

Finance Sub-Committee

Agenda

Date:	Wednesday, 9th November, 2022
Time:	2.00 pm
Venue:	Committee Suite 1, 2 & 3, Westfields, Middlewich Road, Sandbach CW11 1HZ

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

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

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

1. **Apologies for Absence**

To note any apologies for absence from Members.

2. **Declarations of Interest**

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

3. **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.

4. **Minutes of Previous Meeting** (Pages 5 - 26)

To approve as a correct record the minutes of the meeting held on 7th September 2022.

Contact: Paul Mountford, Democratic Services
Tel: 01270 686472
E-Mail: paul.mountford@cheshireeast.gov.uk

5. **Financial Review 2022/23** (Pages 27 - 178)

To consider a report which provides an overview of the Cheshire East Council forecast outturn for the financial year 2022/23.

6. **The Grants Register** (Pages 179 - 194)

To consider a report on the full Grants Register (unringfenced and ringfenced revenue grants) for 2022/23, including an update on the Shared Prosperity Fund.

7. **Business Rates Discretionary Schemes** (Pages 195 - 268)

To consider a report which provides an overview of the Business Rates system, requests approval of the Discretionary Business Rates Policy for Cheshire East Council, and provides an update on the Government's review of Business Rates.

8. **Governance of the Cheshire & Warrington DF (GP) Ltd** (Pages 269 - 278)

To consider a report which asks the Sub-Committee to make an appointment to the Board of Cheshire and Warrington DF (GP) Limited.

9. **Review of Wholly-Owned Companies' Business Plans** (Pages 279 - 290)

To consider a report which asks the Sub-Committee to re-establish the Shareholder Working Group, to review the Business Plans of Ansa Environmental Services and Orbitas Bereavement Services, for the period 2023/24-2026/27, and related performance reports.

10. **Work Programme** (Pages 291 - 296)

To consider the Work Programme and determine any required amendments.

11. **Procurement Pipeline** (Pages 297 - 308)

To receive an update on the procurement pipeline for the Council and any contracts to be considered as business as usual, the contracts awarded since April 2022 and other procurement activity.

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

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

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2, 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

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

13. **Procurement Pipeline** (Pages 309 - 336)

To receive details of the waivers referred to in the Procurement Pipeline report.

14. **Ansa Environmental Services - Retention Payments** (Pages 337 - 356)

To consider the report.

15. **ANSA Household Waste Centre Procurement** (Pages 357 - 370)

To consider the report.

Membership: Councillors D Brown, S Carter (Vice-Chair), J Clowes, S Gardiner, N Mannion, B Puddicombe, A Stott (Chair) and M Warren

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Wednesday, 7th September, 2022 in Committee Suite 1, 2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor A Stott (Chair)
Councillor S Carter (Vice-Chair)

Councillors D Brown, J Clowes, S Gardiner, N Mannion, B Puddicombe and
M Warren

OFFICERS

Alex Thompson, Director of Finance and Customer Services
David Brown, Director of Governance and Compliance
Julie Gregory, Legal Team Manager – Place/Corporate
Lianne Halliday, Senior Manager – Procurement
Paul Mountford, Democratic Services

22 DECLARATIONS OF INTEREST

There were no declarations of interest.

23 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

24 MINUTES OF PREVIOUS MEETING**RESOLVED**

That the minutes of the meeting held on 6th July 2022 be approved as a correct record.

25 REVIEW THE MEDIUM-TERM FINANCIAL STRATEGY RESERVE

The Sub-Committee considered a report on the use of the Medium-Term Financial Strategy (MTFS) reserve to date and its forecast use within the MTFS 2022 to 2026. The purpose of the report was to improve the Sub-Committee's awareness of the approach to managing the Council's MTFS Reserve, including its creation and ongoing governance.

RESOLVED (unanimously)

That the Sub-Committee

1. notes the reporting to date in respect of the MTFS reserve;

2. notes the forecast movements within the reserve over the next four years; and
3. notes the level of the reserve as part of the overall Reserves Strategy, having regard to the s.25 Report of the Chief Financial Officer (Annex A to the report).

26 **WORK PROGRAMME**

The Sub-Committee reviewed its work programme for 2022/23.

Officers reported that an item would be added to the work programme for the November meeting to appoint a working group to review the business plans of the wholly-owned companies.

Members discussed whether an item should be added to the work programme to consider the impact on the Council's finances and services of the developing cost of living crisis. On reflection, it was agreed that this would be a cross-cutting issue affecting all Council services and should probably sit with the Corporate Policy Committee. The Chair suggested that this should perhaps be addressed as part of the MTFS process rather than as a discrete agenda item.

With regard to the currently unallocated item relating to Section 106/CIL Oversight, members commented on the need for this to be allocated to a meeting as soon as possible and for information on S106 monies to be readily available.

RESOLVED (unanimously)

That subject to the proposed amendments and additional items discussed at the meeting, the work programme be noted.

27 **PROCUREMENT PIPELINE**

The Sub-Committee considered an update report on the procurement pipeline for the Council, the contracts awarded since April 2022 and procurement activity. The detailed waivers referred to in the report would be considered in Part 2 of the meeting.

At its meeting on 6th July 2022, the Sub-Committee had appointed a working group comprising Councillors Councillor S Carter, J Clowes and N Mannion to review several completed procurements and report back to the Sub-Committee. The working group had met on 5th August, with Councillor Mannion acting as chair. Councillor Mannion reported that the working group had considered an overview of the current procurement process, preparations for changes required by new legislation currently going through Parliament, and a close look at a small range of varied procurement exercises. The quality and clarity of the process was seen to be very good, with consistent application and compliance across the

authority. The group was also satisfied that the lessons learned were being accepted and that preparation for the forthcoming post-Brexit changes were well understood and implemented. The working group felt that there would be potential value in holding another such review at a future date. Councillor Clowes added that any changes to the procurement process would need to be reflected in the Constitution.

The Chair thanked the working group for its work.

RESOLVED (unanimously)

That the Sub-Committee

1. notes the procurement pipeline of activity in Appendix 1 to the report;
2. approves the two new pipeline projects in Appendix 1 as business as usual;
3. notes the contracts awarded by the Council since April 2022, Appendix 2;
4. notes the reason for seven waivers approved between 1st June 2022 and 31st August 2022 (13 in total in 2022/23); and
5. notes the report of the procurement working group.

28 COMMENCEMENT ASDV GOVERNANCE REVIEW

The Sub-Committee considered a report proposing immediate changes to governance and reporting arrangements of the Council's wholly-owned companies following a review of recently-published CIPFA good practice guidance on local authority-owned companies and the findings of Public Interest Reports on the governance arrangements of various local authority companies. Appendix 4 to the report contained exempt information and would be considered in Part 2 of the meeting.

Kevin Melling, Managing Director of Ansa and Orbitas, attended the meeting and, at the invitation of the Chair, spoke on this matter.

Members commented that the review of governance arrangements should include Tatton Park Enterprises.

RESOLVED (unanimously)

That the Sub-Committee

1. supports the contents of the CIPFA Guidance (Local Authority Companies: a good practice guide, 2022), Public Interest Reports and the Governance reports (Appendix 3 to the report);

2. agrees the appointment of a member of the Finance Sub-Committee as a shareholder representative and an observer to the board of each company, with access to all information, the members appointed being:

Councillor A Stott - Ansa
Councillor D Brown - Orbitas
Councillor S Gardiner - Tatton Park Enterprises

3. agrees that all Directors of wholly-owned companies immediately receive formal training and that both Cheshire East Council and each company provides the shareholder with a programme of training and implementation dates;
4. agrees that arrangements be put in place for:
 - (a) quarterly reporting of Company Accounts to the Corporate Leadership Team (CLT) and the Shareholder (via the Shareholder Working Group); and
 - (b) annual reporting of Company Accounts to the Audit and Governance Committee;
5. agrees the terms of reference for the governance review at Appendix 2, subject to an amendment to provide that a working Group of 7, comprising 5 elected members and 2 officers (the latter representing the Finance and Legal services respectively), be appointed to undertake a full review of the structure and governance of the Council's wholly-owned companies in line with the Guidance (and toolkit for undertaking strategic and governance reviews), following which a further report will be brought before the Committee;
6. agrees that the working group referred to in resolution 5 comprise the following elected members:

Councillor D Brown
Councillor S Carter
Councillor S Handley
Councillor S Pochin
Councillor L Smetham
7. confirms the closure of Cheshire East Residents First (CERF) and delegates authority to the Director of Governance and Compliance, in consultation with the working group where appropriate, to make any consequential changes to the governance structure of the Council's ASDVs, their respective governance documents (including the Shareholders Agreements) and the Constitution of the Council as necessary in order to implement the revised arrangements.

29 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

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

30 COMMENCEMENT ASDV GOVERNANCE REVIEW

The Sub-Committee considered Appendix 4 to the ASDV Governance Review report.

RESOLVED

That the Appendix be noted.

31 PROCUREMENT PIPELINE

The Sub-Committee considered details of the waivers referred to in the Procurement Pipeline report.

With regard to a waiver referred to on page 295 of the agenda, members asked if there was funding from the CCG. Officers undertook to provide a written response.

RESOLVED

That the details of individual waivers be noted.

The meeting commenced at 2.00 pm and concluded at 3.36 pm

Councillor A Stott (Chair)

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Abbreviations

Term	Meaning
ASC	Adult Social Care
ASDV	Alternative Service Delivery Vehicles – part of the Council's commissioning approach to funding services
BCF	Better Care Fund
BRRS	Business Rates Retention Scheme – the system of local authority funding introduced on 1 st April 2013
CAG	Corporate Assurance Group
CDRP	Crime and Disorder Reduction Partnership
CEC	Cheshire East Council
CEFS	Cheshire East Family Support
CERF	Cheshire East Residents First
CFB	Capital Financing Budget
CFR	Capital Financing Requirement
CIPFA	Chartered Institute of Public Finance and Accountancy
CPI	Consumer Price Index
CSC	Children's Social Care
CTS	Council Tax Support
DfE	Department for Education
DSG	Dedicated Schools Grant – grant received from Government to fund schools
EqIA	Equality Impact Assessment
EIP	Early Intervention and Prevention
ERP	Enterprise Resource Planning
ESG	Education Support Grant
FQR	First Quarter Review (not produced for 2020/21)
FTE	Full Time Equivalent
GP	General Practitioner

Term	Meaning
GVA	Gross Value Added
HLBC	High Level Business Case
HM	Her Majesty's
HR	Human Resources – one of the Council's corporate service areas
ICT	Information and Communication Technology – the service responsible for computers, networks, software, phones, etc.
LA	Local Authority
LED	Light Emitting Diode
LGA	Local Government Association
LOBO	Lenders Option Borrows Option
LSCB	Local Safeguarding Children's Board
MARS	Mutually Agreed Resignation Scheme
MHCLG	Ministry of Housing, Communities and Local Government (formerly Department for Communities and Local Government – DCLG)
MRP	Minimum Revenue Provision
MTFS	Medium Term Financial Strategy
MYR	Mid-Year Review
NEETs	Not in Education, Employment or Training
NFF	National Funding Formula
NHB	New Homes Bonus Grant
NHS	National Health Service
NJC	National Joint Council
NNDR	National Non-Domestic Rates – the contribution to general local authority costs by businesses. The rate is set by central Government
PHE	Public Health England
PiP	Partners in Practice
PWLB	Public Works Loan Board – a Government agency providing loans to public bodies for capital works
RPI	Retail Price Index
RSG	Revenue Support Grant
S151	Section 151 (Officer)
SAGC	Skills and Growth Company

Term	Meaning
SBRR	Small Business Rate Relief
SCIES	Safeguarding Children in Education Settings
SEN	Special Educational Needs
SEND	Special Educational Needs and Disabilities
SLA	Service Level Agreement
SLE	Separate Legal Entity – a delivery model for delivering services in a different way
SOS	Signs of Safety
SSB	Supporting Small Business
TC	Town Centre
TQR	Third Quarter Review
TUPE	Transfer of Undertakings (Protection of Employment) regulations
VIC	Visitor Information Centres

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Glossary of Terms

Accounting Period

The period of time covered by the accounts which, for local authorities, is the twelve months commencing 1st April. The 31st March is the end of the accounting period and the balance sheet date.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as cash is received or paid.

Agency Services

These are services provided by the Council to a third party on behalf of another organisation.

Appropriations

Amounts transferred between the Comprehensive Income and Expenditure Statement and revenue or capital reserves.

Asset Valuation

The Council's property, plant and equipment are valued in the balance sheet using the following measurement bases:

- Infrastructure, community assets, assets under construction – depreciated historical cost
- Dwellings – current value, determined using the basis of existing use value (EUV)
- Surplus assets – fair value
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value or EUV).

Assets Held for Sale

An asset is deemed as 'held for sale' if it meets the following criteria:

- the asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets;
- the sale must be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated; and
- the asset must be actively marketed for a sale at a price that is reasonable in relation to the current value.

Associate Companies

This is an entity other than a subsidiary or joint venture in which the Council has a participating interest and over who's operating and financial policies the Council is able to exercise significant influence.

Balance Sheet

This statement shows the true and fair value of the assets and liabilities recognised by the Council at the balance sheet date (31st March). The net assets of the Council are matched by the reserves held. The following terms are used within the balance sheet:

- **Assets:** Items of worth that are measurable in terms of value. Long term (non-current) assets yield benefit to the Council for a period of more than one year, whereas current assets are cash and items which can be readily converted into cash.
- **Liabilities:** Amounts due to individuals or organisations. Current liabilities are usually payable within one year of the balance sheet date, whereas long term (non-current) liabilities will not become payable for over one year.
- **Net Assets:** The total value of the Council's assets less total liabilities.
- **Reserves:** These are either usable or unusable, see entry for Reserves.

Budget

A statement of the Council's planned service provision, income and expenditure in respect of the financial year.

Capital Transactions (excluding reserves)

- **Capital Assets:** See Property, Plant and Equipment.
- **Capital Expenditure:** Expenditure on the acquisition of an item of Property, Plant or Equipment, or expenditure that extends the useful life or operational capability of an existing asset.
- **Capital Financing:** The means by which capital expenditure incurred by the Council is funded. Usually such funding comprises grants, contributions from third parties, receipts from the sale of assets, contributions from Council reserves and borrowing.
- **Capital Programme:** The planned capital schemes the Council intends to carry out over a specified period of time.
- **Capital Receipts:** Proceeds received from the sale of capital assets. The proceeds are set aside in the Capital Reserve in order to repay the Council's borrowings or to finance new capital expenditure.
- **Capitalisation:** The classification of expenditure as capital rather than revenue, subject to the condition that the expenditure yields a benefit to the Council for a period of more than one year.
- **Revenue Expenditure Funded from Capital Resources under Statute (known as REFCUS):** Expenditure incurred that may be capitalised although it does not create a non-current asset.

Cash and Cash Equivalents

This comprises cash in hand, cash overdrawn and short term investments that are readily convertible into known amounts of cash.

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The Statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash out flows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

CIPFA

The Chartered Institute of Public Finance and Accountancy is the accountancy body which recommends accounting practice for the preparation of local authority accounts.

Collection Fund

This is a statutory fund kept separate from the main accounts of the Council and provides details of Council Tax and Non-Domestic Rate transactions of precepting authorities. As a billing authority the Council will share the risks and rewards that the amount of Council Tax and Non-Domestic Rates collected could be greater or less than that anticipated.

Collection Fund terms include the following:

- **Billing Authority:** Cheshire East Council is classed as a billing authority as it has responsibility for collecting Council Tax and Non-Domestic Rates. It collects Council Tax on behalf of Cheshire Police and Crime Commissioner, Cheshire Fire Authority and Parish Councils (also known as precepting authorities) and collects Non-Domestic Rates on behalf of Central Government and Cheshire Fire Authority.
- **Council Tax:** The means of raising money locally to fund local Council services. This is a property-based tax where the amount levied depends on the valuation of each dwelling.
- **Non-Domestic Rates (NDR):** Also known as business rates, NDR is collected from businesses in the Council's geographic area. The rates are set nationally by the Government.
- **Precept:** The amount the Council is required to raise in Council Tax on behalf of other local authorities, for example Cheshire Police and Crime Commissioner.

Comprehensive Income and Expenditure Statement (CIES)

The CIES sets out the income and expenditure for all the Council's functions for the financial year, according to the CIPFA Service Reporting Code of Practice (SeRCOP).

The CIES has two sections:

- **Surplus or Deficit on the provision of Services** – the increase or decrease in the net assets of the Authority as a result of incurring expenses and generating income.
- **Other Comprehensive Income and Expenditure** – shows any changes in net assets which have not been reflected in the Surplus or Deficit on the provision of Services. Examples include the increase or decrease in net assets of the Authority as a result of movements in the fair value of its assets and actuarial gains or losses on pension assets and liabilities.

Consistency

The principle that the same accounting treatments are used from year to year so that useful comparisons can be made. Any significant change in policies must be declared in the accounting statements.

Constitution

The fundamental principles by which the Council operates and is governed.

Contingencies

Sums set aside to meet either the potential costs of activities expected to occur during the year, over and above those costs included in the services budgets, or items which are difficult to predict in terms of financial impact or timing.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control.

Contingent Liabilities

A contingent liability is either:

- a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly with the Council's control; or
- a present obligation arising from past events where it is probable that a transfer of economic benefits will be required, but the amount cannot be measured with sufficient reliability.

Creditors

These are financial liabilities arising from the contractual obligation to pay cash in the future for goods or services or other benefits that have been received or supplied and have been invoiced or formally agreed with the supplier.

Debtors

Debtors (or income due from third parties) are recognised in the balance sheet as an asset. The income is recognised at the point at which a service or good is provided; a debtor is raised for the cash or cash equivalent amount i.e. contract value.

Where there is a risk that a debtor cannot be recovered at its initial contract value, the asset will be reduced to the amount at which it can be recovered in the balance sheet. This is accounted for in a provision for impairment (bad debt) and included in the Comprehensive Income and Expenditure Account in the Surplus or Deficit on the Provision of Services.

Deficit

Arises when expenditure exceeds income or when expenditure exceeds available budget.

Delegated Budgets

Budgets for which schools and other services have complete autonomy in spending decisions.

Depreciation

Depreciation is a measurement of consumption of the service potential inherent in an item of property, plant or equipment and is recognised in the cost of services.

Exceptional Items

Items that derive from the ordinary activities of the Council and are material in terms of the Council's overall expenditure and not expected to recur frequently or regularly.

Financial Instruments

A financial instrument is any contract which gives rise to a financial asset for one party and a financial liability or equity instrument for the other. Terms relating to Financial Instruments include:

- **Amortised cost:** the amount at which the asset or liability is measured at initial recognition (usually 'cost'), minus any repayments of principal, minus any reduction for impairment or uncollectibility, plus or minus the cumulative amortisation of the difference between that initial amount and the maturity amount.
- **Effective rate of interest:** the rate of interest that is used to calculate the value today of any future investment.
- **Equity instrument:** A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities (such as equity share in a company) – this will only apply to investments in other entities held by the Council.
- **Fair value:** The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction.
- **Financial asset and derivatives:** A right to future economic benefits controlled by the Council that is represented by:
 - cash;
 - an equity instrument of another entity;
 - a contractual right to receive cash (or another financial asset) from another entity; or
 - a contractual right to exchange financial assets or liabilities with another entity under conditions that are potentially favourable to the Council.
- **Financial liability:** An obligation to transfer economic benefits controlled by the Council that is represented by; a contractual obligation to deliver cash (or another financial asset) to another entity / a contractual obligation to exchange financial assets or liabilities with another entity under conditions that are potentially unfavourable to the Council.
- **Market value:** The monetary value of an asset as determined by current market conditions at the balance sheet date.
- **Soft loans:** The Council may sometimes make loans that are interest free or at less than market rates, where a service objective would justify the Council making a concession. Examples include:
 - Loans to lower tier authorities and voluntary organisations to aid service provision;
 - Local businesses to encourage economic development;
 - Employees as part of a relocation package.

Government Grants

These are amounts received from Central Government towards funding the Council's activities. These represent a significant amount of Council income.

Grants and Contributions

Grants and contributions are defined as assistance in the form of transfers of resources to the Council in return for past or future compliance with certain conditions relating to the operation of activities. Most grants have stipulations as to how they are spent and consequences if resources are not applied in the manner authorised. There are a number of terms used to explain these:

- **Conditions:** specify what future economic benefits or service delivery/potential need to be achieved to avoid having to return funding or assets.
- **Restrictions:** limit what the funding / assets can be used for.
- **Stipulations:** where laws or other binding arrangements form part of the agreement between the grantor and the grantee.

Heritage Assets

Assets which are preserved in trust for future generations, or which are held for their contribution to knowledge and culture.

Impairment

Relates to a reduction in book value of either a physical or financial asset, for example:

- A reduction in the book value of an item of property, plant or equipment arising from physical damage to the asset, dilapidation or obsolescence; or
- A reduction in the book value of a financial asset for which the carrying value exceeds the estimated recoverable amount. Bad and doubtful debt falls into this category.

Income

Amounts which the Council receives, or expects to receive, from any source. Income includes Council Tax, Non-Domestic Rates, Revenue Support Grant and other Government grants, fees, charges, sales and capital receipts.

Intangible Assets

Expenditure incurred on those assets that do not have physical substance but which are separately identifiable and provide the Council with a right of use for a period in excess of one year.

International Financial Reporting Interpretations Committee

The IFRS Interpretations Committee is the interpretative body of the IFRS Foundation. Its mandate is to review on a timely basis widespread accounting issues that have arisen within the context of current International Financial Reporting Standards (IFRSs).

International Financial Reporting Standards

A set of international accounting standards which state how particular types of transactions and other events should be reported in financial statements. IFRS are issued by the International Accounting Standards Board.

Inventories

These assets are valued at the lower of cost and net realisable value. Inventories include:

- Materials or supplies to be consumed in the provision of services (e.g. road salt, transport fuel);
- Stocks held for sale or distribution (e.g. publications, leaflets).

Valuation Definitions:

- **Average Cost:** Where goods such as stocks may be purchased at different times and at different prices, an average cost is calculated to give a value to goods held at the balance sheet date.
- **Cost:** Purchase price, costs of conversion and other costs in bringing the inventories to their present location and condition.
- **Net Realisable Value:** the estimated selling price of an asset after all the costs attributed to bringing an asset to a point at which it can be sold, have been deducted.
- **Work in Progress:** The value of rechargeable work which has not been recharged at the end of the financial year.

Investment Properties

Assets which are held with a view to providing income, capital appreciation or both. Examples of investment properties are:

- Land held for long term capital appreciation;
- A building held under a finance lease and rented out;
- A property under construction or development / redevelopment for future use as an investment property.

Investments

Short-term investments comprise deposits of temporary surplus funds with banks or similar institutions. Long term investments comprise similar funds held for a period of more than one year.

Joint Venture

A Joint Venture is an arrangement under which two or more parties have contractually agreed to share control, such that decisions about the activities of the arrangement are given unanimous consent from all parties.

Leasing

A method of acquiring the use of a non-current asset by paying a rental for a specified period of time, rather than purchasing it outright. There are two categories for leasing:

- **Finance Lease:** An arrangement whereby the owner of an asset (the lessor) accepts a rental in return for allowing another party (the lessee) use of an asset for a specified period, such that substantially all of the risks and rewards associated with ownership are transferred to the lessee.
- **Operating Lease:** An arrangement similar to a finance lease but where the risks and rewards associated with ownership remain with the lessor.

Loans and Receivables

These are defined as financial assets (excluding derivatives) that have fixed or determinate payments and that are not quoted in an active market, other than those that the Council intends to sell immediately or in the near term and are classified as held for trading.

Long Term Borrowing

The main element of long term borrowing comprises loans that have been raised to finance capital expenditure projects.

Materiality

Materiality relates to the significance of transactions, balances and errors contained in the financial statements. Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about the Council.

Minimum Revenue Provision (MRP)

The minimum amount (as laid down in statute) that the Council must charge to the accounts each year in order to meet the costs of repaying amounts borrowed.

Movement in Reserves Statement (MiRS)

The MiRS shows the movement in the year on the different reserves held by the Authority, analysed into 'usable' reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable' reserves.

Non-Distributed Costs

Costs which cannot be specifically applied to a service or services and are held centrally, comprising certain pension costs and the costs of unused shares of IT facilities and other assets.

Pensions

There are a number of terms used when accounting for pension costs:

- **Actuarial Assumptions:** Assumptions made by the Pension Fund Actuary in valuing the Fund's assets and liabilities.
- **Actuarial Gains and Losses:** A combination of the effects of changes in actuarial assumptions and experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred, including reflection of any funding valuation which has taken place since the last report).
- **Actuarial Valuation:** The valuation of the Pension Fund's assets and liabilities. The Actuary then calculates how much needs to be paid into the Fund by both the employer and contributing members to ensure there will be adequate funds to pay pensions when they become due.
- **Actuary:** An independent qualified professional who is engaged in the valuation of pension scheme assets and liabilities. The Local Government Pension Scheme Actuary reassesses the rate of employer contributions to the Pension Fund every three years.
- **Current Service Cost:** The increase in the present value of the defined benefit obligation resulting from employee service in the current period.
- **Curtailments:** costs arising from early payment of accrued pensions in respect of any redundancies during the year.
- **Deferred Benefits:** A future benefit which is being paid for in the current accounting period.
- **Defined Benefit Obligation:** the liability of a pension scheme, as shown on the balance sheet.
- **Defined Benefit Pension Scheme:** A pension scheme which is constructed to provide pre-determined pension benefits for retired members, with employers' and employees' contribution rates being calculated based on actuarial assumptions.
- **Defined Contribution Pension Scheme:** A pension scheme where the level of benefits depends on the value of the contributions paid in respect of each member and the investment performance achieved on those contributions.

- **Net Interest Expense:** The increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to payment.
- **Net Defined Benefit Liability:** the difference between the fair value of the scheme assets and the present value of the defined benefit obligation, shown as either an asset or liability on the balance sheet (depending on whether a surplus or deficit).
- **Past Service Cost:** The increase in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may either be positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).
- **Projected Unit Credit Method:** An accrued benefits valuation method in which the Fund liabilities make allowance for projected earnings.
- **Remeasurement Gains/Losses:** changes in the balance sheet value of a scheme liability relating to year on year changes in the assumptions applied by the actuary.
- **Settlements:** liabilities settled at a cost materially different to the IAS 19 reserve during the year.

Prepayments

Amounts paid by the Council in year that related to goods and services not received until the following year.

Prior Period Adjustments

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include minor corrections or adjustments of accounting estimates made in prior years.

Private Finance Initiative (PFI)

A means of securing new assets and associated services in partnership with the private sector.

Property, Plant and Equipment (PPE)

This covers all assets held by the Council with physical substance (tangible assets) that are held for use in the provision of services, for rental to others or for administrative purposes.

Key Definitions used for PPE:

- **Accumulated Depreciation:** The cumulative accounting estimate (excluding the current year) relating to the consumption of a non-current asset.
- **Amortisation:** The process of writing down capitalised expenditure (usually on intangible assets) to the Cost of Services over the estimated useful life of the asset.
- **Community Assets:** Assets that the Council intends to hold in perpetuity, that have no determinable finite useful life and in addition may have restrictions on their disposal (e.g. parks and historic buildings).
- **Depreciated Historic Cost:** The value of an asset shown in the balance sheet calculated from the original cost less depreciation to date.
- **Depreciation:** The process of writing down capitalised expenditure (usually on Plant and Equipment) to the Cost of Services over the estimated useful life of the asset.
- **Disposals:** the value of assets which have been disposed of or decommissioned.
- **Existing Use Value (EUV):** The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing. The fair value of land and buildings is to be interpreted as the amount that would be paid for an asset in its existing use.
- **Gross Book Value:** The historical cost or the revalued amount of the asset before depreciation.
- **Infrastructure Assets:** Cheshire East Council's network of roads, pavements, and bridges included within Property, Plant and Equipment.
- **Net Book Value:** The amount at which assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.
- **Net Current Replacement Cost:** The estimated cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.
- **Net Realisable Value:** The expected proceeds from the sale of an asset when sold on the open market between a willing buyer and a willing seller less all the expenses incurred in selling the asset.
- **Rateable Value:** The annual assumed rental value of a property that is used for business purposes.

Provisions

Amounts set aside to meet costs that are likely or certain to be incurred but where the amount of cost or timing of payment is uncertain.

Prudential Code

The Prudential Code for Capital Finance in Local Authorities (2011) (Prudential Code) was introduced in 2004 and was developed as a professional code of practice to support local strategic planning, asset management planning and proper option appraisal for local authorities when developing their programmes for capital investment in fixed assets.

Public Works Loan Board (PWLB)

The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. Its function is to lend money from the National Loans Fund to local authorities, and to collect the repayments.

Receipts in Advance

Amounts received by the Council during the year relating to goods or services to be delivered in the following year.

Related Party

A person or organisation who or which has influence and control over another person or organisation.

