869	29.531	0.000	0.300	2.677	98.378

CAPITAL PROGRAMME 2025/26 - 2028/29													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding
	Total Approved Budget	Prior Years	Forecast Budget 2025/26	Forecast Budget 2026/27	Forecast Budget 2027/28	Forecast Budget 2028/29	Total Forecast Budget 2025-29	Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Committed Schemes in progress													
ICT Services													
Digital Opportunities	15.351	3.222	4.605	4.607	2.917	0.000	12.129	0.000	0.000	0.000	0.000	12.129	12.129
Care Act Phase 2	6.314	5.256	1.058	0.000	0.000	0.000	1.058	0.000	0.000	0.000	0.000	1.058	1.058
ICT Device Replacement	3.762	1.136	1.000	0.250	0.200	1.176	2.626	0.000	0.000	0.000	0.000	2.626	2.626
ICT Hybrid Model	3.449	1.758	0.600	1.090	0.000	0.000	1.690	0.000	0.000	0.000	0.000	1.690	1.690
IADM (Information Assurance and Data Management)	19.465	17.456	1.800	0.209	0.000	0.000	2.009	0.000	0.000	0.000	0.000	2.009	2.009
Infrastructure Investment Programme (IIP)	34.429	31.376	2.833	0.220	0.000	0.000	3.053	0.000	0.000	0.000	0.000	3.053	3.053
Vendor Management	1.006	0.767	0.239	0.000	0.000	0.000	0.239	0.000	0.000	0.000	0.000	0.239	0.239
Finance & Customer Services													
Core Financials	13.143	10.259	1.139	0.745	0.800	0.200	2.884	0.000	0.000	0.000	0.000	2.884	2.884
Vendor Management - Phase 2	0.099	0.024	0.025	0.050	0.000	0.000	0.075	0.000	0.000	0.000	0.000	0.075	0.075
Total Committed Schemes	97.018	71.255	13.298	7.172	3.917	1.376	25.763	0.000	0.000	0.000	0.000	25.763	25.763
Total CorporatePolicy Schemes	97.018	71.255	13.298	7.172	3.917	1.376	25.763	0.000	0.000	0.000	0.000	25.763	25.763

CAPITAL PROGRAMME 2025/26 - 2028/29

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £m
	Total Approved Budget £m	Prior Years £m	Forecast Budget 2025/26 £m	Forecast Budget 2026/27 £m	Forecast Budget 2027/28 £m	Forecast Budget 2028/29 £m	Total Forecast Budget 2025-29 £m	Grants £m	External Contributions £m	Revenue Contributions £m	Capital Receipts £m	Prudential Borrowing £m	
Committed Schemes in progress													
Facilities Management													
Public Sector Decarbonisation Fund - FM 3	5.148	5.144	0.003	0.000	0.000	0.000	0.003	0.000	0.000	0.000	0.000	0.003	0.003
PSDS - 3B - Lot 3 (schools)	4.390	3.353	1.036	0.000	0.000	0.000	1.036	0.969	0.000	0.067	0.000	0.000	1.036
PSDS - 3C	1.672	0.086	1.586	0.000	0.000	0.000	1.586	1.363	0.000	0.000	0.000	0.223	1.586
Septic Tanks	1.585	0.291	0.094	0.400	0.400	0.400	1.294	0.000	0.000	0.000	0.000	1.294	1.294
Schools Capital Maintenance	8.315	5.788	1.797	0.730	0.000	0.000	2.527	2.257	0.000	0.271	0.000	0.000	2.527
Premises Capital (FM)	48.241	34.609	3.787	3.984	2.700	3.161	13.632	0.000	0.000	0.000	0.000	13.632	13.632
Housing													
Crewe Towns Fund - Warm and Healthy Homes	2.126	0.161	1.965	0.000	0.000	0.000	1.965	1.965	0.000	0.000	0.000	0.000	1.965
Disabled Facilities	26.244	14.040	3.486	2.906	2.906	2.906	12.204	11.302	0.000	0.000	0.000	0.902	12.204
Green Homes Grant	2.647	2.449	0.198	0.000	0.000	0.000	0.198	0.198	0.000	0.000	0.000	0.000	0.198
Gypsy and Traveller Sites	4.136	4.058	0.078	0.000	0.000	0.000	0.078	0.000	0.000	0.000	0.000	0.078	0.078
Home Repairs Vulnerable People	1.797	0.987	0.180	0.339	0.291	0.000	0.810	0.374	0.000	0.000	0.000	0.436	0.810
Home Upgrade Grant Phase 2	2.894	2.094	0.800	0.000	0.000	0.000	0.800	0.800	0.000	0.000	0.000	0.000	0.800
Local Authority Housing Fund	0.732	0.422	0.309	0.000	0.000	0.000	0.309	0.309	0.000	0.000	0.000	0.000	0.309
Sustainable Warmth - Home Upgrade Grant	0.843	0.829	0.014	0.000	0.000	0.000	0.014	0.014	0.000	0.000	0.000	0.000	0.014
Temporary Accommodation	1.479	1.076	0.000	0.403	0.000	0.000	0.403	0.000	0.287	0.116	0.000	0.000	0.403
Warm Homes Fund	0.239	0.218	0.013	0.008	0.000	0.000	0.021	0.021	0.000	0.000	0.000	0.000	0.021
Warm Homes Local Grant (DESNZ)	7.793	0.000	1.354	3.252	3.187	0.000	7.793	7.793	0.000	0.000	0.000	0.000	7.793
Estates													
Corporate Landlord - Non-Operational	1.336	0.000	1.336	0.000	0.000	0.000	1.336	0.000	0.000	0.000	0.000	1.336	1.336
Malkins Bank Landfill Site	1.360	0.782	0.080	0.497	0.000	0.000	0.577	0.000	0.000	0.000	0.000	0.577	0.577
Farms Strategy	2.910	1.689	0.152	0.065	0.335	0.669	1.220	0.000	0.000	0.000	1.220	0.000	1.220
WorkplaCE	1.095	0.255	0.839	0.000	0.000	0.000	0.839	0.745	0.000	0.000	0.000	0.095	0.839

Economy & Growth

CAPITAL

CAPITAL PROGRAMME 2025/26 - 2028/29												
Economic Development												
Crewe Towns Fund - Repurposing Our High Streets	1.132	0.526	0.390	0.216	0.000	0.000	0.606	0.606	0.000	0.000	0.000	0.606
Crewe Towns Fund - Flag Lane Baths	1.969	0.603	0.012	1.353	0.000	0.000	1.365	0.012	0.000	0.000	1.353	1.365
Crewe Towns Fund - Mill Street Corridor	4.589	1.479	3.110	0.000	0.000	0.000	3.110	2.539	0.571	0.000	0.000	3.110
Crewe Towns Fund - Mirion St	1.190	1.066	0.125	0.000	0.000	0.000	0.125	0.125	0.000	0.000	0.000	0.125
Crewe Towns Fund - Crewe Youth Zone non-grant	0.351	0.246	0.067	0.038	0.000	0.000	0.105	0.105	0.000	0.000	0.000	0.105
History Centre Public Realm & ICV (Crewe Towns Fund) CTC1	0.580	0.028	0.152	0.400	0.000	0.000	0.552	0.552	0.000	0.000	0.000	0.552
Handforth Heat Network	13.219	0.035	0.695	0.450	12.039	0.000	13.183	2.569	7.428	0.000	0.000	13.183
Demolition of Crewe Library & Concourse CTC10	3.526	3.237	0.289	0.000	0.000	0.000	0.289	0.130	0.000	0.000	0.159	0.289
Future High Street Funding - CEC Innovation Centre	4.426	3.961	0.466	0.000	0.000	0.000	0.466	0.466	0.000	0.000	0.000	0.466
Crewe Town Centre Regeneration	32.333	31.010	1.323	0.000	0.000	0.000	1.323	1.000	0.064	0.000	0.000	1.323
South Macclesfield Development Area	34.630	3.283	0.176	0.000	0.000	31.171	31.347	10.000	10.000	0.000	11.347	31.347
North Cheshire Garden Village	57.866	9.530	6.991	17.810	23.535	0.000	48.336	17.693	0.000	0.000	21.700	48.336
Handforth Garden Village s106 Obligations	6.841	0.000	0.000	2.740	0.000	4.101	6.841	0.000	0.000	0.000	6.841	6.841
Leighton Green	2.096	1.495	0.000	0.601	0.000	0.000	0.601	0.000	0.000	0.000	0.601	0.601
Connecting Cheshire Phase 3	8.000	0.720	0.850	1.200	2.000	3.230	7.280	0.000	7.280	0.000	0.000	7.280
Digital Projects	9.250	5.680	0.070	0.000	0.000	3.500	3.570	3.570	0.000	0.000	0.000	3.570
UKSPF E22 and E29 capital interventions	1.654	1.304	0.350	0.000	0.000	0.000	0.350	0.350	0.000	0.000	0.000	0.350
Macclesfield Indoor Market Refurbishment (MIMR)	2.496	1.898	0.598	0.000	0.000	0.000	0.598	0.500	0.000	0.000	0.098	0.598
Nantwich Town Centre Public Realm Improvements	0.100	0.000	0.050	0.050	0.000	0.000	0.100	0.000	0.100	0.000	0.000	0.100
Culture & Tourism												
Countryside Vehicles	1.579	0.726	0.070	0.300	0.300	0.182	0.852	0.000	0.000	0.000	0.852	0.852
Culture & Tourism S106 Schemes	0.664	0.075	0.143	0.387	0.010	0.049	0.589	0.000	0.589	0.000	0.000	0.589
Green Structures Investment	0.896	0.000	0.255	0.252	0.196	0.192	0.896	0.000	0.000	0.000	0.896	0.896
New Archives Premises CTC1	10.550	1.566	8.362	0.457	0.165	0.000	8.984	0.000	0.000	0.000	0.294	8.984
PROW Capital Works	1.138	1.127	0.011	0.000	0.000	0.000	0.011	0.011	0.000	0.000	0.000	0.011
PROW CMM A6 MARR	0.100	0.070	0.001	0.029	0.000	0.000	0.030	0.030	0.000	0.000	0.000	0.030
Visitor Economy - Rural Shared Prosperity Fund	0.713	0.465	0.248	0.000	0.000	0.000	0.248	0.248	0.000	0.000	0.000	0.248
Tatton Park Investment Phase 2	3.280	1.446	0.500	1.334	0.000	0.000	1.834	0.000	0.000	0.000	1.834	1.834
Total Committed Schemes	332.151	149.912	44.414	40.202	48.063	49.560	182.239	68.614	26.317	0.454	34.561	52.292
Total Growth & Enterprise	332.151	149.912	44.414	40.202	48.063	49.560	182.239	68.614	26.317	0.454	34.561	52.292

CAPITAL PROGRAMME 2025/26 - 2028/29

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £m
	Total Approved Budget £m	Prior Years £m	Forecast Budget 2025/26 £m	Forecast Budget 2026/27 £m	Forecast Budget 2027/28 £m	Forecast Budget 2028/29 £m	Total Forecast Budget 2025-29 £m	Grants £m	External Contributions £m	Revenue Contributions £m	Capital Receipts £m	Prudential Borrowing £m	
Committed Schemes in progress													
Environment Services													
Bereavement Service Data System	0.035	0.007	0.028	0.000	0.000	0.000	0.028	0.000	0.000	0.028	0.000	0.000	0.028
Booth Bed Lane, Goostrey	0.140	0.000	0.000	0.140	0.000	0.000	0.140	0.100	0.040	0.000	0.000	0.000	0.140
Bosley Village Play Area	0.020	0.000	0.020	0.000	0.000	0.000	0.020	0.000	0.020	0.000	0.000	0.000	0.020
Browns Lane Play Area 2024/25	0.012	0.000	0.012	0.000	0.000	0.000	0.012	0.000	0.012	0.000	0.000	0.000	0.012
Carbon Neutral 2030 Investments	13.980	0.104	0.000	0.597	4.000	9.279	13.876	0.000	0.000	0.000	0.000	13.876	13.876
Carbon Offset Investment	0.568	0.539	0.029	0.000	0.000	0.000	0.029	0.000	0.000	0.000	0.000	0.029	0.029
Carnival Fields	0.042	0.000	0.042	0.000	0.000	0.000	0.042	0.000	0.042	0.000	0.000	0.000	0.042
Chelford Village Hall Phase 2	0.061	0.000	0.061	0.000	0.000	0.000	0.061	0.000	0.061	0.000	0.000	0.000	0.061
Closed Cemeteries	0.152	0.000	0.152	0.000	0.000	0.000	0.152	0.000	0.000	0.000	0.000	0.152	0.152
Crewe Crematorium Flue Modifications	0.030	0.019	0.011	0.000	0.000	0.000	0.011	0.000	0.000	0.000	0.000	0.011	0.011
Crewe Crematorium and Macclesfield Crematorium Major	0.030	0.018	0.012	0.000	0.000	0.000	0.012	0.000	0.000	0.000	0.000	0.012	0.012
Elworth Park	0.052	0.002	0.035	0.015	0.000	0.000	0.050	0.000	0.050	0.000	0.000	0.000	0.050
Energy Improvements at Cledford Lane	0.985	0.914	0.071	0.000	0.000	0.000	0.071	0.000	0.000	0.000	0.000	0.071	0.071
Fleet EV Transition	6.897	0.990	0.350	3.557	2.000	0.000	5.907	0.000	0.000	0.000	0.000	5.907	5.907
Fleet Vehicle Electric Charging	0.585	0.159	0.286	0.140	0.000	0.000	0.426	0.000	0.000	0.000	0.000	0.426	0.426
Future High Street Funding - Sustainable Energy Network	1.516	1.349	0.166	0.000	0.000	0.000	0.166	0.166	0.000	0.000	0.000	0.000	0.166
Green Investment Scheme (Solar Farm)	4.150	3.459	0.536	0.155	0.000	0.000	0.691	0.000	0.000	0.000	0.000	0.691	0.691
Green Spaces Wilmslow - Mersey Forest	0.021	0.021	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Grounds Maintenance Management ICT System	0.121	0.060	0.062	0.000	0.000	0.000	0.062	0.000	0.000	0.000	0.000	0.062	0.062
Household Waste Recycling Centres	0.860	0.084	0.776	0.000	0.000	0.000	0.776	0.000	0.000	0.000	0.000	0.776	0.776
Jim Evison Playing Fields	0.161	0.019	0.122	0.020	0.000	0.000	0.142	0.000	0.142	0.000	0.000	0.000	0.142
Litter and Recycling Bins	0.208	0.119	0.010	0.052	0.027	0.000	0.089	0.000	0.000	0.000	0.000	0.089	0.089
Longridge Open Space Improvement Project	0.066	0.000	0.000	0.066	0.000	0.000	0.066	0.000	0.066	0.000	0.000	0.000	0.066
LTA - Tennis Facility Improvements	0.124	0.039	0.085	0.000	0.000	0.000	0.085	0.060	0.000	0.000	0.000	0.025	0.085
Macclesfield Chapel Refurbishment	0.629	0.022	0.607	0.000	0.000	0.000	0.607	0.000	0.000	0.607	0.000	0.000	0.607
Main Road, Langley	0.259	0.003	0.160	0.097	0.000	0.000	0.257	0.000	0.257	0.000	0.000	0.000	0.257
Newtown Sports Facilities Improvements	0.099	0.093	0.000	0.006	0.000	0.000	0.006	0.000	0.006	0.000	0.000	0.000	0.006
Park Development Fund	0.846	0.670	0.089	0.087	0.000	0.000	0.176	0.000	0.000	0.000	0.000	0.176	0.176
Park Play, Meriton Road & Stanley Hall	0.010	0.000	0.010	0.000	0.000	0.000	0.010	0.000	0.010	0.000	0.000	0.000	0.010
Pastures Wood De-carbonisation	0.051	0.038	0.013	0.000	0.000	0.000	0.013	0.000	0.000	0.013	0.000	0.000	0.013
Queens Park Bowling Green	0.017	0.002	0.015	0.000	0.000	0.000	0.015	0.000	0.015	0.000	0.000	0.000	0.015
Review of Household Waste Recycling Centres	1.000	0.000	0.350	0.650	0.000	0.000	1.000	0.000	0.000	0.000	0.000	1.000	1.000
Rotherhead Drive Open Space and Play Area	0.141	0.117	0.006	0.006	0.006	0.006	0.024	0.000	0.024	0.000	0.000	0.000	0.024
Rugby Drive, Macclesfield	0.071	0.024	0.047	0.000	0.000	0.000	0.047	0.000	0.047	0.000	0.000	0.000	0.047
Shaw Heath Recreation Ground	0.022	0.016	0.000	0.006	0.000	0.000	0.006	0.000	0.006	0.000	0.000	0.000	0.006
Stanley Hall Improvements	0.055	0.053	0.002	0.000	0.000	0.000	0.002	0.000	0.002	0.000	0.000	0.000	0.002
The Carrs Improvement Project	0.061	0.000	0.000	0.061	0.000	0.000	0.061	0.000	0.061	0.000	0.000	0.000	0.061
The Moor, Knutsford	0.036	0.032	0.004	0.000	0.000	0.000	0.004	0.000	0.000	0.000	0.000	0.004	0.004