Reserves

Specific amounts set aside for future policy purposes or to cover contingencies. There are two types of reserve:

- **Usable Reserves:** These include the revenue and capital resources at the Council's disposal which can be used to fund expenditure or reduce local taxation. Usable reserves include:
 - Capital Receipts Reserve
 - Capital Grants Unapplied
 - Reserves and Balances Held by Schools
 - General Fund Earmarked Reserves (various)
 - General Fund Reserve.
- **Unusable Reserves:** These include unrealised gains and losses, particularly in relation to the revaluation of property, plant and equipment where the value of the asset would only become available to fund the provision of services if the asset was sold. Also included are adjustment accounts used to absorb the difference between the outcome of applying proper accounting practices and the requirements of statutory arrangements for funding expenditure. Unusable Reserves include:
 - Revaluation Reserve
 - Available for Sale Financial Instruments Reserve
 - Capital Adjustment Account
 - Capital Receipts Deferred
 - Financial Instrument Adjustment Account
 - Pensions Reserve
 - Collection Fund Adjustment Account
 - Accumulated Absences Account.

Revenue Expenditure

Revenue expenditure is spending on the day to day running costs of the Council. It includes expenditure on employees, premises, transport and supplies and services.

Section 151 Officer

An Officer appointed under Section 151 of the Local Government Act 1972 which requires every local authority to appoint a suitably qualified officer to assume overall responsibility for the administration of the financial affairs of the Council and preparation of the Statement of Accounts.

Share Accruals

These are the proportional amounts of Net Profit / (Loss) which are shared in accordance with the profit sharing agreement made between Cheshire East Council and its subsidiary and or joint venture entities.

Shared Services

This is a process of merging functions with other organisations to streamline mainstream services, standardise functions and deliver more efficient and effective services. This also enables the Council to have greater leverage and buying power within Government.

Slippage

This is when delays occur in capital works and therefore payments are not made in the financial year originally anticipated.

Subsidiary

This is an entity over which the Council is able to demonstrate it has control, such as a shareholding or representation on the entity's Board of Directors.

Surplus

Arises when income exceeds expenditure or when expenditure is less than available budget.

Surplus Assets

Property, plant and equipment held by the Council which are not currently used in the provision of Council services.

'The Code'

The Code is a code of practice on Local Authority accounting that has been developed by the CIPFA/LASAAC Code Board under the oversight of the Financial Reporting Advisory Board. The Code is based on International Financial Reporting Standards (IFRS), on which local authority accounts are now required to be based.

Transfer Payments

Relates to payments for which no goods or services are received by the Council e.g. rent allowances.

Trust Funds

Accounts for which the Council acts as trustee but for which it is not financially responsible and does not own. These amounts are not included within the Council's balance sheet.



Working for a brighter future together

Finance Sub-Committee

Date of Meeting:	9 November 2022
Report Title:	Financial Review 2022/23
Report of:	Alex Thompson: Director of Finance and Customer Services
Report Reference No:	FSC/6/22-23
Ward(s) Affected:	Not applicable

1. Purpose of Report

- 1.1.** This report provides members with an overview of the Cheshire East Council forecast outturn for the financial year 2022/23 as reported to Corporate Policy Committee on 6 October 2022. This report gives all service committees an opportunity to consider the First Review forecasts and the associated Action Plans.
- 1.2.** Members are being asked to note the financial challenges being experienced by the Council and to recognise the importance of ongoing activity to minimise the impact on services. The report also requests approval for financial changes taking place during the year that require authorisation in-line with the Constitution.
- 1.3.** The report highlights the negative impact of increasing inflationary pressures on the Council's budget since it was set in February 2022. It also highlights ongoing costs of Covid-19 scarring, where expenditure is still increased due to the effects of the pandemic.
- 1.4.** Reporting the financial forecast outturn at this stage, and in this format, supports the Council's vision to be an open Council as set out in the Corporate Plan 2021 to 2025. In particular, the priorities for an open and enabling organisation, ensure that there is transparency in all aspects of council decision making.

2. Executive Summary

- 2.1.** The Council operates a financial cycle of planning, monitoring and reporting. This review is part of the monitoring cycle providing the forecast outturn position and any impacts on planning for next year's budget. This report supports the Council priority of being an open and enabling organisation, ensuring that there is transparency in all aspects of council decision making.
- 2.2.** The Council set its 2022/23 annual budget in February 2022. The budget was balanced, as required, and included important planning assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2022 to 2026.
- 2.3.** The provisional financial outturn for 2021/22 was reported in July 2022 and highlighted good financial management in that year, with an overall revenue outturn favourable variance of £1.1m (0.4% of the net budget). The report also recognised emerging pressure within the final quarter of the year, particularly from rising inflation and complexity of demand for care. It was also acknowledged specific risks remained unmitigated in respect of the Council's Private Finance Initiative and High Needs within the Dedicated Schools Grant. The report also highlighted the end of Covid-19 grant funding. The ongoing assumption was that carried forward grant funding would have to be used to fund ongoing Covid-19 related pressure.
- 2.4.** In monitoring the 2022/23 financial year the national increase in inflation, from 0.4% in February 2021 to 10.1% in July 2022, is having a significant impact on the cost of Council services as well as on the cost of living for local residents. Inflation is affecting several critical areas:
- 2.4.1.** Service demand and contract inflation: Care needs are demand led, but care costs are rising due to increasing complexity of need as well as rising provider costs linked to staff shortages and utility and fuel prices. Fuel prices are also causing increases in transport and waste services.
- 2.4.2.** Pay inflation: Assumptions about achieving target inflation at a national level are not realistic in the short to medium term. This is creating cost of living increases that are subsequently leading to increasing wage demands. Pay negotiations for Council staff are impacted by this too, but are carried out at a national, not local, level. The main Trade Unions are balloting their members on the Employers' final pay offer of a flat figure increase which averages at 6%. The outcome of the pay negotiations are expected in early November.
- 2.4.3.** Covid-19 scarring: Although government funding for Covid-19 related costs has ended there remains an ongoing impact on care services and some services funded from fees and charges. Waste services are also experiencing ongoing tonnage increases from changed behaviour linked to the pandemic.

- 2.5.** The findings of this financial review present a need to mitigate emerging financial pressures. The MTFS recognises that the Council has relatively low levels of reserves as funding is instead utilised to manage ongoing service demand. Mitigation can focus on several areas:
- 2.5.1.** Appropriate use of balances: Carried forward Covid-19 funding, MTFS Reserve, General Reserves and specific service and company reserves levels are being reviewed and funding released to support essential services where practical. Flexible use of Capital receipts is also under review, which can allow eligible one-off revenue transformation expenditure by services to be funded from the proceeds of asset sales.
- 2.5.2.** Efficiencies and Income generation: Services continue to review non-essential spending requirements to release efficiencies, delay spending or generate additional income from key stakeholders.
- 2.6.** The financial pressure being experienced by Cheshire East Council is not unique. Local authorities, including Cheshire East Council, continue to liaise with government departments over the severity of so many emerging financial issues. The Council achieves this liaison either directly or through professional or political networks. The County Councils Network's most recent analysis of the costs of inflation warn that "any moves to cut their budgets next year would be 'worse than austerity' and result in 'devastating' reductions in local services – with local authorities offering just the bare minimum" ([CCN News 2022](#)).
- 2.7.** The report sets out details of the latest Financial Review of the Council's forecast financial performance for 2022/23, including the forecast revenue position as reported to Corporate Policy Committee on 6 October 2022, and most recent updates to the Capital programme and grant funding received:

Annex 1: Financial Review 2022/23

- **Financial Stability:** Provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.
- **Appendices:**
 - Appendix 1** Adults and Health Committee.
 - Appendix 2** Children and Families Committee.
 - Appendix 3** Corporate Policy Committee.
 - Appendix 4** Economy and Growth Committee.
 - Appendix 5** Environment and Communities Committee.
 - Appendix 6** Finance Sub-Committee.
 - Appendix 7** Highways and Transport Committee.
 - Appendix 8** Update to the Treasury Management Strategy.
 - Appendix 9** Update to the Investment Strategy.

3. Recommendations

Finance Sub-Committee is asked to:

- 3.1. Note the forecast adverse Net Revenue financial pressure of £11.6m against a revised budget of £328.4m (3.5%) as reported to Corporate Policy Committee on 6 October 2022.
- 3.2. Note the forecast Capital Spending of £179.6m against an approved MTFS budget £185.2m due to slippage carried forward from the previous year.
- 3.3. Endorse the approach of Senior Officers to mitigate the adverse forecasts through the activities outlined in each 'Action Plan' contained in Annex 1 (Appendices 1 to 7), which include:
 - Managed restriction of in-year spending, whilst retaining essential services, in consultation with the relevant Committee.
 - Reviewing the level of spending on key contracts and reviewing the need for contract renewals during 2022/23.
 - Pricing and grant reviews to ensure income is being fully recovered on related activity.
 - Enhanced vacancy forecasting and management.
 - Re-alignment of, and appropriate use of balances, such as earmarked reserves, General Reserves and capital receipts.
 - Review and reprofile the Capital Programme to prevent any impact of related inflation on the revenue budget.
- 3.4. Note the contents of Annex 1 and each of the appendices, and note that any financial mitigation decisions requiring member approval will be presented to the appropriate Committee.
- 3.5. Approve supplementary capital estimates up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 6, Section 5 Capital Strategy, Table 5**.
- 3.6. Set up a Task Group to review the financial assumptions that will underpin the preparation of the Medium-Term Financial Strategy 2023/24-2026/27.
- 3.7. Note that Council will be asked to approve:
 - 3.7.1. Fully funded supplementary revenue estimates for specific grants coded directly to services over £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 6, Section 3 Corporate Grants Register, Table 1**.
 - 3.7.2. Supplementary capital estimates over £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 6, Section 5 Capital Strategy, Table 6**.
- 3.8. Recommend Service Committees to:

- 3.8.1. Note the financial update and forecast outturn relevant to their terms of reference.
- 3.8.2. Note that officers will seek to improve the financial outturn across all Committees to mitigate the overall forecast overspend of the Council.
- 3.8.3. Approve supplementary revenue estimates for specific grants coded directly to services up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 2 Children and Families Committee, Section 3 Corporate Grants Register, Table 2.**

4. Reasons for Recommendations

- 4.1. The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The approach to these responsibilities is captured in the Medium-Term Financial Strategy.
- 4.2. 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.
- 4.3. This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.
- 4.4. In approving the Cheshire East Council Medium-Term Financial Strategy members of the Council had regard to the robustness of estimates and adequacy of reserves as reported by the s.151 Officer. The s.151 Officer's report highlighted the importance of each element of the MTFS and the requirement to achieve all the proposals within it. The recommendations of this report highlight the need for ongoing activity to manage the financial pressure being experienced by the Council.

5. Other Options Considered

- 5.1. 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. Activity is required to ensure the Council balances its expenditure and income without serious impact on essential Council services.

6. Background

- 6.1. Managing performance is essential to the achievement of outcomes. This is especially important in evidencing the achievement of value for money across an organisation the size of Cheshire East Council. The Council is the third largest Local Authority in the Northwest of England, responsible for approximately 500 services, supporting over 398,000 local people. Gross

annual spending is over £700m, with a revised net revenue budget for 2022/23 of £328.4m.

- 6.2.** The management structure of the Council is organised into four directorates: Adults, Health and Integration; Children's Services; Place; and Corporate Services. The Council's reporting structure provides forecasts of a potential year-end outturn within each directorate during the year, as well as highlighting activity carried out in support of each outcome contained within the Corporate Plan.
- 6.3.** The political structure of the Council is organised into six committees, with a single sub-committee, all with financial responsibilities acutely aligned to the management structure. Performance against the 2022/23 Budget within each Committee, and the sub-committee, is outlined in Table 1 below.
- 6.4.** **Table 1 – Revenue Outturn Forecast split by the Six Service Committees and the Finance Sub-Committee as reported to Corporate Policy Committee 6 October 2022**

2022/23 (GROSS Revenue Budget £474.2m)	Revised Budget (NET) £m	Forecast Outturn £m	Forecast Variance £m
Service Committee			
Adults and Health	120.9	132.6	11.7
Children and Families	74.5	78.0	3.5
Economy and Growth	23.6	23.8	0.2
Environment and Communities	44.3	46.2	1.9
Highways and Transport	13.8	14.3	0.5
Corporate Policy	39.8	40.6	0.8
Sub-Committee			
Finance Sub	(316.9)	(323.9)	(7.0)
TOTAL	-	11.6	11.6

- 6.5.** The Council set a balanced net revenue budget of £327.7m at its meeting in February 2022. Current forecasts against the revised budget of £328.4m, shows a potential net expenditure of £340.0m.
- 6.6.** This position reflects the increase in demand led pressures in social care in both the Children's Services Directorate and Adults, Health and Integration Directorate. This mirrors national events and the County Council's Network has recently reported that forecast increases in care costs could be more than double those reported as recently as 2021.
- 6.7.** There are further pressures due to increased costs relating to rising inflation and the current national pay offer. The Council, in-line with most public sector organisations, relies on government inflation targets when calculating

budgets, target inflation remains at 2% but actual inflation is currently exceeding 10%. Some predictions say it may reach 13% by the end of the year. The Council actually forecast local pay increases of 2.5% recognising potentially higher increases for local lower paid workers. However, current national pay negotiations could see wages rise in excess of 6% for some lower paid workers.

- 6.8.** General Reserve balances are risk assessed and it was highlighted in the MTFS that emerging risks such as inflation and particularly the DSG deficit, as having no alternative funding. To address the issue of emerging financial pressure Senior Officers at the Council have set up Action Plans, which will continue to be developed to identify activities required to bring spending back in line with the MTFS.
- 6.9.** The emerging Action Plans reflect the Committee Structure to allow member oversight of the activities being carried out to manage in-year spending. Any appropriate decisions required from members will be brought to the Committee's attention via the Action Plans, to ensure appropriate context is provided.
- 6.10.** There is a clear ambition for each Committee to achieve spending in-line with the approved MTFS. However, in some cases, given the seriousness of the financial pressure being put on the Council, Committee members should consider options to exceed financial performance targets to retain an overall balanced position.
- 6.11.** Whilst some inflation factors may be temporary, the Action Plans must also consider the medium-term resilience of mitigation activity. For example, the use of one-off balances, to mitigate in-year spend, may be effective in the short term, but would not be effective if spending is likely to recur in later years.
- 6.12.** The Government is currently set to announce its Autumn Statement on 17 November 2022 and it may be helpful, in this very challenging environment, in providing some further information to assist local authorities in their business and financial planning
- 6.13.** As noted at recommendation 3.6 of this report, Finance Sub Committee are being asked to set up a task group to review the financial assumptions that will underpin the preparations of the Medium-Term Financial Strategy 2023/24 to 2026/27. This is vital to ensure that all current assumptions are reviewed and revised where necessary to reflect ongoing and emerging changes to the assumptions contained within the approved MTFS from February 2022.
- 6.14.** The intention is to report an updated Financial Review report to Corporate Policy Committee on 1 December 2022 which will be informed by the latest forecasts, and any information that may come from the Government's 17 November 2022 Autumn Statement.

7. Consultation and Engagement

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

8. Implications

8.1. Legal

- 8.1.1.** The legal implications surrounding the process of setting the 2022 to 2026 Medium-Term Financial Strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report for 2022/23.
- 8.1.2.** Other implications arising directly from this report relate to the internal processes of approving supplementary estimates and virements referred to above which are governed by the Finance Procedure Rules.
- 8.1.3.** Legal implications that arise when activities funded from the budgets that this report deals with are undertaken, but those implications will be dealt with in the individual reports to Members or Officer Decision Records that relate.

8.2. Finance

- 8.2.1.** 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 help to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
- 8.2.2.** 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.
- 8.2.3.** 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.
- 8.2.4.** 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.

- 8.2.5.** 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.

8.3. Policy

- 8.3.1.** This report is a backward look at Council activities and predicts the year-end position.
- 8.3.2.** The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2023 to 2027 Medium-Term Financial Strategy.

8.4. Equality

- 8.4.1.** 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.

8.5. Human Resources

- 8.5.1.** This report is a backward look at Council activities and states the forecast 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.

8.6. Risk Management

- 8.6.1.** Performance and risk management are part of the management processes of the Authority. Risks are captured at Strategic and Operational levels, both in terms of the risk of underperforming and risks to the Council in not delivering its objectives for its residents, businesses, partners and other stakeholders.
- 8.6.2.** Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2021/22 budget and the level of general reserves were factored into the 2022/23 financial scenario, budget and reserves strategy.

8.7. Rural Communities

- 8.7.1.** The report provides details of service provision across the borough.

8.8. Children and Young People/Cared for Children

- 8.8.1.** The report provides details of service provision across the borough.

8.9. Public Health

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

8.10. Climate Change

- 8.10.1. Climate change implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

Access to Information	
Contact Officer:	Alex Thompson Director of Finance and Customer Services (Section 151 Officer) alex.thompson@cheshireeast.gov.uk 01270 685876
Appendices:	Annex 1 including: Section 1 provides information on the overall financial stability and resilience of the Council. Further details are contained in the appendices. Appendix 1 Adults and Health Committee. Appendix 2 Children and Families Committee. Appendix 3 Corporate Policy Committee. Appendix 4 Economy and Growth Committee. Appendix 5 Environment and Communities Committee. Appendix 6 Finance Sub-Committee. Appendix 7 Highways and Transport Committee. Appendix 8 Update to the Treasury Management Strategy. Appendix 9 Update to the Investment Strategy.
Background Papers:	The following are links to key background documents: Medium-Term Financial Strategy First Financial Review, Item No.14



Financial Review 2022/23

November 2022

This report receives scrutiny and approval from Members of Cheshire East Council. As a public report, the Council welcomes feedback to the information contained here.

Anyone wanting to comment is invited to contact the Council at:

shapingourservices@cheshireeast.gov.uk

Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 398,000 local people with annual spending of over £470m.

Local government is going through a period of financial challenges, with a combination of the impact of increasing demand for services and rising costs due to inflation. There is also increasing uncertainty associated with income from business rates and government grants.

Demand for Council services is increasing, with more individuals and families needing support and services than ever before. This reflects an increase in population but also reflects changes in demographics and the national cost of living increases. This demand is resulting in forecast outturn of £340.0m against a net revenue budget of £328.4m, with the most significant impact within the rising complexity of needs in Adult Social Care.

When the 2022/23 budget was set, in February 2022, it was highlighted that the use of reserves was not sustainable in the medium term. Net spending therefore needs to be contained within the estimates of expenditure that form the budget. The forecasts at first review highlight pressures due to demand, inflation and pay negotiations. These will almost certainly affect the medium term finances of the Council. This situation must be addressed now and as part of the MTFS process for 2023 to 2027.

To support openness and transparency, and provide evidence of strong governance, the report has a main section, to provide background and context, and then nine supporting appendices with detailed information about allocation and management of public money during 2022/23:

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.

- **Appendix 1** Adults and Health Committee.
- **Appendix 2** Children and Families Committee.
- **Appendix 3** Corporate Policy Committee.
- **Appendix 4** Economy and Growth Committee.
- **Appendix 5** Environment and Communities Committee.
- **Appendix 6** Finance Sub-Committee.
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- **Appendix 9** Update to the Investment Strategy.

Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

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2022/23 Outturn Forecast - Financial Position

2022/23	Revised Budget	Forecast Outturn	Forecast Variance	For further information please see the following sections
(GROSS Revenue Budget £474.2m)	(NET) £m	£m	£m	
SERVICE DIRECTORATES				
Adult, Health and Integration	120.9	132.6	11.7	Appendix 1 Section 2
Children's Services	74.5	78.0	3.5	Appendix 2 Section 2
Place	81.7	84.3	2.6	Appendix 4, 5 & 7 Section 2
Corporate Services	39.8	40.6	0.8	Appendix 3 Section 2
CENTRAL BUDGETS				
Capital Financing	18.9	18.9	-	Appendix 6 Section 5
Transfer to/(from) Earmarked Reserves	(2.7)	(8.7)	(6.0)	Appendix 6 Section 6
Corporate Contributions / Central Budgets	(4.7)	(5.7)	(1.0)	Appendix 6 Section 2
TOTAL NET EXPENDITURE	328.4	340.0	11.6	
Business Rates Retention Scheme	(49.1)	(49.1)	-	Section 1 - Paragraphs 19-22
Specific Grants	(24.6)	(24.6)	-	Appendix 6 Section 3
Council Tax	(254.7)	(254.7)	-	Section 1 - Paragraphs 8-18
Net Funding	(328.4)	(328.4)	-	
NET (SURPLUS) / DEFICIT	-	11.6	11.6	

Financial Stability

Introduction

1. The Council has a track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of rapid inflation, the legacy impact of the Coronavirus pandemic and increasing cost of living pressure on households. These issues have the effect of increasing the demand for services and increasing costs of services.
2. Complexity and market sustainability in Adults' and Children's Social Care remains the most significant financial pressure for the Council in the medium term. Rising inflation in fuel, utilities and wage levels are affecting costs across all services.
3. **Table 1** provides a service summary of financial performance. The current forecast is that services will be £18.6m over budget in the current year. The Action Plans provide further details and changes to service net budgets since the Medium-Term Financial Strategy are analysed in the **Appendices 1-7**.
4. Further items impacting on the level of the Council's balances are detailed in **Table 2** below on Central Budgets and Funding.

Table 1 - Service Revenue Outturn Forecasts

2022/23	Revised Budget	Forecast Outturn	Forecast Variance	FOR INFO COVID Costs Included in Totals
(GROSS Revenue Budget £474.2m)	(NET)			
	£m	£m	£m	£m
SERVICE DIRECTORATES				
Adult Social Care - Operations	117.5	128.5	11.0	4.9
Commissioning	3.4	4.1	0.7	-
Public Health	-	-	-	-
Adult, Health and Integration	120.9	132.6	11.7	4.9
Directorate	1.0	0.9	(0.1)	-
Children's Social Care	46.6	48.5	1.9	0.1
Strong Start, Family Help and Integration	8.3	8.3	-	0.1
Education & 14-19 Skills	18.6	20.3	1.7	0.5
Children's Services	74.5	78.0	3.5	0.7
Directorate	0.8	0.7	(0.1)	-
Environment & Neighbourhood Services	44.3	46.2	1.9	2.3
Growth & Enterprise	22.8	23.1	0.3	0.1
Highways & Infrastructure	13.8	14.3	0.5	1.6
Place	81.7	84.3	2.6	4.0
Directorate	1.9	1.9	-	-
Finance & Customer Services	11.9	12.3	0.4	-
Governance & Compliance Services	11.7	11.2	(0.5)	-
Communications	0.7	0.7	-	-
HR	2.4	2.2	(0.2)	-
ICT	9.3	10.4	1.1	-
Policy & Change	1.9	1.9	-	-
Corporate Services	39.8	40.6	0.8	-
				For Info 9.6
TOTAL SERVICES NET EXPENDITURE	316.9	335.5	18.6	

Table 2 – Central Budgets and Funding Outturn Forecasts

2022/23	Revised Budget	Forecast Outturn	Forecast Variance
(GROSS Revenue Budget £474.2m)	(NET)		
	£m	£m	£m
CENTRAL BUDGETS			
Capital Financing	18.9	18.9	-
Transfer to/(from) Earmarked Reserves	(2.7)	(8.7)	(6.0)
Corporate Contributions / Central Budgets	(4.7)	(5.7)	(1.0)
Central Budgets	11.5	4.5	(7.0)
Business Rates Retention Scheme	(49.1)	(49.1)	-
Specific Grants	(24.6)	(24.6)	-
Council Tax	(254.7)	(254.7)	-
Net Funding	(328.4)	(328.4)	-

Outturn Impact

- The financial impact of the outturn forecast could decrease balances by £11.6m. This is over 75% of the Council's General Reserves balance, so mitigating actions must be taken to reduce the pressure during the year. Any deficit at the end of the year will be drawn down from the Medium-Term Financial Strategy Earmarked Reserve in the first instance, but drawdowns from that reserve are already factored in to the MTFS to manage the effects of variations in spending and income in specific years.
- The Council will continue to manage and review the financial forecasts in response to emerging pressures and how this affects the Council's revenue budget.

Collecting Local Taxes for Local Expenditure

- Cheshire East Council collects Council Tax and Non Domestic Rates for use locally and nationally.

Council Tax

- Council tax is set locally and retained for spending locally. Council tax was set for 2022/23 at £1,626.24 for a Band D property. This is applied to the taxbase.
- The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect council tax from (after adjustments for relevant discounts, exemptions and an element of non-collection). The taxbase for 2022/23 was agreed at 156,607.48 which, when multiplied by the Band D charge, means that the expected income for the year is £254.7m.
- In addition to this, Cheshire East Council collects council tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £313.8m.
- This figure is based on the assumption that the Council will collect at least 99% of the amount billed. The Council will always pursue 100% collection, however to allow for non-collection the amount billed will therefore exceed the budget.
- This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £315.3m.

Table 3 – Cheshire East Council collects Council Tax on behalf of other precepting authorities

	£m
Cheshire East Council	254.7
Cheshire Police and Crime Commissioner	36.9
Cheshire Fire Authority	12.9
Town and Parish Councils	9.3
Total	313.8

13. **Table 4** shows collection rates within three years, and demonstrates that 99% collection is on target to be achieved within this period.

Table 4 – 99% of Council Tax is collected in three years

Financial Year	CEC Cumulative			
	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
After 1 year	98.2	97.9	97.4	97.8
After 2 years	99.0	98.8	98.3	**
After 3 years	99.2	98.9	**	**

**data not yet available

14. The council tax in-year collection rate for the period up to the end of September 2022 is 56.1%. This is a small decrease of 0.2% on the previous year, possibly indicating current cost of living pressures. Additionally, significant numbers of council tax staff have been supporting the government's energy

rebate payments which has impacted resource normally involved in collection.

15. Council tax support payments were budgeted at £18.4m for 2022/23 and at the end of September the total council tax support awarded was £18.9m.
16. During 2021/22 there was a consultation and review of the Council Tax Support scheme resulting in some amendments being made. The revised scheme was confirmed by full Council in December 2021.
17. Council tax discounts awarded are £28.6m which are comparable to the same period in 2021/22. A small increase is attributable to work related to raising awareness of the discounts available to residents.
18. Council tax exemptions awarded is £7.2m which although broadly in line with previous years shows a slight increase due to reasons shown at 17.

Non-Domestic Rates (NDR)

19. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief.
20. The small business multiplier applied to businesses which qualify for the small business relief was set at 49.9p in 2022/23. The non-domestic multiplier was set at 51.2p in the pound for 2022/23.
21. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

22. The business rates in-year collection rate for the period up to the end of September 2022 is 58.6%. This is a significant increase on last year and begins to revert collection rates back to pre pandemic figures. A return to standard collection processes and government support through additional reliefs has assisted the recovery in collection.

Table 5 – Over 99% of Business Rates are collected within three years

Financial Year	CEC Cumulative			
	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
After 1 year	98.5	98.2	92.4	95.6
After 2 years	99.4	98.4	97.4	**
After 3 years	99.4	99.2	**	**

**data not yet available

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Appendix 1 : Adults and Health Committee

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Appendix 1

Adults and Health Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Adults and Health				
Adult Social Care Operations	115,959	43	1,513	117,515
Commissioning	4,880	-	(1,461)	3,419
Public Health	-	-	-	-
	120,839	43	52	120,934

Note the additional grant funding column includes the expenditure part of centrally held unringfenced grants.

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

Adults and Health Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Adults & Health Committee				Pay Inflation	1.551	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	1.511
Adult Social Care Operations	148.4	-30.9	117.5	Continuing Healthcare Reviews	-1.000	7	Green (on track and should achieve)	Reviews underway of nursing home placements and complex care packages to identify those people who have a primary health need and are therefore eligible for Continuing Healthcare Funding.	0.000
				Productivity and Efficiency in Adult Social Care	-0.500	30	Red (will not achieve)	Unable to achieve in 2022/23, due to current level of demand upon services. The development of the Integrated Care Partnership (ICP) and integration commissioning will enable staff to work differently. New ways of working and integrated posts will be adopted which will result in more efficient ways of working.	0.500
				Investment in Adult Social Care	4.000	34	Red (will not achieve)	Pressures from care costs base budgets. Mitigation already includes staffing vacancies and a £2m income contribution anticipated from NHS discharge funding.	9.302

Adults and Health Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Care Fee Uplifts in Adult Social Care			Green (on track and should achieve)		0.000
				Learning Disabilities (LD) Future Service Development and Review	-1.000	49	Amber (not on track but may still achieve)	Difficulties identified in providers demanding higher fees or threatening to end contracts. We can evidence gross reductions on LD packages from the base line at the start of the financial year. On this measure it is expected that the saving will be met. However, demand and market pressure will result in an overall net increase to the cost of LD care.	0.000
				Direction of travel for the Communities Team to focus more on the Intervention and Prevention Agenda to make cost savings, growth and	-0.500	36	Red (will not achieve)	This has been unachievable due to the team's commitment to Afghan and Homes for Ukraine and COVID response- savings on tracker. Mitigation from associated grants will need to be determined.	0.500

Adults and Health Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				future cost avoidance					
				Mental Health Services Review	-0.500	37	Amber (on track but may not achieve all)	Working with health colleagues to implement 50/50 approach to section 117 cases.	0.000
				Day Care Review	-0.070	38	Green (on track and should achieve)	2022/23 saving was achieved in 2021/22 by contract variation.	0.000
				Electronic Call Monitoring Reclamation	-0.030	39	Red (will not achieve)	Unable to deliver due to the fragility of the care at home market- this is on covid tracker.	0.030
				Market Sustainability and Fair Cost of Care - Grant Income	-0.979	40	Green (on track and should achieve)	Received.	0.000
				Market Sustainability and Fair Cost of Care - Expenditure	0.979	40	Green (on track and should achieve)	Spent on 6% increase to care at home providers.	0.000

Adults and Health Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Staff Travel and related savings	-0.044	29	Green (on track and should achieve)		0.000
				Care Packages		NEW		Savings in year from reviews of current packages. Includes targeted economies through assistive technology and removing low level support (non-personal care tasks).	-0.400
				Care Costs		NEW		Negotiating unit costs down in line with Fair Cost Of Care.	-0.070
				Public Health (PH) Grants		NEW		Allocating PH grant to relevant preventative expenditure.	-0.110
Commissioning	12.6	-9.2	3.4	Reduce Base budget assigned to Community Grants	-0.100	9	Green (on track and should achieve)		0.000
				In Year pressures		New		£80k children's commissioning due to employment activity. £338k due to demand on community equipment and £378k demand on assistive technology. Partially offset by Ukraine settlement grant £500k.	0.392

Adults and Health Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Public Health	17.7	-17.7	0.0	Public Health		NEW		Review use of Public Health grant across wider network of local authorities to test best practice.	
Total	178.7	-57.8	120.9		1.807				11.655

3. Corporate Grants Register

Table 1 – Corporate Grants Register

Grants 2022/23	Revised Forecast FR1 2022/23 £000	Latest Forecast 2022/23 £000	Change from FR1 2022/23 £000	Treatment of Grant <i>Notes 2 - 5</i>
ADULTS & HEALTH				
Specific Use (Held within Services)	54,245	54,032	(213)	
General Purpose (Held Corporately)				
Social Care Support Grant	11,341	11,341	0	
Independent Living Fund	861	861	0	
Local Reform & Community Voices	213	213	0	
Social Care in Prisons	71	71	0	
War Pension Scheme Disregard	56	56	0	
TOTAL ADULTS & HEALTH	66,787	66,574	(213)	

Notes

1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases / decreases to allocations by the DfE and conversions to academy status.

2 SRE - Supplementary Revenue Estimate requested by relevant service.

3 ODR - Officer Decision Record to approve immediate budget change to relevant service.

4 Reserves - transfer to reserves at year end.

5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a

corresponding expenditure budget within the allocated service area.

3.2 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Adults and Health Committee		
Adults, Public Health and Communities	8,467	5,092

5. Capital Strategy

Adults and Health													CAPITAL
CAPITAL PROGRAMME 2022/23 - 2025/26													
Scheme Description			Forecast Expenditure					Forecast Funding					
	Total Approved Budget	Prior Years	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26	Total Forecast Budget 2022/26	Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	Total Funding
Committed Schemes													0
Adults Services													
Electronic Call Monitoring System	389	0	0	389	0	0	389			389			389
People Planner System	94	38	56	0	0	0	56	56					56
Replacement Care4CE Devices	93	65	28	0	0		28	28					28
Total Adults Services Schemes	576	103	84	389	0	0	473	84	0	389	0	0	473

6. Reserves Strategy

Adults and Health Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Adult Social Care Operations				
Adults Directorate	1,020	(450)	570	To support a number of widespread projects within the Adults and Health Directorate. Connected Community Strategy Developments activity has been delayed due to community team focussing on resettlement schemes. Transformation and Improvement of ASC and Care4ce New Model of Care anticipate phasing of appropriation will match the original business case.
DOL's Assessments	397	(397)	0	Reserve required due to delays in DOLs assessment processing. Anticipated to be fully utilised in 2022/23.
Public Health (LAC funding for 3 years/ Investment in Outcome 5 activities - Adults)	162	(162)	0	Reserve will be fully utilised by the end of 2022/23, matched off against LAC staff as per the original business case.
Adults Social Care Commissioning				
PFI Equalisation - Extra Care Housing	2,715	80	2,795	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009, and the anticipated gap at the end of the agreement.
NHB Community Grants Staffing	132	0	132	To support administrative staffing costs in relation to Central Government's New Homes Bonus guidance for community projects.
Public Health				
Public Health	3,220	(488)	2,732	Ring-fenced underspend to be invested in areas to improve performance against key targets. Including the creation of an innovation fund to support partners to deliver initiatives that tackle key health issues. Anticipated that the carry forward ringfenced grant will be spent across 2022/23 to 2025/26.
ADULTS AND HEALTH TOTAL	7,646	(1,417)	6,229	

Appendix 2 : Children and Families Committee

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Appendix 2

Children and Families Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Children and Families				
Directorate	899	-	107	1,006
Children's Social Care	46,464	187	-	46,651
Education & 14-19 Skills	18,197	311	24	18,532
Strong Start, Family Help and Integration (Previously Prevention & Early Help)	8,217	-	91	8,308
	73,777	498	222	74,497

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
C&F Committee				Pay Inflation	1.548	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	1.368
				Use of EMRs		New		Additional use of earmarked reserves above MTFS level.	-0.208
				Transformation		New		Flexible use of Capital Receipts.	-1.000
Directorate	1.3	-0.3	1.0						
Strong Start, Family Help and Integration	14.7	-6.3	8.3	A redesign of Early Help Services into a Locality model	-0.424	48	Green (on track and should achieve)	A restructure is scheduled for March 2023. A significant amount of vacancies have been held in the service pending the restructure and they allow the saving to be delivered in 2022/23.	0.000
				Staff Travel and related savings	-0.062	29	Red (will not achieve)	At this stage the service is working to resume pre COVID-19 delivery levels and is not able to deliver savings from less travel or a reduced mileage rate. To be considered as part of wider recruitment and retention issue.	0.050
				Development and		50	Amber (not on track but	Under discussion to confirm any required changes.	0.000

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Partnerships service			may still achieve)		
				Revenue costs for Crewe Youth Zone		43	Green (on track and should achieve)		0.000
				Restructure Early Help budget to fund Crewe Youth Zone (CYZ)		44	Green (on track and should achieve)	Ringfenced reserves from the Supporting Families Programme (SFP) will be used to fund the Crewe youth zone. This will enable shared outcomes from the SFP programme with the outcomes of the Crewe youth zone. This will prevent any need to restructure within the early help budget. Depends on progress of the CYZ.	0.000
				P&S use of Troubled families		New			-0.300
				Use of COMF grant		New		Activity within Strong Start that may be funded from the ringfenced Contain Outbreak Management Fund.	-0.013
				In Year pressures		New		Difference from policy proposals and team plan related to other ongoing mitigation proposals.	-0.080

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Education and 14-19 Skills	61.3	-42.7	18.6	Establish a traded service for non-statutory elements of Attendance Service	-0.035	22	Green (on track and should achieve)	Income is being generated and using it to fund a single post - broadly net nil.	0.000
				Establish an Education Psychologist traded service to enable a proactive early support and intervention offer	-0.025	23	Green (on track and should achieve)	Income is being generated. Need to confirm position related to team capacity.	0.000
				Increase capacity to support Statutory SEND service	0.400	42	Amber (on track but may not achieve all)	Legal costs continue to highlight pressure in this area.	0.000
				Increase capacity to support Statutory Education Psychology Service	0.125	47	Amber (on track but may not achieve all)	Growth is not sufficient to match pressures in 2022/23, but procurement activity has to continue to meet demand. Expectation is that financial pressure could increase.	0.531

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				School Transport	1.200	62	Red (will not achieve)	MTFS identified there might be £1m further pressure to be funded from the MTFS reserve, which is being utilised. Independent review has completed (July 22) with recommendations for potential cost savings. These need to be considered and decisions reached to determine whether growth needs to be built in for future years. Expectation that the SEND growth is increasing each year so additional pressures likely. Need to establish what the transport review outcome will recommend.	1.537
				Staff Travel and related savings	-0.050	29	Red (will not achieve)	This is a challenge to deliver as the reduction in travel is too much and the mileage rate has not been changed. Low numbers of regular user allowances in this service.	0.098
				SEND Staffing – both core services and specialist teams supporting reduction in SEND needs assessments		New		To be established.	
				EP Staffing		New		To be established.	

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				School catering – implications on outcome of external catering review		New		To consider the recommendations of the APSE external review in terms of future delivery models and implications of budgets.	
				Skills agenda – shaping a strategic direction of support for young people		New		To consider the wider implications of how we support young people in terms of skills and preparation for employment.	
				Use of Public Health grant		New		Activity within Education and Skills that may be funded from the ringfenced Public Health Grant	-0.200
				Use of COMF grant		New		Activity within Education and Skills that may be funded from the ringfenced Contain Outbreak Management Fund	-0.110
				E&S Cell		New			-0.030
				In Year pressures		New		Covid expenditure - catering staff absence.	
Children's Social Care	48.2	-1.6	46.7	Children's Social Care Transformation and OFSTED Response	-1.500	2	Green (on track and should achieve)	In light of improvement work needed at pace it would be helpful to extend the timescale for this funding. Balance held in earmarked reserves.	0.000

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Investment in Cared for Children and Care Leavers and other pressures	4.000	41	Amber (not on track but may still achieve)	This has been allocated to the placements budget pressure – with a full review of budgets pending. Regular review / deep dive into placements. Opportunities in the other budgets will be considered but they are under pressure.	2.310
				Safeguarding Children – legacy staffing pressure	0.390	45	Green (on track and should achieve)	This was growth that has corrected a legacy issue.	0.000
				Growth in Children & Families Commissioning Contracts	0.180	46	Green (on track and should achieve)	This was growth that has corrected a legacy issue. The budget has been significantly reduced in earlier years so options for further reductions are limited. Review budgets for 2023/24.	0.000
				Staff Travel and related savings	-0.261	29	Red (will not achieve)	This will be a pressure on the requirement to travel. Impact on workforce to be considered and how savings can be delivered. Review for MTFS 2023/24. Part of the essential user allowance item will be delivered but unlikely that less mileage / lower mileage rate will be achieved.	0.113

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Growth in Children's social care – average 10% per annum growth in spend (on £20m placement budget) less already agreed.		New		Possible scope for this to reduce in line with ambition to refocus activity and realising savings here through roll out of residential children's homes project. But likely to be double spend during transition phase.	
				Continuation of Transformation funding considering July 2022 inspection and wider improvement work.		New		Transformation work ongoing to realise ambition to draw down demand and reduce high cost provision.	
				Removal of high needs DSG contribution to Direct payments and replace with base budget funding.		New			
				Growth in direct payments budget to reflect activity levels.		New			

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Growth in the service to manage resettlement activity – children stay in the system and staff are needed.		New			
				Workforce		New		Revise vacancy forecasts to reflect recruitment difficulties. Slow down in year recruitment where feasible/safe. Use specific reserves for exit costs (per MTFS).	
				Further Mitigations		New		Forensic review of projected deficit budget lines to identify in-year mitigations. Acquire domestic property for Children's Homes. Review all high cost-low outcome placements.	-0.475
				Use of COMF grant		New		Activity within Childrens Social Care that may be funded from the ringfenced Contain Outbreak Management Fund	-0.044
				Care and Early Intervention		New		Review all high cost-low outcome placements.	

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Other		New		Reduce opening hours or close for under-utilised facilities. Work across partnerships to identify any additional funding streams for use of facilities.	
Total	125.4	-50.9	74.5		5.486				3.547

3. Corporate Grants Register

Table 1 – Corporate Grants Register

Grants 2022/23	Revised Forecast FR1 2022/23 £000	Latest Forecast 2022/23 £000	Change from FR1 2022/23 £000	Treatment of Grant <i>Notes 2 - 5</i>
CHILDREN & FAMILIES				
Specific Use (Held within Services)¹	165,406	166,408	1,002	
General Purpose (Held Corporately)				
Staying Put Implementation Grant	130	130	0	
Extended Rights to Free Transport (Home to School Transport)	250	250	0	
Extended Personal Adviser Duty Implementation	57	57	0	
Extension of the role of Virtual School Heads	61	61	0	
TOTAL CHILDREN & FAMILIES	165,904	166,906	1,002	

Notes

1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases / decreases to allocations by the DfE and conversions to academy status.

2 SRE - Supplementary Revenue Estimate requested by relevant service.

3 ODR - Officer Decision Record to approve immediate budget change to relevant service.

4 Reserves - transfer to reserves at year end.

5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 The increase in specific grants relates mainly to Asylum Seekers, Ukraine Resettlement Funding and the COVID-19 Recovery Premium grants reflecting the latest allocations. Other additional specific grants have been received and are detailed in **Table 2 and Table 3**.

3.3 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

Table 2 – Recommend to Service Committee to Approve Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) over £500,000 up to £1m

Committee	Type of Grant	£000	Details
Children and Families	Asylum Seekers	535	Increase on MTFS 2022-26 estimate. This grant is from the Department for Education. Based on clients' claims so therefore will fluctuate based on age / numbers of claims – we are also receiving some additional funding from those that move through the National Transfer Scheme. Looking at claims in the current year there have been additions to the UASC population, therefore this has likely seen an increase in the amount receiving the higher rate. In addition, possibly an element of being cautious with MTFS items as this can vary significantly purely based on the numbers as said above. Unaccompanied asylum seeking children and leaving care: funding instructions - GOV.UK (www.gov.uk)
Specific Purpose Allocations over £500,000		535	

Table 3 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Children and Families - Schools	Sixth Forms Grant (Specific Purpose)	3	Increase on Financial Review 1 forecast. This grant is from the Education and Skills Funding Agency. Funding is based on Pupil Numbers which makes up the main funding profile, the MTFS estimate will have been based on pupils in 2021/22 being forecast for the remainder of financial year. This will now have been updated for 2022/23 pupil numbers. Sixth Form providers also receive a High Value Course Premium based on the number of pupils taking high value

Committee	Type of Grant	£000	Details
			courses. 16 to 19 education: funding allocations - GOV.UK (www.gov.uk)
Children and Families - Schools	COVID-19 Recovery Premium (Specific Purpose)	180	Increase on Financial Review 1 forecast. This grant is from the Department for Education. Recovery premium received on behalf of schools and allocated out as per funding schedule (breakdown by school).
Children and Families - Schools	School Led Tutoring Grant (Specific Purpose)	154	Increase on Financial Review 1 forecast. This grant is from the Department for Education. This grant will give schools and academy trusts the flexibility in determining how best to provide tutoring intervention to support catch-up for lost education due to the coronavirus (COVID-19) pandemic. Grant conditions .
Children and Families - Schools	Senior Mental Health Lead Training Grant (Specific Purpose)	1	<p>Increase on Financial Review 1 forecast. This grant is from the Department for Education.</p> <p>The Department for Education (DfE) is offering a grant of £1,200 for eligible state-funded schools and colleges in England to train a senior mental health lead to develop and implement a whole school or college approach to mental health and wellbeing. This training is not compulsory, but it is part of the government's commitment to offer this training to all eligible schools and colleges by 2025.</p> <p>Eligible schools and colleges are now able to apply for a senior mental health lead training grant to commence training within the 2022 to 2023 financial year, up to 31st March 2023. Grants will be provided to cover (or contribute to) the cost of attending a quality assured course and may also be used to hire supply staff whilst leads are engaged in learning. Senior mental health lead training - GOV.UK (www.gov.uk)</p>

Committee	Type of Grant	£000	Details
Children and Families - Schools	Newly Qualified Teachers - Education Recovery 5% Time off Timetable (Specific Purpose)	16	<p>Increase on Financial Review 1 forecast. This grant is from the Department for Education. Eligible schools will receive a one-off payment to support NQTs who completed induction between the summer of 2021 and spring 2022. This funding will be made available to cover the cost of providing these teachers an additional 5% off timetable for the 2021 to 2022 academic year so they have additional time to invest in their development.</p> <p>This time off timetable has been designed to be used flexibly so that as many new teachers as possible can benefit from this additional support.</p> <p>Funding has been calculated as equivalent to 5% off timetable every week for an NQT over the academic year 2021 to 2022 and equates to 44 hours. [Withdrawn] Additional funding for newly qualified teachers completing induction between summer 2021 and spring 2022 - GOV.UK (www.gov.uk)</p>
Children and Families - Schools	Apprentice Incentive Scheme (Specific Purpose)	2	<p>This grant is from the Department for Education. Incentive payments available for hiring a new apprentice. Employers are able to use their levy funds to cover the cost of an apprentice's training and assessment. Payments passported to schools. Grant conditions.</p>
Children and Families - Schools	Digital Education Platform (Specific Purpose)	2	<p>This grant is from the Department for Education. When schools and colleges closed due to the coronavirus pandemic, teachers needed a way to continue teaching students at home. The solution was to provide digital education platforms. This is the name we give to a set of tools and technologies that together enable pupils to learn online in virtual classrooms. Digital education platforms are purpose-built for remote learning and they are so much more than just a school website. Funding is available for</p>

Committee	Type of Grant	£000	Details
			schools to help them get set up on one of two platforms, either G Suite for Education (Google Classroom) or Office 365 Education (Microsoft Teams). Both are free to use. Payments passported to schools.
Children and Families - Schools	Mass Testing (Specific Purpose)	9	This grant is from the Department for Education. This is the final payment allocation Phase 8 & 9 for this funding. It provides funding to cover the initial roll-out of rapid mass testing. Payments passported to schools. Grant conditions .
Children and Families - Schools	Vaccination funding (Specific Purpose)	9	This grant is from the Department for Education. Healthy 12 to 15 year olds in England are now being offered two doses of the PfizerBioNTech COVID-19 vaccine, 12 weeks apart. These vaccinations are available through school immunisation services or by booking through the national booking service to attend a vaccination site outside of school hours. At this critical point in the vaccine programme, it is particularly important that schools and immunisation teams work closely together to maximise effectiveness of the vaccination programme. Funding is provided to schools with a one-off payment to support schools in hosting vaccinations and ensuring that the COVID-19 vaccine is accessible to pupils. Payments passported to schools. Grant conditions .
Children and Families	Tackling Troubled Families (Payments by Results) (Specific Purpose)	139	Increase on Financial Review 1 forecast. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). In April 2012, the Government launched the Troubled Families Programme, a £448m scheme to incentivise local authorities and their partners to turn around the lives of 120,000 troubled families by May 2015. This programme worked with families where children are not attending school, young people are committing crime,

Committee	Type of Grant	£000	Details
			<p>families are involved in anti-social behaviour and adults are out of work.</p> <p>In June 2013, the Government announced plans to expand the Troubled Families Programme for a further five years from 2015/16 and to reach up to an additional 400,000 families across England. £200 million has been committed to fund the first year of this five year programme.</p>
Children and Families	<p>NHS Cheshire CCG Grant to fund CEIAS Services</p> <p>(Specific Purpose)</p>	26	<p>This grant is from the NHS Cheshire CCG Education.</p> <p>For children and young people aged 0 – 25 years with Special Educational Needs and/or Disabilities (SEND) and their parent/carers who are normally resident in Cheshire East local authority. CEIAS works with families from the moment a concern is identified with a child's education, or development, and continues to support whether statutory thresholds for an Education Health and Care plan are met or not up to and including Tribunal, complaints etc. The service also supports families whose children and young people are excluded from school, or at threat of exclusion.</p>
Children and Families	<p>Remand Grant</p> <p>(Specific Purpose)</p>	55	<p>Increase on MTFs 2022-26 estimate. This grant is from the Home Office. Funding allocation towards remands to youth secure accommodation of children and young people (under 18 years of age). This payment is in respect of children detained on remand in YOIs and the treatment of such children as "looked after", and to meet the costs of escorting remanded children to and from youth detention accommodation. Such payments reflect a reasonable estimate of demand using the most recently available data and the YOI remand sector price.</p>

Committee	Type of Grant	£000	Details
Children and Families	Ukraine Resettlement Funding (Specific Purpose)	238	This grant is from the Education & Skills Funding Agency. Funding to provide education and childcare services for children who have entered England via the Homes for Ukraine scheme 2022 to 2023. Grant conditions .
Children and Families	Hong Kong UK Welcome Programme - British Nationals (Specific Purpose)	9	Increase on Financial Review 1 forecast. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Funding is being provided as part of the Hong Kong UK Welcome Programme which is intended to provide funding to local authorities in England to provide targeted support to BN(O) status holders who need additional English language support and destitution support for those whose circumstances change. Hong Kong British Nationals (Overseas) welcome programme – information for local authorities - GOV.UK (www.gov.uk)
Specific Purpose Allocations less than £500,000		843	

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Children and Families Committee		
Children's Social Care (Incl. Directorate)	8	6
Education and 14-19 Skills	70	-
Prevention and Early Help	9	-
Schools	47	-

5. Capital Strategy

Children and Families												CAPITAL	
CAPITAL PROGRAMME 2022/23-2025/26													
Scheme Description			Forecast Expenditure					Forecast Funding					
	Total Approved Budget	Prior Years	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26	Total Forecast Budget 2022/26	Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	Total Funding
Committed Schemes in progress													
Childrens Social Care													
Foster Carers Capacity Scheme	634	348	0	286	0	0	286					286	286
Crewe Youth Zone	4,800	342	650	2,450	1,358	0	4,458	2,258				2,200	4,458
Strong Start, Family Help & Integration													
Ash Grove Nursery Expansion	230	225	5	0	0	0	5	5					5
Beechwood Nursery Expansion	868	836	33	0	0	0	33			33			33
Early Years Sufficiency Capital Fund	1,036	913	0	123	0	0	123	123					123
Education and 14-19 Skills													
Adelaide Academy	784	34	50	700	0	0	750	580				170	750
Congleton Planning Area	5,034	44	300	4,690	0	0	4,990	2,593	2,397				4,990
Devolved Formula Capital	2,179	350	954	300	290	285	1,829	1,829					1,829
Future Years Basic Need Allocation	4,192	11	2,652	1,529	0	0	4,180	4,180					4,180
Holmes Chapel Planning Area	3,625	770	750	2,105	0	0	2,855	2,480	375				2,855
Macclesfield Planning Area - secondary	4,084	1,106	100	2,400	478	0	2,978	2,978					2,978
Malbank High School	1,922	1,856	66	0	0	0	66	66					66
Monks Coppenhall Sen Expansion	127	2	125	0	0	0	125	25				100	125
Nantwich Planning Area (Primary)	7,080	104	400	4,600	1,976	0	6,976	3,787	3,189				6,976
Nantwich Planning Area (Secondary)	700	0	200	500	0	0	700	700					700
Park Lane Expansion	4,400	4,226	174	0	0	0	174	174					174
Provision of Sufficient School Places - SEND	6,006	16	2,490	3,500	0	0	5,990	500				5,490	5,990
Puss Bank SEN Expansion	532	509	23	0	0	0	23					23	23
Sandbach High School - Basic Need	1,704	1,702	2	0	0	0	2	2					2
Sandbach Boys School - Basic Need	1,776	1,773	3	0	0	0	3	3					3
Sandbach Planning Area (secondary)	38	0	38	0	0	0	38	38					38
School Condition Grant	4,356	42	1,595	2,761	0	0	4,356	4,301		55			4,356
Sen/High Needs Grant Allocation	3,866	0	46	3,820	0	0	3,866	3,866					3,866
Sen Placement Expn - Phase 2	38	0	38	0	0	0	38					38	38

CAPITAL PROGRAMME 2022/23-2025/26

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2022/26	Forecast Funding					Total Funding
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
Committed Schemes in progress													
Education and 14-19 Skills													
Shavington Planning Area (1)	3,125	70	400	2,655	0	0	3,055	3,055					3,055
Special Provision Grant Allocation	908	46	863	0	0	0	863	857		6			863
Springfield Satellite Site (Dean Row)	4,120	91	2,030	2,000	0	0	4,030	3,230				800	4,030
To Expand 'In Borough' Sen Placement Capacity - Springfield Special School	149	91	58	0	0	0	58					58	58
Little Angels Satellite Sites	1,100	1,074	26	0	0	0	26	26					26
Wilmslow Basic Need Scheme	13,944	1,658	4,000	5,000	3,286	0	12,286	9,551	2,687			48	12,286
Wilmslow Primary Planning Area	626	1	0	625	0	0	625	125	500				625
													0
Total Committed Schemes	83,984	18,240	18,071	40,042	7,388	285	65,786	47,330	9,149	94	0	9,213	65,786
													0
													0
New Schemes													
Childrens Social Care													
Children's Home Sufficiency Scheme	2,100		1,000	1,100	0	0	2,100					2,100	2,100
Education and 14-19 Skills													
Congleton Planning Area (1)	2,200	0	0	1,100	1,100	0	2,200	900	1,300				2,200
Congleton Planning Area (2)	625	0	100	525	0	0	625	625					625
Congleton Planning Area (3)	7,500	0	0	500	800	6,200	7,500	4,300	3,200				7,500
Sandbach Planning Area	3,183	0	500	2,683	0	0	3,183	2,673	510				3,183
Handforth Planning Area	15,000	0	0	2,000	6,500	6,500	15,000	2,136	12,864				15,000
Haslington Planning Area (The Dingle PS Expansion)	1,385	0	100	900	385	0	1,385	1,385					1,385
Macclesfield Academy Resource Provision	100	0	100	0	0	0	100	100					100
Macclesfield Planning Area (1)	4,000	0	0	0	2,000	2,000	4,000		4,000				4,000
Macclesfield Planning Area (2)	4,000	0	100	3,400	500	0	4,000	4,000					4,000
Mobberley Primary School	900	0	50	850	0	0	900	600			300		900
Resource Provision - Wistaston PS	1,400	0	400	1,000	0	0	1,400	1,100				300	1,400
Shavington Planning Area (2)	8,000	0	200	800	4,000	3,000	8,000	5,640	2,360				8,000
Total New Schemes	50,393	0	2,550	14,858	15,285	17,700	50,393	23,459	24,234	0	300	2,400	50,393
Total Children and Families Schemes	134,377	18,240	20,621	54,900	22,673	17,985	116,179	70,789	33,383	94	300	11,613	116,179

6. Reserves Strategy

Children and Families Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Directorate				
Childrens Directorate - Transformation Funding	1,079	(365)	714	Expectation of £200k for CSC Court and Care Planning Service Proposals plus £65k for CSC New Beginnings.
Childrens Directorate - C&F ED	422	(110)	312	Estimated spend of £30k transport review, £50k Chess review and £30k catering review.
Childrens Social Care				
Domestic Abuse Partnership	112	(76)	36	To sustain preventative services to vulnerable people as a result of partnership funding. This is the current budgeted position, however updates will be provided on future reviews. Service will need to consider in year deficit as this would not be sustainable in 2023/24 based on current assumptions.
Education and 14-19 Skills				
Skills and Lifelong Learning	30	(30)	0	To support adult learning, training and improving skills for the workplace. Need to
School Organisation & Capital Service	16	(16)	0	Springfield lease of £28.5k per annum will be a pressure in 2022/23.
SSIF Nexus Programme	9	(9)	0	Reserve will be used towards School Improvement to continue to support schools with high disadvantaged learners - agreed with CWAC.
Strong Start, Family Help and Integration				
Troubled Fams Initiative	2,215	364	2,579	Previously intended to be used towards Prevention restructure. Newly formed
Emotional Healthy Schools	71	(71)	0	Funding by partners to deliver service.
Public Sector Transformation – contribution to Early Youth Inclusion Fund	57	(57)	0	
Complex Dependencies	21	(21)	0	
CHILDREN AND FAMILIES TOTAL	4,032	(391)	3,641	

Appendix 3 : Corporate Policy Committee

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Corporate Policy Committee Extracts

- 1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy**
- 2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 October 2022**
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Appendix 3

Corporate Policy Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Corporate Policy				
Directorate	111	-	1,734	1,845
Finance & Customer Services	12,857	111	(1,028)	11,940
Governance and Compliance Services	10,479	-	1,174	11,653
Transformation	14,875	-	(14,875)	-
HR	-	-	2,397	2,397
ICT	-	-	9,348	9,348
Communications	-	-	653	653
Policy and Change	-	-	1,902	1,902
	38,322	111	1,305	39,738