CAPITAL PROGRAMME 2025/26 - 2028/29

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £m
	Total Approved Budget £m	Prior Years £m	Forecast Budget 2025/26 £m	Forecast Budget 2026/27 £m	Forecast Budget 2027/28 £m	Forecast Budget 2028/29 £m	Total Forecast Budget 2025-29 £m	Grants £m	External Contributions £m	Revenue Contributions £m	Capital Receipts £m	Prudential Borrowing £m	
Committed Schemes in progress													
Environment Services													
Unsafe Cemetery Memorials	0.035	0.009	0.026	0.000	0.000	0.000	0.026	0.000	0.000	0.000	0.000	0.026	0.026
Victoria Park Amenity Improvements	0.020	0.012	0.008	0.000	0.000	0.000	0.008	0.000	0.008	0.000	0.000	0.000	0.008
Victoria Park Pitch Improvements	0.029	0.028	0.001	0.000	0.000	0.000	0.001	0.000	0.001	0.000	0.000	0.000	0.001
Weekly Food Waste Collections	8.209	0.192	2.104	5.913	0.000	0.000	8.017	2.519	0.000	0.000	0.000	5.497	8.017
West Park Open Space & Sports Improvements	0.120	0.045	0.075	0.000	0.000	0.000	0.075	0.000	0.075	0.000	0.000	0.000	0.075
Woodland South of Coppice Way, Handforth	0.089	0.068	0.005	0.016	0.000	0.000	0.021	0.000	0.021	0.000	0.000	0.000	0.021
Wybunbury St Chad's Closed Cemetery	0.219	0.000	0.000	0.219	0.000	0.000	0.219	0.000	0.000	0.000	0.000	0.219	0.219
Neighbourhood Services													
Congleton Leisure Centre	13.000	12.973	0.027	0.000	0.000	0.000	0.027	0.000	0.020	0.000	0.000	0.007	0.027
Crewe Towns Fund - Cumberland Arena	3.173	0.404	2.768	0.000	0.000	0.000	2.768	2.769	0.000	0.000	0.000	0.000	2.769
Crewe Towns Fund - Pocket Parks	1.481	0.954	0.527	0.000	0.000	0.000	0.527	0.527	0.000	0.000	0.000	0.000	0.527
Crewe Towns Fund - Valley Brook Green Corridor	3.339	0.590	2.000	0.748	0.000	0.000	2.748	2.748	0.000	0.000	0.000	0.000	2.748
Middlewich Leisure Centre	0.060	0.051	0.009	0.000	0.000	0.000	0.009	0.000	0.000	0.000	0.000	0.009	0.009
Libraries - Next Generation - Self Service	0.374	0.336	0.038	0.000	0.000	0.000	0.038	0.000	0.000	0.000	0.000	0.038	0.038
Strategic Leisure Review	3.400	1.329	1.421	0.650	0.000	0.000	2.071	0.000	0.000	0.000	0.000	2.071	2.071
Planning & Regulatory Services													
Regulatory Systems & Environmental Health ICT System	0.313	0.279	0.034	0.000	0.000	0.000	0.034	0.000	0.000	0.000	0.000	0.034	0.034
Total Committed Schemes	67.975	26.243	13.212	13.201	6.033	9.285	41.732	8.890	0.987	0.647	0.000	31.208	41.732
New Schemes													
Environment Services													
Parks	1.483	0.000	0.549	0.370	0.214	0.349	1.483	0.000	1.483	0.000	0.000	0.000	1.483
King George V Playing Fields	1.522	0.000	1.522	0.000	0.000	0.000	1.522	1.113	0.409	0.000	0.000	0.000	1.522
Total New Schemes	3.005	0.000	2.072	0.370	0.214	0.349	3.005	1.113	1.892	0.000	0.000	0.000	3.005
Total Environment and Communities Schemes	70.980	26.243	15.284	13.571	6.247	9.635	44.737	10.003	2.879	0.647	0.000	31.208	44.737

CAPITAL PROGRAMME 2025/26 - 2028/29

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £m
	Total Approved Budget £m	Prior Years £m	Forecast Budget 2025/26 £m	Forecast Budget 2026/27 £m	Forecast Budget 2027/28 £m	Forecast Budget 2028/29 £m	Total Forecast Budget 2025-29 £m	Grants £m	External Contributions £m	Revenue Contributions £m	Capital Receipts £m	Prudential Borrowing £m	
Committed Schemes in progress													
Highways													
A532 Safer Road Fund Scheme	1.466	1.395	0.070	0.000	0.000	0.000	0.070	0.000	0.000	0.000	0.000	0.070	0.070
A536 Safer Road Fund Scheme	2.404	2.353	0.051	0.000	0.000	0.000	0.051	0.000	0.000	0.000	0.000	0.051	0.051
A537 Safer Road Fund Scheme	2.490	2.346	0.144	0.000	0.000	0.000	0.144	0.144	0.000	0.000	0.000	0.000	0.144
Air Quality Action Plan	0.523	0.522	0.002	0.000	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.002	0.002
Alderley Edge Bypass Scheme Implementation	60.411	60.360	0.006	0.045	0.000	0.000	0.051	0.000	0.000	0.000	0.000	0.051	0.051
Bridge Maintenance Minor Wks	12.463	11.672	0.792	0.000	0.000	0.000	0.792	0.374	0.000	0.000	0.000	0.418	0.792
Client Contract and Asset Mgmt	0.693	0.547	0.146	0.000	0.000	0.000	0.146	0.000	0.000	0.000	0.000	0.146	0.146
Highway Maintenance Minor Wks	69.882	69.552	0.330	0.000	0.000	0.000	0.330	0.260	0.000	0.000	0.000	0.070	0.330
Highway Pothole/Challenge Fund	11.669	11.497	0.172	0.000	0.000	0.000	0.172	0.000	0.000	0.000	0.000	0.172	0.172
Jack Mills Way Part 1 Claims	0.307	0.307	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Local Highway Measures	7.255	7.105	0.151	0.000	0.000	0.000	0.151	0.151	0.000	0.000	0.000	0.000	0.151
Ward Members Local Highway Measures	0.872	0.319	0.200	0.353	0.000	0.000	0.553	0.177	0.000	0.000	0.000	0.376	0.553
Programme Management	1.547	1.546	0.002	0.000	0.000	0.000	0.002	0.002	0.000	0.000	0.000	0.000	0.002
Road Safety Schemes Minor Wks	6.423	6.260	0.163	0.000	0.000	0.000	0.163	0.034	0.000	0.000	0.000	0.128	0.163
Traffic Signal Maintenance	1.095	0.795	0.300	0.000	0.000	0.000	0.300	0.299	0.000	0.000	0.000	0.001	0.300
Winter Service Facility	0.957	0.771	0.097	0.089	0.000	0.000	0.186	0.000	0.000	0.000	0.000	0.186	0.186
Managing and Maintaining Highways	4.712	0.000	4.712	0.000	0.000	0.000	4.712	0.000	0.000	0.000	0.000	4.712	4.712
Pothole Funding	17.397	0.000	5.799	5.799	5.799	0.000	17.397	17.397	0.000	0.000	0.000	0.000	17.397
Integrated Block - LTP	6.009	0.000	2.003	2.003	2.003	0.000	6.009	6.009	0.000	0.000	0.000	0.000	6.009
Maintenance Block - LTP	19.476	0.000	7.878	5.799	5.799	0.000	19.476	17.397	0.000	0.000	0.000	2.079	19.476
Incentive Fund - LTP	4.350	0.000	1.450	1.450	1.450	0.000	4.350	4.350	0.000	0.000	0.000	0.000	4.350
Infrastructure													
A500 Dualling scheme	88.692	11.117	0.050	0.150	0.000	77.375	77.575	74.125	3.450	0.000	0.000	0.000	77.575
A500 Corridor OBC Update	3.371	0.064	0.650	2.000	0.306	0.350	3.307	2.543	0.764	0.000	0.000	0.000	3.307
A50 / A54 Holmes Chapel	0.603	0.101	0.000	0.000	0.000	0.502	0.502	0.000	0.502	0.000	0.000	0.000	0.502
A54 / A533 Leadsmithy Street, Middlewich	0.563	0.177	0.000	0.000	0.000	0.386	0.386	0.000	0.386	0.000	0.000	0.000	0.386
A6 MARR CMM Handforth	1.088	1.046	0.042	0.000	0.000	0.000	0.042	0.042	0.000	0.000	0.000	0.000	0.042
A6 MARR Technical Design	0.473	0.285	0.188	0.000	0.000	0.000	0.188	0.070	0.119	0.000	0.000	0.000	0.188
A556 Knutsford to Bowdon	0.504	0.373	0.060	0.071	0.000	0.000	0.131	0.000	0.131	0.000	0.000	0.000	0.131
Peacock Roundabout Junction	0.750	0.036	0.516	0.000	0.000	0.198	0.714	0.000	0.714	0.000	0.000	0.000	0.714
Congleton Link Road	83.991	72.920	0.785	1.779	1.000	7.508	11.071	0.316	10.756	0.000	0.000	0.000	11.071
Crewe Green Roundabout	7.500	7.059	0.441	0.000	0.000	0.000	0.441	0.000	0.441	0.000	0.000	0.000	0.441
Flowerpot Phs 1 & Pinchpoint	4.249	1.516	0.000	0.588	0.336	1.808	2.732	1.719	1.014	0.000	0.000	0.000	2.732

CAPITAL PROGRAMME 2025/26 - 2028/29

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £m
	Total Approved Budget £m	Prior Years £m	Forecast Budget 2025/26 £m	Forecast Budget 2026/27 £m	Forecast Budget 2027/28 £m	Forecast Budget 2028/29 £m	Total Forecast Budget 2025-29 £m	Grants £m	External Contributions £m	Revenue Contributions £m	Capital Receipts £m	Prudential Borrowing £m	
Committed Schemes in progress													
Highways													
Future High Street Funding - Adaptive Signals	0.509	0.455	0.054	0.000	0.000	0.000	0.054	0.000	0.054	0.000	0.000	0.000	0.054
Future High Street Funding - Flag Lane Link	1.481	1.481	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Future High Street Funding - Southern Gateway	6.327	5.101	1.226	0.000	0.000	0.000	1.226	1.226	0.000	0.000	0.000	0.000	1.226
Highways & Infrastructure S106 Funded Schemes	6.102	1.316	1.621	1.371	0.000	1.795	4.787	0.163	4.624	0.000	0.000	0.000	4.787
Transport & Infrastructure Development Studies	0.350	0.043	0.307	0.000	0.000	0.000	0.307	0.307	0.000	0.000	0.000	0.000	0.307
Middlewich Eastern Bypass	96.600	27.679	16.312	28.415	24.194	0.000	68.921	46.779	14.611	0.000	0.000	7.532	68.921
Mill Street Corridor - Station Link Project	0.563	0.263	0.300	0.000	0.000	0.000	0.300	0.000	0.000	0.000	0.000	0.300	0.300
North-West Crewe Package	51.366	49.055	0.650	0.550	0.550	0.561	2.311	0.000	2.311	0.000	0.000	0.000	2.311
Old Mill Road / The Hill Junction	1.325	0.188	0.100	1.036	0.000	0.000	1.136	0.000	1.136	0.000	0.000	0.000	1.136
Poynton Relief Road	54.848	47.293	0.100	3.665	1.431	2.359	7.555	2.236	4.220	0.000	1.000	0.100	7.555
Sydney Road Bridge	10.501	10.112	0.014	0.375	0.000	0.000	0.389	0.000	0.390	0.000	0.000	-0.001	0.389
Strategic Transport and Parking													
Active Travel Fund	3.109	0.525	2.584	0.000	0.000	0.000	2.584	2.584	0.000	0.000	0.000	0.000	2.584
Active Travel (Cycling / Walking Route) Investment	2.920	2.854	0.066	0.000	0.000	0.000	0.066	0.001	0.000	0.000	0.000	0.065	0.066
Available Walking Routes	0.151	0.000	0.151	0.000	0.000	0.000	0.151	0.151	0.000	0.000	0.000	0.000	0.151
Car Parking Review	0.895	0.570	0.100	0.225	0.000	0.000	0.325	0.000	0.000	0.325	0.000	0.000	0.325
LEVI Capital Fund 23/24	2.172	0.000	0.000	1.086	1.086	0.000	2.172	2.172	0.000	0.000	0.000	0.000	2.172
On-street Residential Charging	0.551	0.389	0.162	0.000	0.000	0.000	0.162	0.151	0.000	0.000	0.000	0.011	0.162
Park Lane – Ayreshire Way, Congleton Walking and Cycling	0.482	0.433	0.049	0.000	0.000	0.000	0.049	0.049	0.000	0.000	0.000	0.000	0.049
Sustainable Travel Access Prog	2.245	2.059	0.186	0.000	0.000	0.000	0.186	0.186	0.000	0.000	0.000	0.000	0.186
Sustainable Modes of Travel to Schools Strategy (SMOTSS)	1.117	0.883	0.234	0.000	0.000	0.000	0.234	0.234	0.000	0.000	0.000	0.000	0.234
Public Transport Infrastructure	2.765	1.586	1.094	0.085	0.000	0.000	1.179	1.179	0.000	0.000	0.000	0.000	1.179
Bus Priority	0.755	0.000	0.413	0.341	0.000	0.000	0.755	0.755	0.000	0.000	0.000	0.000	0.755
Real Time Passenger Information (RTPI)	0.750	0.000	0.600	0.030	0.030	0.090	0.750	0.750	0.000	0.000	0.000	0.000	0.750
Macclesfield Bus Station	0.050	0.000	0.050	0.000	0.000	0.000	0.050	0.050	0.000	0.000	0.000	0.000	0.050
Local Access - Crewe Transport Access Studies	0.400	0.088	0.312	0.000	0.000	0.000	0.312	0.312	0.000	0.000	0.000	0.000	0.312
Local Access - Macclesfield Transport Access Studies	0.300	0.061	0.239	0.000	0.000	0.000	0.239	0.239	0.000	0.000	0.000	0.000	0.239
Local Transport Grant	7.754	0.000	7.754	0.000	0.000	0.000	7.754	7.754	0.000	0.000	0.000	0.000	7.754
Middlewich Rail Study	0.020	0.000	0.020	0.000	0.000	0.000	0.020	0.020	0.000	0.000	0.000	0.000	0.020
LTP Development & Monitoring Studies	0.900	0.460	0.220	0.221	0.000	0.000	0.441	0.441	0.000	0.000	0.000	0.000	0.441
Digital Car Parking Solutions	0.140	0.097	0.044	0.000	0.000	0.000	0.044	0.016	0.000	0.000	0.000	0.027	0.044
Pay and Display Parking Meters	0.620	0.607	0.013	0.000	0.000	0.000	0.013	0.000	0.000	0.000	0.000	0.013	0.013
Car Parking Improvements (including residents parking)	0.322	0.266	0.056	0.000	0.000	0.000	0.056	0.000	0.000	0.000	0.000	0.056	0.056
Total Committed Schemes	682.578	425.904	62.230	57.526	43.985	92.933	256.674	193.162	45.621	0.325	1.000	16.566	256.674

Highways & Transport

CAPITAL

CAPITAL PROGRAMME 2025/26 - 2028/29													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding
	Total Approved Budget £m	Prior Years £m	Forecast Budget 2025/26 £m	Forecast Budget 2026/27 £m	Forecast Budget 2027/28 £m	Forecast Budget 2028/29 £m	Total Forecast Budget 2025-29 £m	Grants £m	External Contributions £m	Revenue Contributions £m	Capital Receipts £m	Prudential Borrowing £m	
New Schemes													
Highways													
Highways Maintenance Capital	41.846	0.000	7.340	11.502	11.502	11.502	41.846	27.773	0.000	0.000	0.000	14.073	41.846
Highways: Depots (Macclesfield)	2.386	0.000	0.250	0.911	1.225	0.000	2.386	0.000	0.000	0.000	0.000	2.386	2.386
Highways: Depots (Wardle)	0.696	0.000	0.146	0.458	0.092	0.000	0.696	0.000	0.000	0.000	0.060	0.636	0.696
Strategic Transport & Parking Services													
Strategic Transport Model	0.750	0.000	0.050	0.450	0.250	0.000	0.750	0.000	0.000	0.000	0.000	0.750	0.750
Total New Schemes	45.678	0.000	7.786	13.321	13.069	11.502	45.678	27.773	0.000	0.000	0.060	17.845	45.678
Total Highways & Transport	728.256	425.904	70.016	70.847	57.054	104.435	302.351	220.935	45.621	0.325	1.060	34.411	302.351



Second Financial Review 2025/26

Results to end of August 2025

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Section 1: Debt

- 1.1 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 on 31 August 2025 was £20.5m, this has reduced by £0.3m since FR1.
- 1.2 Annually, the Council raises invoices with a total value of over £96m. 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.
- 1.3 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).
- 1.4 The total amount of service debt over six months old is £12.5m, this has risen from £10.5m since August 2024, largely within Adult's Social Care . The current split is £10.9m of Adult Social Care debt and £1.6m 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.
- 1.5 **Table 1** shows the outstanding debt split by Directorate, compared to FR1.

Table 1 FR2 August 2025/26	Outstanding Debt			Over 6 months old		
	FR1 £m	FR2 £m	Increase / (Decrease) £m	FR1 £m	FR2 £m	Increase / (Decrease) £m
Adults and Health Committee						
Adults, Public Health and Communities	16.332	16.163	(0.169)	10.749	10.918	0.169
Children and Families Committee						
Children's Social Care (inc. Directorate)	0.401	0.053	(0.349)	0.000	0.000	0.000
Prevention and Early Help	0.074	0.018	(0.056)	0.000	0.000	0.000
Schools	0.004	0.010	0.006	0.000	0.001	0.001
Highways and Transport Committee						
Highways and Infrastructure	1.986	1.620	(0.366)	0.619	0.961	0.342
Economy and Growth Committee						
Growth and Enterprise	1.427	1.209	(0.218)	0.376	0.392	0.016
Environment and Communities Committee						
Environment and Neighbourhood Services	0.454	1.296	0.843	0.174	0.172	(0.002)
Corporate Policy Committee						
Finance and Customer Services	0.106	0.099	(0.007)	0.080	0.079	(0.001)
Governance and Compliance	0.024	0.017	(0.007)	0.000	0.000	0.000
HR and Customer Experience	0.003	0.000	(0.003)	0.000	0.000	0.000
Digital	0.042	0.021	(0.022)	0.000	0.000	0.000
Total	20.854	20.506	(0.348)	11.998	12.523	0.525

1.6 **Table 2** lists the top 10 debtors @ 31 August 2025

Table 2 - Top 10 Aged Debtors FR2 August 2025/26						
	1-3 Months	3-6 Months	6-9 Months	9-12 Months	12+ Months	Total Balance
RM Estates Ltd	0.483	-	-	-	0.121	0.604
Ansa Environmental Services	0.597	-	-	-	-	0.597
Individual A	-	-	0.336	-	-	0.336
Everybody Health and Leisure	0.160	-	-	-	-	0.160
Warrington Borough Council	-	0.110	-	-	-	0.110
Individual B	-	-	-	0.084	-	0.084
Aviva	0.080	-	-	-	-	0.080
Individual C	-	-	-	-	0.075	0.075
NFU Mutual	-	-	-	-	0.072	0.072
Individual D	-	-	-	-	0.065	0.065
Total	1.319	0.110	0.336	0.084	0.333	2.183

- 1.7 The top 10 debtors represent £2.2m, 10.6% of total debt. 60.4% of this total debt owing is between 1 and 3 months old, 24.7% is between 3 and 12 months old and 15.3% is more than 12 months old. At this time £0.5m has been provided for.
- 1.8 The £0.6m ANSA debt is awaiting clearance pending salary commitments; £0.7m is currently with the liquidation team, whilst another £0.6m is being dealt with by external lawyers /a debt collection agency. The remaining £0.2m relates to Adults Social care debt where sale of property is involved, processes are underway to recover this debt but this is likely to take some time.
- 1.9 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 £3m is linked to deferred arrangements which is debt that is secured on property or assets and therefore carries a low risk. There is also around £5m of debt which is deemed to be lower risk as its linked to areas such as probate, property sales or deputyship. The main categories of ASC debt have distinct provision calculations appropriate for the level of risk involved.

1.10 The Highways position for outstanding debt is reasonably consistent throughout the year and 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; third party claims for damage to the highway; and permit fees. The third party claims are often paid in instalments.

The previous outturn positions are:

- 31 March 2025 Outstanding debt £1.5m, over 6 months old £0.6m.
- 31 March 2024 Outstanding debt £1.6m, over 6 months old £0.7m

1.11 Work is planned in 2025/26 to review the provision for Sundry Council debt and to establish new working practices where necessary.

1.12 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.

Section 2: Council Tax and Business Rates

Council Tax

2.1 **Table 1** details each precepting authorities share of the budgeted collectable rates income.

Table 1 Share of Council Tax Collectable Rates	Band D Charge	Collectable Rates £m
Cheshire East Council	1,882.04	307.264
Town and Parish Councils	78.54	12.822
Cheshire Police and Crime Commissioner	276.94	45.214
Cheshire Fire Authority	95.09	15.524
Total	2,332.61	380.824

2.2 The collectable rates valuation is based on the assumption that of the total amount billed, at least 99% will be collected. **Table 2** demonstrates that the target to collect at least 99% of Council Tax within three years continues to be achieved.

Table 2 Council Tax Collection Rates	2021/22 %	2022/23 %	2023/24 %	2024/25 %	2025/26 %
After 1 year	97.8	98.2	98.0	97.8	46.0*
After 2 years	98.5	98.8	98.7	**	**
After 3 years	99.0	99.1	**	**	**

* 2025/26 rate is up to 31 August 2025. ** Data is not yet available.

2.3 The collectable rates valuation may also vary during the year due to changes to Council Tax Support payments, the granting of discounts and exemptions, and changes to numbers and value of properties. **Table 3** shows the collectable rates position as forecast at 31 August 2025.

Table 3 Council Tax Net Rates Payable – August 2025	Collectable Rates £m
Total Rates Billed	446.258
Council Tax Support Scheme	-19.607
Discounts, Exemptions & Reliefs	-41.191
Write-offs	-3.000

2.4 After accounting adjustments, the Council Tax Collection Fund is forecasting a £0.476m surplus for 2025/26, of which, £0.400m is attributable to Cheshire East Council. This estimated surplus would be paid out in 2026/27 and be credited to the Collection Fund Earmarked Reserve.

2.5 The Council Tax Support scheme will be reviewed during 2026/27 with the possibility of implementing any changes in 2027/28.

Non-Domestic Rates (NDR)

2.6 Collectable rates are distributed between Cheshire East Council (49%), Cheshire Fire Authority (1%), and Central Government (50%).

2.7 Non-domestic Rates valuations for 2025/26 were set out in the NNDR1 return to Central Government in January 2025. Any variance to this forecast is included in the following years' NNDR1 return and any gain or loss will be recovered in 2026/27. The total Net Rates Payable into the Collection Fund was forecast at £160.940m.

2.8 **Table 4** demonstrates that the target to collect at least 99% of Non-Domestic Rates within three years continues to be achieved.

Table 4 Non-Domestic Rates Collection Rates	2021/22 %	2022/23 %	2023/24 %	2024/25 %	2025/26 %
After 1 year	95.6	98.2	97.7	97.9	47.9*
After 2 years	98.3	98.8	99.9	**	**
After 3 years	99.2	99.4	**	**	**

* 2025/26 rate is up to 31 August 2025.

** Data is not yet available.

2.9 **Table 5** shows the revised Non-Domestic Collectable Rates position as forecast at 31 August 2025.

Table 5 Non-Domestic Net Rates Payable – August 2025	Collectable Rates £m
Total Rates Billed	207.149
Small Business Relief	-17.634
Discounts, Exemptions & Reliefs	-26.483
Write-offs	-2.000
Total Net Rates Payable Forecast	161.032

2.10 After accounting adjustments, the Non-Domestic Rates Collection Fund is forecasting a £3.157m surplus for 2025/26, of which, £1.547m is attributable to Cheshire East Council. This estimated surplus would be paid out in 2026/27 and be credited to the Collection Fund Earmarked Reserve.

Section 3: Treasury Management

Background

- 3.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council 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 Council's prudent financial management.
- 3.2 Treasury risk management at the Council 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 Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 3.3 Investments held for service purposes or for commercial profit are considered in the Investment Report (see [MTFS approved February 2025](#)).

External Context

- 3.4 **Economic background:** Concern over the implementation of American tariffs still persists leading to a higher than expected increase in US inflation which is limiting the federal bank expectations of a rate cut later in the year which President Trump believes should happen anyway.
- 3.5 Data released during the period showed the UK economy expanded by 0.3% in the second quarter of the calendar year, lower than Q1 but still above market expectations. Sunny weather in the UK is thought to have helped with retail sales rising by 0.6% in July suggesting increased customer confidence.
- 3.6 Consumer Price Inflation rose to 3.8% in July, the highest level since January 2024. The main driver was transport costs in line with peak holiday demand for air fares etc. Housing and household services inflation was actually slightly down on previous quarter.
- 3.7 Having started the financial year at 4.5%, the Bank of England's Monetary Policy Committee (MPC) made a further cut to Bank Rate in August to 4%. This dovish tilt by the Committee is expected to continue and financial market expectations are that the next cut will be in November, in line with the publication of the next quarterly Monetary Policy Report (MPR).
- 3.8 **Financial Markets:** Market pressures persist with UK budget deficit now over 5%. The delay of the budget to November maintains uncertainty which, along with international trading conditions, has had an effect on gilt markets as confidence in UK debt has weakened.

The 10 year UK benchmark gilt yield remains elevated although has fallen from a peak of 4.80% at the start of September. This is keeping the market for Local Authority borrowing at higher levels than the falling Base Rate would otherwise suggest.

- 3.9 **Credit Review:** Arlingclose, our treasury advisors, maintained its advised recommended maximum unsecured duration limit on most banks on its counterparty list at 6 months. Other banks remain on 100 days.
- 3.10 Credit default swap prices on UK banks spiked in early April following the US trade tariff announcements but have since generally trended downwards and ended at similar levels to this time last year.
- 3.11 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 Council's counterparty list recommended by Arlingclose remain under constant review.

Local Context

- 3.12 As at 31 August 2025 the Council has borrowings of £385.694m and investments of £43.321m. This is set out in further detail at **Annex A**. Forecast changes in these sums are shown in the balance sheet analysis in **Table 1** below.

Table 1: Balance Sheet Summary and Forecast	31/03/2025 Actual £m	31/03/2026 Estimate £m	31/03/2027 Estimate £m	31/03/2028 Estimate £m
General Fund CFR	539.015	553.878	593.621	600.058
Less: Other long-term liabilities *	(17.419)	(16.638)	(15.488)	(14.318)
Loans CFR	521.596	537.240	578.133	585.740
Less: External borrowing **	(396.073)	(276.888)	(133.264)	(118.641)
Internal (over) borrowing	125.523	260.352	444.869	467.099
Less: Usable reserves	(140.527)	(111.000)	(116.000)	(127.000)
Less: Working capital	(1.000)	(1.000)	(1.000)	(1.000)
(Treasury Investments) or New borrowing	(16.004)	148.352	327.869	339.099

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

** shows only loans to which the Council is committed and excludes optional refinancing. 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 Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

- 3.13 CIPFA's Prudential Code for Capital Finance recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. **Table 1** shows that the Council expects to comply with this recommendation during 2025/26.

Borrowing Strategy

- 3.14 The Council currently holds loans of £365.931m, a decrease of £30.142m since 31 March 2025. However, this will increase to a higher level, currently forecast as £412.000m at 31 March 2026.
- 3.15 Borrowing is at a lower level than our Capital Financing Requirement (CFR) which means that internal resources (reserves, etc) are being used rather than external debt. However, increasing service demand and the unfunded special educational needs situation is utilising those internal resources resulting in increased borrowing.
- 3.16 Following the reductions in base rates, borrowing costs have begun to fall. The cost of borrowing is still higher than implied future rate cuts would suggest but this is driven by gilt yields and likely tightening of liquidity in the inter-LA market which has been witnessed in the last 2 years. The use of exceptional financial support has raised credit worthiness concerns with some lenders restricting the number of lenders available to the Council. The expectation is that borrowing costs will probably not start to fall until 2026/27 and beyond.
- 3.17 At the moment, cash shortfalls are generally being met by temporary borrowing from other Local Authorities which for a number of years has been considerably cheaper than other sources of borrowing and allowed the Council to keep financing costs low. The cost of these loans remains good value compared with longer term loans and interest forecasts suggest it is still the cheaper option in the long term. However, liquidity risk remains an issue as funds become more scarce towards year end. To reduce liquidity risk, consideration is being given to taking more shorter term (1-5 years) PWLB loans.
- 3.18 The cost of short-term borrowing for the first 5 months of 2025/26 is 4.71% which is a decrease from 5.29% for 2024/25. These costs are expected to reduce further as the outlook is for reducing interest rates and older higher cost debt is repaid.
- 3.19 **LOBO's:** The Council holds £17.000m 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 Council has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2025/26. It is unlikely that the lender will exercise their options but if this happens, the Council is likely to take the option to repay LOBO loans at no cost.

Investment Strategy

- 3.20 The Council 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 £20.000m invested strategically in managed funds, the investments are generally short term for liquidity purposes. The level at 31 August 2025 is £43.321m.
- 3.21 The CIPFA Code requires the Council 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 Council'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.
- 3.22 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 £6.000m for unsecured investments and £12.000m 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 £12.000m 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.
- 3.23 Treasury Management income to 31 August 2025 is £1.380m which is higher than the budgeted £0.720m. Borrowing costs are also lower than budgeted at £7.456m compared to budget of £8.280m. From the projected cash flows for the remainder of 2025/26 the net difference in financing costs (borrowing less investment interest) is expected to be £2.561m less than that budgeted.
- The average daily investment balance including managed funds up to 31 August 2025 is £63.932m
 - The average annualised interest rate received on in-house investments up to 31 August 2025 is 4.27%
 - The average annualised interest rate received on the externally managed funds up to 31 August 2025 is 5.54%
- 3.24 The Council's total average interest rate on all investments in 2025/26 is 4.89%. The return is higher than our own performance target of 4.77% (average Base Rate + 0.50%) due to the valued added by the externally managed funds. However, the Council compares favourably to the Sterling Over Night Interest Average (SONIA) rate.

Table 2 – Interest Rate Comparison

Comparator	Average Rate to 31/08/2025
Cheshire East	4.89%
SONIA	4.23%
Base Rate	4.27%
Target Rate	4.77%

- 3.25 As the Council holds reserves and working capital, £20.000m of this has been placed in strategic investments in order to benefit from higher income returns whilst spreading risk across different asset classes.
- 3.26 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 3 –Strategic Investments

Fund Manager	Asset Class	Invested £m	Current Value £m
CCLA	Property	7.500	7.377
Aegon	Multi Asset	5.000	4.804
Fidelity	Equity - Global	4.000	4.706
Schroders	Equity - UK	2.500	2.610
M & G	Bonds	1.000	0.848
TOTAL		20.000	20.345

- 3.27 The value of these investments does vary. In previous years the fund values had been affected by high inflation, the effects of the war in Ukraine and low levels of GDP. However, the last 18 months have shown a gradual improvement, particularly to the equity funds. All funds continue to deliver good levels of income return.