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Corporate Policy Committee				Pay Inflation	1.315	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	0.872
				Transformation		New		Use flexible receipts to capitalise costs of transformation. Ongoing costs for Implementation work on B4B within ICT Shared Service - REFCUS utilised to support last year. 50% share of £35,000.	-0.017
Corporate Directorate	17.1	-2.8	14.3	Efficiency savings and Restructures within Corporate Services	-0.148	8	Amber (on track but may not achieve all)	Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board.	0.000
				Mitigation of reduction in the Dedicated Schools Grant (ICT element)	0.098	15	Amber (not on track but may still achieve)		0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Infrastructure Investment Programme	0.127	33	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000
				Improving Digital Customer Experience	0.110	1	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000
				Unified IT Communications	0.110	25	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000
				IT Security and Compliance	0.097	26	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000
				IT Procurements and Application Lifecycle Management	0.075	27	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000
				Information Assurance and Data Management Phase 3	0.040	28	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Removal of temporary implementation on budget and investment to run the new Financial System	-0.453	6	Green (on track and should achieve)	£105k of reduction relates to Transactional Service Centre (TSC) additional capacity in 2021/22 - this is reported in Finance & Customer Services, this reduction in Governance & Support team isn't being achieved. Also, some of the ICT pressure reported below includes work still being done on BW implementation.	0.000
				Staff Travel and related savings	0.023	29	Red (will not achieve)	NOTE: £50k saving against HR 2021/22 budget reversed in 2022/23 then replaced by total staff travel saving allocation of £76k for whole of Corporate Services. Savings have been allocated across all services, leaving £23k across HR, ICT, and Communications (£50k-£27k=£23k). 30% reduced mileage element achieved however, element relating to adopting HMRC rate (£18k across Corporate Services) will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23. Corporate Leadership Team (CLT) discussion on Mutually Agreed Resignation Scheme (MARS) as mitigation. MARS payments	0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
								can be met from reserve in 2022/23 if scheme goes ahead.	
				Shared Services Review		8	Amber (not on track but may still achieve)	No cashable savings identified in those services identified. Additional costs being incurred in TSC due to the delayed implementation of B4B and additional pressures on the capacity of the team. Forecast pressure in year. Proposed hybrid model for ICT does deliver more than £200k savings target but requires more investment and payback over 4 years. see item below on ICT hybrid model.	0.000
				In Year pressure/ mitigation		New		Chief Executive and Executive Director of Corporate Services budgets favourable variance £89k, Communications lower income £34k, HR vacancies earlier in the year £280k under, Pressure £1,082k in ICT primarily due to insufficient commissioned project hours.	0.747

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Workforce		New		Revise vacancy forecasts to reflect recruitment difficulties. Slow down recruitment where feasible / safe. Recruit FTE to avoid agency / consultancy costs. Use appropriate reserves to fund exit costs.	
				ICT Reprocurements for Corporate, place and People				Costs of reprocuring and implementing replacement line of business systems have previously been capitalised. No capital budget available in current year but has been agreed these costs will come from Capital financing Reserve. Will be a pressure in future years.	
Finance and Customer Services	60.4	-48.5	11.9	Improved Debt Recovery and correcting budgeted court costs income targets to reflect actual levels	0.337	5	Amber (not on track but may still achieve)	Position for 2022/23 is a budget increase to reflect reduced court costs and to fund debt off loading and single view. Potential for both to be slightly delayed.	0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Transactional Service Centre additional funding	0.238	16	Red (will not achieve)	Further activity should improve later year's forecasts, but there is also wider review of schools costs pending. Latest forecast pressure almost £300k but will be partially mitigated due to frequent vacancies etc.	0.112
				Vendor Management Phase 3	0.175	24	Amber (not on track but may still achieve)	Budget increase for 2022/23 to enable system rollout and change management piece. Budget reduced in 2023/24 to include only system costs. Could be a budget carry forward due to a delay in the system rollout.	0.000
				Brighter Futures Together Programme Customer Experience	-0.133	19	Amber (not on track but may still achieve)	Remaining savings dependant on enabling technologies and procedures. Savings may to be achieved in year through vacancy management but permanent savings potentially delayed until 2023/24.	0.000
				Efficiency savings and Restructures within Corporate Services	-0.098	8	Amber (on track but may not achieve all)	Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board.	0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Staff Travel and related savings	-0.021	29	Red (will not achieve)	30% reduced mileage element achieved however, element relating to adopting HMRC rate will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23.	0.000
				In Year pressure/ mitigation		New		£54k pressure in Accountancy offset by delay to start of Atamis project £21k favourable variance, and administration grant for energy rebate payments £161k.	-0.128
Governance and Compliance Services	15.3	-3.7	11.7	Efficiency savings and Restructures within Corporate Services	-0.078	8	Amber (on track but may not achieve all)	Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board.	0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Staff Travel and related savings	-0.012	29	Red (will not achieve)	30% reduced mileage element generally achieved however, element relating to adopting HMRC rate will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23.	0.000
				Increase in Insurance Premiums		New		Pressure built into forecast but will be met from insurance reserve so nil. Reserve balance needs to be monitored.	0.000
				In Year pressure/ mitigation		New		£208k pressure in legal relating to lower income and agency staff offset by favourable variances in Democratic Services mainly from additional income in registrars £581k, Audit & Risk variance from vacancies £348k.	-0.721
Policy & Change	2.8	-0.9	1.9	Mitigation of reduction in the Dedicated Schools Grant (Bus Intel)	0.009	15	Amber (not on track but may still achieve)		0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Review of corporate subscriptions	-0.015	12	Green (on track and should achieve)	Existing budget does not fully cover subscriptions to CCN and LGA	0.000
				Staff Travel and related savings	-0.016	29	Red (will not achieve)	30% reduced mileage element achieved however, element relating to adopting HMRC rate will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23.	0.000
				Efficiency savings and Restructures within Corporate Services	-0.026	8	Amber (on track but may not achieve all)	Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board.	0.000
				In Year pressure/ mitigation		New		£91k variance due to vacant posts in policy and change.	-0.091
Total	95.7	-55.9	39.8		1.754				0.774

3. Corporate Grants Register

Table 1 – Corporate Grants Register

Grants 2022/23	Revised Forecast FR1 2022/23 £000	Latest Forecast 2022/23 £000	Change from FR1 2022/23 £000	Treatment of Grant <i>Notes 2 - 5</i>
CORPORATE POLICY				
Specific Use (Held within Services)	69,720	69,727	8	
General Purpose (Held Corporately)				
Housing Benefit Administration Subsidy	736	736	0	
Council Tax Support Administration Subsidy	345	345	0	
NNDR Administration Allowance	587	587	0	
Revenue Support Grant	7	7	0	
New Homes Bonus	6,614	6,614	0	
Lower Tier Services Grant	360	360	0	
Services Grant	2,932	2,932	0	
Business Rates Reliefs Grant 2022/23	13,890	13,890	0	
TOTAL CORPORATE POLICY	95,191	95,199	8	

Notes

1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy status.

2 SRE - Supplementary Revenue Estimate requested by relevant service.

3 ODR - Officer Decision Record to approve immediate budget change to relevant service.

4 Reserves - transfer to reserves at year end.

5 Balances - amount will be included as a variance to budget.

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

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Corporate Policy Committee		
Finance and Customer Services	76	40
Governance and Compliance	3	-
Human Resources	2	-
ICT	90	4

5. Capital Strategy

Corporate Policy														CAPITAL
CAPITAL PROGRAMME 2022/23 - 2025/26														
Scheme Description			Forecast Expenditure					Forecast Funding						
	Total Approved Budget	Prior Years £000	Forecast Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Total Forecast Budget 2022/26 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000	
Committed Schemes														
ICT Services														
Care Act Phase 2	2,648	0	1,372	638	638	0	2,648					2,648	2,648	
Core Financials	3,948	0	1,746	741	720	741	3,948		500		13	3,435	3,948	
Digital Customer - Delivery Programme Phase 1	250	79	171	0	0	0	171					171	171	
Digital Customer Enablement	2,874	33	967	1,400	474	0	2,841					2,841	2,841	
ICT Device Replacement	120	75	45	0	0	0	45			45			45	
Info' Assurance And Data Mgmt	5,324	0	2,234	1,591	1,500	0	5,324					5,324	5,324	
Infrastructure Investment(IIP)	7,773	0	2,623	1,680	1,656	1,814	7,773					7,773	7,773	
Vendor Management	1,006	730	276	0	0	0	276					276	276	
Unified Communications Project	1,206	651	555	0	0	0	555					555	555	
Finance & Customer Services														
Strategic Capital Projects	1,897	0	1,897	4,000	4,000	3,087	12,984					12,984	12,984	
Total Committed Schemes	27,047	1,568	11,886	10,050	8,988	5,642	36,567	0	500	45	13	36,008	36,567	
New Schemes														
Information Communication Technology														
Vendor Management - Phase 2	320	0	170	150	0	0	320					320	320	
Total New Schemes	320	0	170	150	0	0	320	0	0	0	0	320	320	
Total Corporate Policy Schemes	27,367	1,568	12,056	10,200	8,988	5,642	36,887	0	500	45	13	36,328	36,887	

6. Reserves Strategy

Corporate Policy Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Directorate				
Corporate Directorate	1,868	(293)	1,575	To support a number of widespread projects within the Corporate Directorate
Finance and Customer Services				
Collection Fund Management	27,424	(15,609)	11,815	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years.
Financing Reserve - Corporate Capital Projects	7,832	1,500	9,332	
Financing Reserve - People Capital Projects	573	(150)	423	To provide for financing of capital schemes, other projects and initiatives.
Financing Reserve - Place Capital Projects	1,125	(250)	875	
MTFS Reserve	10,068	(2,533)	7,535	To support the financial strategy and risk management.
Section 151 Revenue Grants	28	(28)	0	Unspent specific use grant carried forward into 2022/23.
Section 151 Revenue Grants - COVID-19	5,989	(5,989)	0	Covid (Unringfenced) reserve carried forward into 2022/23.
Governance and Compliance				
Insurance Reserve - Cheshire County Fund	130	(146)	(16)	To settle insurance claims and manage excess costs.
Insurance Reserve - Cheshire East Fund	5,164	132	5,296	To settle insurance claims and manage excess costs.
Elections General	477	225	702	To provide funds for Election costs every 4 years.
Brexit Funding	13	0	13	
Human Resources				
HR (CARE4CE Review, Culture Change, Pay realignment, Learning Mgt System)	59	(59)	0	To fund HR expenditure in relation to the Care4CE review, culture change programme, pay realignment and the Learning Management System.
Pay Structure (M Grade Review)	584	(278)	306	To fund ongoing changes to pay structure.
Policy and Change				
Brighter Future Transformation Programme	1,780	0	1,780	To fund the Council's four year transformation programme and its five outcomes of Culture; Estates and ICT systems; Customer Experience, Commercial Approach and Governance.
CORPORATE POLICY TOTAL	63,114	(23,478)	39,636	

Appendix 4 : Economy and Growth Committee

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Economy and Growth Committee Extracts

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- 2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 October 2022**
- 3. Corporate Grants Register**
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- 5. Capital Strategy**
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Appendix 4

Economy and Growth Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Economy and Growth				
Directorate	851	-	(17)	834
Growth & Enterprise	22,659	-	102	22,761
	23,510	-	85	23,595

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

Economy and Growth Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
E&G Committee				Pay Inflation	0.528	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	0.153
Directorate	2.4	-1.6	0.8	Staff Travel and related savings	-0.082	29	Amber (on track but may not achieve all)		0.000
				Place directorate mitigating actions				Savings on feasibility, travel and consultancy	-0.042
				Transformation				Use flexible receipts to capitalise costs of transformation - Planning Deep Dive.	-0.074
Growth and Enterprise	30.6	-7.8	22.8	Neighbourhood Estate Review	-0.260	31	Red (will not achieve)	Delayed - Awaiting progress on the Leisure Review.	0.219
				Estates Transformation - Office Accommodation	-0.100	32	Red (will not achieve)	Progress of the Estates Transformation. Cledford House is being advanced to enable property to be vacated and then disposal or alternative use sought. Potential Send School.	0.100

Economy and Growth Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Transfer of Congleton Visitor Information Centre	-0.020	11	Green (on track and should achieve)	Previous agreement in place for transfer and phased saving over period.	0.000
				Asset / Service Transfer	-0.030	51	Amber (on track but may not achieve all)	Final agreement and conclusion of legals on property transfers.	0.030
				Tatton Park	-0.006	52	Green (on track and should achieve)	Already built into budget.	0.000
				Investment in Public Rights of Way	0.200	59	Green (on track and should achieve)	Recruitment process underway – however securing a suitable candidate has been difficult.	-0.044
				Utility Costs / Carbon	1.500	57	Green (on track and should achieve)		0.000
				Estates Pressures		New		Reflects increases in maintenance, utility and business rates and a pressure on rental income within the Investment portfolio.	0.820
				Estates mitigating actions		New		Mitigating actions to offset pressures, largely vacancies and better income within Facilities Management.	-0.529

Economy and Growth Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Rural & Culture Pressures		New		Reduction in visitor numbers at Tatton Park of over 20% in addition to inflationary increases in energy, materials as well as increases across supplies and services and premises costs. There is also an ongoing shortfall in Public Path Order income due to Covid.	0.491
				Rural & Culture Mitigating Actions		New		Mitigating actions to offset pressures are largely vacancies across the service and a reserve release for Tatton Park.	-0.359
				Housing Mitigating Actions		New		Small Covid pressure £7,000 due to cleaning costs, offset by mitigating actions including vacancies and drawing down grant from balance sheet.	-0.387
				Economic Development Mitigating Actions		New		Mitigating actions to offset pressures, largely vacancies.	-0.187
Total	33.0	-9.4	23.6		1.730				0.191

3. Corporate Grants Register

Table 1 – Corporate Grants Register

Grants 2022/23	Revised Forecast FR1 2022/23 £000	Latest Forecast 2022/23 £000	Change from FR1 2022/23 £000	Treatment of Grant <i>Notes 2 - 5</i>
ECONOMY & GROWTH				
Specific Use (Held within Services)	2,392	3,439	1,047	
General Purpose (Held Corporately)				
TOTAL ECONOMY & GROWTH	2,392	3,439	1,047	

Notes

1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases / decreases to allocations by the DfE and conversions to academy status.

2 SRE - Supplementary Revenue Estimate requested by relevant service.

3 ODR - Officer Decision Record to approve immediate budget change to relevant service.

4 Reserves - transfer to reserves at year end.

5 Balances - amount will be included as a variance to budget.

3.3 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.4 The increase in specific grants relates mainly to increases in the Rough Sleeping and Local Enterprise Partnership (LEP): Skills Bootcamp grant.

3.5 Requests for the allocation of the additional specific grants received are detailed in **Table 2** and **Table 3**.

3.6 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

Table 2 – Note that Council will be asked to Approve Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) Over £1m

Committee	Type of Grant	£000	Details
Economy and Growth	Local Enterprise Partnership (LEP): Skills Bootcamp (Specific Purpose)	1,037	<p>This grant is from the Department for Education. This funding is to arrange for the delivery, management and funding of Skills Bootcamps within the geographical area, and in neighbouring areas with agreement with relevant local authorities. The Skills Bootcamps shall be aligned to employer needs and directly linked to employment opportunities with outcomes to be delivered a maximum of 6 months following the agreement end date.</p> <p>Skills Bootcamps are free, flexible courses of up to 16 weeks for adults aged 19 or over. They give people the opportunity to build up valuable sector-specific skills based on local employer demand and provide a direct path to a job on completion. Skills Bootcamps (publishing.service.gov.uk)</p>
Specific Purpose Allocations less than £500,000		1,037	

Table 3 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Economy and Growth	Rough Sleeping Initiative (Specific Purpose)	10	Increase on Financial Review 1 forecast. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Funding has been used to establish or continue Rough Sleeping Initiative services agreed by the Department for Levelling Up, Housing and Communities (DLUHC) to immediately intervene in, prevent and reduce rough sleeping. Rough Sleeping Initiative: 2022 to 2025 funding allocations - GOV.UK (publishing.service.gov.uk)
Specific Purpose Allocations less than £500,000		10	

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Economy and Growth Committee		
Growth and Enterprise	479	202

5. Capital Strategy

Economy and Growth

CAPITAL

CAPITAL PROGRAMME 2022/23- 2025/26													
Scheme Description	Total Approved Budget	Prior Years £000	Forecast Expenditure				Total Forecast Budget 2022/26 £000	Forecast Funding					Total Funding £000
			Forecast Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes													
Culture & Tourism													
Archive Option Development	396	293	103	-	-	-	103					103	103
Countryside Capital Projects	605	601	4	-	-	-	4	4					4
Countryside Vehicles	999	0	-	702	167	130	999					999	999
Public Rights of Way - CMM A6 MARR	100	2	5	93	-	-	98	98					98
Public Rights of Way - Flood Damage Investment	63	15	48	-	-	-	48					48	48
Public Rights of Way - Capital Works	860	770	91	-	-	-	91	91					91
Rural & Green Section 106 Schemes	50	16	34	-	-	-	34		34				34
Tatton Park Investment Phase 2	1,969	0	1,259	710	-	-	1,969					1,969	1,969
Economic Development													
Connecting Cheshire 2020	7,238	0	3,000	2,500	738	1,000	7,238	7,655				-417	7,238
Connecting Cheshire Phase 2	883	0	-	-	-	883	883		313			570	883
Connecting Cheshire	595	0	-	-	-	595	595		48			547	595
Crewe Town Centre Regeneration	32,019	11,940	3,474	14,573	-	2,031	20,078	665				19,413	20,078
Demolition of Crewe Library Site	2,765	13	305	1,077	1,370	-	2,752	1,229				1,523	2,752
Future High Street Funding - CEC Innovation Centre	1,169	58	517	594	-	-	1,111	1,111					1,111
Future High Street Funding - Christ Church Innovation Centre	1,934	71	504	1,359	-	-	1,863	1,863					1,863
Leighton Green	2,096	1,455	75	266	300	-	640					640	640
Macclesfield Town Centre	2,219	1,767	252	200	-	-	452					452	452
North Cheshire Garden Village	64,707	5,491	900	13,994	30,621	13,702	59,216	21,950			21,233	16,034	59,216
Red Roofs Hole Farm Alderley Edge - Acquisition	15	12	3	-	-	-	3					3	3
Public Sector Decarbonisation Fund - Substation	120	60	60	-	-	-	60	60					60
Public Sector Decarbonisation Fund - Cledford	165	160	5	-	-	-	5	5					5
South Macclesfield Development Area	34,630	3,089	895	1,745	19,333	9,568	31,541	10,838	10,000		9,568	1,135	31,541

CAPITAL PROGRAMME 2022/23- 2025/26

Scheme Description	Total Approved Budget	Prior Years £000	Forecast Expenditure				Total Forecast Budget 2022/26 £000	Forecast Funding					Total Funding £000	
			Forecast Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000		
Committed Schemes														
Estates														
Corporate Landlord - Operational	1,027	963	65	-	-	-	65						65	65
Farms Strategy	1,710	0	184	218	218	1,090	1,710						1,710	1,710
Malkins Bank Landfill Site	1,360	511	200	649	-	-	849						849	849
Public Sector Decarbonisation Fund - FM 1	1,855	1,759	96	-	-	-	96	96						96
Public Sector Decarbonisation Fund - FM 2	604	389	216	-	-	-	216	216						216
Premises Capital (FM)	14,663	0	5,032	3,662	3,500	2,469	14,663						14,663	14,663
Schools Capital Maintenance	2,582	0	1,767	815	-	-	2,582	2,291					291	2,582
Septic Tanks	636	250	387	-	-	-	387						387	387
Housing														
Astbury Marsh Caravan Park	247	143	104	-	-	-	104						104	104
Disabled Facilities Grant	10,871	0	3,845	2,342	2,342	2,342	10,871	9,943					928	10,871
Future High Street Funding - Chester Street	1,378	3	-	1,375	-	-	1,375	1,375						1,375
Future High Street Funding - Delamere Street	1,459	4	-	1,455	-	-	1,455	1,455						1,455
Green Homes Grants	3,890	769	3,121	-	-	-	3,121	1,452	1,669					3,121
Gypsy and Traveller Sites	3,701	1,246	1,237	1,218	-	-	2,455	700					1,755	2,455
Home Repairs for Vulnerable People	846	0	246	200	200	200	846						846	846
Social Housing Decarbonisation Fund	1,565	0	1,565	-	-	-	1,565	1,565						1,565
Sustainable Warmth - Home Upgrade Grant	3,289	4	3,285	-	-	-	3,285	3,285						3,285
Temporary Accommodation	958	300	658	-	-	-	658		318	340				658
Warm Homes Fund	239	173	66	-	-	-	66	66						66
Total Committed Schemes	208,477	32,326	33,606	49,747	58,788	34,010	176,151	68,012	12,381	340	30,801	64,617		176,151
New Schemes														
Culture & Tourism														
Crewe Towns Fund - History Centre Public Realm	10	0	10	-	-	-	10	10						10
Crewe Towns Fund - Lyceum Powerhouse	260	0	260	-	-	-	260	260						260
New Archive Premises	10,250	0	-	4,100	5,699	451	10,250						10,250	10,250
Rural & Green Section 106 Schemes	24	0	24	-	-	-	24		24					24
Economic Development														
Connecting Cheshire Phase 3	8,000	0	500	1,500	2,000	4,000	8,000		8,000					8,000
Handforth Heat Network	13,710	0	-	9,910	2,000	1,800	13,710	5,420	4,890				3,400	13,710
Public Sector Decarbonisation Fund - FM 3	3,714	0	3,714	-	-	-	3,714	3,714						3,714
Crewe Towns Fund - Mill Street Corridor	140	3	137	-	-	-	137	137						137
Crewe Towns Fund	19,560	0	6,060	6,886	5,404	1,210	19,560	19,560						19,560
Housing														
Crewe Towns Fund - Warm and Health Homes	100	0	20	80	-	-	100	100						100
Total New Schemes	55,768	3	10,724	22,476	15,103	7,461	55,764	29,201	12,914	0	0	13,650		55,764
Total Economy and Growth Schemes	264,244	32,329	44,330	72,223	73,891	41,471	231,915	97,213	25,295	340	30,801	78,267		231,915

6. Reserves Strategy

Economy and Growth Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Directorate				
Place Directorate	1,684	(1,368)	316	To support a number of widespread projects within the Place Directorate. A significant number of these projects are expected to be fully utilised in year, with the remaining reserve to be fully used in 2023-24.
Investment (Sustainability)	680	(219)	461	To support investment that can increase longer term financial independence and stability of the Council.
Growth and Enterprise				
Legal Proceedings	285	(100)	185	To enable legal proceedings on land and property matters. Hard to gauge the pace of cases but this is the anticipated amount based on end of June costs.
Investment Portfolio	155	174	329	Total rent, fee costs and the amount the service are allowed to keep (£250k) all stay the same so anticipating a similar contribution to the reserve. Looked at the investment summary to determine 22-23 MRP and interest costs. Reserve being built up to be used in the future if the site is vacated. Current lease extends beyond 2026.
Homelessness & Housing Options - Revenue Grants	130	(130)	0	To cover costs of purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families. It is anticipated that this will be utilised in 2022-23, however this is dependent on the housing market and the availability of suitable properties.
Tatton Park Trading Reserve	111	(111)	0	Service anticipating utilising some of the funds although a decision on amount will be made later in the year once income trends become clearer. Early estimation it will be utilised for catering equipment renewal of £30k and a Glasshouse survey of £5k. Also available to be used to cover in year pressures outside of base budget in 2022-23 and future years. Note this is a ring fenced reserve.
Royal Arcade Crewe	99	(99)	0	Original purpose was to fund vacant possession related costs for the Royal Arcade until demolition. The balance will now be used to pay for ongoing maintenance costs for Crewe Bus station. FM pressures will mean that the reserve will be utilised in 2022-23; with costs of £45k at First Finance Review, it is anticipated to be fully drawn down in year.
ECONOMY AND GROWTH TOTAL	3,144	(1,853)	1,291	

Appendix 5 : Environment and Communities Committee

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Environment and Communities Committee Extracts

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Appendix 5

Environment and Communities Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Environment and Communities				
Environment & Neighbourhood Service	44,373	10	(18)	44,365
	44,373	10	(18)	44,365

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Environment and Neighbourhood Services	54.7	-10.4	44.3	Pay Inflation	1.323	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	0.383
				Orbitas income and management fee	0.021	17	Green (on track and should achieve)		0.000
				Strategic Leisure Review	-0.250	18	Amber (on track but may not achieve all)	Engagement with CLT and Everybody to identify options to deliver savings. There are limited options to achieve required savings without reducing scope of services. The financial impact in 2022/23 is mitigated by an equivalent contribution by Public Health to the leisure commissioning budget. This has not been agreed for future years. There does however remain a pressure in Facilities Management (Economy & Growth Committee).	0.000

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Review of governance of ASDVs and seeking increased opportunities for savings / commercial opportunities	-0.100	20	Red (will not achieve)	This proposal is for the Council to receive a share of the profits from commercial activity undertaken by ANSA or Orbitas. This requires further negotiation between the Finance Sub-Committee (acting as shareholder) with the Council's wholly owned companies on payment of a dividend in 2022/23 from the retained earnings. Updated for 2021/22 proposal of £100k not achieved.	0.200
				CCTV migration to wireless networks	-0.085	10	Amber (on track but may not achieve all)	The procurement process has now begun following a 12 month delay. The delayed savings will be mitigated in 2022/23 via favourable variances elsewhere in Regulatory Services.	0.086
				Everybody Sport and Recreation Annual Management Fee	-0.042	21	Green (on track and should achieve)		0.000

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Regulatory Services and Environmental Health ICT procurement	-0.009	13	Amber (on track but may not achieve all)	The implementation of the new system has been delayed but the required savings will be mitigated via favourable variances in Regulatory Services.	0.000
				Waste Contract Inflation and Tonnage Growth	0.644	53	Green (on track and should achieve)		0.000
				Tree Risk Management	0.500	54	Green (on track and should achieve)		0.000
				Environment Strategy and Carbon Neutrality	0.020	56	Green (on track and should achieve)		0.000
				Investment in improving the customer experience in Planning Services	0.500	58	Green (on track and should achieve)	It is likely that not all of the temporary budget will be spent in 2022/23 and so there will be a request to carry forward the residual into 2023/24 to complete the implementation of the Planning Service Improvement Programme.	0.000

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Surplus / loss from CEC Services provided by Ansa		New		Increased waste tonnages as a legacy of Covid. This is resulting in increased crews, increased fuel, and increased disposal costs. It also means that legacy savings from the Route and Rota review following the move to the Environmental Hub are unrealisable. This has been partly mitigated in 2022/23 from higher recycling income. Further analysis is being undertaken to understand whether the rate of new houses being occupied compared to MTFS assumptions is a contributing factor. 22-23 Environment temporary impacts (mainly recycling income) - Temporary benefit in 22-23 only - Recycling income benefit of £1.410m plus HWRC contract benefits. Use of ANSA reserve (£0.3m)	0.457
				Environmental Hub maintenance		New		This reflects the increased costs of operating a modern facility. The shortfall has previously been funded by favourable variances in Facilities Management budgets.	0.306
				Ansa / Orbitas Directors		New		This saving from 2021/22 is not achievable as the Directors of Ansa continue to be remunerated.	0.040

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Renumeration					
				Markets business rates		New		Result of unoccupied market stalls.	0.032
				Orbitas inflation impact		New		In-year pressure.	0.051
				Bereavement Income surplus		New			-0.134
				Environment - other various		New		Commissioner mitigations.	-0.151
				Planning and Building Control income		New		There are proposals under planning reform to increase planning fees by 25-35% that may mitigate this pressure and it is unclear when these increases will take effect. The proposal is subject to consultation and legislative change.	1.080
				Planning and Building Control Mitigations		New		Mitigating actions to cover covid pressures above, predominantly vacancy savings.	-0.081

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Licensing income		New		There is a pressure on licensing income from taxi licensing. This reflects a reduction in the number of drivers following Covid.	0.029
				Public burials		New		Increased numbers of public burials.	0.016
				Regulatory Services mitigating actions		New		Mitigating actions to cover covid pressures above. These include vacancy savings, reduced mileage and increased income. Grants and the balance of a provision have also been released.	-0.224
				Libraries income		New		There has been a change in use of libraries since Covid lockdowns that has resulted in a reduction in income particularly from Adults.	0.165
				Libraries Mitigating Actions		New		Mitigating actions to cover Covid pressures above, predominantly vacancies £150k predicted variance.	-0.164
				Dir /Leisure/ EP/ ASB&CEO		New		Mitigating actions to improve outturn position.	-0.045
				Waste		New		Education on residual waste reduction Review Commissioner / Provider responsibilities (possible access to Ansa reserves / surplus from recycles).	

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Workforce		New		Revise vacancy forecasts to reflect recruitment difficulties. Slow down recruitment where feasible / safe. Use specific reserves for exit costs (per MTFS). Updated staffing forecasts reflecting current recruitment timescales have been built into figures on lines above.	
				Transformation		New		Use flexible receipts to capitalise costs of transformation - Planning Deep Dive	-0.160
Total	54.7	-10.4	44.3		2.522				1.886

3. Corporate Grants Register

Table 1 – Corporate Grants Register

Grants 2022/23	Revised Forecast FR1 2022/23 £000	Latest Forecast 2022/23 £000	Change from FR1 2022/23 £000	Treatment of Grant <i>Notes 2 - 5</i>
ENVIRONMENT & COMMUNITIES				
Specific Use (Held within Services)	387	387	0	
General Purpose (Held Corporately)				
Neighbourhood Planning Grant	10	10	0	
TOTAL ENVIRONMENT & COMMUNITIES	397	397	0	

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases / decreases to allocations by the DfE and conversions to academy status.
- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a

corresponding expenditure budget within the allocated service area.

3.2 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Environment and Communities Committee		
Environment and Neighbourhood Services	1,193	210

5. Capital Strategy

Environment and Communities

CAPITAL

CAPITAL PROGRAMME 2022/23-2025/26													
Scheme Description	Total Approved Budget	Prior Years £000	Forecast Expenditure				Total Forecast Budget 2022/26 £000	Forecast Funding					Total Funding £000
			Forecast Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes													
Environment Services													
Bereavement Service Data System	35	0	35	0	0	0	35			35			35
Browns Lane, Wilmslow Play Area	570	541	29	0	0	0	29		29				29
Congleton Household Waste Recycling Centre Development	50	20	15	15	0	0	30					30	30
Crewe Towns Fund - Pocket Parks	20	3	18	0	0	0	18	18					18
Energy Improvements at Cledford Lane	985	825	160	0	0	0	160					160	160
Future High Street Funding - Sustainable Energy Network	2,577	150	2,427	0	0	0	2,427					2,427	2,427
Green Investment Scheme (Solar Farm)	3,950	64	3,886	0	0	0	3,886					3,886	3,886
Household Bins Schemes	50		50	0	0	0	50					50	50
Litter and Recycling Bins	152		50	50	52	0	152					152	152
Little Lindow Open Space Improvements		7	62	0	0	0	62		62				62
Macclesfield Cenotaph Planting	1	1	1	0	0	0	1		1				1
Nantwich Cemetery Roadway Extension	75	60	15	0	0	0	15			15			15
Newtown Outdoor Pitch Improvements	51	39	12	0	0	0	12		12				12
Newtown Sports Facilities Improvements	99	81	18	0	0	0	18		18				18
Park Development Fund	450		150	150	150	0	450					450	450
Pastures Wood	51	28	23	0	0	0	23			23			23
Pheasant Walk Play Area Improvements	18	9	9	0	0	0	9		9				9
Queens Park Lake Planting	18	17	1	0	0	0	1		1				1
Queens Park Play Area Improvements	200	100	100	0	0	0	100		100				100
Rotherhead Drive Open Space and Play Area	141	111	30	0	0	0	30		30				30
Victoria Park Pitch Improvements	29	5	24	0	0	0	24		24				24
Victoria Park Improvements	80	7	73	0	0	0	73		73				73

CAPITAL PROGRAMME 2022/23-2025/26													
Scheme Description			Forecast Expenditure					Forecast Funding					
	Total Approved Budget	Prior Years £000	Forecast Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Total Forecast Budget 2022/26 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes													
Neighbourhood Services													
Congleton Leisure Centre	12,225	6,272	5,953	0		0	5,953					5,953	5,953
Crewe Towns Fund - Cumberland Arena	80		80	0	0	0	80	80					80
Crewe Towns Fund - Valley Brook Green Corridor	100	2	98	0	0	0	98	98					98
Macclesfield Leisure Centre Improvements	3,865	3,398	467		0	0	467					467	467
Middlewich Leisure Centre	60	6	54	0	0	0	54					54	54
Nantwich Pool Improvements	2,250	1,923	327	0	0	0	327					327	327
Libraries - Next Generation - Self Service	52		52	0	0	0	52					52	52
Poynton Leisure Centre	4,606	391		2,000	2,215	0	4,215					4,215	4,215
Planning Services													
Replacement Planning & Building	410	320	90		0	0	90					90	90
Regulatory Services & Environmental Health ICT System	313	240	73	0	0	0	73			49		25	73
Replacement CCTV Cameras	205	0	205	0	0	0	205			205			205
New Schemes													
Environment Services													
Chelford Village Hall Open Space and Sport Improvements	164	0	164	0	0	0	164		164				164
Household Waste Recycling Centres	860	0	500	360	0	0	860					860	860
Carbon Offset Investment	1,000	0	125	125	250	500	1,000					1,000	1,000
Fleet Vehicle Electric Charging	585	0	164	164	141	116	585					585	585
Solar Energy Generation	14,180	0	300	13,880		0	14,180					14,180	14,180
Hield Grove Play Area	21	0	21			0	21		19			2	21
Barony Skate Park Refurbishment	100	0	100			0	100	100					100
Pitch Improvements - Alderley Edge Park and Chorley Hall Lane Playing Fields	25	0	25			0	25		25				25
Woodland South of Coppice Way, Handforth	89	0	89			0	89		89				89
Over Peover Amenity Improvements	10	0	10			0	10		10				10
Total Environment and Communities Schemes	50,802	14,617	16,087	16,744	2,808	616	36,254	296	668	327	0	34,964	36,254

6. Reserves Strategy

Environment and Communities Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Environment and Neighbourhood Services				
Strategic Planning	568	(295)	273	To meet costs associated with the Local Plan - site allocations and minerals and waste DPD.
Trees / Structures Risk Management	202	(52)	150	New reserve to respond to increases in risks relating to the environment, in particular the management of trees, structures and dealing with adverse weather events.
Spatial Planning - revenue grant	89	(47)	42	
Neighbourhood Planning	82	(71)	11	
Air Quality	36	(36)	0	Air Quality Management - DEFRA Action Plan.
Street Cleansing	26	(26)	0	Committed expenditure on voluntary litter picking equipment and electric blowers, due to be fully utilised in 2022-23.
Custom Build & Brownfield Register	19	(19)	0	
Community Protection	17	(17)	0	
Licensing Enforcement	15	(15)	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)	2	0	2	Plans to draw down the reserve in 2023/24 relating to Public Information Works.
ENVIRONMENT AND COMMUNITIES TOTAL	1,056	(578)	478	

Appendix 6 : Finance Sub-Committee

Contents

- 1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy (Finance Sub Committee Extract)**
- 2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 October 2022 (Finance Sub Committee Extract)**
- 3. Corporate Grants Register**
 - Table 1: Supplementary Estimates for Committee to Note**
 - Table 2: Delegated Decisions for Committee to Note**
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 - Table 1: Financial Parameters**
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 - Table 3: Capital Programme Update**

Table 4: Delegated Decisions for Committee to Note

Table 5: Capital Supplementary Estimates and Virements for Finance Sub-Committee to Approve

Table 6: Capital Supplementary Estimates and Virements for Committee to Note

Table 7: Capital Budget Reductions for Committee to Note

6. Reserves Strategy

Appendix 6

Finance Sub-Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Finance Sub-Committee Central Budgets				
Capital Financing	19,000	-	(57)	18,943
Corporate Contributions / Central Budgets	(5,198)	-	515	(4,683)
Contribution to / from Reserves	1,305	-	(4,081)	(2,776)
	15,107	-	(3,623)	11,484
Finance Sub-Committee - Central Budgets Funding				
Business Rates Retention Scheme	(49,086)	-	-	(49,086)
Specific Grants	(23,962)	(662)	-	(24,624)
Council Tax	(254,682)	-	-	(254,682)
Sourced from Collection Fund	-	-	-	-
TOTAL CENTRAL BUDGETS FUNDING	(327,730)	(662)	-	(328,392)

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

Finance Sub Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Central & Funding	16.5	-333.3	-316.9	Minimum Revenue Provision	5.000		Green (on track and should achieve)		0.000
				Central Pension adjustment	-2.500		Green (exceeding)	Additional pension income due to reduced payover.	-0.985
				Bad Debt Provision	0.200		Green (on track and should achieve)		0.000
				Use of Earmarked Reserves	0.030		Green (on track and should achieve)	Use of COVID-19 reserve.	-5.989
				Increased Council Tax Base 2.99% increase	-7.306		Green (on track and should achieve)		0.000
				Increased Council Tax Base – Taxbase changes and New Homes	-4.527		Green (on track and should achieve)		0.000

Finance Sub Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Un-ringfenced grant changes	-4.797		Green (on track and should achieve)		0.000
				Capital Finance Budget		New		Only utilise receipts aligned to MTFS, use excess to fund revenue transformation. Reprofile Capital Programme to absorb inflation. Review Treasury Management Strategy to manage borrowing.	
				Reserves		New		Review transfers between MTFS reserve and General Reserve. Challenge purpose of unused earmarked reserves.	
				Pensions		New		Revise forecast to reflect triennial review and current funding position.	
Total	16.5	-333.3	-316.9		-13.900				-6.974

3. Corporate Grants Register

Government Grant Funding of Local Expenditure

- 3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2022/23 was £251.6m.
- 3.2 In 2022/23 Cheshire East Council's specific use grants held within the services was budgeted to be £227.6m based on Government announcements to February 2022.
- 3.3 The position at October Financial Review has seen an increase in specific use grants of £2.7m to £296.1m. The main factors influencing this revised increased position are as follows:

Local Enterprise Partnership (LEP): Skills Bootcamp
+£1.0m

- 3.4 The allocation of the additional specific grants received which are over £1.0m are detailed in **Table 1** and Council will be asked to approve the supplementary revenue estimates.
- 3.5 Spending in relation to specific use grants must be in line with the purpose for which it is provided.
- 3.6 General purpose grants were budgeted to be £24.0m. Further in-year grant announcements have increased the amount received to £38.5m at Financial Review 1 (an increase of £14.5m). At October Financial Review this has remained the same with a small increase of £13,000.
- 3.7 This increase relates to a new burden grant for Pavement Licensing. Requests for the allocation of the additional general purpose grants received are detailed in **Table 2**.
- 3.8 **Table 3** provides a summary of the updated budget position for grants in 2022/23 by type and service.
- 3.9 Further details of general purpose grants are shown in **Table 4**, the Corporate Grants Register.

Table 1 – Note that Council will be asked to Approve Supplementary Revenue Estimates of Additional Grant Funding (Specific Purpose) over £1m

Committee / Service Area	Type of Grant	£000	Details
Finance Sub-Committee (Expenditure: Economy and Growth)	Local Enterprise Partnership (LEP): Skills Bootcamp (Specific Purpose)	1,037	<p>This grant is from the Department for Education. This funding is to arrange for the delivery, management and funding of Skills Bootcamps within the geographical area, and in neighbouring areas with agreement with relevant local authorities. The Skills Bootcamps shall be aligned to employer needs and directly linked to employment opportunities with outcomes to be delivered a maximum of 6 months following the agreement end date.</p> <p>Skills Bootcamps are free, flexible courses of up to 16 weeks for adults aged 19 or over. They give people the opportunity to build up valuable sector-specific skills based on local employer demand and provide a direct path to a job on completion. Skills Bootcamps (publishing.service.gov.uk)</p>
Total Specific Purpose Allocation for Council Approval		1,037	

Table 2 – Note Delegated Decision - Supplementary Revenue Estimates for Allocation of Additional Grant Funding (General Purpose) £500,000 or less

Committee / Service Area	Type of Grant	£000	Details
Finance Sub-Committee (Expenditure: Highways and Transport)	Pavement Licensing - New Burdens (General Purpose)	13	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). New Burden grant relating to the introduced temporary measures through the Business and Planning Act 2020 to support businesses selling food and drink during the economic recovery while social distancing guidelines remain in place. The bill streamlines the process of obtaining permission for the placing of tables and chairs outside a business on the pavement.
General Purposes Allocations less than £500,000		13	

Table 3 - Summary of Grants

Grants 2022/23	Original Budget	Revised Forecast FR1	Latest Forecast	Change from FR1
	2022/23 £m	2022/23 £m	2022/23 £m	2022/23 £m
SPECIFIC USE				
TOTAL SPECIFIC PURPOSE	227.6	293.5	296.1	2.7
GENERAL PURPOSE				
Children and Families	0.0	0.5	0.5	0.0
Adults and Health	12.5	12.5	12.5	0.0
Economy and Growth	0.0	0.0	0.0	0.0
Environment and Communities	0.0	0.0	0.0	0.0
Highways and Transport	0.0	0.0	0.0	0.0
Corporate Policy	11.5	25.5	25.5	0.0
TOTAL GENERAL PURPOSE	24.0	38.5	38.5	0.0
TOTAL GRANT FUNDING	251.6	332.0	334.7	2.7

Source: Cheshire East Finance

Table 4 – Corporate Grants Register

General Purpose Grants 2022/23 (Held Corporately)	Revised Forecast FR1 2022/23 £000	Latest Forecast 2022/23 £000	Change from FR1 2022/23 £000	Treatment of Grant <i>Notes 2 - 5</i>
CHILDREN & FAMILIES				
Staying Put Implementation Grant	130	130	0	
Extended Rights to Free Transport (Home to School Transport)	250	250	0	
Extended Personal Adviser Duty Implementation	57	57	0	
Extension of the role of Virtual School Heads	61	61	0	
ADULTS & HEALTH				
Social Care Support Grant	11,341	11,341	0	
Independent Living Fund	861	861	0	
Local Reform & Community Voices	213	213	0	
Social Care in Prisons	71	71	0	
War Pension Scheme Disregard	56	56	0	
ENVIRONMENT & COMMUNITIES				
Neighbourhood Planning Grant	10	10	0	
HIGHWAYS & TRANSPORT				
Pavement Licensing - New Burdens	0	13	13	SRE
CORPORATE POLICY				
Housing Benefit Administration Subsidy	736	736	0	
Council Tax Support Administration Subsidy	345	345	0	
NNDR Administration Allowance	587	587	0	
Revenue Support Grant	7	7	0	
New Homes Bonus	6,614	6,614	0	
Lower Tier Services Grant	360	360	0	
Services Grant	2,932	2,932	0	
Business Rates Reliefs Compensation Grant 2022/23	13,890	13,890	0	
TOTAL	38,521	38,534	13	

4. Debt Management

- 4.1 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 has increased by £0.8m since the end of June.
- 4.2 Annually, the Council raises invoices with a total value of over £90m. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including Highways, Property Services, Licensing and Building Control.
- 4.3 The Council's standard collection terms require payment within 28 days of the invoice date, however, services receive immediate credit in their accounts for income due. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.
- 4.4 The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor).
- 4.5 After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of August 2022 was £11.4m.

- 4.6 The total amount of service debt over six months old is £6.3m; provision of £7.8m has been made to cover doubtful debt in the event that it needs to be written off.

DEBT SUMMARY

	Outstanding Debt £000	Over 6 months old £000
Adults and Health Committee		
Adults, Public Health and Communities	8,467	5,092
Children and Families Committee		
Children's Social Care (Incl. Directorate)	8	6
Education and 14-19 Skills	70	-
Prevention and Early Help	9	-
Schools	47	-
Highways and Transport Committee		
Highways and Infrastructure	928	753
Economy and Growth Committee		
Growth and Enterprise	479	202
Environment and Communities Committee		
Environment and Neighbourhood Services	1,193	210
Corporate Policy Committee		
Finance and Customer Services	76	40
Governance and Compliance	3	-
Human Resources	2	-
ICT	90	4
	11,372	6,307

5. Capital Strategy

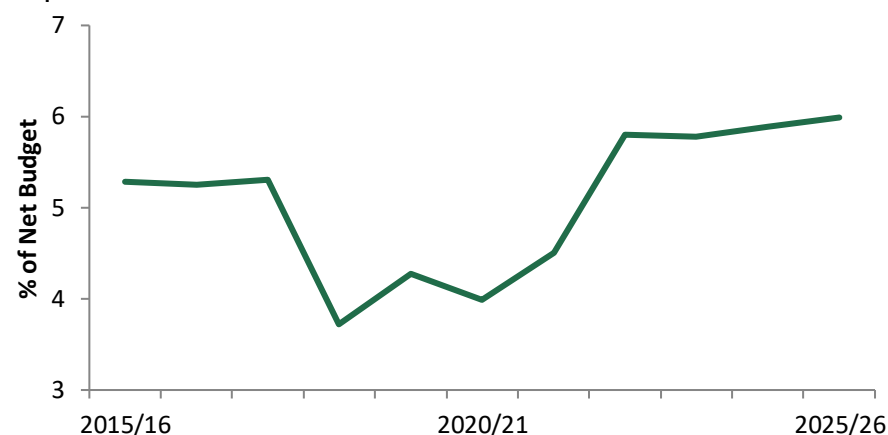
Table 1: Financial Parameters for 2021/22 to 2024/25

Parameter	Value (£m)			
	2022/23	2023/24	2024/25	2025/26
Repayment of Borrowing				
Minimum Revenue Provision*	15.3	18.6	21.8	23.3
External Loan Interest	5.6	5.4	5.4	5.4
Investment Income	(1.9)	(1.8)	(1.8)	(1.8)
Contributions from Services Revenue Budgets	(1.2)	(1.6)	(2.2)	(2.4)
Total Capital Financing Costs	17.8	20.6	23.2	24.5
Use of Financing EMR	1.2	(1.6)	(3.2)	(3.5)
Actual CFB in MTFS	19.0	19.0	20.0	21.0
Capital Receipts targets*	1.0	1.0	1.0	1.0
Flexible use of Capital Receipts	0	0	0	0

*Anticipated MRP based on achieving capital receipts targets

Repayment of Borrowing

- 5.1 The use of prudential borrowing allows the Council to spread the cost of funding the asset over its useful economic life. Using prudential borrowing as a funding source increases the Council's capital financing requirement (CFR), and will create revenue costs through interest costs and minimum revenue provision.
- 5.2 Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, requires local authorities to charge to their revenue account for each financial year a minimum amount to finance the cost of capital expenditure. Commonly referred to as MRP (Minimum Revenue Provision). This ensures that the revenue cost of repaying debt is spread over the life of the asset, similar to depreciation.



- 5.3 The projection of the Council's Capital Financing Requirement (CFR) and external debt, based on the proposed capital budget and treasury management strategy is reported as part

of the MTFS report and Outturn report. This highlights the level to which the Council is internally borrowed (being the difference between the CFR and external debt), and the expected repayment profile of the external debt.

- 5.4 The nature and scale of the Council's capital programme means that it is a key factor in the Council's treasury management, including the need to borrow to fund capital works. The treasury management strategy for the Council is included in **Appendix 8** of this report.
- 5.5 The Council's current strategy is to use available cash balances, known as 'internal borrowing' and to borrow short term loans. As short term interest rates are currently much lower than long term rates this is likely to be more cost effective.

Contributions from Services

- 5.6 All business cases supporting capital expenditure will include full analysis of the financial implications of the scheme alongside a clear indication of how the financial implications will be managed within the Medium Term Financial Strategy (MTFS).
- 5.7 When including any scheme in the Council's Capital Programme the Section 151 Officer will determine the appropriate impact on the Revenue Budget. This impact will require service budgets within the MTFS to fund either all, part or none of the net capital costs of the scheme.
- 5.8 In making a determination about funding capital schemes from revenue budgets the level of potential revenue savings or additional revenue income will be considered. If a capital scheme will increase revenue costs within the MTFS, either from the future costs of maintaining the asset or from the costs of financing the capital expenditure, then the approach

to funding such costs must be approved as part of the business planning process before the scheme can commence.

- 5.9 The Council's strategy is to use revenue contributions of £7.4m over the next four financial years to finance the Capital Programme to reduce the overall Capital Financing Budget. These contributions come from: £3.0m from the Investment Portfolio; £1.4m contribution from schools towards the schools transformation programme; £1.3m from Everybody Health and Leisure for the improvements to the Council's leisure facilities; £1.3m electric vehicle charging and the Green Investment schemes, £0.2m from Countryside Services for the vehicle replacement programme upgrade, £0.1m from the Azure Microsoft project and £0.1m from the Children's Home Sufficiency project.

Use of Financing Earmarked Reserve

- 5.10 To allow a longer term approach to setting the Financial Parameters of the Capital Strategy the Council will maintain an earmarked reserve to minimise the financial impact of annual variations to the Capital Financing Budget.
- 5.11 The Council's Reserves Strategy determines the appropriate use of reserves and how they are set up and governed. In the first instance any variance to the Capital Finance Budget (CFB) within any financial year will provide a top-up or draw-down from the Financing Earmarked Reserve. In balancing the CFB over the period of the MTFS the Section 151 Officer may also recommend appropriate use of the Financing Earmarked Reserve over the period.
- 5.12 The Council's current strategy is to draw-down up to £7.1m from the Financing Earmarked Reserve for the period 2022/23 to 2025/26.

Capital Programme – Review Position

- 5.13 Since the First Financial Review the Capital Programme has increased by £59.0m for the next four year period and future years.
- 5.14 As a result of a programme wide review of the capital programme to establish the ongoing impact of the rise of inflation on the programme, a number of Supplementary Capital Estimates have been requested so that the schemes can still be delivered within the expected timescales and will therefore reduce further costs arising if the schemes are delayed.
- 5.15 The schemes in the main are the large construction schemes that have felt the largest impact, namely the A500 Dualling, North Cheshire Garden Village, Northwest Crewe Package and a number of the road improvement schemes such as Managing and Maintaining the Highway. There is also a Supplementary Capital Estimate to replenish the Strategic Capital Projects Allocation for £11.087m. Full details are listed in tables 5 and 6 of this report. **Table 2** below shows a summary of the changes.

Table 2: Summary Capital Programme

	First Review Budget	SCEs/ Virements in Quarter	Budget Reductions	SCEs/ Virements	Revised Budget
	2022/26 £m	2022/26 £m	2022/26 £m	2022/26 £m	2022/26 £m
Adults, Health & Integration	0.5		0	0	0.5
Children and Families	116.1		0	-	116.1
Place Directorate	543.0	18.4	(0.1)	48.9	610.2
Corporate Directorate	44.2	(18.4)	0	11.0	36.8
	703.3	-	(0.1)	59.9	763.6

- 5.16 The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 3**.
- 5.17 **Table 4** details requests of Supplementary Capital Estimates (SCE) up to and including £250,000 and Capital Virements up to and including £100,000 approved by delegated decision which are included for noting purposes only.
- 5.18 **Table 5** lists details of Capital Supplementary Estimates over £250,000 and up to £1,000,000 and Capital Virements over £100,000 and up to and including £5,000,000 that requires Committee to approve.
- 5.19 **Table 6** lists details of Capital Supplementary Estimates over £1,000,000 and Capital Virements over £5,000,000 that requires Committee to make a recommendation to Council to approve.
- 5.20 **Table 7** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.
- 5.21 Prudential Indicators are shown at the end of this section.
- 5.22 Capital programme detail is shown in other service committee **Appendices 1-7, Section 5**.

Table 3: Capital Programme Update

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY					
CAPITAL PROGRAMME 2022/23 - 2025/26					
	Forecast 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Total Forecast 2022-26 £000
Committed Schemes - In					
Adults, Health and Integration	84	389	0	0	473
Children and Families	17,421	37,593	6,030	285	61,329
Place	114,336	95,823	104,098	154,855	469,112
Corporate	10,919	8,650	8,514	5,642	33,725
Total Committed Schemes -	142,760	142,455	118,642	160,782	564,639
CAPITAL PROGRAMME 2022/23 - 2025/26					
	Actuals 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Total Forecast 2022-26 £000
New Schemes					
Adults, Health and Integration	0	0	0	0	0
Children's Services	3,200	17,308	16,643	17,700	54,851
Place	32,527	52,562	31,675	24,120	140,884
Corporate	1,137	1,550	474	0	3,161
Total New Schemes	36,864	71,420	48,792	41,820	198,896
Total	179,624	213,875	167,434	202,602	763,535

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2022/23 - 2025/26

	Actuals 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Total Forecast 2022-26 £000
Funding Requirement					
Indicative Funding					
Analysis: (See note 1)					
Government Grants	94,670	117,787	76,953	65,869	355,279
External Contributions	18,641	21,609	32,541	50,014	122,805
Revenue Contributions	1,152	56	0	0	1,208
Capital Receipts	1,000	2,248	23,032	11,835	38,115
Prudential Borrowing (See note 2)	64,161	72,175	34,908	74,884	246,128
Total	179,624	213,875	167,434	202,602	763,535

Note 1:

The funding requirement identified in the above table represents a balanced and affordable position, in the medium term. The Council will attempt to maximise external resources such as grants and external contributions in the first instance to fund the capital programme. Where the Council resources are required the preference will be to utilise capital receipts from asset disposals. The forecast for capital receipts over the next four years 2022-2026 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

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 4: Delegated Decision - Requests for Supplementary Capital Estimates (SCEs) and Virements

Service / Capital Scheme	Amount Requested	Reason and Funding Source
£		
Supplementary Capital Estimates that have been made up to £250,000		
Highways & Transport		
Future High Street Funding - Adaptive Signals	203,171	Additional budget to be funded from Section 106 Highways Contribution
Total Supplementary Capital Estimates Requested	203,171	
Total Supplementary Capital Estimates and Virements		
	203,171	

Table 5: Requests for Supplementary Capital Estimates (SCEs) and Virements

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
Finance Sub Committee are asked to approve the Supplementary Capital Estimates and Virements		
Supplementary Capital Estimates above £250,000 up to and including £1,000,000		
Highways & Transport		
Safer Road Schemes	436,000	These schemes were identified as part of a review of the capital programme to require additional budgets as a result in the increase in inflation. The increase will be funded by Prudential Borrowing but if further external contributions are received this funding will replace the need for the Council to fund these costs
S106 Basford West Footway/Cycleway	357,986	To be funded from S106 Agreement Footpath & Cycleway contribution.
Total Supplementary Capital Estimates Requested	793,986	
Total Supplementary Capital Virements	793,986	

Table 6: Recommendations for Approval for Supplementary Capital Estimates (SCEs) and Virements

Service	Amount Requested	Reason and Funding Source
£		
Supplementary Capital Estimates over £1,000,000		
Highways & Transport		
A500 Dualling	20,755,000	These schemes were identified as part of a review of the capital programme to require additional budgets as a result in the increase in inflation. The increase will be funded by Prudential Borrowing but if further external contributions are received this funding will replace the need for the Council to fund these costs themselves.
Maintenance Block - LTP	6,235,000	
Managing and Maintaining Highways	2,300,000	
Northwest Crewe Package	2,042,000	
Economy & Growth		
North Cheshire Garden Village	15,817,000	
Finance and Customer Services		
Strategic Capital Projects	11,087,000	To replenish the Strategic Capital projects allocation to fund future strategic projects . This will be funded by Prudential Borrowing
Total Supplementary Capital Estimates Requested	58,236,000	
Total Supplementary Capital Estimates and Virements	58,236,000	

Table 7: Capital Budget Reductions

Service / Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Finance Sub Committee are asked to note the reductions in Approved Budgets				
Strong Start, Family Help & Integration			0	
Highways and Infrastructure				
Macclesfield Movement Strategy	100,000	30,919	69,081	The remaining funding is Local Transport Plan grant and will be transferred to the Flowerpot Phase 1 & pinch point project to reduce Cheshire East requirements. This work is now complete, remaining Revenue contribution will no longer be required.
Replace Route Planning System	195,000	187,980	7,020	
	295,000	218,899	76,101	

Prudential Indicators revisions to: 2021/22 and 2022/23 – 2024/25, and future years

Background

- 5.23 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

- 5.24 In 2022/23, the Council is planning capital expenditure of £179.6m as summarised below.

Capital Expenditure	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future years £m
Total	84.5	179.6	213.9	167.4	202.6

Source: Cheshire East Finance

Capital Financing

- 5.25 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	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future years £m
Capital receipts	2.6	1.0	2.2	23.3	11.8
Government Grants	37.9	94.7	117.8	77.0	65.9
External Contributions	4.0	18.6	21.6	32.5	50.0
Revenue Contributions	0.6	1.2	0.1	0.0	0.0
Total Financing	45.1	115.5	141.7	132.8	127.7
Prudential Borrowing	39.4	64.1	72.2	34.6	74.9
Total Funding	39.4	64.1	72.2	34.6	74.9
Total Financing and Funding	84.5	179.6	213.9	167.4	202.6

Source: Cheshire East Finance

Replacement of debt finance

- 5.26 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	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future Estimate £m
Total	13.5	15.3	18.6	21.8	23.3

Source: Cheshire East Finance

Estimates of Capital Financing Requirement

- 5.27 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 expected to increase by £45m during 2022/23. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows.

Capital Financing Requirement	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future Estimate £m
Total	425	470	524	529	575

Source: Cheshire East Finance

Asset disposals

- 5.28 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 plans to receive £4.8m of capital receipts from asset sales in the coming financial years as follows.

Capital Receipts	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future Estimate £m
Asset Sales	2.3	1.0	1.0	1.0	1.0
Loans Repaid	0.3	0.2	0.2	0.2	0.2
Total	2.6	1.2	1.2	1.2	1.2

Source: Cheshire East Finance

Gross Debt and the Capital Financing Requirement

- 5.29 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 1.9%) and long term fixed rate loans where the future cost is known but higher (currently 2.8%– 3.20%).

- 5.30 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement.

Gross Debt and the Capital Financing Requirement	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future Estimate £m
Borrowing	181	77	77	77	77
Finance Leases	0	0	0	0	0
PFI Liabilities	23	19	18	17	17
Total Debt	204	96	95	94	94
Capital Financing Req.	425	470	524	529	575

Source: Cheshire East Finance

- 5.31 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

- 5.32 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 £142m and is forecast to rise to £409m over the next four years.