Chart 1 – Current Investments by Counterparty Type

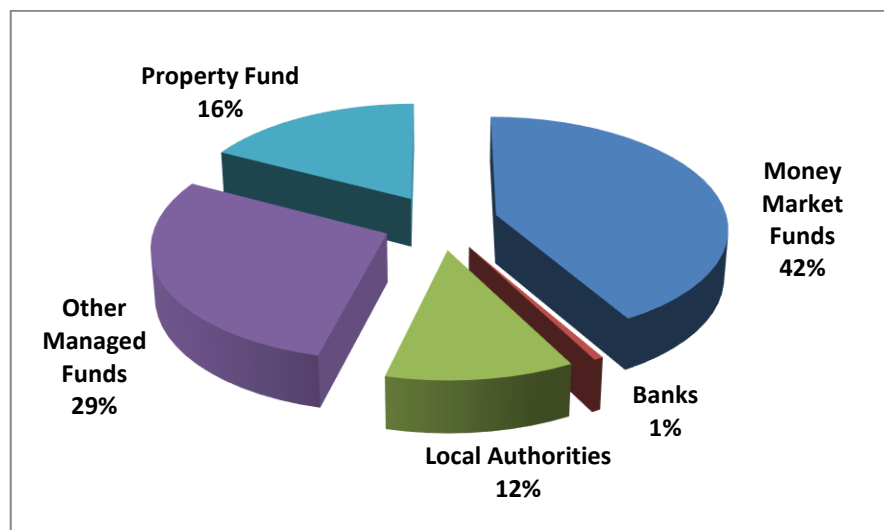
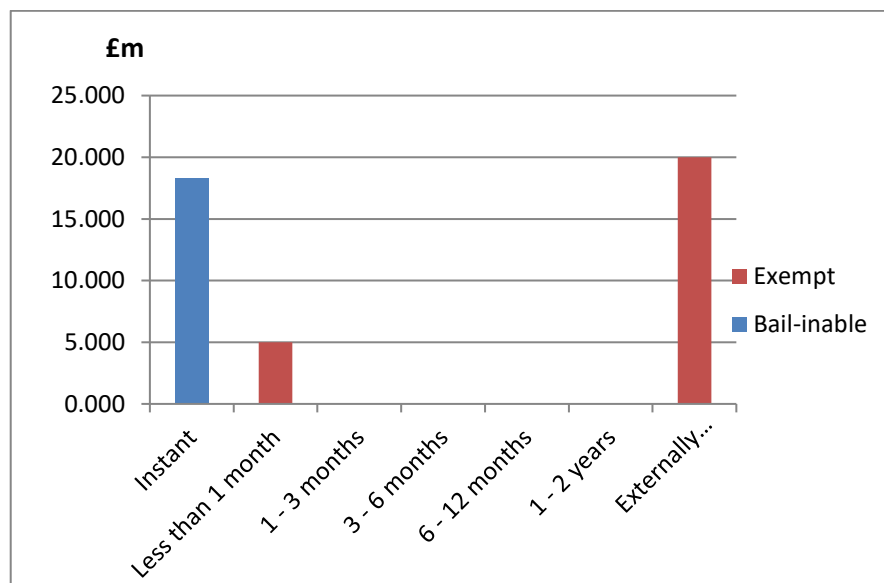


Table 4 – Types of Investments and Current Interest Rates

Instant Access Accounts	Average Rate	£m
Money Market Funds	4.11%	18.065
Banks	3.77%	0.256
Fixed Term Accounts		£m
Local Authorities	4.05%	5.000
Externally Managed Funds		£m
Total – see table 3	5.54%	20.000
Summary of Current Investments		£m
TOTAL	4.77%	43.321

Chart 2 – Maturity Profile of Investments



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

3.28 The Council measures and manages its exposures to treasury management risks using the following indicators.

3.29 **Interest Rate Exposures:** This indicator is set to control the Council'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% rise in interest rates	£2,786,000
Likely revenue impact in 2025/26 of a 1% rise in interest rates	£428,000

- 3.30 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates. The Council is expected to remain a net borrower in 2025/26 so a fall in rates would lead to savings rather than incurring additional cost so a limit of £0 was set. Rates are now more likely to reduce than increase so full revenue impact of changing rates is likely to be beneficial.
- 3.31 **Maturity Structure of Borrowing:** This indicator is set to control the Council'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 August 2025 are:

Refinancing rate risk indicator	Upper Limit	Actual
Under 12 months	75%	68%
12 months and within 24 months	75%	4%
24 months and within 5 years	75%	7%
5 years and within 10 years	75%	10%
10 years and within 20 years	100%	3%
20 years and above	100%	8%

- 3.32 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. The upper limit for loans maturing in under 12 months is relatively high as short term is cheaper than alternatives and allows for LOBO loans which have the potential to be repaid early. This will be kept under review as it does increase the risk of higher financing costs in the future.
- 3.33 **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council'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 end will be:

Price Risk Indicator	2025/26	2026/27	2027/28
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

	31/08/2025 Actual Portfolio £m	31/08/2025 Average Rate %
External Borrowing:		
PWLB – Fixed Rate	193.532	4.74%
Local Authorities	145.000	4.71%
LOBO Loans	17.000	4.63%
Other	10.399	4.29%
Total External Borrowing	365.931	4.71%
Other Long Term Liabilities:		
PFI	18.714	-
Leases	1.049	-
Total Gross External Debt	385.694	-
Investments:		
<i>Managed in-house</i>		
Short-term investments:		
Instant Access	18.321	4.11%
Fixed term investments:		
Local Authorities	5.000	4.05%
Managed externally:		
Property Fund	7.500	4.47%
Multi Asset Fund	5.000	5.88%
Equity - Global	4.000	6.35%
Equity - UK	2.500	7.33%
Bonds	1.000	4.23%
Total Investments	43.321	4.77%
Net Debt	342.373	-

Section 4: Prudential Indicators revisions to: 2024/25 – 2027/28 and future years

Background

4.1 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

4.2 In 2025/26, the Council estimates to spend £167.700m on capital expenditure as summarised below.

Capital Expenditure	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	Future Years £m
Total	88.323	167.700	171.702	136.213	178.408

Capital Financing

4.3 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	2027/28 Estimate £m	Future Years £m
Capital Receipts	0.000	0.478	2.460	21.143	11.840
Government Grants	49.791	108.023	110.864	44.601	102.099
External Contributions	4.002	11.720	15.199	36.556	40.874
Revenue Contributions	0.901	0.814	1.001	0.000	0.000
Total Financing	54.694	121.035	129.524	102.300	154.813
Prudential Borrowing	33.629	46.665	42.178	33.913	23.595
Total Funding	33.629	46.665	42.178	33.913	23.595

Capital Financing	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	Future Years £m
Total Financing and Funding	88.323	167.700	171.702	136.213	178.408

Replacement of debt finance

- 4.4 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	2028/29 Estimate £m
Total	15.327	17.977	21.049	23.797	24.938

Estimates of Capital Financing Requirement

- 4.5 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 is currently forecast to increase by £29m during 2025/26. This is due to the forecast level of capital expenditure for 2025/26 that is assumed will be financed by borrowing. 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	2028/29 Estimate £m
Total	521.596	537.240	578.133	585.740	574.410

Asset disposals

- 4.6 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 plans to receive a further £25.9m in future years. However, as capital receipts can take longer to crystallise than often anticipated at the outset, a prudent approach has been taken in setting the MTFS as shown below. Any

capital receipts in excess of those planned within the MTFs, and that are not already planned as funding for capital programmes, will be utilised at the discretion of the s151 Officer with a view to achieving the most beneficial longer term financial outcome for the Council.

Capital Receipts	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Asset Sales	2.100	1.000	1.000	1.000	1.000
Loans Repaid	0.100	0.200	0.200	0.200	0.200
Total	2.200	1.200	1.200	1.200	1.200

Gross Debt and the Capital Financing Requirement

- 4.7 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 (currently available at around 4.70%) and long term fixed rate loans where the future cost is known but fixed over a period when rates are expected to fall (currently 4.66%– 5.3%).
- 4.8 Projected levels of the Council's total outstanding debt (which comprises borrowing, Private Finance Initiative 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	2028/29 Estimate £m
Borrowing	396.073	364.901	417.174	444.298	444.965
PFI Liabilities	17.419	16.638	15.488	14.318	13.076
Total Debt	413.492	381.539	432.662	458.616	458.041
Capital Financing Requirement	521.596	537.240	578.133	585.740	574.410

- 4.9 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

- 4.10 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £20m at each year end. This benchmark is currently £399m and is forecast to rise to £455m 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	2028/29 Estimate £m
Outstanding Debt	396.073	364.901	417.174	444.298	444.965
Liability Benchmark	399.594	445.142	480.476	477.582	455.722

- 4.11 The table shows that the Council expects to borrow above its liability benchmark during 2025/26 but rises to be above the benchmark in the medium term.

Affordable borrowing limit

- 4.12 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	2028/29 Estimate £m
Authorised Limit for Borrowing	570.000	590.000	590.000	590.000	590.000
Authorised Limit for Other Long-Term Liabilities	17.419	16.638	15.488	14.318	13.076
Authorised Limit for External Debt	587.419	606.638	605.488	604.318	603.076
Operational Boundary for Borrowing	560.000	580.000	580.000	580.000	580.000
Operational Boundary for Other Long-Term Liabilities	17.419	16.638	15.488	14.318	13.076
Operational Boundary for External Debt	577.419	596.638	595.488	594.318	593.076

Investment Strategy

- 1.1. 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.
- 1.2. 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	31/03/2025 Actual £m	31/03/2026 Estimate £m	31/03/2027 Estimate £m	31/03/2028 Estimate £m	31/03/2029 Estimate £m
Short Term	38.915	20.000	20.000	20.000	20.000
Long Term	20.000	20.000	20.000	20.000	20.000
Total Investments	58.915	40.000	40.000	40.000	40.000

Source: Cheshire East Finance

- 1.3. 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	31/03/2025 Actual	31/03/2026 Estimate	31/03/2027 Estimate	31/03/2028 Estimate	31/03/2029 Estimate
Finance Costs (£m)	29.433	31.724	36.493	40.731	42.984
Proportion of net revenue stream %	7.44%	7.88%	8.84%	8.90%	10.12%

Source: Cheshire East Finance

OPEN

Finance Sub-Committee

3 November 2025

Medium Term Financial Strategy 2026/27 - 2029/30

**Report of: Ashley Hughes, Executive Director of Resources
(Section 151 Officer)**

Report Reference No: FSC/12/25-26

Ward(s) Affected: Not applicable

For Decision or Scrutiny: Both

Purpose of Report

- 1 This report is an update paper, following the last budget update received by this Committee (September 2025) and the Corporate Policy Committee on 2 October 2025, to further assist with the development of the Medium-Term Financial Strategy (MTFS) 2026 to 2030.
- 2 The report sets out the list of budget savings proposals making up this position ready for public consultation launch in November 2025.

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 use of Exceptional Financial Support (EFS) by way of a 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. The gaps

that were forecast in later years are being 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 there will be increased pressures in future years and preparing a balanced budget/ MTFS will continue to be challenging.

- 5 The budget gap in the last update paper, without mitigations, was £33.3m on the General Fund Revenue budget for 2026/27. This is the year, by law, that elected members must set a legal budget by no later than the 11 March 2026.
- 6 Since that budget assumptions report there have been further changes identified that needed to be worked towards, and details are set out in the main section of the report.
- 7 A programme of public engagement during November and December will be undertaken to support the 2026/27 budget setting and consultation.
- 8 Finance Sub-Committee must take into consideration the following information with respect to future years' financial positions, given they are shown as balanced from 2027/28:
 - (a) The balanced positions assume the full and permanent delivery of all new savings proposals, existing savings proposals and the Transformation Programme.
 - (b) That the modelled demographic and complexity of need growth numbers do not change materially over the life of this MTFS.
 - (c) That the Council will exercise the considerable capital programme restraint described in the MTFS in full.
 - (d) There are no further adverse inspection results that require a significant financial response to support the improvements they may describe.
 - (e) That an approach to dealing with Dedicated Schools' Grant deficits is found and published in the Schools' White Paper, which has been delayed into 2026.
 - (f) That the approach in (e) is not one that demands the Council manages the deficit unilaterally. The Council's DSG deficit was £113m at the end of 2024/25.
 - (g) The DSG override is removed in 2028. At this point, the resources on the balance sheet are not forecasted to be sufficient to deal with the scale of deficit Cheshire East will face.
 - (h) The Local Government Association (LGA) Corporate Peer Challenge described significant culture change requirements. These must be delivered in full to deliver the MTFS required to remove a need for Exceptional Financial Support.
 - (i) An MTFS can only succeed when a Council's policies and procedures, plans and strategies, and outcomes are focused on the

Council's core business. All elected members and officers must understand the scale of the challenges financially, the need to build up general and earmarked reserves to safe levels and that this will create clear tension with other commitments and priorities which will require reviewing by members as to whether they remain deliverable in the previously foreseen timeframes.

- 9 There are weaknesses described in the non-statutory Best Value Notice of May 2025 and the Assurance Panel letter to Full Council in July 2025. Progress in rectifying these weaknesses has occurred, the Financial Leadership Improvement Programme update is on this agenda, but much is still needed to be done.
- 10 Service Committees will receive reporting on the budget for 2026/27 and the MTFS. Specific risks relating to their budgets are described in more detail in those reports. These will be provided as background information to the next meeting of this Finance Sub-Committee in January 2026.
- 11 The Council must ensure the conditions for successful delivery of budget proposals are in place. Without the following conditions, it will be difficult to confirm the robustness of estimates under Section 25 of the Local Government Finance Act 2003.
 - A robust, consistent, corporate Programme and Project Management approach in a suitably resourced Programme Management Office.
 - Delivery plans for proposals must exist, be of sufficient detail to enable delivery monitoring, must consist of the cost of change where it is appropriate to do so, including those from services not involved directly in delivery.
 - A strong culture of owning performance and delivery, underpinned by monthly officer-led Performance Boards.
 - Elected members agree to oversee delivery through quarterly Star Chambers and apply the same methodology to challenge the budget process into 2027/28.
 - Delivery, in full, of the Financial Leadership Improvement Plan, particularly around the Enterprise Resource Programme and budget holder accountability.

RECOMMENDATIONS

The Finance Sub Committee is asked to:

1. Note the updated budget position for the period 2026/27 to 2029/30 as set out in Table 3.
2. Scrutinise and feedback on the list of budget savings proposals that are contained in the budget consultation launched in November 2025 as contained in Annex 1.
3. Note the risks identified in paragraph 8 and apply them to their scrutiny of the budget proposals.
4. Note that Corporate Policy Committee have been asked to approve the conditions for successful budget delivery as noted in paragraph 8 above.
5. Note that all Services Committees are being presented with the opportunity to review the savings proposals within their remit as part of the November cycle of meetings.

Background

- 12 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.
- 13 As a reminder, Table 1 sets out the revenue budget estimates for the four years from 2025/26 to 2028/29 as at February 2025.

Table 1: Summary position for 2025/26 to 2028/29	Approved Net Budget 2025/26 £m	Estimated Net Budget 2026/27 £m	Estimated Net Budget 2027/28 £m	Estimated Net Budget 2028/29 £m
Adults & Health	159.449	157.245	158.761	160.240
Children & Families	97.290	97.226	97.025	96.767
Corporate Policy	42.786	47.182	49.072	50.557
Economy & Growth	28.442	29.137	29.569	29.897
Environment & Communities	45.702	48.971	49.953	56.745
Highways and Transport	16.901	17.053	17.121	17.151
Council Wide Transformation savings	(13.452)	(34.182)	(45.212)	(45.212)
Total Service Budgets	377.118	362.632	356.289	366.145
<i>CENTRAL BUDGETS:</i>				
Capital Financing	35.039	38.758	41.860	43.248
Flexible use of Capital Receipts	(1.000)	(1.000)	(1.000)	(1.000)
Bad Debt Provision (change)	(0.050)	(0.050)	(0.050)	(0.050)
Contingency Budget	15.953	30.861	42.783	55.709
Risk Budget	-	3.800	1.960	0.750
Pension adjustment	(0.727)	(0.727)	(0.727)	(0.727)
Use of (-) / Top up (+) Reserves	1.304	5.000	8.898	8.898
Total Central Budgets	50.519	76.642	93.724	106.828
TOTAL: SERVICE + CENTRAL BUDGETS	427.637	439.274	450.012	472.972
<i>FUNDED BY:</i>				
Council Tax	(307.264)	(325.591)	(344.983)	(365.498)
Business Rate Retention Scheme	(57.122)	(57.122)	(57.122)	(57.122)
Revenue Support Grant	(0.849)	(0.849)	(0.849)	(0.849)
Specific Unring-fenced Grants	(37.140)	(34.098)	(34.098)	(34.098)
TOTAL: FUNDED BY	(402.375)	(417.660)	(437.052)	(457.567)
Exceptional Financial Support - Capitalisation Directi	(25.261)			
Funding Position (+shortfall)	-	21.614	12.961	15.406

14 The table above highlighted the fact that the Council continued to face a significant four-year funding gap at that time and was only able to balance in 2025/26 with the use of EFS. There continues to be the requirement to increase general reserves to more appropriate levels, to support the future financial sustainability of the Council and the above four-year budget built this level to £20m.

Budget assumption updates – base scenario (September/early October)

15 As a reminder, there was further refinement to some of the assumptions and resulting values since the MTFS approved in February 2025 (Table 1). These changed the overall funding position for 2026/27 onwards as per Table 2 below. List of updates included in this table can be found in the [previous report](#).