Borrowing and the Liability Benchmark	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future Estimate £m
Outstanding Debt	181	77	77	77	77
Liability Benchmark	142	254	340	356	409

Source: Cheshire East Finance

5.33 The table shows that the Council expects to remain borrowed below its liability benchmark.

Affordable borrowing limit

5.34 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.

	2021/22 limit £m	2022/23 limit £m	2023/24 limit £m	2024/25 limit £m	2025/26 limit £m
Authorised Limit for Borrowing	435	480	540	540	590
Authorised Limit for Other Long-Term Liabilities	23	19	18	17	17
Authorised Limit for External Debt	458	499	558	557	607
Operational Boundary for Borrowing	425	470	530	530	580
Operational Boundary for Other Long-Term Liabilities	23	19	18	17	17
Operational Boundary for External Debt	448	489	548	547	597

Source: Cheshire East Finance

Investment Strategy

5.35 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.

5.36 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	31/03/22 Actual £m	31/03/23 Estimate £m	31/03/24 Estimate £m	31/03/25 Estimate £m	31/03/26 Estimate £m
Short term	20	20	20	20	20
Long term	34	20	20	20	20
Total Investments	54	40	40	40	40

Source: Cheshire East Finance

5.37 Further details on treasury investments are in pages of the Treasury Management Strategy, **Appendix 8**.

5.38 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Section 151 Officer and staff, who must act in line with the treasury management strategy approved by Council. Quarterly reports on treasury activity are reported to Cabinet as part of the Finance Update reports. The Audit and Governance Committee is responsible for scrutinising treasury management decisions.

5.39 Further details on investments for service purposes and commercial activities are in the Investment Strategy, **Appendix 9**.

5.40 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	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	Future Estimate
Financing Costs (£m)	14.0	19.0	19.0	20.0	21.0
Proportion of net revenue stream %	4.50	5.78	5.77	5.89	5.99

Source: Cheshire East Finance

5.41 Further details on the revenue implications of capital expenditure are on paragraphs 108-129 of the 2022-26 Medium Term Financial Strategy (**Appendix C**).

5.42 Due to the very long term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable. The longer term revenue implications have been considered and built into the revenue budget forecasts post the period of the current Medium Term Financial Strategy.

6. Reserves Strategy

Management of Council Reserves

- 6.1 The Council's Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.
- 6.2 The opening balance at 1 April 2022 in the Council's General Reserves was £12.6m, as published in the Council's Statement of Accounts for 2021/22.
- 6.3 During 2022/23, an additional £2.3m is forecast to be transferred into the General Reserves to provide further protection against emerging risks such as inflation and particularly the DSG deficit, which was highlighted in the MTFS as having no alternative funding.
- 6.4 The Council also maintains Earmarked Revenue Reserves for specific purposes. At 31 March 2022 balances on these reserves stood at £80.9m, excluding balances held by Schools.
- 6.5 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 to the Council to use.
- 6.6 The Collection Fund Reserve includes the appropriation of £12.4m S31 grant, received from DLUHC. This increase is as a result of a timing difference, with the grant being received in 2021/22 to fund the deficit that will be released in 2022/23.
- 6.7 During 2022/23, an estimated £28.8m will be drawn down and applied to fund service expenditure specifically provided for. Service outturn forecasts take account of this expenditure and funding. The closing balance at 31 March 2023 is forecast at £52.1m.
- 6.8 At the end of 2018/19, a central contingency referred to as the MTFS (Medium Term Financial Strategy) Reserve was created to support in-year pressures against the revenue budget. Use of this Earmarked Reserve has been subject to approval of robust business cases.
- 6.9 At 31 March 2022, the opening balance on the MTFS reserve stood at £10.7m. In-year forecasts anticipate £3.2m of this reserve to be utilised in year, resulting in a closing balance at 31 March 2023 of £7.5m.
- 6.10 The first review position presents a pressure of £11.6m (to within budget by 3.5%). Any variation to budget at year-end will be managed through the Council's Medium Term Financial Strategy Earmarked Reserve in the first instance prior to using the General Reserve.
- 6.11 Details of individual reserves are shown in the relevant Service Committee appendix and in summary in **Table 2**.

Table 1 – Reserves Position

	£m
General Reserve	14.9
Earmarked Reserves (excluding Schools)	52.1
Total Reserves Balance at 31 March 2021	67.0

Table 2 – Earmarked Reserves Summary

Committee Reserves	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000
Adults and Health Committee	7,646	(1,417)	6,229
Children and Families Committee	4,032	(391)	3,641
Corporate Policy Committee	63,114	(23,478)	39,636
Economy and Growth Committee	3,144	(1,853)	1,291
Environment and Communities Committee	1,056	(578)	478
Highways and Transport Committee	1,936	(1,156)	780
TOTAL EARMARKED RESERVES MOVEMENT	80,928	(28,873)	52,055

**Excluding schools' balances*

Appendix 7 : Highways and Transport Committee

Contents

Highways and Transport Committee Extracts

- 1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy**
- 2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 October 2022**
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Appendix 7

Highways and Transport Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Highways and Transport				
Highways & Infrastructure	11,802	-	1,977	13,779
	11,802	-	1,977	13,779

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

Highways and Transport Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Highways and Infrastructure	23.7	-9.9	13.8	Pay Inflation	0.183	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	0.053
				ASDV Review (TSS)	-0.125	20	Amber (on track but may not achieve all)	TSS transition has been completed, with teams brought in-house. Re-procurement of contract purchasing system in underway. Supplier engagement events as part of market refresh in autumn. Saving deferred pending new procurement system (DPS).	0.250
				Parking service – postponement of review of charges	0.504	60	Green (on track and should achieve)		0.000
				Carbon Reduction - Replacement of existing illuminated signs and bollards with LED units	0.030	55	Amber (on track but may not achieve all)	Roll out of replacement programme via highways contract on track to complete by March 23. Savings of energy costs will reduce due to increased prices. Draw down of reserves within highways.	0.000

Highways and Transport Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Local Supported Buses	0.008	61	Green (on track and should achieve)	Monitoring of concessionary travel payments to operators. Savings on concessionary travel reimbursement.	0.000
				Review split of TSS budget between Place and Childrens services		New		TSS budget split is being reviewed as currently leaves Place with a permanent £1m pressure relating to home to school transport. Whilst under review an allocation of £1m from the MTFS reserve is mitigating the issue in 2022/23.	0.000
				Reduction in parking revenue due to covid changes in customer behaviour		New		Permanent pressure due to reduced number of commuters, people parking all day and reduced sales of annual and quarterly permits.	1.320
				Parking		New		Additional costs of inflation and enhanced cleaning on Multi Storey Car Parks offset by in year staffing vacancies and reduced spend on supplies and services and transport.	-0.110
				HS2		New		£150k favourable variance due to significant internal Council resource being utilised for the Main Petitioning work, this has now been	-0.350

Highways and Transport Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
								submitted to Government - August 2022. £200k release from reserve.	
				Highways Covid pressure		New		Removal of Emergency Active Travel schemes.	0.061
				Highways Mitigating Actions		New		Release of Flooding and Well Managed Highway Infrastructure reserve.	-0.630
				Local Bus Operator Costs		New		Inflationary pressures on operators, mitigated in 2022/23 by reserves but significant impact 2023 onwards - high level estimate £5m.	
				Local Plan Review		New		Transport Modelling Resource requirements for Local Plan Review.	
				Highways		New		Reprofile or remove capital expenditure to improve revenue forecasting. Lobby DfT to recognise construction inflation.	
				Workforce		New		Revise vacancy forecasts to reflect recruitment difficulties. Slow down recruitment where feasible / safe. Updated staffing forecasts take account of revised recruitment timescales, included in forecasts above.	

Highways and Transport Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Transformation		New		Use flexible receipts to capitalise costs of transformation - Highways redesign.	-0.067
Total	23.7	-9.9	13.8		0.600				0.527

3. Corporate Grants Register

Table 1 – Corporate Grants Register

Grants 2022/23	Revised Forecast FR1 2022/23 £000	Latest Forecast 2022/23 £000	Change from FR1 2022/23 £000	Treatment of Grant <i>Notes 2 - 5</i>
HIGHWAYS & TRANSPORT				
Specific Use (Held within Services)	1,316	2,155	838	
General Purpose (Held Corporately)				
Pavement Licensing - New Burdens	0	13	13	SRE
TOTAL HIGHWAYS & TRANSPORT	1,316	2,168	851	

Notes

1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases / decreases to allocations by the DfE and conversions to academy status.

2 SRE - Supplementary Revenue Estimate requested by relevant service.

3 ODR - Officer Decision Record to approve immediate budget change to relevant service.

4 Reserves - transfer to reserves at year end.

5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 The increase in specific grants relates mainly to bus services and On-Street Residential Chargepoint Schemes. Requests

for the allocation of the additional specific grants received are detailed in **Table 2**.

3.3 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

3.4 **Table 3** shows additional general purpose grants that are approved by the Finance Sub-Committee.

Table 2 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Highways and Transport	Bus Capacity Grant (Specific Purpose)	191	Increase on Financial Review 1 forecast. This grant is from the Department for Transport. To support ongoing work with Bus operator partners, working through an EP or franchising arrangement, to deliver better bus services.
Highways and Transport	On-Street Residential Chargepoint Scheme (ORCS) (Specific Purpose)	151	This grant is from the Department for Transport. To fund the installation of plug-in vehicle chargepoints for the use of local residents in areas without off-street parking facilities.
Highways and Transport	LTA Enhanced Bus Partnership Grant (Specific Purpose)	171	This grant is from the Department for Transport. The extension of Bus recovery funding to cover the period October – December 2022
Specific Purpose Allocations less than £500,000		513	

Table 3 – Note Allocation of Additional Grant Expenditure from General Purpose Grants Held in Central Budgets

Committee	Type of Grant	£000	Details
Highways and Transport	Pavement Licensing - New Burdens (General Purpose)	13	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). New Burden grant relating to the introduced temporary measures through the Business and Planning Act 2020 to support businesses selling food and drink during the economic recovery while social distancing guidelines remain in place. The bill streamlines the process of obtaining permission for the placing of tables and chairs outside a business on the pavement.
General Purposes Allocations less than £500,000		13	

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Highways and Transport Committee		
Highways and Infrastructure	928	753

5.Capital Strategy

Highways and Transport													CAPITAL
CAPITAL PROGRAMME 2022/23- 2025/26													
Scheme Description			Forecast Expenditure					Forecast Funding					
	Total Approved Budget	Prior Years £000	Forecast Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Total Forecast Budget 2022/26 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes													
Highways and Infrastructure													
A500 Dualling Scheme	89,456	9,264	2,096	2,342	18,509	57,244	80,191	53,284	4,300			22,607	80,191
A50 / A54 Holmes Chapel	603	81	45	327	150	0	522		522				522
A51/A500 Corridor Nantwich	250	231	19	0	0	0	19					19	19
A532 Safer Road Scheme	1,223	260	584	379	0	0	963	864				99	963
A536 Safer Road Scheme	2,404	1,461	943	0	0	0	943	849				94	943
A537 Safer Road Scheme	2,733	745	1,988	0	0	0	1,988	1,745				243	1,988
A54 / A533 Leadsmythy Street, Middlewich	563	134	40	389	0	0	429		429				429
A556 Knutsford to Bowdon	504	361	93	50	0	0	143		143				143
A6 MARR CMM Disley	2,122	1,646	10	466	0	0	476		22			454	476
A6 MARR CMM Handforth	800	492	309	0	0	0	309	226	48			34	309
A6MARR Design Checks & TA	473	271	203	0	0	0	203	70	133				203
Air Quality Action Plan	368	221	147	0	0	0	147	147					147
Alderley Edge Bypass Scheme Implementation	60,611	60,317	294	0	0	0	294					294	294
Bridge Maintenance Minor Wks	16,672	14,570	2,102	0	0	0	2,102	1,704				398	2,102
Client Contract and Asset Mgmt	1,141	510	631	0	0	0	631	631					631
Congleton Link Road	88,443	69,970	3,047	5,913	3,895	5,619	18,473	316	15,169			2,989	18,473
Crewe Green Link Road	26,625	26,170	455	0	0	0	455		455				455
Crewe Green Roundabout	7,500	7,053	50	50	150	198	448		448				448
Crewe Rail Exchange	6,712	6,693	19	0	0	0	19	19					19
Flowerpot Phs 1 & Pinchpoint	10,037	1,271	1,228	2,932	1,174	3,433	8,766	2,304	726			5,736	8,766
Future High Streets Fund - Highways	6,169	480	1,914	1,594	1,804	377	5,689	5,486	203				5,689
Highway Maintenance Minor Works	11,219	0	11,219	0	0	0	11,219	10,685				534	11,219
Highway Pothole / Challenge Fund	11,371	7,925	3,446	0	0	0	3,446					3,446	3,446
Highway S106 Schemes	962	0	666	296	0	0	962	41	921				962
S106 Davenport Lane, Arclid	352	60	292	0	0	0	292	245	48				292
Infrastructure Scheme Development	250	0	175	75	0	0	250	250					250
Jack Mills Way Part 1 Claims	300	278	22	0	0	0	22		22				22
Local Access Transport Studies	600	83	517	0	0	0	517	517					517
Local Area Programme	6,566	5,546	1,021	0	0	0	1,021	1,021					1,021
Middlewich Eastern Bypass	92,493	16,176	7,783	10,113	13,817	44,604	76,317	46,778	13,341			16,198	76,317
Middlewich Rail Study	20	0	20	0	0	0	20	20					20
M6 Junction 19	29	23	6	0	0	0	6		6				6
North-West Crewe Package	42,351	7,446	15,748	14,758	741	3,658	34,905	9,710	12,250		1,730	11,215	34,905
Old Mill Road / The Hill Junction	1,324	145	120	1,059	0	0	1,179		1,179				1,179

CAPITAL PROGRAMME 2022/23- 2025/26

Scheme Description			Forecast Expenditure					Forecast Funding					
	Total Approved Budget	Prior Years £000	Forecast Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Total Forecast Budget 2022/26 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes													
Highways and Infrastructure													
Part 1 Claims	113	34	79	0	0	0	79	79					79
Poynton Relief Road	52,657	29,670	16,202	46	1,355	5,385	22,987	8,335	6,200			8,453	22,987
Programme Management	1,011	784	227	0	0	0	227	227					227
Road Network & Linked Key Inf	83	78	5	0	0	0	5	5					5
Road Safety Schemes Minor Works	5,552	5,056	496	0	0	0	496	496					496
Sydney Road Bridge	10,501	10,103	50	50	100	198	398		398				398
Traffic Signal Maintenance	500	17	483	0	0	0	483	483					483
Traffic Signs and Bollards - LED Replacement	1,250	0	1,250	0	0	0	1,250			1,250			1,250
Winter Service Facility	999	479	130	130	130	130	520					520	520
							0						0
Transport & Parking							0						0
Accessibility: Public Transp't	1,020	907	113	0	0	0	113	113					113
Active Travel Fund (Covid-19)	724	436	288	0	0	0	288	288					288
Active Travel (Cycle/Walking route) Investment	2,755	2,179	576	0	0	0	576	576					576
Broadway Meadow Car Park	48	0	48	0	0	0	48					48	48
Car Parking Improvements (including residents parking)	322	262	30	30	0	0	60			14		46	60
Digital Car Parking Solutions	140	93	47	0	0	0	47					47	47
National Cycle Network (NCN) Route 55 Middlewood Way in	569	0	569	0	0	0	569	569					569
Pay and Display Parking Meters	620	531	-	49	40	0	89					89	89
Sustainable Travel Access Prog	3,424	1,552	560	1312	0	0	1,872	1,325	309			238	1,872
Sustainable Modes of Travel to Schools Strategy (SMOTSS)	620	472	148	0	0	0	148	148					148
Town Studies	550	426	125	0	0	0	125	125					125
HS2 Programme													
Crewe HS2 Hub Project Development	12,700	7,661	2,510	1500	1029	0	5,039					5,039	5,039
Total Committed Schemes - In Progress	589,403	300,618	81,185	43,860	42,894	120,846	288,784	149,681	57,271	1,264	1,730	78,839	288,784
													0
New Schemes													0
Highways and Infrastructure													
Peacock Roundabout Junction	750	0	20	230	500	0	750		750				750
Integrated Block - LTP	7,925	0	-	2,003	2,003	2,003	6,009	6,009					6,009
Maintenance Block - LTP	23,196	0	800	7,345	7,609	7,878	23,633	17,397				6,236	23,633
Incentive Fund - LTP	5,800	0	-	1,450	1,450	1,450	4,350	4,350					4,350
Managing and Maintaining Highways	16,000	0	4,440	4,529	4,619	4,712	18,300					18,300	18,300
Pothole Fund Grant 2022/23	5,799	0	-	0	0	0	0						0
Total New Schemes	59,470	0	5,260	15,557	16,181	16,043	53,042	27,756	750	0	0	24,536	53,042
Total Capital Schemes	648,873	300,618	86,445	59,417	59,075	136,889	341,826	177,437	58,021	1,264	1,730	103,375	341,826

6. Reserves Strategy

Highways and Transport Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Highways and Infrastructure				
HS2	985	(450)	535	To support the Council's ongoing programme in relation to Government's HS2 investment across the borough and Transport for the North's Northern
Flood Recovery Works	400	(400)	0	27 locations identified for repair works as a result of the 2019 flood events. There are also a further 16 which require investigation to ascertain the scope of the works required.
Well Managed Highway Infrastructure Delay	230	(230)	0	Due to the call in of WMHI, the savings proposed relating to winter service cannot be realised and the forecast service costs have increased.
Parking Pay and Display Machines / Parking Studies	178	(28)	150	Purchase of Pay and Display machines and town centre parking studies, and to cover contract inflation on P&D machines in year.
Highways Procurement Proj	104	(28)	76	To finance the development of the next Highway Service Contract.
LEP-Local Transport Body	39	(20)	19	To fund the business case work for re-opening the Middlewich rail line. £20k is anticipated to be utilised in 2022/23, with the remaining £19k required in 2023/24.
HIGHWAYS AND TRANSPORT TOTAL	1,936	(1,156)	780	

Appendix 8

Treasury Management Strategy

Treasury Management Report

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4. Borrowing Strategy	- 123 -
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1. Background

- 1.1 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.
- 1.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management Code of Practice 2021 Edition (the CIPFA Code). This replaces the 2017 edition but the reporting requirements under the newer code can be deferred until 2023/24 which the Authority has elected to do.
- 1.3 Investments held for service purposes or for commercial profit are considered in the Investment Report (see **Appendix 9**).
- 1.5 The economic backdrop in the April-June quarter was characterised by higher oil, gas and commodity prices, fears of rising and persistent inflation and its damaging impact on consumers' cost of living, little indication of an imminent end to Russia-Ukraine hostilities and supply chain bottlenecks exacerbated by war in Ukraine and lockdowns in China. Added to this was tough rhetoric and action by central bankers globally on fighting inflation through higher interest rates and quantitative tightening even as financial conditions became increasingly difficult for consumers, more so for those whose wages have not kept pace with inflation.
- 1.6 In the UK inflation remained elevated. Ofgem, the energy regulator, increased the energy price cap by 54% in April, equivalent to around £700 for a household with average energy consumption (the cap had already increased 12% back in October 2021). A further increase of around £1,580 will apply from October although Government assistance will mitigate some of this increase. August data showed CPI edging higher to 9.9% while the core CPI rate, which removes energy, fuel and food was 6.3%. RPI rose to 12.3%.

2. External Context

- 1.4 **Economic background:** Following Russia's invasion of Ukraine in February, global inflationary pressures have intensified sharply, leading to a sizeable deterioration in the outlook for world and UK growth.
- 1.7 The labour market continued to show signs of tightness as employers struggled to fill vacancies with workers with skill sets matching their requirements. The unemployment rate 3m/year for July fell to 3.6% and is now below pre-pandemic levels. Pay growth was 5.5%

for total pay (including bonuses) and 5.2% for regular pay; however, adjusted for inflation, growth in total pay fell by 2.6%, whilst regular pay fell 2.8%.

- 1.8 Unsurprisingly, with disposable income squeezed and another energy cap increase due in October, consumer confidence plummeted to the level last seen during the 2008/09 financial crisis. Quarterly GDP growth was -0.1% in the April - June quarter and the Bank of England now expects a further decline in Q3 2022.
- 1.9 Having increased interest rates by 0.25% in April, the Bank of England's Monetary Policy Committee on the 15th of June 2022 increased the official Bank Rate by 0.25% to 1.25%. In line with expectations rates were increased by a further 0.50% to 1.75% in August with further increases likely and largely already priced in by the markets.
- 1.10 **Financial Markets:** Heightened uncertainty characterised financial market sentiment and bond yields were similarly volatile but with a general upward trend as concern over higher inflation and higher interest rates dominated.
- 1.11 Over the first quarter of 2022 the 5-year UK benchmark gilt yield rose from 1.41% to 1.89%, the 10-year gilt yield rose from 1.61% to 2.35% and the 20-year yield from 1.82% to 2.60% although these have since fallen back slightly in the last few weeks in expectation of rates reducing after 2023 after taking into account the economic outlook.

- 1.12 **Credit Review:** Having completed its full review of its credit advice on unsecured deposits at UK and non-UK banks, in May Arlingclose extended the maximum duration limit for five UK banks, four Canadian banks and four German banks to six months. The maximum duration for unsecured deposits with other UK and non-UK banks on Arlingclose's recommended list is 100 days.
- 1.13 Arlingclose continued to monitor and assess credit default swap levels for signs of credit stress but made no changes to the counterparty list or recommended durations. Nevertheless, increased market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.
- 1.14 An outlook for the remainder of 2022/23 and interest rate forecast provided by Arlingclose is attached at **Annex A**.

3. Local Context

- 1.15 As at 31 August 2022 the Authority has borrowings of £243m and investments of £96m. This is set out in further detail at **Annex B**. Forecast changes in these sums are shown in the balance sheet analysis in **Table 1** below.

Table 1: Balance Sheet Summary and Forecast

	31/03/22 Estimate £m	31/03/23 Estimate £m	31/03/24 Estimate £m	31/03/25 Estimate £m
General Fund CFR	425	470	524	530
Less: Other long term liabilities *	(22)	(19)	(18)	(17)
Loans CFR	403	451	506	513
Less: External borrowing **	(181)	(77)	(77)	(77)
Internal (over) borrowing	222	374	429	436
Less: Usable reserves	(165)	(137)	(111)	(103)
Less: Working capital	(116)	(80)	(75)	(73)
Investments (or New borrowing)	59	(157)	(243)	(260)

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

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

1.16 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

1.17 CIPFA's Prudential Code for Capital Finance recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three

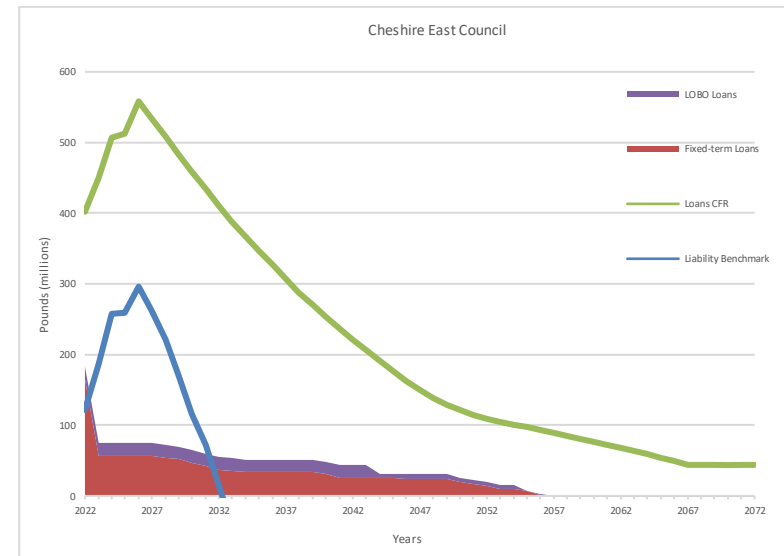
years. **Table 1** shows that the Authority expects to comply with this recommendation during 2022/23.

1.18 **Liability Benchmark:** 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 the same forecasts as **Table 1** above, but that cash and investment balances are kept to a minimum level of £20m at each year-end to maintain a core strategic investment.

Table 2: Liability Benchmark

	31/03/22 Estimate £m	31/03/23 Estimate £m	31/03/24 Estimate £m	31/03/25 Estimate £m
Loans CFR	403	451	506	513
Less: Usable reserves	(165)	(137)	(111)	(103)
Less: Working capital	(116)	(80)	(75)	(73)
Plus: Minimum investments	20	20	20	20
Liability Benchmark	142	254	340	357

1.19 Following on from the medium-term forecasts in **Table 2** above the long-term liability benchmark assumes minimum revenue provision on new capital expenditure based on a 25 year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year. This is shown in **Chart 1**.

Chart 1: Liability Benchmark Chart

4. Borrowing Strategy

- 1.20 The Authority currently holds loans of £223m, an increase of £42m since 31 March 2022. However, this will increase to a higher level, currently forecast as £260m at 31 March 2023.
- 1.21 At the moment, cash shortfalls are being met by temporary borrowing from other Local Authorities which is considerably cheaper than other sources of borrowing. As rates are still low and the liquidity of short term markets at year end is often tighter, many new borrowings from September onwards are for maturity dates extending into 2023/24. The cost (including fees) to 31 August 2022 is around 0.93% although new borrowings are now at higher rates following recent base rate increases and anticipation of future increases. Due to the increasing levels of temporary borrowing, consideration is being given to some longer term fixed rate loans which, although more expensive, provide surety of future interest costs and protects against sudden unexpected future rate increases which could have adverse effects on the Councils budget. A full list of current temporary borrowings is shown below in **Table 3**.

Table 3 – Current Temporary Borrowing

Lender	Start	Maturity	Rate %	£m
Evergreen Fund (CW LEP)	Call Account		1.56	2.9
Newham	15/08/22	15/09/22	1.14	5.0
Renfrewshire Council	25/04/22	26/09/22	0.85	5.0
Neath Port Talbot CBC	27/06/22	27/09/22	1.21	5.0
West Midlands CA	31/03/22	30/09/22	0.70	5.0
Torbay	31/03/22	30/09/22	0.90	5.0
West Berkshire	30/06/22	30/09/22	1.20	5.0
Middlesbrough	01/07/22	03/10/22	1.35	5.0
Northern Ireland Housing Executive	13/05/22	14/11/22	1.09	10.0
Carmarthenshire CC	27/05/22	28/11/22	1.09	5.0
Preston	01/07/22	09/01/23	1.10	5.0
West Yorkshire CA	14/07/22	16/01/23	1.20	5.0
Spelthorne	18/07/22	18/01/23	1.72	5.0
West Midlands CA	21/04/22	23/01/23	0.75	5.0
West Midlands CA	22/07/22	23/01/23	1.10	5.0
Wigan	22/07/22	23/01/23	1.44	5.0
Basildon	28/07/22	30/01/23	1.15	5.0
Northumberland	09/08/22	09/02/23	1.50	5.0

Lender	Start	Maturity	Rate %	£m
Greater Manchester CA	29/07/22	10/02/23	1.74	10.0
South Derbyshire	16/05/22	16/02/23	1.10	3.0
Tewkesbury	24/08/22	24/02/23	1.76	2.0
East Sussex	24/08/22	24/02/23	1.77	5.0
Sheffield City	14/07/22	14/04/23	1.30	5.0
Local Gov't Assoc.	26/07/22	26/04/23	1.70	1.5
Local Gov't Assoc.	26/07/22	26/04/23	1.70	1.5
West Yorkshire CA	04/08/22	04/05/23	1.25	5.0
West Yorkshire Fire & Rescue	23/08/22	23/05/23	1.80	5.0
West Yorkshire Police	24/08/22	24/05/23	1.70	5.0
Northern Ireland Housing Executive	29/07/22	28/07/23	1.88	10.0
TOTAL				145.9

- 1.22 **LOBO's:** The Authority holds £17m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2022/23, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the

option to repay LOBO loans at no cost if it has the opportunity to do so.

5. Investment Strategy

- 1.23 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. Due to the overriding need for short term borrowing, other than £20m invested strategically in managed funds, the investments are generally short term for liquidity purposes. However, receipt of Government funding for energy grants and other schemes in advance of expenditure has, at times, led to higher balances than expected. The level at 31 August 2022 is £96m.
- 1.24 The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 1.25 The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. The maximum amount and duration of investments with any institution depends on the organisations credit rating, the type of investment and for banks and building societies, the security of the investment. Generally, credit rated banks and building

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

- 1.26 Treasury Management income to 31 August 2022 is £625,000 which is higher than the budgeted £371,000. Borrowing costs are also higher than budgeted at £547,000 compared to budget of £485,000. This is caused by increasing interest rates. When combined with an increasing borrowing requirement this suggests that net interest cost will be £123,000 higher than budgeted for 2022/23.
- The average daily investment balance including managed funds up to 31 August 2022 is £60.2m
 - The average annualized interest rate received on in-house investments up to 31 August 2022 is 1.12%
 - The average annualized interest rate received on the externally managed funds up to 31 August 2022 is 6.90%
- 1.27 The Authority's total average interest rate on all investments in 2022/23 is 2.47%. The returns continue to exceed our own performance target of 2.25% (Base

Rate + 0.50%). Previous comparator rates using LIBID are no longer produced. These have been replaced by the Sterling OverNight Index Average (SONIA).

Table 4 – Interest Rate Comparison

Comparator	Average Rate to 31/08/2022
Cheshire East	2.47%
SONIA 7 Day Rate	1.13%
Base Rate	1.75%
Target Rate	2.25%

- 1.28 As the Authority holds a large amount of reserves and working capital, £20m of this has been placed in strategic investments in order to benefit from higher income returns whilst spreading risk across different asset classes.
- 1.29 The investments are in five different funds which are all designed to give an annual income return between 4% and 5% but which have different underlying levels of volatility. By spreading investments across different types of funds, the intention is to dampen any large fluctuations in the underlying value of the investments.

Table 5 –Strategic Investments

Fund Manager	Asset Class	Invested £m	Current Value £m
CCLA	Property	7.5	9.3
Aegon	Multi Asset	5.0	4.5
Fidelity	Equity - Global	4.0	4.0
Schroders	Equity - UK	2.5	2.2
M & G	Bonds	1.0	0.9
TOTAL		20.0	20.9

- 1.30 The value of these investments does vary. The effects of high inflation, reduced GDP and supply chain issues on financial markets and values of underlying assets has been considerable. Most funds, although recovered from direct Covid related issues, have fallen in value in recent months, the exception being the Property fund which continues to increase in value due to the nature of the properties in which it is invested. All funds continue to deliver high levels of income return.

Chart 2 – Current Investments by Counterparty Type

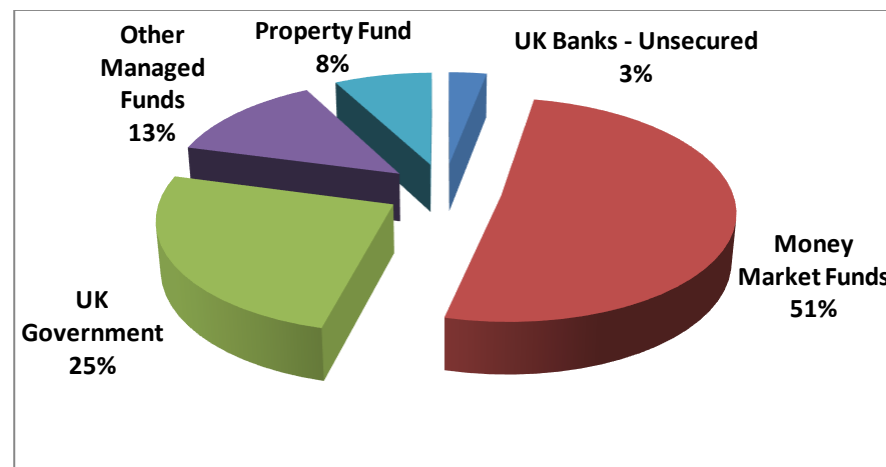


Table 6 – Types of Investments and Current Interest Rates

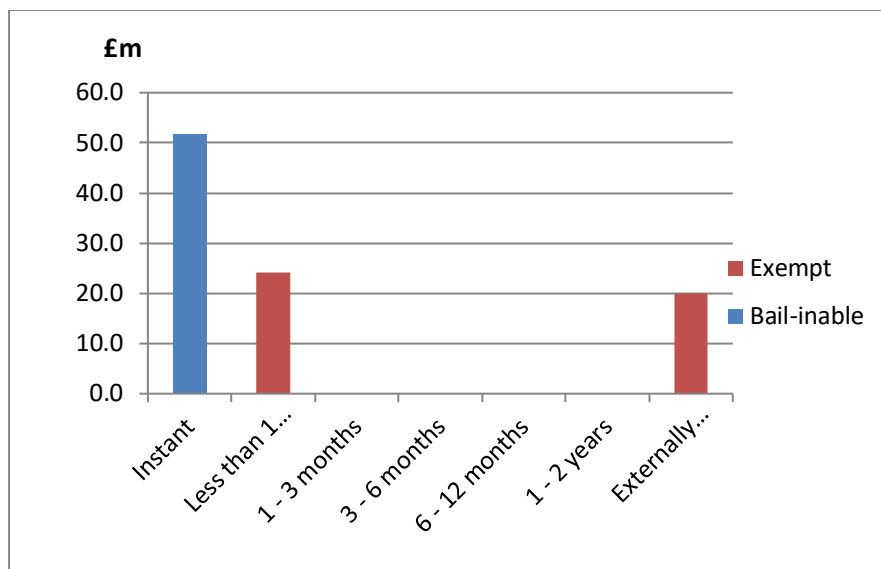
Instant Access Accounts	Average Rate %	£m
Money Market Funds	1.66	48.8
UK Banks	0.60	2.9

Fixed Term Investments	Average Rate %	£m
UK Government	1.71	24.2

Externally Managed Funds	£m
Total – see table 5	20.0

Summary of Current Investments	£m
TOTAL	95.9

Chart 3 – 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.

6. Treasury Management Indicators

1.31 The Authority measures and manages its exposures to treasury management risks using the following indicators.

1.32 **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limit on the one-year revenue impact of a 1% rise in interest rates is:

Interest Rate Risk Indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£462,500
Likely revenue impact in 2022/23 of a 1% <u>rise</u> in interest rates	£425,000

1.33 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 2022/23 so a fall in rates would lead to savings rather than incurring additional cost so a limit of £0 was set. Rates have already changed by more than 1% and likely to change further so full revenue impact of changing rates is likely to be higher – estimated at £548,000.

1.34 **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. Lower limits have been set at 0%. The upper limits on

the maturity structure of borrowing and the actual maturity profiles as at 31 August 2022 are:

Refinancing rate risk indicator	Upper Limit	Actual
Under 12 months	70%	58%
12 months and within 24 months	35%	15%
24 months and within 5 years	35%	0%
5 years and within 10 years	75%	8%
10 years and within 20 years	100%	7%
20 years and above	100%	12%

1.35 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 funding is currently

considerably cheaper than alternatives and allows for LOBO loans which, although unlikely, 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.

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

Price Risk Indicator	2022/23	2023/24	2024/25
Limit on principal invested beyond year end	£25m	£15m	£10m
Actual amounts committed beyond year end	£0m	£0m	£0m

Annex A: Economic & Interest Rate Outlook for Remainder of 2022/23

	Current	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Official Bank Rate													
Upside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Arlingclose Central Case	1.25	1.75	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.00	2.00	1.75	1.75
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75

High inflation is dampening global economic growth, raising the chances of regional recessions as policymakers accelerate monetary tightening to reduce the risk of persistently higher long-term inflation expectations.

The invasion of Ukraine exacerbated global inflation trends, particularly around food and energy. The rise in energy and fuel prices has been a significant factor behind the UK CPI moving to over 9% and forecast to be over 10% during 2022.

High sustained inflation is likely to lead to zero or negative GDP growth for Q2 2022 onwards in the UK due to negative real household disposable income growth. Fiscal intervention will mitigate some of the financial pain, but will not totally alleviate it. Data suggests that households are curtailing spending in response. Built up savings and more robust wage growth will only partly offset the impact.

The labour market is tight and nominal wage growth is running above pre-Covid levels. Higher wage growth will be a

contributory factor to sustained above target inflation this year, although real wage growth is unlikely for most workers. Weaker economic activity should eventually lead to lower demand for labour and reduce wage pressure.

The Bank of England previously signalled that moderate monetary tightening alongside the sharp fall in real incomes would pull inflation back to target in the medium term. Inflation has, however, exceeded the Bank's expectations. Alongside the tight labour market and fiscal intervention, further rises in Bank Rate are likely.

The MPC minutes indicated that larger upward moves in in Bank Rate, more forceful action, are a possibility if high inflation persists. Markets have priced in a much steeper path for Bank Rate in response, but Arlingclose believe the MPC will be more cautious, albeit at a higher level than previously expected.

Bond yields have risen significantly to accommodate tighter

global monetary policy despite increasing recession concerns. The US remains the main driver of global yields; aggressive policy in the US increases the inflation risk for other countries and may be a contributory factor to unnecessary tight policy elsewhere.

With markets seemingly ignoring the downside risks to

growth, further upside movement in bond yields cannot be ruled out, at least until US inflation starts to cool.

Annex B: Existing Investment & Debt Portfolio Position

	31/08/22 Actual Portfolio £m	31/08/22 Average Rate for the year %
External Borrowing:		
PWLB – Fixed Rate	60	4.53%
Local Authorities	143	1.22%
LOBO Loans	17	4.63%
Other	3	1.02%
Total External Borrowing	223	2.59%
Other Long Term Liabilities:		
PFI	20	-
Finance Leases	0	-
Total Gross External Debt	243	-
Investments:		
<i>Managed in-house</i>		
Short-term investments:		
Instant Access	52	1.60%
Fixed Term	24	1.71%
<i>Managed externally</i>		
Property Fund	7.5	2.42%
Multi Asset Fund	5	7.00%
Equity - Global	4	8.62%
Equity - UK	2.5	6.68%
Bonds	1	3.20%
Total Investments	96	2.99%
Net Debt	147	-

Appendix 9

Investment Strategy

1. Purpose

- 1.1 The Investment Strategy is part of a suite of related documents, and focuses predominantly on matters not covered by Capital Strategy and Treasury Management Strategy.
- 1.2 The Authority invests its money for three broad purposes:
 - because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.3 Often there may be a crossover with investments within the Authority. Whilst a return may be a by-product of an investment this is rarely the overriding reason for making or retaining an investment. It will be linked to other long term strategic or regeneration factors.
- 1.4 The investment strategy meets the requirements of the statutory guidance issued by MHCLG in February 2018 and reflects subsequent changes in government and CIPFA

thinking on investments. It focuses on the second and third of the investment categories.

2. Treasury Management Investments

- 1.5 The Authority typically receives its income in cash (e.g., from taxes and grants) before it pays for its expenditure in cash (e.g., through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments fluctuates in the course of normal activity.
- 1.6 Full details of the Authority's policies and plans for 2022/23 within treasury management investments are covered via the Treasury Management Strategy (**Appendix 8**).

3. Service Investments: Loans

- 1.7 Current loan balances are shown in the table below. Upper limits on the outstanding loans to each category of borrower were set through the MTFS process:

Table 1: Loans for service purposes in £'000

Category of borrower	31/03/22 Actual	As at 30/09/22			2022/23
		Balance owing	Loss allowance	Net figure in accounts	Balance owing
Subsidiaries	0	0	0	0	0
Suppliers	23	24	1	23	24
Local businesses	6,043	6,276	70	6,206	6,276
Local charities	515	392	51	341	392
TOTAL	6,581	6,692	122	6,570	6,692

- 1.8 Loans have been provided to Everybody Health & Leisure Trust (Everybody) for the purpose of investing in new equipment, with the aim of increasing the usage of leisure centres and improving the health of residents.
- 1.9 In March 2013, Astra Zeneca announced it was relocating its R&D function from Alderley Park to Cambridge. In order to retain the expertise in the region and to stimulate local economic growth the Council has invested in Alderley Park Holdings Ltd by way of equity investment and loans. The loan was an integral component of the 10% equity stake and therefore needs to be viewed in conjunction with the equity investment.
- 1.10 In addition, the Council has committed to investing £5m (and lent £4.74m as at 30 June 2022) in the Greater Manchester & Cheshire Life Science Fund, a venture capital fund investing in a range of life science businesses. Partners in

the Fund include the Greater Manchester Combined Authority, Cheshire & Warrington Local Enterprise Partnership and Alderley Park Holdings Ltd. The Fund has a regional focus and seeks to target companies looking to re-locate a material part of their business within the Greater Manchester and Cheshire and Warrington areas, which includes Alderley Park where the Fund is based.

- 1.11 The nature of the loans is that they do not attract an interest rate and returns are dependent upon the success of individual investments made by the Fund. The GM Life Science Fund is “revalued” on an annual basis based upon the net asset valuation of the Fund and this can lead to short term fluctuations in the notional returns of this loan category. It should be noted that whilst the investment in the Life Science Fund is high risk it is also long-term in nature, so year-by-year fluctuations are to be expected but gains or losses will only crystallize when funds are extracted. The Authority has decided against committing new funds to a follow up fund for the time being.
- 1.12 Only the Everybody loans are interest bearing and are reflected in the “Local Charities” category. These are accrued at a rate of Bank of England base rate plus 4%.
- 1.13 The loss allowance figure does not necessarily reflect our anticipation or expectation that loans will need to be written down. Instead, the allowance represents a prudent accounting treatment required by CIPFA guidance. The figures for loans in the Authority’s statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

4. Service Investments: Shares

- 1.14 The Authority has invested in Alderley Park Holdings Limited in order to maintain and stimulate the key strategic industry of life sciences within the Borough. Cheshire East is a 10% shareholder in Alderley Park, and has invested in the development of the site along with Bruntwood (51% shareholder) and Manchester Science Partnerships (39% shareholder).
- 1.15 This should be seen as a long-term strategic investment. There have been no dividend returns and any changes in % returns have been based upon the movement in value of our share of the underlying assets which will fluctuate as the site continues its transition from a single user to a multiuser campus.
- 1.16 There remains a long term pipeline of investment and refurbishment activity on Alderley Park. The current valuation is based upon the 2022 year end position which had seen a fall in value; reflecting a revaluation and the timing of vacant units, and the not insignificant impact of COVID-19, which the site seems to have weathered. The valuation is still greater than the purchase price and the underlying assets at Alderley Park remain strong.
- 1.17 A gain or loss to the Council's Revenue and Capital Receipts accounts would only crystallise in the event of divesting our equity stake.
- 1.18 The Council also has shares in its subsidiary, wholly owned service delivery companies. However, they are of nominal

value, and consequently are not considered material in the context of this Investment Strategy.

Table 2: Shares held for service purposes in £'000

Category of company	31/03/22 actual	As at 30/09/2022			2022/23
		Amounts invested	Gains or losses	Value in accounts	Approved Limit (cost of investment)
Local Businesses	2,610	1,070	1,540	2,610	10,000
TOTAL	2,610	1,070	1,540	2,610	10,000

5. Commercial Investments: Property

- 1.19 For the purpose of this paper, it should be noted that MHCLG defines property to be an investment if it is held primarily or partially to generate a profit. In order to comply with this the Authority is having to include several assets in **Table 3** that might otherwise be excluded as they are not being held to primarily generate a yield or return.
- 1.20 Central government continues to express concern over the level of commercial investments held by Local Authorities and the risk that this presents to residents in the event that an Authority becomes over exposed.
- 1.21 The government has effectively regulated against the purchase of commercial assets primarily for generating yield. Whilst this limits the Authority's ability to invest in commercial property for investment purposes, they have

recognised that regeneration is a necessary factor which could result in legitimate purchases of such property. Careful attention will need to ensure that yield is an incidental factor in any future decision to invest in a commercial property investment.

- 1.22 The most significant commercial investment acquired by the Authority is land and buildings on the North and East side of Weston Road in Crewe purchased in April 2019. This accounts for 81% of the net book value in the accounts at 31 March 2022.
- 1.23 For the purpose of this report, we have revisited the historic purchase costs of the assets included in the categories below. For those that were inherited by Cheshire East Council we have used the valuation at 2009/10. This is to allow for a simple and crude calculation of yield.
- 1.24 The value of properties is updated annually. The most recent valuation is from March 2022 and reflect the second year of COVID-19. In the year to March 2021, we noted that the value of retail property held up whilst that of industrial units and enterprise centres was valued downwards. The year to March 2022 saw retail values continue to grow and the other categories have made modest gains. All categories are still valued at more than purchase cost. There has been a reclassification in the year and an office property has been added to the listing as it was deemed appropriate to classify it as an investment asset. This resulted in £533,000 being added to the valuation. * Note that no gain has been deemed to have arisen in the last two years with the gain on the purchase cost occurring in prior years.

Table 3: Property held for investment purposes in £'000

Property	Actual	31/03/22 actual		30/09/22 actual		2022/23 Approval Limit
	Purchase cost	Gains or (losses) in-year	Value in accounts (includes gains/ (losses) to date	Gains or (losses)	Value in accounts	
Industrial Units	1,492	11	1,740	0	1,740	
Enterprise Centres	245	20	340	0	340	
Retail	23,300	371	25,975	0	25,975	
Office	240	* -	533	0	533	
Total	25,277	402	28,588	0	28,588	100,000

6. Commercial Investments: Loans

- 1.25 In considering commercial investment opportunities, the Council will adopt a prudent approach, with two underlying objectives:
- **Security** – protecting the capital sum invested from loss
 - **Liquidity** – ensuring the funds invested are available when needed
- 1.26 The Council has entered into a £10m loan agreement with Cheshire & Warrington Local Enterprise Partnership linked to developments within the Business Rates Enterprise Zone. The intention is to stimulate economic development and achieve payback from retained business rates.

- 1.27 The first loans in respect of Alderley Park Glasshouse and Blocks 22-24 were made in December 2020. Together they totalled £8m. One of the loans was subsequently repaid early in the new financial year. Interest is accruing on the remaining loan.

Table 4: Commercial Loans in £'000

Category of borrower	31/03/22 Actual	As at 30/09/22			2021/22
		Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Partner Organisations	7,903	4,127	183	3,944	20,000
TOTAL	7,903	4,127	183	3,944	20,000

7. Loan Commitments and Financial Guarantees

- 1.28 As Accountable Body for the Cheshire & Warrington Local Enterprise Partnership, the Council acts as Entrusted Entity to a £20m European Regional Development Fund (ERDF) supported Urban Development Fund which is about to commence. The Council, as contracting party, provides guarantees in respect of the amounts provided through ERDF.
- 1.29 The fund is designed to provide loan finance to specific projects across Cheshire and will not generate a return for the Authority. As such the balances are not included in the investment tables above. The workings of the fund are

subject to detailed scrutiny and are managed by a firm of experienced fund managers with a strong track record of providing loans that minimise the risk of default. The Council, as contracting party, will provide guarantees in respect of the amounts provided through ERDF though this will be offset by the professional indemnity insurance held by the fund manager.

8. Proportionality

- 1.30 The Authority is only partially dependent on profit generating investment activity to achieve a balanced revenue budget, in respect of Place services. Within the Authority the proportion is consistently below 2.5% and is deemed immaterial. Such is the low proportion that it represents, should it fail to achieve the expected net return, the Authority's contingency plans for continuing to provide these services include effective budget management and tight cost control.

9. Borrowing in Advance of Need

- 1.31 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority follows this guidance.
- 1.32 As referred to above in **Section 6**, this has been strengthened by the government effectively banning investment in property primarily for yield.

10. Capacity, Skills and Culture

- 1.33 The Finance Sub-Committee comprised of members, supported by officers and where necessary, external advisors, provides oversight of the Investment Strategy and acts on recommendations from officers that consider opportunities to enhance the Revenue & Capital Budgets of the Council through strategic investments, whether that involves using capital/cash resources or borrowing and lending powers.

11. Investment Indicators

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

Table 5: Total investment exposure in £'000

Total investment exposure	31/03/21 Actual	31/03/22 Actual	31/03/23 Forecast
Treasury management investments	44,150	54,300	40,000
Service investments: Loans	6,360	6,733	6,844
Service investments: Shares	3,410	2,610	2,610
Commercial investments: Property	28,186	28,588	28,588
Commercial Investments: Loans	8,000	8,271	4,127
TOTAL INVESTMENTS	90,106	100,502	82,169
Commitments to lend	2,439	2,418	2,418
TOTAL EXPOSURE	92,545	102,920	84,587

- 1.36 **How investments are funded:** Currently the majority of the Authority's investments are funded by usable reserves and income received in advance of expenditure.
- 1.37 **Table 6** shows the limited investments funded through prudential borrowing.

Table 6: Investments funded by borrowing in £'000

Investments funded by borrowing	31/03/21 Actual	31/03/22 Actual	31/03/23 Forecast
Commercial investments: Property	22,211	21,517	20,810
Commercial Investments: Loans	8,000	8,000	4,000
TOTAL FUNDED BY BORROWING	30,211	29,517	24,810

- 1.38 **Rate of return received:** In part, this indicator shows for Treasury Management and Commercial Property investments, the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.
- 1.39 The return for the Service Investments: Loans is not a true return but is instead based largely on the % fluctuation in the underlying value of the new assets within the Life Science fund. As such they do not reflect actual cashflows. If Life Science was excluded the 2021/22 actual figure was 1.13% - in itself this is skewed by a non interest bearing loan.
- 1.40 Historically we have shown the % movement in the carrying value of our shareholding in Alderley Park Holdings Limited as a return within the category Service Investments: Shares. However, this is not a real return or cashflow. Typically, a

return on a share would be based upon the dividend yield and there have been no dividends paid. Therefore, this is now being shown as Nil.

- 1.41 The major assets included within Commercial Investments: Properties, representing over 90% of the value, are two commercial retail properties in Crewe. Whilst we will see fluctuations year-on-year given the pressures on 'bricks and mortar retail', the Council will only experience an impact on its Revenue Account if a site becomes vacant for a prolonged period.
- 1.42 From the perspective of the Council one of the tenants affected is a home improvements retailer and the second is a national supermarket retailer. Both of these have thus far weathered the local economic effects of the previous two years.
- 1.43 Much of the investment returns for Commercial Investments relates to rent on these two assets. Rental income on both has held up during the year. Overall returns are affected by the fact that returns for one of the sites is reduced by the costs required to repay borrowing costs. Additionally, there are isolated instances where some of the other smaller sites are seeing the levels of vacancy rise. These are under review.
- 1.44 The Commercial investments: Loans are at the expected level of return given the rates in place when they were established.

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2020/21 Actual	2021/22 Actual	2022/23 Forecast
Treasury management investments	1.62%	2.13%	2.47%
Service investments: Loans	8.46%	-3.00%	-6.19%
Service investments: Shares	*NIL	*NIL	*NIL
Commercial investments: Property	2.78%	2.95%	2.92%
Commercial investments: Loans	3.20%	3.20%	3.16%

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Working for a brighter future together

Finance Sub-Committee

Date of Meeting:	9 November 2022
Report Title:	The Grants Register
Report of:	Alex Thompson, Director of Finance and Customer Services
Report Reference No:	FSC/18/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. To consider the full Grants Register (unringfenced and ringfenced revenue grants) for 2022/23, including an update on the Shared Prosperity Fund.

2. Executive Summary

- 2.1. The Council's Medium-Term Financial Strategy (MTFS) includes a comprehensive list of ringfenced and unringfenced revenue grants for the four-year period 2022/23 to 2025/26. This list is a mixture of announced allocations for the authority and prudent estimates where firm information was not available at the time of publication.
- 2.2. During the financial year, this register is updated to include refinements to grant levels already estimated as announcements are released. It is also updated for new burdens grants that are announced part way through the financial year.
- 2.3. **Annex A** to this report sets out the 2022/23 ringfenced and unringfenced revenue grants as at the October Financial Review stage.

3. Recommendations

The Sub-Committee is asked to:

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- 3.1. Note the contents of the Grants Register contained at **Annex A**.

4. Reasons for Recommendations

- 4.1. Members are responsible for setting the Council's budget, which includes having regard to available funding levels. The Sub-Committee requested additional transparency and understanding on what is included on the grants register, where the monies come from and what the Cheshire East Council's share of the national allocation is for each grant.

5. Other Options Considered

- 5.1. Other options were not considered necessary as this report was requested by Members of the Sub-Committee as part of their work programme development.

6. Background

- 6.1. The Council's Medium-Term Financial Strategy (MTFS) as approved at full Council on 24 February 2022 included a comprehensive list of ringfenced and unringfenced revenue grants for the four-year period. This was included at Appendix C, Annex 7 of that report.
- 6.2. Firm announced allocations are not always available due to the timing of when the budget report is published; so, for items that are expected, but the information is not yet available, prudent estimates are included.
- 6.3. During the financial year, this register is updated to include refinements to grant levels already estimated as announcements are made. It is also updated for new burdens grants that are announced part way through the financial year.
- 6.4. Each grant is subject to its own terms and conditions. Some are ringfenced for specific purposes and must be spent in a prescribed way, often with statistical returns on usage being made back to the relevant Government department. These grants are usually held within the service budgets directly. Other grants are given without conditions, even if they are named for a particular purpose.
- 6.5. Unspent grant balances for ringfenced grants are usually required to be returned to the issuing body if they cannot be utilised within a specified timeframe. Conversely, unringfenced grants can be used to support any wider budget pressures, or they can be transferred to reserves at year end as appropriate.

- 6.6. Annex A to this report sets out the position on 2022/23 ringfenced and unringfenced revenue grants as at the October Financial Review stage.
- 6.7. The Annex sets out the following detail for each grant:
 - 6.7.1. Grant title
 - 6.7.2. The national funding allocation in total (to assist with understanding of the share available to Cheshire East Council)
 - 6.7.3. Hyperlinks to the allocation on the relevant Government website (available when using the electronic version of Annex A)
 - 6.7.4. Treatment of the grant by the Council
 - 6.7.5. Amount included in the MTFS 2022-26
 - 6.7.6. Amount updated at the October Financial Review stage (if different, or a new announcement)

7. Consultation and Engagement

- 7.1. As part of the budget setting process the Pre-Budget Consultation provided an opportunity for interested parties to review and comment on the Council's Budget proposals, some of which would be funded by grant income. The wider revenue budget is partly funded by general government grant and the consultation exercise allowed commentary on where funding should be prioritised. This is an annual process.

8. Implications

8.1. Legal

- 8.1.1. The Council has a legal duty to set a balanced annual budget. As part of the budget setting process there must be due regard to the estimated level of funding available to ensure that unnecessary budget reductions are not implemented.

8.2. Finance

- 8.2.1. Future estimated income levels (including grant income) will form part of the usual budget setting process and will be included in the budget engagement and Medium-Term Financial Strategy on an annual basis.

8.3. Policy

- 8.3.1. The Corporate Plan will drive and inform Council policy and priorities for service delivery. These priorities may have a direct policy implication on how certain unringfenced grants are utilised and will be considered on a case-by-case basis.

8.4. Equality

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

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

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

8.4.3. Having “due regard” is a legal term which requires the Council to consider what is proportionate and relevant in terms of the decisions they take.

8.4.4. The Council needs to ensure that in taking decisions on the Medium-Term Financial Strategy and the Budget that the impacts on those with protected characteristics are considered. The Council undertakes equality impact assessments where necessary and continues to do so as proposals and projects develop across the lifetime of the Corporate Plan.

8.4.5. The process assists us to consider what actions could mitigate any adverse impacts identified. Completed equality impact assessments form part of any detailed Business Cases.

8.5. Human Resources

8.5.1. No direct implications from this report.

8.6. Risk Management

8.6.1. The Council has a legal duty to set a balance budget every year. As part of the budget setting process, the level of income (including grant funding) needs to be carefully estimated to provide an accurate funding envelope to ensure that risks can be covered as necessary.