Table 2: Base Scenario position for 2026/27 to 2029/30	Approved Budget 2025/26 £m	Estimated Net Budget 2026/27 £m	Estimated Net Budget 2027/28 £m	Estimated Net Budget 2028/29 £m	Estimated Net Budget 2029/30 £m
Adults & Health	159.449	167.450	172.795	178.074	188.074
Children & Families	97.290	101.130	104.805	108.395	118.395
Corporate Policy	42.786	45.812	46.132	46.008	46.008
Economy & Growth	28.441	28.707	28.699	28.577	28.577
Environment & Communities	45.701	47.590	47.163	52.519	52.519
Highways and Transport	16.901	16.942	16.896	16.809	16.809
Council Wide Transformation savings	(13.452)	(34.182)	(45.212)	(45.212)	(45.212)
Transformation pump priming	-	15.000	5.000	-	-
Total Service Budgets	377.116	388.448	376.277	385.169	405.169
<i>CENTRAL BUDGETS:</i>					
Capital Financing	35.039	34.997	37.637	38.932	38.690
Flexible use of Capital Receipts	(1.000)	(10.000)	(5.000)	(1.000)	(1.000)
Bad Debt Provision (change)	(0.050)	(1.000)	(0.050)	(0.050)	(0.050)
Contingency Budget	15.953	44.661	49.743	61.459	69.453
Pay inflation	-	10.154	18.382	26.746	35.110
Pension adjustment	(0.727)	(0.727)	(0.727)	(0.727)	(0.727)
Use of (-) / Top up (+) Reserves	1.304	5.000	8.898	8.898	5.000
Total Central Budgets	50.519	83.085	108.883	134.258	146.476
TOTAL: SERVICE + CENTRAL BUDGETS	427.635	471.533	485.160	519.427	551.645
<i>FUNDED BY:</i>					
Council Tax	(307.264)	(326.341)	(345.769)	(366.323)	(388.069)
Business Rate Retention Scheme	(57.122)	(47.084)	(46.767)	(46.919)	(47.048)
Revenue Support Grant	(0.849)	(63.851)	(79.786)	(85.300)	(86.161)
Specific Unring-fenced Grants + DAMPING	(37.140)	(0.929)	2.251	3.936	(0.929)
TOTAL: FUNDED BY	(402.375)	(438.205)	(470.071)	(494.606)	(522.207)
Exceptional Financial Support - Capitalisation Directi	(25.261)				
Funding Position (+shortfall)	-	33.328	15.089	24.821	29.438

Budget assumption updates – latest base scenario

- 16 Further work has been undertaken to reduce the £33.3m gap, demonstrating to MHCLG and our Assurance Panel that we are doing what we have been charged with and working towards a route out of EFS.
- 17 Therefore, there has been further refinements to some of the assumptions and resulting values since this time. These change the overall funding position for 2026/27 onwards as per Table 3 below. The current shortfall in 2026/27 is now estimated to be £18.2m. The updates include:
- Prioritised and focused support of £10m of growth to Adult Social Care has been reviewed. The growth required in 2026/27 has been revised to £6.0m with further reductions over the life of the MTFS to 2030.
 - Fees and Charges are to rise by above-inflation where they are price-inelastic and also are to move from April 2027 rises to January 2027 rises in 2026/27 creating additional income in the region of £1.25m.

- 5% vacancy factor applied across all employee budgets for 2026/27. This saving of £8.3m has replaced the £7m on workforce savings previously included within the cross-service savings target.
- Reprofile the transformation pump priming budget for 2026/27 down to £10m plus a further £5m each in 2027/28 and 2028/29 (maintaining the £20m now over 3 years instead of 2 years) to deliver the remaining transformation programme planned savings, both service specific and cross council, over the medium term.
- Transformation and Improvement “pump prime” budgets are to be fully funded through flexible use of capital receipts. The targets are therefore increased to £15m in 2026/27, £10m in 2027/28, £10m in 2028/29 and £5m in 2029/30.
- Additional service budget changes totalling net c.£4.8m have been added. This includes refinement to roll forward proposals for 2026/27 and beyond that were originally included in the MTFS as at February 2025, plus further known items for both growth and identified savings (see Next Steps section below).
- Further analysis has been undertaken on the level of inflation within service budgets with an additional £3.5m included within the Contingency Budget.
- These changes all resulted in a betterment to the shortfall in 2026/27 and actually produced a surplus position in the later years. These surplus estimates have been credited to the reserves as can be seen in Table 3 below.

Table 3: Base Scenario position for 2026/27 to 2029/30	Approved Budget 2025/26 £m	Estimated Net Budget 2026/27 £m	Estimated Net Budget 2027/28 £m	Estimated Net Budget 2028/29 £m	Estimated Net Budget 2029/30 £m
Adults & Health	159.449	162.601	162.435	164.189	166.697
Children & Families	97.290	94.245	92.766	91.194	96.194
Corporate Policy	42.786	44.537	44.536	44.172	44.172
Economy & Growth	28.441	26.235	25.771	25.051	24.801
Environment & Communities	45.701	45.673	45.065	50.228	52.234
Highways and Transport	16.901	18.084	18.175	18.083	17.815
Council Wide Transformation savings	(13.452)	(26.943)	(37.973)	(37.973)	(37.973)
Transformation pump priming	-	10.000	5.000	5.000	-
Total Service Budgets	377.116	374.432	355.775	359.943	363.939
<i>CENTRAL BUDGETS:</i>					
Capital Financing	35.039	34.997	37.637	38.932	38.690
Flexible use of Capital Receipts	(1.000)	(15.000)	(10.000)	(10.000)	-
Bad Debt Provision (change)	(0.050)	(1.000)	(0.050)	(0.050)	(0.050)
Contingency Budget	15.953	48.538	53.620	65.336	73.330
Pay inflation (moved from service budget to contingency budget from 2026/27 until final pay agreement reached)	-	10.223	18.451	26.815	35.179
Pension adjustment relating to ASDVs only	(0.727)	-	-	-	-
Use of (-) / Top up (+) Reserves	1.304	5.001	15.456	14.479	12.011
Total Central Budgets	50.519	82.759	115.114	135.512	159.160
TOTAL: SERVICE + CENTRAL BUDGETS	427.635	457.192	470.889	495.456	523.100
<i>FUNDED BY:</i>					
Council Tax	(307.264)	(327.119)	(346.587)	(367.173)	(388.962)
Business Rate Retention Scheme	(57.122)	(47.084)	(46.767)	(46.919)	(47.048)
Revenue Support Grant	(0.849)	(63.851)	(79.786)	(85.300)	(86.161)
Specific Unring-fenced Grants + DAMPING	(37.140)	(0.929)	2.251	3.936	(0.929)
TOTAL: FUNDED BY	(402.375)	(438.983)	(470.889)	(495.456)	(523.100)
Exceptional Financial Support - Capitalisation Direction	(25.261)				
Funding Position (+shortfall)	-	18.209	-	-	-

Next Steps

- 18 There has been further work carried out to challenge this updated position. Business case submissions for future planned savings were presented to Corporate Leadership Team on 13 October. Further changes that could be made to the above position (Table 3) have been included in the latest figures and a full list of savings proposals is included at Annex 1.
- 19 Business cases are being refined and upgraded to ensure they contain all the information required for transparent oversight of delivery. The final budget Corporate Policy Committee recommend to Full Council will be one that only has proposals with robust business cases and delivery plans.
- 20 Further work to support Children's Services to review the permanent demography and complexity growth budget of £10m with a target to reduce it by at least £5m per annum to 2030. This work began after the Ofsted inspection on Monday 20 October.
- 21 Savings still need to be delivered through service redesign and as part of the wider transformation programmes and should be considered as stretch

deliverables. This work will form part of the final set of proposals for February 2026. As such, stretch transformation numbers in relation to redesign are being completed by December 2025.

- 22 The Council will continue to review its MTFS and budget reductions programme going forward. The assumptions included within this report will be refreshed through November and December to take account of available information on Government funding decisions as well as the macro-economic environment.
- 23 Over the period November to January, these proposals will be further developed to ensure robust delivery plans are in place and work will commence, with a view to maximising the full year effect of delivery in 2026/27. Priority will be placed on income maximisation across all service areas to reduce the burden on expenditure reductions, however there will be a need for efficiencies in costs alongside a genuine requirement to invest in transformation where the return on investment delivers long-term improvements in outcomes for residents in line with the Cheshire East Plan alongside recurrent reductions in costs that support the MTFS.
- 24 The draft budget savings proposals will be subject to consultation and engagement both online and in person sessions with various stakeholders. This will likely be prior to the Provisional Local Government Finance Settlement so would be updated with changes as a result of those announcements.
- 25 This position includes the list of savings proposals as contained in Annex 1 and summary Table 4 has been provided below.

TABLE 4 - DRAFT BUDGET SAVINGS PROPOSALS 2026/27 TO 2029/30	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
	(57.781)	(14.562)	(8.158)	7.086
Children and Families	(3.826)	(0.725)	(0.725)	-
Adults and Health	(11.769)	(5.984)	(4.537)	(2.961)
Corporate Policy	(5.988)	(1.423)	(1.517)	-
Corporate Policy - Council Wide Transformation	(13.491)	(11.030)	-	-
Economy and Growth	(2.885)	(0.543)	(0.597)	(0.250)
Environment and Communities	(4.615)	(0.653)	(0.544)	0.580
Highways and Transport	(0.257)	(0.154)	(0.238)	(0.283)
Finance Sub Committee - Central Budgets	(14.950)	5.950	-	10.000

Public Engagement in Support of the 2026/30 Budget Consultation

26 As part of the council's commitment to transparency and inclusive decision-making, a programme of public engagement will be undertaken to support the 2026/27 budget setting and consultation. This will include a range of activities designed to inform residents and stakeholders about the council's financial planning and to gather feedback on proposed priorities and service allocations. Engagement will be delivered through a combination of in-person events including at least two Community Assemblies, digital channels and alternative methods to ensure accessibility and broad participation. Insights gathered through these activities will be used to inform the development of the final budget proposals, ensuring that community and stakeholder views are considered as part of the decision-making process.

27 Below is a list of the stakeholders that will be involved in the consultation and engagement:

- Trade Unions
- MPs
- Councillors
- Staff Network Chairs and Equality Champions
- Cheshire Association of Local Councils (ChALC)
- Parent Carer Forum
- Cheshire East staff
- Voluntary, Community, Faith, and Social Enterprise (VCFSE)
- Community Assemblies
- Schools Forum
- Youth Council

28 All committees will receive reports during the November cycle of meetings for them to scrutinise proposals relating to the remit of the committee. There will be a further opportunity during the January 2026 committee meeting cycle to comment further as feedback is received.

Consultation and Engagement

29 The annual business planning process involves engagement with local people and organisations. Local authorities have a duty to consult on their budget with certain stakeholder groups and in Cheshire East we include the Schools Forum as well as business rate payers. 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.

- 30 All committees will receive reports during the November cycle of meetings for them to scrutinise proposals relating to the remit of the committee. There will be a further opportunity during the January 2026 committee meeting cycle to comment further as feedback is received.

Reasons for Recommendations

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

Other Options Considered

- 33 The Council has a legal duty to set a balanced annual budget taking regard of the report from the Chief Financial Officer. As such options cannot be considered that would breach this duty. Any feedback from the consultation process and individual committee feedback must still recognise the requirement for Council to fulfil this duty.

Option	Impact	Risk
Do nothing	Not an option as the council must legally set a balanced budget for the coming financial year	The Council would be acting unlawfully if budgets are not aligned to available resources

Implications and Comments

Monitoring Officer/Legal/Governance

- 34 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget and require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor

its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

- 35 The provisions of section 25 of the Local Government Act 2003, require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
- 36 The Council should therefore have robust processes in place so that it can meet statutory requirements and fulfil its fiduciary duty. It must ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans. Local authorities are creatures of statute and are regulated through the legislative regime and whilst they have in more recent times been given a general power of competence, this must operate within that regime. Within the statutory framework there are specific obligations placed upon a local authority to support communities. These duties encompass general and specific duties and there is often significant local discretion in respect of how those services or duties are discharged. These will need to be assessed and advised on as each circumstance is considered.
- 37 The financial position of the Council must therefore be closely monitored, and Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings or alternative mitigations.
- 38 This report provides an update on progress towards the setting of the 2026/27 budget.
- 39 It also provides updates and comments regarding the Council's use of Exceptional Financial Support under The Levelling-up and Regeneration Act 2023 which inserted an amended Section 12A as a trigger event within the Local Government Act 2003, in relation to capital finance risk management. The legislation also provides for risk mitigation directions to be given to the Council which limit the ability to undertake certain financial action. The limitations are based on identified risk thresholds.

Section 151 Officer/Finance

- 40 Please see all sections of this report.

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 required. Risks associated with the achievement of the 2025/26 budget and the level of general reserves were factored into the 2025/26 financial scenario, budget, and reserves strategy.

Impact on other Committees

- 43 All committees will work towards bringing forward budget change proposals to assist with the medium term financial strategy.

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. This contributes to Commitment 3: An effective and enabling Council.

Equality, Diversity and Inclusion

- 45 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

Name of Consultee	Post held	Date sent	Date returned
Statutory Officer (or deputy):			
Ashley Hughes	S151 Officer	20/10/2025	24/10/2025
Kevin O'Keefe	Interim Monitoring Officer	20/10/2025	22/10/2025

Legal and Finance			
Chris Benham	Director of Finance	20/10/2025	22/10/2025
Hilary Irving	Interim Head of Legal Services	20/10/2025	23/10/2025
Other Consultees:			
Executive Directors/Directors:			
CLT			

Access to Information	
Contact Officer:	Chris Benham – Director of Finance Chris.benham@cheshireeast.gov.uk
Appendices:	Annex 1 – Proposals Budget Savings for Consultation
Background Papers:	The following are links to key background documents: MTFS 2025-2029 Financial Review 1 2025/26

Prev MTFS Ref	ANNEX 1 - DRAFT BUDGET SAVINGS PROPOSALS 2026/27 TO 2029/30		2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
			(57.781)	(14.562)	(8.158)	7.086
		ALL COMMITTEES TOTAL	(57.781)	(14.562)	(8.158)	7.086
	Children and Families		(3.826)	(0.725)	(0.725)	-
26T	New accommodation with support offer for 16-25 young people	This reduction in expenditure relates to commissioning work that has identified lower cost accommodation for this group of young people. Savings will be achieved through accessing lower unit cost places.	(0.700)	-	-	-
28T	Right Child, Right Home	This saving refers to work that actively reviews placements for cared for children and young people and agrees actions that meet the identified needs of children and young people but at a lower unit cost, and also identifies alternatives to being 'in care'.	(1.300)	(0.725)	(0.725)	-
NEW	5% vacancy factor	To contribute to the Council's overall savings target through a managed reduction in staffing costs, achieved by holding a proportion of vacant posts unfilled for a defined period. This is being applied across all staffing areas at 5% of pay budgets. This approach assumes that a portion of staffing budgets will remain unspent due to natural turnover and strategic vacancy management	(1.826)	-	-	-
	Adults and Health		(11.769)	(5.984)	(4.537)	(2.961)
1	Client Contributions Increase	The increase in income from client contributions is due to inflation adjustments for pensions and benefits, and higher placement costs. This increase is offset by expenditure growth proposals	(1.500)	(1.654)	(1.707)	(1.800)
New	Budget for client contribution 2025/26 adjustment	Adjustment to client contribution budget to ensure it aligns with current income levels in 2025/26.	(2.344)	-	-	-
9T	Prevent, Reduce, Enable - Older People	Continue the work to promote wellbeing, prevention, independence, and self-care for people across Cheshire East improving outcomes and reducing costs.	(2.830)	(2.830)	(2.830)	(1.161)
10T	Learning Disability service transformation	Delivering a person-centred, efficient care model that enhances independence for adults with a learning disability and maximises value for money	(2.500)	(1.500)	-	-
11T	Commissioning and brokerage transformation	Reforming the approach to purchasing care placements ensuring cost effectiveness	(0.250)	-	-	-
NEW	5% vacancy factor	To contribute to the Council's overall savings target through a managed reduction in staffing costs, achieved by holding a proportion of vacant posts unfilled for a defined period. This is being applied across all staffing areas at 5% of pay budgets. This approach assumes that a portion of staffing budgets will remain unspent due to natural turnover and strategic vacancy management	(2.345)	-	-	-

			2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
	Corporate Policy		(5.988)	(1.423)	(1.517)	-
3, 14, 35, 58, 78, 96	Pension costs adjustment* * This has already been allocated to service committees and is shown against the relevant budget lines in the main report Table 3	This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate estimated by the Cheshire Pension Fund from the April 2026 triannual valuation results.	(4.521)	(1.423)	(1.517)	-
NEW	5% vacancy factor - all Res & CEX	To contribute to the Council's overall savings target through a managed reduction in staffing costs, achieved by holding a proportion of vacant posts unfilled for a defined period. This is being applied across all staffing areas at 5% of pay budgets. This approach assumes that a portion of staffing budgets will remain unspent due to natural turnover and strategic vacancy management	(1.467)	-	-	-
	Corporate Policy - Council Wide Transformation		(13.491)	(11.030)	-	-
49T	Digital Customer Enablement Invest to Save	The Digital Enablement Framework is a key enabler for the delivery of the Customer Experience Strategy, putting customer considerations at the centre of service delivery. It also provides transformational capabilities for continuous improvement providing efficiencies and improvement opportunities within the end-to-end service delivery processes. These savings will be validated and allocated to individual service areas with the agreement of CLT/Transformation Board.	(0.616)	(0.700)	-	-
50T	Digital Acceleration Invest to Save	Acceleration will maximise the use of emerging Digital technologies to transform ways of working across the entire range of council services. The benefits realised will be council-wide and enabled through the adoption of AI solutions by service operations across the Council including Adults, Health and Integration, Children's Services, Place, Resources (inc Customer Services) directorates, and Chief Executive's Office. These savings will be validated and allocated to individual service areas with the agreement of CLT/Transformation Board.	(6.250)	(5.250)	-	-
51T	Digital Blueprint - Invest to Save	The Digital Blueprint initiative will provide financial and quality improvements across Cheshire East services. Benefits realised will be council-wide and enabled through developing priority propositions across several dimensions including: • Improved quality of service outcomes, • Cheshire East operations and customer experience, and • Improved efficiency in service delivery, reducing friction and transactional costs These savings will be validated and allocated to individual service areas with the agreement of CLT/Transformation Board.	(4.645)	(4.500)	-	-
55T	Fees and Charges	As part of the Transformation Programme, a review of service fees and charges will compare our existing prices with those of other councils across the country, to identify opportunities to maximise income and fully recover costs of delivery. As specific areas of additional income are identified, the related service income budget will be increased, following the agreement of CLT/Transformation Board.	(0.040)	(0.040)	-	-
56T	Third Party Spend	As part of the Transformation Programme, a review of spend with suppliers will realise savings and drive increased value for money. As specific areas of saving are identified, the related service income budget will be increased, following the agreement of CLT/Transformation Board.	(0.690)	(0.540)	-	-
NEW	F&C increase	The Council's new Fees and Charges policy will be implemented in full from 1 April 2026. The policy proposes that future annual increases in fees and charges will subsequently take effect from each January. Therefore, additional savings will be realised in 2026-27 from fees increases in January 2027. As these increases are agreed, the related service income budget will be increased, following the agreement of CLT/Transformation Board.	(1.250)	-	-	-

			2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
	Economy and Growth		(2.885)	(0.543)	(0.597)	(0.250)
62	Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment	All the Council's leased out properties will be required to meet new / phased Energy Efficiency Legislation from 1 April 2023 up to 1 April 2030. This means that to continue to lease out properties the Estates Service will need to improve the energy performance certificate (EPC) rating in line with the Government recommendations. After assessment, and in order to obtain a certificate, identified improvements will need carrying out prior to properties being leased out. Cost estimates are based on average current improvement costs, the list of identified properties requiring new EPC certificates, and phasing as determined by the legislation.	-	(0.055)	(0.047)	-
67	Improving Crewe Rented Housing Standards	To achieve a well-functioning private rented sector that supports the health and wellbeing of Cheshire East residents through improved living standards, it is necessary to carry out targeted activity to inspect homes and carry out enforcement action. This 12-month project will enable us to evidence whether this is sufficient action to avoid the need for a selective licensing scheme.	-	(0.188)	-	-
68	Maximise potential of Countryside Access Management System	Transform the current desk-based system to a digital mobile application and Asset Management database. This will enable cost savings through more efficient planning of works, budget control and Public Rights of Way officer resource. Additional environmental benefits will be realised through reduction in officer car usage and printing.	(0.018)	-	-	-
73T	Asset Strategy Refresh	A review / refresh of the existing approach to strategic asset management of the Council's land and property assets is proposed as one of the Council's transformation projects. An estimated target of revenue savings is proposed based on a list identified as part of the Capital disposals programme and the repurposing of sites for SEN / Housing framework provisions.	(0.100)	-	-	-
NEW	Tatton Park	Implementation of a Target Operating Model for Tatton Park. Subject to options appraisal.	(0.150)	(0.300)	(0.300)	(0.250)
NEW	Outbound Mail	Implementation of new outbound mail strategy across the Council.	-	-	(0.250)	-
NEW	5% vacancy factor - all Place* *The list of savings for the Economy and Growth Committee includes a permanent saving of £2.6m from vacancy management. This will be allocated out to each Place committee in due course	To contribute to the Council's overall savings target through a managed reduction in staffing costs, achieved by holding a proportion of vacant posts unfilled for a defined period. This is being applied across all staffing areas at 5% of pay budgets. This approach assumes that a portion of staffing budgets will remain unspent due to natural turnover and strategic vacancy management	(2.617)	-	-	-

			2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
	Environment and Communities		(4.615)	(0.653)	(0.544)	0.580
85	Pension Costs Adjustment - ASDVs	This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate estimated by the Cheshire Pension Fund from the April 2026 triannual valuation results.	(0.727)	-	-	-
New	Sale of BNG Credits (linked to assets work)	Pilot Environmental Services project to sell Biodiversity Net Gain credits on Council owned woodland planting areas and closed landfill sites. We anticipate approx. 180ha of useable land with a potential average of 2.5 BNG units per hectare a total of 450 BNG units are potentially possible.	(1.000)	-	-	1.000
New	Pet Cremations	Proposal for a pet cremation facility at Congleton Cemetery. With an estimated 300k pets within 25 miles of the site and 1 existing facility in CE, this would increase resident choice and provide revenue generation for the Council. Involves installation of pet cremation equipment and office in the existing building.	(0.007)	(0.024)	(0.012)	(0.005)
New	Stretch Target on Green Bin Subscriptions	This proposal assumes a further £5 stretch over the above existing MTF5 targets so that the 2026 (January to December) charge would be £69.	(0.255)	-	-	-
New / replace 83 and 84	Environmental Services Inflation - Income fees and charges	Inflation applied to Bereavement Services fees and charges , sports pitch fees and Garden waste charges.	(0.617)	(0.580)	(0.601)	(0.488)
New / replace 83 and 84	Simplier Recycling	Grant expected from DEFRA -new burdens grants for weekly food waste collection to offset costs related to the government requirement for food waste collection.	(1.521)	-	-	-
			0.701	-	-	-
New / replace 83 and 84	Environmental Services Commercialisation	Commercialisation - waste, grounds, fleet and transport, waste transfer station opportunity to sell unused capacity, additional income to offset operating costs	(0.200)	(0.100)	-	-
New / replace 83 and 84	ANSA Commissioning management saving	ANSA Commissioning management saving from closing ANSA Environmental Services Ltd.	(0.325)	-	-	-
New / replace 83 and 84	Growth and savings relating to Household Waste Recycling Centre waste contract	Growth and savings in relation to a new supplier for the HWRC waste contract	(0.663)	0.052	0.069	0.072

			2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
	Highways and Transport		(0.257)	(0.154)	(0.238)	(0.283)
92	Transport and Infrastructure Strategy Team - Restructure	This item relates to the saving arising from changes to the Strategy Teams, which fill existing staff vacancies and reduce reliance on agency consultancy staff. The approach is intended to improve organisational capacity for transport planning, improving responsiveness and resilience.	(0.150)	-	-	-
95T	Advertising Income. Initial project scoping work being undertaken to understand scale/complexity and resourcing needs	Maximise opportunities to sell targeted advertising through use of Council assets, focusing on high value opportunities. This includes Bus Stop advertising.	(0.075)	-	-	-
100	Highways Depots	The highways depots need investment to reduce the risk that facilities could be unusable for reactive and winter maintenance. Investment will enable some operational efficiencies, providing winter service resilience and a reduction in highways depots from 3 to 2, delivering a capital receipt. Operational savings will need to be calculated once specific proposals are finalised.	-	(0.050)	(0.051)	-
New	Street Lighting Dimming / Switching Down	The council has over 40,000 street lights, with 39,287 currently "dimmed" (i.e. reduced light output) via fixed photocell regimes. Changing this requires replacing photocells and installing a Central Management System (CMS) for remote control. This proposal requires £5.311m capital funding over six years from 2026–33. Full payback is achieved in Y12. CMS is the recommended approach to light output changes and anticipated costs are similar to alternative, less flexible options.	(0.032)	(0.104)	(0.187)	(0.283)
	Finance Sub Committee - Central Budgets		(14.950)	5.950	-	10.000
NEW	Central Bad Debt Provision decrease	There is the ambition to reduce the central bad debt provision by £1m in 2026/27. This is an increase of £950,000 on the original £50,000 budget reduction.	(0.950)	0.950	-	-
NEW	Flexible use of Capital Receipts Income increase	The guidance on the Flexible Use of Capital Receipts issued under section 15(1) of the Local Government Act 2003, states that authorities may treat expenditure which is incurred in the design of projects that will generate on-going revenue savings in public services or that will transform service delivery to reduce costs or manage demand in future years for public service partners as capital expenditure. The Council has reviewed the guidance and expects to identify potential expenditure that meets the eligibility criteria within each financial year, as laid out in the guidance document.	(14.000)	5.000	-	10.000

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OPEN

Finance Sub-Committee

3 November 2025

Financial Leadership Improvement Plan Update

**Report of: Ashley Hughes, Executive Director of Resources,
Section 151 Officer**

Report Reference No: FSC/33/25-26

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. This work was ongoing during 2024/25 and led to a focused plan for 2025/26 being developed and considered in June 2025. This second review of the plan provides the progress as at the end of September 2025.

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.

RECOMMENDATIONS
The Finance Sub-Committee is recommended to note the content and progress made against the Finance Leadership Improvement 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 at the end of September 2025 against all of the 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
Financial Management & Sustainability	15	2	6	23
Capital Programme, Debt, Assets & Investments	4	6	6	16
Governance	6	4	3	13
Service Delivery	2		2	4
Leadership & Culture	2			2
Totals	29	12	17	58

Thematic Heading	Complete	Addressed and under further review	In progress	Totals
June Totals	21	7	30	58
September Totals	29	12	17	58
Difference	8	5	-13	
Percentage	38.1%	71.4%	-43.3%	

As can be seen, a considerable number of activities have already been completed, and when compared to June, there has been a significant increase in the number of actions that have been completed or addressed and under further review.

- 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.

Consultation and Engagement

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

Reasons for Recommendations

- 15 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

16 This is not applicable.

Implications and Comments

Monitoring Officer/Legal/Governance

17 There are no direct legal implications.

Section 151 Officer/Finance

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

19 The plan is an important contribution to the Council's response to the Non-Statutory Best Value Notice, in particular to *"Continue taking urgent steps to improve its financial sustainability, by delivering against its agreed transformation plan, delivering identified savings and addressing the recommendations made by CIPFA."*

20 The importance of demonstrating value for money is also integral to all our work and therefore this provides an opportunity to illustrate the progress made against this.

Human Resources

21 There are no direct implications for human resources.

Risk Management

22 The advancement within the Improvement Plan ensures positive progress in improving the Council's overall financial standing and external assessment recommendations.

23 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.

Impact on other Committees

24 There are no recommendations within the report, however the progress against the plan will also be reported to the Council's Audit and Governance Committee.

Policy

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

Commitment 3: An effective and enabling council

Equality, Diversity, and Inclusion

- 26 There are no direct implications for equality, diversity, or inclusion.

Other Implications

- 27 There are no direct implications for rural communities, climate change or public health.

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy):</i>			
Ashley Hughes	S151 Officer	17/10/25	21/10/25
Kevin O'Keefe	Interim Director of Law and Governance (Monitoring Officer)	17/10/25	21/10/25
<i>Legal and Finance</i>			
Sal Khan	Interim Director Finance Improvement	17/10/25	17/10/25
Hilary Irving	Interim Head of Legal Services	23/10/25	23/10/25

Access to Information	
Contact Officer:	Ashley Hughes Executive Director of Resources (S151) ashley.hughes@cheshireeast.gov.uk
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: Cheshire East Council - CIPFA external assurance review The Corporate Peer Challenge 2024: LGA Corporate Peer Challenge 2024 The External Auditors' Interim Findings Report 2023/24 Statement of Accounts: https://www.cheshireeast.gov.uk/council_and_democracy/your_council/lga-corporate-peer-challenge-2024.aspx EY Audit completion report

Assessment	Assessment Risk Number	FLIP Reference Number	Key Risk Description	Risk Rating	Recommendation	Timeline where stated	Responsible Officer	Current Status	Status April 2025	Status September 2025	Original Estimated completion date	Revised date if applicable
Financial Management / Sustainability												
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	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		
CIPFA	2	F2	There is insufficient capacity and skills to support the Strategic Finance Board	4	That the Strategic Finance Board develops the appropriate scenario analysis and modelling capacity to make appropriate decisions.	As soon as possible	Executive Director of Resources	Completed	The Strategic Finance Group has been stood down and mainstreamed into the Council's wider governance approach including the Corporate Leadership Team, but can be stood up swiftly if required. The Council has engaged with external experts and utilised Inner Circle as the main Transformation Consultants, who developed the Council's Transformation Programme. In addition to this, additional external support has been commissioned from other organisations such as Lyon Consulting which focused on Fees and Charges. This supplemented focussed support from the Finance Service, Programme Management Office, the Digital Directorate and others.	Completed		
CIPFA	3	F3	That the council needs to draw on EFS which will make levels of borrowing even more unsustainable	9	The council maximises delivery of mitigations in 2024/25 so use of the capitalisation direction is not required. If it is required, it should as far as possible be funded by capital receipts rather than borrowing.	By April 2025	Executive Director of Resources	Completed	The need to control spending and maximise mitigations was a major feature of Strategic Financial Management Board, briefings to senior management, and informal and formal financial reporting to Members throughout 2024/25. The option of funding any EFS capitalised costs via capital receipts has been recognised, and the prospects for realising asset sales has been reported in the MTFS. The Capital Programme Board will provide the necessary oversight to the delivery of the Capital Programme, enabling swift decisions to be made. For 25/26 prudently applied borrowing costs have been applied where necessary, aligned to the Capital Programme, which will be formally reported to Committees throughout the year.	Completed		
CIPFA	4 (A)	F4	The immediate focus on the steps to remain solvent distract from the need to initiate transformational projects	6	That there is close working between the Strategic Finance Management and Transformation Boards, so their respective streams of activity are aligned.	Ongoing	Executive Director of Resources	Completed	The Strategic Finance Group has been stood down and mainstreamed into the Council's wider governance approach including the Corporate Leadership Team, but can be stood up swiftly if required. The Transformation Board includes members of the Corporate Leadership Team. The Chief Executive and Executive Directors are very focussed on identifying options and delivering transformational change.	Completed		
CIPFA	4 (B)	F5	The immediate focus on the steps to remain solvent distract from the need to initiate transformational projects	6	That the senior leadership team ensure they retain sufficient focus on and oversight of the initiation of the more medium-term transformational projects despite the fire-fighting that will be required to survive 2024/25.	Ongoing	Executive Director of Resources	Completed	Strategic Financial Management Board and the Transformation Boards included members of the Corporate Leadership Team; the Chief Executive and Executive Directors are very focussed on identifying options and delivering transformational change. A deep dive into the Corporate Project database has enabled non-essential projects to be ceased or reprioritised. Phase 3 of the Transformation Plan has been initiated.	Completed		
CIPFA	5	F6	That the Medium Term Financial Strategy (MTFS) and other corporate documents do not sufficiently alert users to the key corporate challenges and priorities and are too longwinded.	4	Develop a revised, simpler and shorter format for the MTFS report.	For the 25/26 to 28/29 MTFS	Director of Finance	Completed	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. Prior to this a refined single finance report was developed to be submitted to all the relevant Service Committees.	Completed		
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.	In addition to the previous update the Finance Service also provides additional strategic support through the OFSTED/ILACS Improvement Board. More recently an additional crack-team has been created for Children's Services to assist with their improvement agenda. Both directorates continue to receive sufficient Transformational Support from the Council's PMO and its Transformation Partner.	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	Addressed and under further review	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.	The CIPFA Competency Assessment has been completed by the Finance Service. The findings from the assessment are being utilised to develop a revised Service Offering from the Finance Service for the Council. This will look at the structure, the ongoing culture and development of the teams, introducing new ways of working including the improved use of technology and AI as well as how the relationship with various stakeholders is managed.	Sep-25	Mar-26
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 Cipta Competency Framework a training programme will be developed for 2025/26. 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).	Work is well underway with this activity. The LGA has been engaged to provide some initial training which will be made available for all Councillors within CEC and will be provided this calendar year. This will be further enhanced by specific LGA resources. In addition to this briefing sessions have been provided to members of the Finance Sub-Committee focusing on budget assumptions as well as a sounding board for the fair funding review consultation during the summer 2025. Briefing sessions which will be available to all staff on the 2026/27 budgetary position is planned for November 2025 and more formal plans for training around budget management are being developed.	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.	Risk and Assurance training included in Member Development Plan approved by A&G July 2025. Sessions to be scheduled October/November	Jul-25	Complete
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.	Risk and Assurance training included in Member Development Plan approved by A&G July 2025. Sessions to be scheduled October/November	Jul-25	Complete

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 of statutory compliance with significant changes delivered by April 2025. Planning now underway to review the amber and green opportunities to agree the next set of changes to be implemented, some of which will be user improvements rather than just focussed on compliance. New governance has been operational for 3 months now with representation at programme board and operational working groups having been refreshed. These are working well although timescales are tight for decision making. Human Engine have delivered their recommendations of the review of the operating model for Transactional Shared Service and ERP support. Whilst several options were presented the Councils have decided to progress the option to Optimise the existing model and a mobilisation and delivery plan is being pulled together.	Health check improvement programme Mar-26		
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.	The Unit 4 ERP FP&A (Financial Planning & Analysis) functionality is currently being re-developed and tested by the Finance Service. A roll-out plan is currently being developed for both technical Finance users and Service users.	Mar-26	
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	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.	Positive progress being made on progressing the Digital Opportunities. Service Transition and Training being built into to implementation planning. Additional discussions with OD colleagues on both Data and Artificial Intelligence academies funded through Apprenticeship levy. Papers being drafted for CLT and go live anticipated in this financial year. Work continues with HR and OD colleagues on Manager Share support, In the know and Staff events with a Digital takeover planned for an upcoming event	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.	To support the shift to continuous improvement we are developing a Corporate Transformation and Improvement Plan 2025-27 which sets out the Council's transformation and improvement priorities for the next 18 months. This plan sits under the Cheshire East Plan 2025-29. We are developing directorate and service business plans which will be aligned to the Transformation and Improvement Plan. A key part of embedding the shift to continuous improvement is supporting our workforce and embedding culture change. The Workforce and Culture programme is part of our transformation programme. The way that we are approaching this is through embedding a new operating model, learning from the mini academy for service design, delivered by the council's transformation partner, to create a wider programme of skills for transformation and improvement which will be delivered as part of our development and training plans. We are also launching a new People Strategy. The transformation and improvement officer governance has been in place for 18 months. It is being reviewed and revised to sharpen the focus on continuous improvement alongside transformation and connected to the developing performance framework.	Jul-25	Apr-26
CPC	1	F16	Adopt a crisis management approach in responding to issues raised	N/A	Given the pace required to address these issues, the Council should consider moving towards a more 'command and control' approach to provide clear ownership, oversight, and grip through a clear hierarchy and rhythm.	July 2024 COMPLETE	Executive Director of Resources	Completed	This was delivered in 2024/25 where weekly officer CEBERT (Cheshire East Budget Emergency Recovery Team) replaced by Strategic Finance Management Board with clear hierarchy, membership, roles and responsibilities and sub-group structure including: Procurement Group, Strategic Asset Group and Finance Management Group. Short term task and finish groups to tackle particular issues are also included in the structure including where any Directorate is more than 5% off target. Expenditure control panel also in place. As mentioned previously, this activity has been mainstreamed but there is acknowledgement that the Strategic Finance Management Board could be stood up very quickly if necessary.	Completed		
CPC	9	F17	Empower the Corporate Policy Committee to lead on financial recovery	N/A	The Corporate Policy Committee should have ownership for monitoring and recommending the budget to Full Council. The current disaggregation of the budget across Committees creates confusion and a loss of oversight. Empowering the Corporate Policy Committee would be in line with the Council's Constitution, as well as the oversight of the Council's wider transformation programme.	June 2024 COMPLETE	Executive Director of Resources	Completed	Clarity of governance hierarchy for MTFS and budget framework: • Corporate Policy Committee confirm strategic ownership and oversight role for the MTFS and budget framework • Finance Sub-Committee make recommendations to the Corporate Policy Committee on development of MTFS, setting and monitoring of the capital and revenue budgets • MTFS working Group established from Finance Sub-Committee	Completed		
CPC		F18		N/A		By September 2024	Executive Director of Resources	Completed	The restructure of financial reporting to all service committees. One single financial management report is issued for all committees to improve financial awareness of the complete financial health of the council.	Completed		
CPC	12	F19	Improve financial reporting mechanisms and training	N/A	Given the Council's financial context there is a need for accurate, timely and regular financial reporting. Financial training should be rolled out to officers and members to support their regular engagement with and scrutiny of this information.	July 2024 COMPLETE	Executive Director of Resources	Completed	Hold member engagement session on MTFS, structure of council finances, understanding s114 and budget setting process and timetable for 2025/26	Completed		
CPC		F20		N/A		July 2024 COMPLETE	Executive Director of Resources	Completed	New report format to be discussed with informal MTFS Working Group of Finance Sub Committee alongside discussion on assumptions in the MTFS - agreed at June committee	Completed		
CPC		F21		N/A		By September 2024	Executive Director of Resources	Completed	A single report format for all service committees relating to finance management reports to ensure whole council not silo view of financial health has been implemented.	Completed		
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).	Work is well underway with this activity. The LGA has been engaged to provide some initial training which will be made available for all Councillors within CEC and will be provided this calendar year. This will be further enhanced by specific LGA resources. In addition to this briefing sessions have been provided to members of the Finance Sub-Committee focusing on budget assumptions as well as a sounding board for the fair funding review consultation during the summer 2025. Briefing sessions which will be available to all staff on the 2026/27 budgetary position is planned for November 2025 and more formal plans for training around budget management are being developed.	Dec-25	
CPC	13	F23	Review delivery and issues associated with the Council's new finance system	N/A	The challenges associated with the Council's implementation of its new finance system should be reviewed, and an urgent action plan agreed for improvement	By November 2024	Executive Director of Resources	Completed	The Unit 4 Improvement Plan is in Delivery Mode - as detailed in F12 as above.	Completed		
Capital Programme, Debts, Assets & Investments												

CIPFA	14 (A)	F24	The DSG deficit is not kept under control	9	The council needs to continue to work closely with the Department for Education so that it is accepted on the SV programme as the only realistic solution to bringing its DSG deficit to sustainable levels over the medium term.	Ongoing	Director of Education, Strong Start & Integration	Completed	The Department for Education has announced that the Safety Valve Programme will now be closed down whilst the new SEND reforms are being developed.	Completed		
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	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.	Children and Families Committee continue to receive a regular update on the DSG management plan and associated mitigations. The Dedicated Schools Grant (DSG) management plan has been updated for the period 2025/26 to 2031/32 to reflect the financial outturn position and the reduced growth of Education, Health and Care plans (EHCP) numbers as at 31 March 2025. The main contributing factors resulting in a lower deficit position than initially anticipated are due to: •An increased DSG high needs allocation for 2025/26 of £63m, compared to £59m. Over the 7 years of the plan this amounts to approximately £24.7m additional income (assuming a 3% increase year on year). •Approximately £3m reduction in expenditure mainly relating to a revision of average costs for Independent special schools and non-maintained special schools. An in year balanced position by year 2030/2031 is still achievable.	Mar-32	
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	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.	The reprofiled DSG management plan has included evaluation of mitigations and actions. A review of the SEND sufficiency strategy is underway to strengthen the planning, commissioning and delivery of placement, and strengthen oversight and contracting with independent and non-maintained schools to ensure value for money.	Mar-32	
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	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.	Advice from the Council's treasury management advisors continues to be followed, with regard to investment and borrowing decisions.	Mar-26	
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	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.	A continuous review of the Capital Programme is carried out. All Capital Project Managers have been tasked with submitting details of their projects so that the CPB can reevaluate their suitability prior to recommendations being made to Corporate Policy Committee for any changes.	Mar-26	
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	Executive Director of Resources	Addressed and under further review	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.	Improvements in forecasting of capital expenditure has been introduced from the FR1 position and is scrutinised at the Capital Programme Board. This will continue to be monitored throughout the rest of the year. The Terms of Reference for the refreshed Capital Programme Board were approved in May and the inaugural meeting took place in July. A key priority of the Board is to provide a degree of senior officer stewardship to the Programme, ensuring affordability is a key consideration.	May-25	Mar-26
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	Executive Director of Resources	Addressed and under further review	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.	As above, a key priority of the Capital Programme Board is to provide a degree of senior officer stewardship to the Programme, ensuring affordability is a key consideration.	May-25	Mar-26
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	Executive Director of Resources	Addressed and under further review	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.	As above, a key priority of the Capital Programme Board is to provide a degree of senior officer stewardship to the Programme, ensuring affordability is a key consideration.	May-25	Mar-26
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	Director of Finance	Addressed and under further review	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.	A general approach utilising Net Present Value, Return on Investment and Affordability has been developed. This will be used for appraising projects for the Capital Programme Board to consider. Where very large capital schemes are being considered, the business case will be subject to regular scrutiny by the Capital Programme Board.	Jun-25	Mar-26
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	Director of Planning & Environment	In progress	Carbon reduction target has been extended to 2030, which is believed to be achievable.	Carbon reduction target has been extended to 2030, which is believed to be achievable.	Dec-30	
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	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	The report to Committee is anticipated to be January 2026. Strategic disposal of surplus Farmstead accommodation exists under current policy, and a number of transactions are being advanced	Jan-26	
CIPFA	17 (B)	F35	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 need to make sure they obtain accurate, up-to-date valuations of potential disposals from qualified professionals and consider market conditions in determining the optimal timing for each disposal.to secure VFM	Ongoing	Director of Growth & Enterprise	Completed	This is current practice and facilitated through a retained instruction with Sanderson Weatherall who provide valuations, & valuation and development, advice to supplement the in-house team on the disposal programme. This retained consultancy is subject to renewal next year and will be subject to a procurement process	Completed		
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 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	The draft Asset Management plan has been produced and presented to Transformation Board. The final version with an implementation and action plan is being concluded over the next six months .	May-25	Mar-26
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	Completed	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	All areas of ANSA have now transitioned back into the council and all services have been maintained, revised risk management has been implemented and appropriate training given to senior staff new to the area	Jul-25	Sep-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	Completed	Service have now transferred back into the council and savings will be tracked through normal MTFS process	All areas of ANSA have now transitioned back into the council as such the ASDV programme will now be closed and will follow the appropriate governance through the Transformation and Improvement Board, all identified savings have been realised	Mar-26	Sep-25
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.	Working with Finance colleagues this review is ongoing, and appropriate strategic approach will be assessed.	Mar-26	
Governance												

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.	The officer scheme of delegation was reviewed and approved at the July Council. These were aimed at improving clarity, consistency, and accountability in decision-making across council departments. The follow-up by Internal Audit will now be undertaken 9 months after the Council has moved to from the Committee System to the Leader rand Cabinet Model.	Apr-26	Mar-27
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	The officer scheme of delegation was reviewed and approved at the July Council. These were aimed at improving clarity, consistency, and accountability in decision-making across council departments.	Sep-25	Complete
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	The officer scheme of delegation was reviewed and approved at the July Council. These were aimed at improving clarity, consistency, and accountability in decision-making across council departments. Communication regarding the changes was made to all relevant staff at the beginning of September .	Sep-25	Complete
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.	The Urgency Provisions are well established and the process of calling additional meetings when necessary has been demonstrated by an additional special Council meeting in September as well as an additional Corporate Policy Committee being called for October 2025. A decision to move to the Leader and Cabinet model has been taken by the Council.	Sep-25	Complete
CIPFA	22 (B)	F44	The Committee system slows decision making down	6	The council should develop a decision-making matrix outlining the types of decisions that will require input from one or both committees (and where relevant the Service Sub-Committee) and provide integrated reports that address both policy and financial implications of proposed decisions.	As soon as possible	Monitoring Officer	Completed	There has been improvements to the Report Writing Guidance including specific instruction with Legal Services to look out for it. A newer version of Report Template will require Officers to consider the impact of the report straddling two committees.	Complete		
CIPFA	23	F45	The scrutiny function within each Committee is inadequately exercised	3	CEC should consider what further training, advice and support can be provided to Committee "scrutiny champions"	By May 25	Monitoring Officer	Completed	The Service Committees are increasingly appointing task and finish groups to undertake scrutiny work and added emphasis is now being placed upon the scrutiny responsibilities of committees with specific agendas and work programmes highlighting items for scrutiny, as well as items for decision. The Centre for Governance and Scrutiny provided face to face and on-line training for all members in early 2025, which was very well attended. The Governance Task and Finish Group, appointed by the Corporate Policy Committee is giving consideration to the Council's scrutiny function, especially for "internal" scrutiny by the service committees.	Complete		
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.	The Code of corporate Governance is currently being reviewed.	Dec-25	Apr-26
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.	The updated WSG process in place and working effectively between hiring managers, support from DLT and finance comments on affordability. The overall process for approving recruitment requests is monitored to ensure it provides sufficient controls on recruitment in light of the continued financial pressures on the council. CEC is working closely with TSS as part of its optimisation programme to ensure that the transactional aspects of the process continue to improve which will be measured against a range of KPIs (yet to be formalised). There are regular meetings on a tactical/operational and strategic level so that issues are quickly addressed and on-going improvements are driven forward to maximise service and quality delivery.	Jun-25	Complete
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.	The new values have been softly launched at the recent All Staff Event and will continue to be embedded. The People Strategy is due to go to CPC on 30 October 2025 for consideration with a recommendation for approval. The Cheshire Leader Programme for the Wider Leadership Community commences in October 2025. The Cheshire Management Programme is being finalised. A key theme of these programmes is developing collaborative working to promote joint ownership. An example of collaborative working between Finance, HR, Transformation and services has been the Line by Line exercise to agree and cleanse the Unit 4 establishment to support budget management and establishment controls.	Jul-25	Oct-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 in 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.	Upon review it has been established that legal matters are addressed on a case by case basis based on priority. These are mainly dealt with inhouse, however there are occasions when due to complexity or a very specialist need external advice is commissioned using the Council's Contract Procedure Rules, thus ensuring compliance and VFM.	Dec-25	Complete
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.	The Draft Statement of Accounts were completed in August 2025. A plan/timetable has been prepared along with the currently required working papers. EY has recently congratulated the Council on the high quality of it "Going Concern Statement" for 2024/25. It is considered that this action is complete but will be kept under review during the period when the external audit of the 2024/25 Statement of Accounts is undertaken.	Jun-25	Feb-26
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 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.	There has been good progress with ensuring that information is ready for the Main 24/25 audit to start in earnest, with Working Papers now prepared for most of the balances. There are some items which are underway and it is envisaged that all documents will be ready in time for the audit work commencing in November.	Jun-25	Nov-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. <u>The bank reconciliation is a fundamental control and management should ensure there are at least up to date monthly reconciliations undertaken during the year.</u>	By End May 2025	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.	Some are now being done each month there are others which are being progressed on a less regular basis. This is partly due to resource constraints and also the need for additional training required for some staff within the team, however the time available for this is limited due to business as usual commitments in some roles. The initiative is being widened to address this in an effort to fill the gaps that exist.	Sep-25	Dec-25
Service Delivery												
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	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.	Comparable evidence from neighbouring authorities being sourced , clarity requested comparable information to ensure this is on the same parameters and therefore to ensure clarity on levels of expenditure.	Jun-25	Nov-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.	We are developing a set of corporate performance measures at a strategic and operational level across all directorates incorporating performance, risk and financial reporting. These measures will form part of the overall performance framework and will underpin the delivery of the commitments and priorities in the Corporate Transformation and Improvement Plan. We will provide quarterly performance reports to the Corporate Policy Committee against this framework.	Jul-25	Mar-26
CIPFA	30 (A)	F55	Planning Department and others do not improve management of Section 106 (S106) monies or bring down backlog of planning applications	4	The council needs to continue to keep the pressure up on the planning department to improve its performance in addressing the planning application backlog and the need for better custody of S106 monies, including through scrutiny by the relevant Committees.	By May 2025	Director of Planning & Environment	Completed	Planning Improvement Programme has been fundamentally concluded with an improved S106 process in place, a substantial recruitment process has been undertaken to fill vacancies within the department which will in return reduce the planning backlog.	Completed		
CIPFA	30 (B)	F56	Planning Department and others do not improve management of Section 106 (S106) monies or bring down backlog of planning applications	4	CEC needs to review whether it can apply any S106 deferred income to the General Fund this year and contribute to the funding gap	As soon as possible	Executive Director of Resources	Completed	A review was conducted during 2024 which resulted in a significant one-off transfer to the revenue account, in respect of old S106 balances; and the review identified further amounts that could be drawn down to revenue on an annual basis going forward.	Completed		
LEADERSHIP & CULTURE												
CPC	4	F57	Promote increased compliance across the organisation through visible senior leadership for the 'basics'	N/A	Establish stronger senior leadership and managerial 'grip' across a range of key corporate processes and systems including budget and performance management and reporting and risk management.	July 2024 COMPLETE	Executive Director of Resources	Completed	Officer Strategic Finance Management Board in place with clear hierarchy, membership, roles and responsibilities and sub-group structure.	Completed		
CPC	4	F58		N/A		July 2024 COMPLETE	Executive Director of Resources	Completed	Line by line budget reviews taking place with each Directorate including establishment review	Completed		

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Assessment	Assessment Risk Number	FLIP Reference Number	Key Risk Description	Risk Rating	Recommendation	Timeline where stated	Responsible Officer	Current Status	Status April 2025	Status September 2025	Original Estimated completion date	Revised date if applicable
Financial Management / Sustainability												
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.	In addition to the previous update the Finance Service also provides additional strategic support through the OFSTED/ILACS Improvement Board. More recently an additional crack-team has been created for Children's Services to assist with their improvement agenda. Both directorates continue to receive sufficient Transformational Support from the Council's PMO and its Transformation Partner.	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	Addressed and under further review	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.	The CIPFA Competency Assessment has been completed by the Finance Service. The findings from the assessment are being utilised to develop a revised Service Offering from the Finance Service for the Council. This will look at the structure, the ongoing culture and development of the teams, introducing new ways of working including the improved use of technology and AI as well as how the relationship with various stakeholders is managed.	Sep-25	Mar-26
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. 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).	Work is well underway with this activity. The LGA has been engaged to provide some initial training which will be made available for all Councillors within CEC and will be provided this calendar year. This will be further enhanced by specific LGA resources. In addition to this briefing sessions have been provided to members of the Finance Sub-Committee focusing on budget assumptions as well as a sounding board for the fair funding review consultation during the summer 2025. Briefing sessions which will be available to all staff on the 2026/27 budgetary position is planned for November 2025 and more formal plans for training around budget management are being developed.	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.	Risk and Assurance training included in Member Development Plan approved by A&G July 2025. Sessions to be scheduled October/November	Jul-25	Complete
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.	Risk and Assurance training included in Member Development Plan approved by A&G July 2025. Sessions to be scheduled October/November	Jul-25	Complete
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.	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. Significant progress has been made on the initial phase for highest priority areas of statutory compliance with significant changes delivered by April 2025. Planning now underway to review the amber and green opportunities to agree the next set of changes to be implemented, some of which will be user improvements rather than just focussed on compliance. New governance has been operational for 3 months now with representation at programme board and operational working groups having been refreshed. These are working well although timescales are tight for decision making. Human Engine have delivered their recommendations of the review of the operating model for Transactional Shared Service and ERP support. Whilst several options were presented the Councils have decided to progress the option to Optimise the existing model and a mobilisation and delivery plan is being pulled together.	Health check improvement programme Mar-26	
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.	The Unit 4 ERP FP&A (Financial Planning & Analysis) functionality is currently being re-developed and tested by the Finance Service. A roll-out plan is currently being developed for both technical Finance users and Service users.	Mar-26	
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	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.	Positive progress being made on progressing the Digital Opportunities. Service Transition and Training being built into to implementation planning. Additional discussions with OD colleagues on both Data and Artificial Intelligence academies funded through Apprenticeship levy. Papers being drafted for CLT and go live anticipated in this financial year. Work continues with HR and OD colleagues on Manager Share support, In the know and Staff events with a Digital takeover planned for an upcoming event	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.	To support the shift to continuous improvement we are developing a Corporate Transformation and Improvement Plan 2025-27 which sets out the Council's transformation and improvement priorities for the next 18 months. This plan sits under the Cheshire East Plan 2025-29. We are developing directorate and service business plans which will be aligned to the Transformation and Improvement Plan. A key part of embedding the shift to continuous improvement is supporting our workforce and embedding culture change. The Workforce and Culture programme is part of our transformation programme. The way that we are approaching this is through embedding a new operating model, learning from the mini academy for service design, delivered by the council's transformation partner, to create a wider programme of skills for transformation and improvement which will be delivered as part of our development and training plans. We are also launching a new People Strategy. The transformation and improvement officer governance has been in place for 18 months. It is being reviewed and revised to sharpen the focus on continuous improvement alongside transformation and connected to the developing performance framework.	Jul-25	Apr-26
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 Cipta 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).	Work is well underway with this activity. The LGA has been engaged to provide some initial training which will be made available for all Councillors within CEC and will be provided this calendar year. This will be further enhanced by specific LGA resources. In addition to this briefing sessions have been provided to members of the Finance Sub-Committee focusing on budget assumptions as well as a sounding board for the fair funding review consultation during the summer 2025. Briefing sessions which will be available to all staff on the 2026/27 budgetary position is planned for November 2025 and more formal plans for training around budget management are being developed.	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	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.	Children and Families Committee continue to receive a regular update on the DSG management plan and associated mitigations. The Dedicated Schools Grant (DSG) management plan has been updated for the period 2025/26 to 2031/32 to reflect the financial outturn position and the reduced growth of Education, Health and Care plans (EHCP) numbers as at 31 March 2025. The main contributing factors resulting in a lower deficit position than initially anticipated are due to: •An increased DSG high needs allocation for 2025/26 of £63m, compared to £59m. Over the 7 years of the plan this amounts to approximately £24.7m additional income (assuming a 3% increase year on year). •Approximately £3m reduction in expenditure mainly relating to a revision of average costs for Independent special schools and non-maintained special schools. An in year balanced position by year 2030/2031 is still achievable.	Mar-32	
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	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.	The reprofiled DSG management plan has included evaluation of mitigations and actions. A review of the SEND sufficiency strategy is underway to strengthen the planning, commissioning and delivery of placement, and strengthen oversight and contracting with independent and non-maintained schools to ensure value for money.	Mar-32	
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	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.	Advice from the Council's treasury management advisors continues to be followed, with regard to investment and borrowing decisions.	Mar-26	
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	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.	A continuous review of the Capital Programme is carried out. All Capital Project Managers have been tasked with submitting details of their projects so that the CPB can reevaluate their suitability prior to recommendations being made to Corporate Policy Committee for any changes.	Mar-26	
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	Executive Director of Resources	Addressed and under further review	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.	Improvements in forecasting of capital expenditure has been introduced from the FR1 position and is scrutinised at the Capital Programme Board. This will continue to be monitored throughout the rest of the year. The Terms of Reference for the refreshed Capital Programme Board were approved in May and the inaugural meeting took place in July. A key priority of the Board is to provide a degree of senior officer stewardship to the Programme, ensuring affordability is a key consideration.	May-25	Mar-26
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	Executive Director of Resources	Addressed and under further review	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.	As above, a key priority of the Capital Programme Board is to provide a degree of senior officer stewardship to the Programme, ensuring affordability is a key consideration.	May-25	Mar-26
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	Executive Director of Resources	Addressed and under further review	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.	As above, a key priority of the Capital Programme Board is to provide a degree of senior officer stewardship to the Programme, ensuring affordability is a key consideration.	May-25	Mar-26
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	Director of Finance	Addressed and under further review	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.	A general approach utilising Net Present Value, Return on Investment and Affordability has been developed. This will be used for appraising projects for the Capital Programme Board to consider. Where very large capital schemes are being considered, the business case will be subject to regular scrutiny by the Capital Programme Board.	Jun-25	Mar-26
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	Director of Planning & Environment	In progress	Carbon reduction target has been extended to 2030, which is believed to be achievable.	Carbon reduction target has been extended to 2030, which is believed to be achievable.	Dec-30	
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	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	The report to Committee is anticipated to be January 2026. Strategic disposal of surplus Farmstead accommodation exists under current policy, and a number of transactions are being advanced	Jan-26	

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 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	The draft Asset Management plan has been produced and presented to Transformation Board. The final version with an implementation and action plan is being concluded over the next six months .	May-25	Mar-26
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	Completed	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	All areas of ANSA have now transitioned back into the council and all services have been maintained, revised risk management has been implemented and appropriate training given to senior staff new to the area	Jul-25	Sep-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	Completed	Service have now transferred back into the council and savings will be tracked through normal MTFS process	All areas of ANSA have now transitioned back into the council as such the ASDV programme will now be closed and will follow the appropriate governance through the Transformation and Improvement Board, all identified savings have been realised	Mar-26	Sep-25
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.	Working with Finance colleagues this review is ongoing, and appropriate strategic approach will be assessed.	Mar-26	
Governance												
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.	The officer scheme of delegation was reviewed and approved at the July Council. These were aimed at improving clarity, consistency, and accountability in decision-making across council departments. The follow-up by Internal Audit will now be undertaken 9 months after the Council has moved to from the Committee System to the Leader rand Cabinet Model.	Apr-26	Mar-27
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	The officer scheme of delegation was reviewed and approved at the July Council. These were aimed at improving clarity, consistency, and accountability in decision-making across council departments.	Sep-25	Complete
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	The officer scheme of delegation was reviewed and approved at the July Council. These were aimed at improving clarity, consistency, and accountability in decision-making across council departments. Communication regarding the changes was made to all relevant staff at the beginning of September .	Sep-25	Complete
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.	The Urgency Provisions are well established and the process of calling additional meetings when necessary has been demonstrated by an additional special Council meeting in September as well as an additional Corporate Policy Committee being called for October 2025. A decision to move to the Leader and Cabinet model has been taken by the Council.	Sep-25	Complete
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.	The Code of corporate Governance is currently being reviewed.	Dec-25	Apr-26
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.	The updated WSG process in place and working effectively between hiring managers, support from DLT and finance comments on affordability. The overall process for approving recruitment requests is monitored to ensure it provides sufficient controls on recruitment in light of the continued financial pressures on the council. CEC is working closely with TSS as part of its optimisation programme to ensure that the transactional aspects of the process continue to improve which will be measured against a range of KPIs (yet to be formalised). There are regular meetings on a tactical/operational and strategic level so that issues are quickly addressed and on-going improvements are driven forward to maximise service and quality delivery.	Jun-25	Complete
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.	The new values have been softly launched at the recent All Staff Event and will continue to be embedded. The People Strategy is due to go to CPC on 30 October 2025 for consideration with a recommendation for approval. The Cheshire Leader Programme for the Wider Leadership Community commences in October 2025. The Cheshire Management Programme is being finalised. A key theme of these programmes is developing collaborative working to promote joint ownership. An example of collaborative working between Finance, HR, Transformation and services has been the Line by Line exercise to agree and cleanse the Unit 4 establishment to support budget management and establishment controls.	Jul-25	Oct-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.	Upon review it has been established that legal matters are addressed on a case by case basis based on priority. These are mainly dealt with inhouse, however there are occasions when due to complexity or a very specialist need external advice is commissioned using the Council's Contract Procedure Rules, thus ensuring compliance and VFM.	Dec-25	Complete
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.	The Draft Statement of Accounts were completed in August 2025. A plan/timetable has been prepared along with the currently required working papers. EY has recently congratulated the Council on the high quality of it "Going Concern Statement" for 2024/25. It is considered that this action is complete but will be kept under review during the period when the external audit of the 2024/25 Statement of Accounts is undertaken.	Jun-25	Feb-26
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 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.	There has been good progress with ensuring that information is ready for the Main 24/25 audit to start in earnest, with Working Papers now prepared for most of the balances. There are some items which are underway and it is envisaged that all documents will be ready in time for the audit work commencing in November.	Jun-25	Nov-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
Service Delivery						
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.	Some are now being done each month there are others which are being progressed on a less regular basis. This is partly due to resource constraints and also the need for additional training required for some staff within the team, however the time available for this is limited due to business as usual commitments in some roles. The initiative is being widened to address this in an effort to fill the gaps that exist.	Sep-25	Dec-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.	Comparable evidence from neighbouring authorities being sourced , clarity requested comparable information to ensure this is on the same parameters and therefore to ensure clarity on levels of expenditure.	Jun-25	Nov-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.	We are developing a set of corporate performance measures at a strategic and operational level across all directorates incorporating performance, risk and financial reporting. These measures will form part of the overall performance framework and will underpin the delivery of the commitments and priorities in the Corporate Transformation and Improvement Plan. We will provide quarterly performance reports to the Corporate Policy Committee against this framework.	Jul-25	Mar-26

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Finance Sub-Committee

3 November 2025

The Liquidation of Cheshire Energy Networks Limited

**Report of: Ashley Hughes, Executive Director of Resources,
Section 151 Officer**

Report Reference No: FSC/34/25-26

Ward(s) Affected: All Wards

For Decision

Purpose of Report

- 1 This report seeks approval to undertake the necessary steps with Equans Services Limited to liquidate Cheshire Energy Networks Ltd.

Executive Summary

- 2 Cheshire Energy Networks Limited is a company that was incorporated on 27 February 2016 as part of a joint venture between Cheshire East Council and Equans Services Limited.
- 3 The company has remained dormant since incorporation. With no future business activity envisaged, the joint venture shareholders (Cheshire East Council and Equans Services Limited) have discussed the liquidation of the company as it is no longer required.
- 4 A Committee decision is required to enable the Directors and Officers to undertake the necessary steps to liquidate the company.

RECOMMENDATIONS

Finance Sub-Committee is recommended to

1. Approve that Cheshire Energy Networks Ltd can be liquidated and that Officers and Directors are authorised to take all necessary steps to do so.

Background

- 5 Cheshire Energy Networks Limited (“CENL”) is a company that was incorporated on 27 February 2016 as part of a joint venture between Cheshire East Council and Engie Services Limited (as was, now renamed Equans Services Limited) to develop renewable energy projects. No projects have been initiated, and the company has remained dormant since its inception. No future projects are envisaged.
- 6 The joint venture consists of a long-term contract (30 years) between Cheshire East Council, Equans Services Limited and CENL. CENL is 51% owned by Equans Services Limited and 49% owned by Cheshire East.
- 7 On setting up the joint venture the Council appointed two councillors as Directors of CENL (currently Cllrs David Brown and Brian Puddicombe). Equans Services Limited has fulfilled the company secretarial role.
- 8 Equans Services Limited have requested that the company be dissolved. Discussion between the Director Growth and Enterprise and the Director of Finance concluded that there is no need for CENL to remain in existence.
- 9 This report seeks approval for officers from Legal Services, Finance and Economic Development, in conjunction with CENL’s Directors (Cllr Brian Puddicombe & Cllr David Brown) as well as the representatives from Equans Services Limited to undertake the necessary tasks to liquidate CENL.

Consultation and Engagement

- 10 Equans Services Limited and CENL’s two Directors have been consulted on this matter.

Reasons for Recommendations

- 11 The recommendation recognises that no benefits or tangible activities have been brought forward under the terms of the joint venture. The liquidation of CENL allows the Council to disassociate itself from non-value-added business relationships and free up senior resources to concentrate on value-added activities whilst also reducing unnecessary risks.

Other Options Considered

- 12 CEC could request that their interest be transferred to the Council who could take over responsibility for the company secretarial function.

However, given that CENL has been dormant since incorporation there are no recognisable benefits attached to this. Dissolution of the joint venture does not preclude the Council from pursuing future renewable energy projects.

Implications and Comments

Monitoring Officer/Legal/Governance

- 13 The Council's joint venture with Equans Services Limited consists of a Shareholders' Agreement (between the Council, Equans Services Limited and CENL) and the jointly owned limited company CENL. Under the Shareholders' Agreement, shareholder consent is required to liquidate CENL. As set out in the Constitution, the Finance Sub-Committee fulfils the Council's shareholder function and, as such, can give consent to liquate CENL.

Section 151 Officer/Finance

- 14 There are no direct financial implications although there may be some very minor costs associated with the liquidation. As CENL is dormant and all filings are up to date, the steps required to dissolve and strike-off the company at Companies House are relatively simple. Once the necessary paperwork is filed and Companies House announce the intention to strike off the company it may take two to three months to complete assuming no objections are received.
- 15 The liquidation would reduce the unnecessary engagement with senior officers and members regarding the dormant company which would demonstrate better use of our resources.

Human Resources

- 16 There are no direct implications for human resources.

Risk Management

- 17 Liquidating a dormant company reduces unnecessary risks associated with fraud and other related activities.
- 18 Legal Services will be providing the necessary advice when undertaking the liquidation procedures therefore reducing any legal risks to the Council and the nominated Directors.

Impact on other Committees

- 19 There are no recommendations within the report which impact other committees.

Policy

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

Commitment 3: An effective and enabling council

Equality, Diversity, and Inclusion

- 21 There are no direct implications for equality, diversity, or inclusion.

Other Implications

- 22 There are no direct implications for rural communities, climate change or public health.

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy):</i>			
Ashley Hughes	S151 Officer	20/10/25	21/10/25
Kevin O'Keefe	Interim Director of Law and Governance (Monitoring Officer)	20/10/25	22/10/25
<i>Legal and Finance</i>			
Aaron LeCroy	Principal Accountant	17/10/25	20/10/25
Paul Fox	Senior Solicitor	17/10/25	20/10/25

Access to Information	
Contact Officer:	Sal Khan Sal.Khan@cheshireeast.gov.uk
Appendices:	N/A
Background Papers:	N/A

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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?
November 2025									
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
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/33/25-26	03/11/25	Finance Leadership Improvement Plan	To note the Council's Finance Leadership Improvement Plan	Executive Director of Resources and S151 Officer	No	No	No	No	Decision
FSC/34/25-26	03/11/25	Dissolution of the Cheshire Energy Networks Limited Company	For Committee to approve the Dissolution of the Cheshire Energy Networks Limited Company	Executive Director of Resources and S151 Officer	No	No	Yes	No	Decision

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January 2026									
FSC/14/25-26	30/01/26	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	30/01/26	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/16/24-25	30/01/26	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
FSC/17/25-26	30/01/26	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

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FSC/18/25-26	30/01/26	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	30/01/26	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	30/01/26	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	30/01/26	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
FSC/35/25-26	30/01/26	Financing of Crewe Town Centre Pre-Development Agreement	To approve either: a) external grant funding in relation to delivery of development proposals including scheme delivery; or b) the extension of flexible use of capital receipts and that this extension of £275,000 is added to the council's regular reporting on capital receipt generation to relevant committees to ensure appropriate oversight, scrutiny and grip.	Executive Director of Place	TBC	No	TBC	Yes	Decision

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March 2026									
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

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 - 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
Acquisitions and Disposal Summary 2025-2026 – Mid Year Update	This report presents information about acquisitions and disposals by the Council thereby allowing transparency in terms of the Council's land and property activity.	Director of Growth and Enterprise	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.

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