8.7. Rural Communities

8.7.1. Detailed grant allocations are included in Annex A of this report.

8.8. Children and Young People/Cared for Children

8.8.1. Detailed grant allocations are included in Annex A of this report.

8.9. Public Health

8.9.1. Detailed grant allocations are included in Annex A of this report.

8.10. Climate Change

8.10.1. No direct implications from this report.

Access to Information	
Contact Officer:	Alex Thompson Director of Finance and Customer Services
Appendices:	Annex A – Grants at MYR (Unringfenced and Ringfenced Revenue Grants) 2022/23
Background Papers:	MTFS 2022-26

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Cheshire East Council

Grants at Financial Review 2022/23 (ring-fenced and unring-fenced)

RING-FENCED REVENUE GRANTS	National Allocation £m	Grant Information from Government websites (click the link)	Treatment by CEC	As at MTFS 2022 £	Latest Financial Review 2022/23 £
Children & Families (Schools)					
Dedicated Schools Grant	53,659.403	Link	Allocated direct to service	133,296,000	143,155,870
Pupil Premium Grant	2,683.478	Link	Allocated direct to service	4,476,000	4,513,620
Sixth Forms Grant	not available	Link	Allocated direct to service	2,475,000	2,729,316
Universal Infant Free School Meals (UIFSM)	not available	Link	Allocated direct to service	1,769,000	1,732,183
Primary Physical Education Sports Grant	324.372	Link	Allocated direct to service	1,014,000	979,150
COVID-19 Recovery Premium	not available	Link	Allocated direct to service	0	446,768
School Led Tutoring Grant	not available	Link	Allocated direct to service	0	278,644
School Improvement Monitoring & Brokering Grant	not available	Link	Allocated direct to service	231,000	95,472
Milk Subsidy	not available		Allocated direct to service	10,000	18,000
LA Supplementary Grant	not available	Link	Allocated direct to service	0	2,071,755
Senior Mental Health Lead Training Grant	not available	Link	Allocated direct to service	0	4,800
Newly Qualified Teachers (Education Recovery 5% Time off Timetable)	not available	Link	Allocated direct to service	0	57,761
Delivering Better Value in SEND	not available		Allocated direct to service	0	45,000
COVID-19 Workforce Fund	not available		Allocated direct to service	0	21,633
Apprentice Incentive Scheme	not available		Allocated direct to service	0	1,500
Digital Education Platform	not available		Allocated direct to service	0	1,500
Mass Testing	not available		Allocated direct to service	0	8,832
Vaccination funding	not available		Allocated direct to service	0	9,184
TOTAL CHILDREN & FAMILIES (Schools)				143,271,000	156,170,988
Children & Families (Children's Services)					

RING-FENCED REVENUE GRANTS	National Allocation £m	Grant Information from Government websites (click the link)	Treatment by CEC	As at MTFS 2022 £	Latest Financial Review 2022/23 £
Asylum Seekers	not available	Link	Allocated direct to service	788,000	1,411,110
Tackling Troubled Families (Payments by Results)	not available		Allocated direct to service	0	237,600
Supporting Families (Payments by Results) Upfront Grant	not available	Link	Allocated direct to service	719,000	719,500
Adoption Support Fund	not available	Link	Allocated direct to service	28,000	47,653
KS2 Moderation & Phonics	not available	Link	Allocated direct to service	11,922	11,922
Independent Support Grant (CEIAS)	not available		Allocated direct to service	10,000	0
NHS Cheshire CCG Grant to fund CEIAS Services	not available		Allocated direct to service	0	26,000
Skills & Lifelong Learning	not available		Allocated direct to service	903,000	903,021
Remand Grant	not available		Allocated direct to service	20,000	74,926
Domestic Abuse Safe Accommodation Housing Grant	124.998	Link	Allocated direct to service	648,332	650,126
Holiday Activities & Food Programme Grant	201.100		Allocated direct to service	0	878,640
Extension of the Role of Virtual School Heads to children with a social worker Implementation	not available	Link	Allocated direct to service	118,136	118,136
Ukraine Resettlement Funding	not available		Allocated direct to service	0	238,398
Household Support Fund	not available		Allocated direct to service	0	4,407,786
Hong Kong UK Welcome Programme (British Nationals)	not available	Link	Allocated direct to service	0	13,947
Early Years Professional Development programme	not available		Allocated direct to service	0	20,750
Family Hubs Transformation Funding	not available		Allocated direct to service	0	477,431
TOTAL CHILDREN & FAMILIES (Children's Services)				3,246,390	10,236,946
Adults & Health					
Additional Better Care (for Adult Social Care)	2,039.256		Allocated direct to service	8,706,000	8,706,000
Market Sustainability and Fair Cost of Care Fund	162.000		Allocated direct to service	979,000	979,000
Implementation support grant	15.467	Link	Allocated direct to service	0	98,230
Trailblazer support funding	0.805	Link	Allocated direct to service	0	162,211
Early assessment funding allocation Part 1	2.127		Allocated direct to service	0	584,784
Syrian Resettlement Programme - brought forward	not available		Allocated direct to service	0	38,734

RING-FENCED REVENUE GRANTS	National Allocation	Grant Information from Government websites (click the link)	Treatment by CEC	As at MTFS 2022	Latest Financial Review 2022/23
	£m			£	£
Afghan Wrap Around support - brought forward	not available	Link	Allocated direct to service	0	146,078
Afghan Resettlement support - brought forward	not available		Allocated direct to service	0	262,834
Homes for Ukraine Scheme	not available		Allocated direct to service	0	12,600,000
Private Finance Initiative (PFI) credits	not available		Allocated direct to service	4,125,000	4,125,000
Journey First and Parents First (originally provided by the European Social Fund but now DWP)	not available		Allocated direct to service	0	2,500,000
COVID-19 Shielding Grant for the Clinically Extremely Vulnerable Cohort - brought forward	not available		Allocated direct to service	0	485,383
COVID-19 Emergency Assistance Grant for Food & Essential Supplies - brought forward	not available		Allocated direct to service	0	40,000
TOTAL ADULTS & HEALTH				13,810,000	30,728,254
Adults & Health (Public Health)					
Public Health Grant	3,417.400	Link	Allocated direct to service	16,929,000	17,404,551
CHAMPS TTCE contact tracer staff - ICT Workforce: Contract Extension Funding	not available		Allocated direct to service	0	149,483
COVID-19 COMF & T&T - brought forward	not available	Link	Allocated direct to service	0	5,340,824
DHSC Additional drug and alcohol treatment funding allocations: 2022 to 2023	101.200		Allocated direct to service	0	346,706
CHAMPS Marmot Place Funding - encourage pregnant women to stop smoking	not available		Allocated direct to service	0	21,500
CHAMPS SMS - inpatient detox	9.740		Allocated direct to service	0	29,865
CHAMPS Mouth Care Matters programme - to be confirmed	not available		Allocated direct to service	0	10,500
TOTAL ADULTS & HEALTH (Public Health)				16,929,000	23,303,429
Economy & Growth					

RING-FENCED REVENUE GRANTS	National Allocation £m	Grant Information from Government websites (click the link)	Treatment by CEC	As at MTFS 2022 £	Latest Financial Review 2022/23 £
Rough Sleeping Initiative	not available	Link (multi year settlement)	Allocated direct to service	300,000	330,352
Homelessness Prevention Grant	315.800	Link	Allocated direct to service	260,000	581,765
Local Enterprise Partnership (LEP): Core Funding	not available		Passported to providers	500,000	375,000
Local Enterprise Partnership (LEP): Growth Hub Funding	not available		Passported to providers	462,000	231,000
Local Enterprise Partnership (LEP): NP (Northern Powerhouse) 11	not available		Passported to providers	500,000	520,000
Local Enterprise Partnership (LEP): Growth Hub Cluster Network - Peer Networks	not available		Passported to providers	150,000	0
Local Enterprise Partnership (LEP): Skills Advisory Panel	not available		Passported to providers	75,000	56,000
Local Enterprise Partnership (LEP): Local Digital Skills Partnership Catalyst grant	not available		Passported to providers	75,000	56,000
Local Enterprise Partnership (LEP): Skills Bootcamp	not available	Link	Passported to providers	0	1,036,653
Innovate UK / Adapt - brought forward	not available		Allocated direct to service	0	40,002
First Trenitalia West Coast Rail Limited	not available		Allocated direct to service	0	50,000
COVID-19 Welcome Back Fund (Opening High Streets) - brought forward	not available		Allocated direct to service	0	162,380
TOTAL ECONOMY & GROWTH				2,322,000	3,439,152
Environment & Communities					
Bikeability Grant	not available		Passported to providers	0	239,995
Enforcement Grant (Planning) - brought forward	not available		Allocated direct to service	0	30,237
Air Quality Grant - brought forward	not available		Allocated direct to service	0	18,330
Air Quality Grant scheme	not available	Link	Allocated direct to service	0	54,607
Offensive weapons	not available		Allocated direct to service	0	3,864
Cosmetic fillers	not available	Link	Allocated direct to service	0	7,465

RING-FENCED REVENUE GRANTS	National Allocation	Grant Information from Government websites (click the link)	Treatment by CEC	As at MTFS 2022	Latest Financial Review 2022/23
	£m			£	£
Food Information Grant - Natasha's Law - brought forward	not available		Allocated direct to service	0	731
Food Information Grant - Natasha's Law	not available	Link	Allocated direct to service	0	10,000
Section 31 grant - Biodiversity net gain	not available		Allocated direct to service	0	20,094
Natural England - Stewardship scheme	not available		Allocated direct to service	0	1,600
TOTAL ENVIRONMENT & COMMUNITIES				0	386,923
Highways & Transport					
Bus Service Operators Grant	not available		Allocated direct to service	348,000	347,865
Bus Capacity Grant - brought forward	not available		Allocated direct to service	0	326,056
Bus Capacity Grant	not available		Allocated direct to service	0	574,023
Better Deal for Buses - Supported Bus Services - brought forward	not available		Allocated direct to service	0	320,005
Better Deal for Buses - Rural Mobility Grant - brought forward	not available		Allocated direct to service	0	5,000
Bus Service Improvement Fund - brought forward	not available		Allocated direct to service	0	6,721
Local Authority Capability Fund - brought forward	15.385		Allocated direct to service	0	132,134
Active Travel Social Prescribing Grant - brought forward	2.231		Allocated direct to service	0	42,065
Mini Holland Feasibility - brought forward	83.395		Allocated direct to service	0	78,947
On Street Residential Chargepoint Scheme (ORCS)	not available		Allocated direct to service	0	151,000
LTA Enhanced Bus Partnership Grant	10.824		Allocated direct to service	0	171,000
TOTAL HIGHWAYS & TRANSPORT				348,000	2,154,816
CORPORATE: Corporate Policy					
Revenues and Housing Benefits:					
Housing Benefit Subsidy	not available		Allocated direct to service	47,090,000	48,604,476
Discretionary Housing Payments Grant	98.000	Link	Allocated direct to service	492,000	348,661
Housing Benefit (HB) Award Accuracy Initiative	11.417	Link	Allocated direct to service	33,000	31,245

RING-FENCED REVENUE GRANTS	National Allocation £m	Grant Information from Government websites (click the link)	Treatment by CEC	As at MTFS 2022 £	Latest Financial Review 2022/23 £
LADS - VEP (RTI) funding	10.900		Allocated direct to service	34,000	28,540
New Burdens: Universal Credit, maintenance & natural migration	not available		Allocated direct to service	10,000	8,554
Local Authority Data Sharing (LADS)	not available		Allocated direct to service	9,000	0
LADS - New Burdens - Discretionary Housing Payments (DHP)	not available		Allocated direct to service	40,000	0
LADS - New Burdens - Benefit Cap	not available		Allocated direct to service	1,000	1,226
LADS - New Burdens - Single Fraud Investigation	not available	Link	Allocated direct to service	1,000	1,872
LADS - New Burdens - Welfare Reform Changes (S4/2022)	19.500		Allocated direct to service	0	72,569
LADS - New Burdens - Supported & Temporary Accommodation Change Request	not available		Allocated direct to service	0	1,745
LADS - New Burdens - Supported & Temporary Accommodation	not available		Allocated direct to service	0	4,614
LADS - New Burdens - Single Housing Benefit Extract Automation	not available		Allocated direct to service	0	4,699
Specified Accommodation (S3/2022)	1.571	Link	Allocated direct to service	0	9,133
Incapacity Benefit Reassessment (S5/2022)	0.478	Link	Allocated direct to service	0	2,178
Council Tax Rebate Scheme - New Burdens on Account Payment	28.047		Allocated direct to service	0	169,852
Council Tax Energy Rebate Scheme	3,069.445	Link	Allocated direct to service	0	19,851,600
Local Council Tax Support (LCTS) 22.23	69.000	Link	Allocated direct to service	0	344,897
COVID-19 Test and Trace Support (Self Isolation Payment)	not available		Allocated direct to service	0	176,176
Democratic Services:					
Police and Crime Commissioner's Panel grant	not available		Allocated direct to service	0	65,260

RING-FENCED REVENUE GRANTS	National Allocation £m	Grant Information from Government websites (click the link)	Treatment by CEC	As at MTFS 2022 £	Latest Financial Review 2022/23 £
TOTAL CORPORATE POLICY				47,710,000	69,727,297
TOTAL RINGFENCED REVENUE GRANTS				227,636,390	296,147,805

UNRING-FENCED REVENUE GRANTS	National Allocation £m	Grant Information from Government websites (click the link)	Treatment by CEC	As at MTFS 2022 £	Latest Financial Review 2022/23 £
Children & Families (Children's Services)					
Staying Put Implementation Grant	99.834		Held Centrally	0	130,125
Extended Rights to Free Transport (Home to School Transport)	43.311		Held Centrally	0	249,600
Extended Personal Adviser Duty Implementation	12.118		Held Centrally	0	57,414
Extension of the role of Virtual School Heads	not available	Link	Held Centrally	0	60,595
Adults & Health (Adult, Health and Integration)					
Social Care Support Grant	2,346.368		Held Centrally	11,341,373	11,341,373
Independent Living Fund	160.600	Link	Held Centrally	817,737	860,776
Local Reform & Community Voices	34.410		Held Centrally	213,010	213,010
Social Care in Prisons	10.950		Held Centrally	71,087	71,087
War Pension Scheme Disregard	12.000		Held Centrally	55,903	55,903
Economy & Growth					
Neighbourhood Planning Grant for Local Planning Authorities	not available		Held Centrally	0	10,000
Highways & Transport					
Pavement Licensing - New Burdens	not available		Held Centrally	0	12,915
Corporate Policy					
Housing Benefit Administration Subsidy	163.721		Held Centrally	654,410	736,410
Council Tax Support Administration Subsidy	69.000		Held Centrally	315,590	344,897
NNDR Administration Allowance	not available		Allowance as per NNDR - not a grant	586,652	586,652

UNRING-FENCED REVENUE GRANTS	National Allocation £m	Grant Information from Government websites (click the link)	Treatment by CEC	As at MTFS 2022 £	Latest Financial Review 2022/23 £
New Homes Bonus	556.003		Held Centrally	6,614,044	6,614,044
Lower Tier Services Grant	111.000		Held Centrally	353,131	360,131
Services Grant	822.000		Held Centrally	2,932,351	2,932,351
CENTRAL ITEMS					
Business Rates Reliefs Compensation Grant 2022/23	4,076.389		Held Centrally	0	13,889,976
TOTAL UNRING-FENCED REVENUE GRANTS				23,955,288	38,527,259

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Working for a brighter future together

Finance Sub-Committee

Date of Meeting:	9 November 2022
Report Title:	Business Rates Discretionary Schemes
Report of:	Alex Thompson, Director of Finance and Customer Service
Report Reference No:	FSC/7/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. The purpose of this report is to provide members with an overview of the Business Rates system and to request approval of the Discretionary Business Rates Policy for Cheshire East Council.
- 1.2. The report also provides an update on the Government's review of Business Rates.

2. Executive Summary

- 2.1. Business rates form an essential element of Cheshire East funding contributing £49.1M to the 2022/23 budget. This is equivalent to 15% of the Council's net revenue budget.
- 2.2. It is a highly complex area both in terms of how Business Rate liability is calculated and the value of Business Rates to be retained by the Local Authority. This has been further complicated in recent years by a significant extension in the value and range of Business Rates reliefs available to businesses to provide support during the Covid Pandemic and to encourage recovery post Covid.
- 2.3. Central Government set a range of Business Rates "reliefs" for specific businesses, both mandatory and at the discretion of the Local Authority. The proposed policy on discretionary reliefs for Cheshire East Council is attached at Appendix 1. The Policy combines a number of existing policies

and procedures into a single comprehensive Discretionary Business Rates Policy. It does not, however, propose any changes to the existing reliefs and therefore no changes to the existing MTFS.

- 2.4.** The Business Rates Scheme has been under review by HM Treasury for some time with the final report published in October 2021. The review concluded that the Business Rates Scheme would be retained but that a number of changes would be made to reduce the burden of business rates in England, introduce new reliefs and increase the frequency of re-evaluations.

3. Recommendations

- 3.1.** That Finance Sub-Committee note the report and approve the Discretionary Business Rates policy as set out in Appendix 1.

4. Reasons for Recommendations

- 4.1.** Discretionary Rate Reliefs are an important part of Central Government's strategy to allow Local Authorities to support local businesses through rate reductions. This Policy ensures Cheshire East Council can continue to support local business primarily aimed at small businesses, charitable and not-for-profit enterprises and community and sports clubs.

5. Other Options Considered

- 5.1.** Removal or reduction of Discretionary Rate Reliefs may significantly impact small, local businesses and organisations.

6. Background

- 6.1.** Business Rates (also known as National Non-Domestic Rates or NNDR) is a property tax paid by businesses designed to help fund services delivered by the Local Authority.
- 6.2.** The Business Rates payable by an individual business are primarily set by Central Government based on a "Rateable value" (RV) calculation assessed by the Valuation Office and a "multiplier" of the RV set by Central Government.
- 6.3.** The billing and collection of Business Rates is the responsibility of the Local Authority with receipts from Business Rates distributed between the Council and its precepting authorities and Central Government.
- 6.4.** The Business Rates Team within Customer Services administers all Business Rates billing, collection, and debt recovery for Cheshire East Council.
- 6.5.** The team liaise with the Department for Levelling Up, Housing and Communities on legislation and guidance for the scheme. The team also work with the Valuation Office Agency to determine appropriate valuation

of relevant non-domestic properties (known as ‘hereditaments’ for business rate purposes).

- 6.6. The Finance Team administer the Collection Fund, which is a statement within the Council’s statutory accounts that records all the transactions associated with the administration of business rates.
- 6.7. It should be noted that reliefs are separate to business grants which, since the onset of the Pandemic, have also administered by the Business Rates team with over 22,500 individual businesses benefiting from grants to the value of £146M.
- 6.8. The gross level of business rates liability for businesses within the Cheshire East Council area is approximately £180m, across over 15,000 properties.
- 6.9. Table 1 shows the value of Business Rates forecast for 2022-23 and how these are proposed to be shared between the Council and its precepting authorities and Central Government.

Table 1: Budget for Business Rates 2022/23

NNDR1 – January 2021 budget setting position	£m
Gross Rates	179.1
Mandatory Discounts	(25.6)
Unoccupied Properties	(5.8)
Discretionary Discounts	(0.8)
Discretionary Discount where compensation is provided (retail relief announced after budget set)	(3.6)
Bad Debts	(2.2)
Appeals repayable	(2.1)
Disregarded amounts (EZ/renewables)	(1.2)
Administration allowance	(0.6)
Net Rates	137.2
CEC share (49%)	67.2
Fixed Tariff payable to Central Government	(24.7)
Retained Rates	42.5
Contribution from compensation grants/Earmarked reserves	6.6
Retained Business Rates as per MTFS	49.1

- 6.10. Discretionary Reliefs are intended to provide “relief to premises where the Local Authority Council feels the granting of such relief would be of benefit to the local community”. Whilst the Government provides some guidance in relation to this discretion primarily lies with the Local Authority.
- 6.11. The draft Discretionary Relief policy has been developed in line with the Council’s vision and values. The full list of factors and priorities considered are listed within the Policy at paragraph 3.8 and include:

- Supporting the retention of businesses within the local community
- Encouraging self-reliance
- Supporting businesses to start up and grow
- Supporting the provision of services which the Council is unable to deliver
- To prioritise local over national business
- Should not distort local competition
- To ensure that the financial impact of the provision of relief is justified in terms of the outcomes achieved

6.12. The draft policy provides a single comprehensive view of the Discretionary Relief Policy for Cheshire East Council but does not propose any changes to the existing reliefs and has no impact on the MTFS

Table 2: Reliefs and total number of rated business properties in Cheshire East:

	Total properties	15,217		
Mandatory / Discretionary	Type of relief	No. receiving relief	Value of relief awarded	Funded CEC/Gov/fire
Discretionary Relief	Enterprise Zone discount	87	398k	100% gov
Mandatory Relief	Transitional Relief extension	149	79k	100% gov
Mandatory Relief	Charity relief – 80% Mandatory	628	9.9M	49/50/1
Discretionary Relief	Non-profit making body Relief	23	26k	49/50/1
Discretionary Relief	Hardship Relief	0	0	49/50/1
Discretionary Relief	Part-occupied Relief	1	2k	49/50/1
Mandatory Relief	Rural Rate Relief	10	12k	49/50/1
Discretionary Relief	Charity relief – top up	293	258k	49/50/1
Mandatory Relief	Community Amateur Sport Club	33	143k	49/50/1
Discretionary Relief	Community Amateur Sport Club – top up	27	6k	49/50/1
Discretionary Relief	Local Discretionary Relief – Localism Act 2011	0	0	49/50/1

Mandatory Relief	Small Business Rate Relief Partly funded by S31	5,953	£16.8M	49*/50/1
Mandatory Relief	Tapered Small Business Rate Relief Partly funded by S31	432	Included in above	49*/50/1
Mandatory Relief	Small Business Rate Relief – 12 month extension	28	48k	49*/50/1
Discretionary Relief	Supporting Small Businesses Relief	21	36k	49*/50/1
Discretionary Relief	Local Newspaper Relief	0	0	49*/50/1
Mandatory Relief	Public Lavatories Relief	12	20k	49*/50/1
Discretionary Relief	Expanded Retail Discount – 50%	1391	7.5M	49*/50/1
Discretionary Relief	Nursery Discount – 50%	0	0	49*/50/1

* S31 Reliefs – whilst technically discretionary these are determined by Central Government and fully funded by them to reflect the income foregone by CE by the introduction of the Relief

6.13. Future changes to Business Rates: HM Treasury have been conducting a review of the Business Rates Scheme with the final report published in October 2021. The review concluded that the Business Rates Scheme would be retained but that a number of changes would be made. New reliefs to support investments in property improvements and a new exemption to support green technologies will be introduced. Additionally, the report includes a decision to increase the frequency of revaluations to ensure that ratepayers see their valuations update more quickly, allowing changes in economic conditions to feed through more rapidly into businesses' liabilities.

6.14. A decision has also been taken not to amend the level of business rates retained by local authorities, instead preferring to review the entire scheme in light of the levelling up agenda.

6.15. Additionally, the Government is currently consulting on its proposal to digitalise business rates. This initiative will match business rates data with central HMRC tax data and display business rates information alongside other tax information in a standardised way. This will provide businesses with a single source of tax information online.

7. Implications

7.1. Legal

- Business Rates administration is dealt with by the Local Government Finance Act 1988

7.2. Finance

- The report proposes no change to the current level of support through Discretionary Reliefs

7.3. Policy

- The policies relating to Reliefs have been updated and are attached at Appendix 1

7.4. Equality

- None

7.5. Human Resources

- None

7.6. Risk Management

- None

7.7. Rural Communities

- A number of organisations in receipt of Discretionary Rate Relief are located within rural communities. The recommendation requested will result in no change to their rate liability.

7.8. Children and Young People/Cared for Children

- None

7.9. Public Health

- None

7.10. Climate Change

- None

Access to Information	
Contact Officer:	Helen Gerrard Helen.gerrard@cheshireeast.gov.uk
Appendices:	Appendix 1 – Discretionary Business Rates policy
Background Papers:	N/A



Cheshire East Council Policy for the granting of Discretionary Non-Domestic Rate Relief

Version Control

<i>Version</i>	<i>Version date</i>	<i>Revised by</i>	<i>Description</i>
1	January 2022	LM	Draft Policy
2	March 2022	LM	Revisions PM

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief and related areas to be granted to certain defined ratepayers within the Council's area. The policy includes all changes effective from 1st April 2022 and includes all extended reliefs due to the COVID-19 crisis. The Council is keen to support businesses during the crisis, as far as possible.
- 1.2 The Local Government Finance Act 1988 and subsequent legislation requires the Council to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for mandatory relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.
- 1.3 In addition to the above, Central Government is keen that in certain cases, assistance should be provided to businesses who have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.
- 1.4 Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met. In the case of the new reliefs, some guidance has been issued by Central Government outlining actions expected to be taken by local authorities. This policy includes Government guidance where appropriate but also looks to target discretionary relief in line with the Council's priorities.
- 1.5 This document outlines the following areas:
 - Details of the criteria for receiving Discretionary Reliefs for all relevant areas;
 - The Council's policy for the granting of all types of Discretionary Reliefs;
 - Guidance on granting and administering the reliefs and awards; and
 - The Council's Scheme of Delegation.
- 1.6 Where organisations apply for relief they will be granted (or not granted) relief or reductions in line with the following policy.

2.0 Mandatory Relief - Legislative Background

Charity Relief

- 2.1 The powers relating to the granting of mandatory¹ and discretionary relief are given to the Council under the Local Government Finance Act 1988². Charities and Trustees for Charities are only liable to pay one fifth of the Non-Domestic Rates that would otherwise be payable where property is occupied and used wholly or mainly for charitable purposes. This amounts to mandatory relief of 80%. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. The provision has been extended under the Local Government Act 2003 (effective from 1st April 2004) to registered Community Amateur Sports Clubs (CASCs). Full details of the mandatory provisions are given later within this policy.
- 2.2 In the case of charity shops, the premises must meet the criteria laid down by section 64 (10) of the Local Government Finance Act 1988 which states that the premises are to be treated as used for charitable purposes at any time it is wholly or mainly used for the sale of goods donated to the charity and the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity.
- 2.3 The Council has discretion to grant relief of up to a further 20% for these mandatory cases under its discretionary provisions.

Rural Rate Relief

- 2.4 From 1st April 1998, under powers originally granted to the Council by the Local Government and Rating Act 1997³, certain types of business in rural settlements, with a population below 3000 may qualify for mandatory rate relief of 50 per cent. Businesses that qualify for this relief are the sole general store and the sole post office in the settlement, provided it has a Rateable Value of up to £8,500; any food shop with a Rateable Value of up to £8,500; and the sole pub and the sole petrol station in the settlement provided it has a Rateable Value of up to £12,500.
- 2.5 From 1st April 2017, Central Government has indicated that it wants all authorities to give 100% relief to premises that receive mandatory rural rate relief. The legislation enabling this will not be forthcoming until 2018 and therefore it has indicated that where the additional 50% is granted, a section 31 grant will be made available to the Council. This is dealt with further within this policy and the Council will automatically grant the additional 50% discretionary relief where appropriate

¹ S43 & S45 Local Government Finance Act 1988

² S47 & S48 Local Government Finance Act 1988

³ LGFA 1988, s.47, as amended by Sch. 1 to the Local Government and Rating Act 1997

- 2.6 Where businesses in rural settlements have a Rateable Value of up to £16,500 **and** are not in receipt of mandatory relief, the Council may decide to give up to 100 per cent discretionary relief if it is satisfied that the business is of benefit to the community and having regard to the interests of its Council Taxpayers.

3.0 Discretionary Relief – Legislative Background

Introduction

- 3.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to ‘top’ up cases where ratepayers already receive mandatory relief.
- 3.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide more assistance to businesses and organisations.
- 3.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.
- 3.4 Unlike mandatory relief, ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information and evidence as required in order to determine whether relief should be awarded.
- 3.5 The Council is obliged to carefully consider every application on its merits, taking into account the contribution that the organisation makes to the amenities within the authority’s area. There is no statutory appeal process or Tribunal against any decision made by the Council although, as with any decision of a public authority, decisions can be reviewed by Judicial Review. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.
- 3.6 Granting of the relief falls broadly into the following categories:
- (a) Discretionary Relief – Charities who already receive mandatory relief.
 - (b) Discretionary Relief – Premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts **or** premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes recreation;
 - (c) Discretionary Relief – Rural Rate relief - premises that already receive mandatory relief;
 - (d) Discretionary Relief – Rural Rate relief - premises not receiving mandatory relief but of benefit to the local community and less that £16,500 RV;
 - (e) Discretionary Relief – Granted under the Localism Act 2011 provisions;

- (f) Local Newspaper Relief (from 1st April 2017 until 2025);
- (g) Supporting Small Businesses Relief (from 1st April 2017 for a period of up to five years);
- (h) Expanded Business Rates Discount Relief (from 1st April 2021 for a period of one year);
- (i) Nursery Discount (from 1st April 2021 for a period of one year);
- (j) COVID Additional Relief Fund (from 1st April 2021 for a period of one year);
- (k) Extension to Transitional Relief and Supporting Small Business Rates Relief (from 1st April 2022 for a period of one year);
- (l) Retail, Hospitality and Leisure Business Rates Relief (from 1st April 2022 for a period of one year); and
- (m) S49 Hardship Relief.

- 3.7 The decision to grant or not to grant discretionary relief is a matter purely for the Council.

The Council's general approach to granting Discretionary Relief

- 3.8 In deciding which organisations should receive discretionary rate relief, the Council has considered the following factors and priorities:
- (a) The awarding of relief will be in line with the Council's vision and values;
 - (b) That any award should support business, charities, organisations, and groups that help to retain services in the Council's area and not compete directly with existing businesses in an unfair manner;
 - (c) It should help and encourage business, charities, organisations, groups, and communities to become self-reliant;
 - (d) Awarding discretionary relief should not distort competition or significantly change the provision of services within the Council's area;
 - (e) Local organisations will be given priority over national organisations. Where requested, the organisation will need to supply the Council with clear evidence of **all** financial affairs (normally two full years) including, and most importantly, the amounts of monies raised, used, and invested locally. This will be essential where the organisation is national in nature;
 - (f) To enable appropriate organisations to start, develop or continue their activities, which deliver outcomes to the community and that also relate to the priorities of the Council, which without granting discretionary relief they would be unable to do;
 - (g) To assist the Council in delivering services which could not be provided otherwise; and
 - (h) To ensure that the financial impact of awarding discretionary business rate relief is justified in terms of the local outcomes achieved by the organisation receiving it;

- 3.9 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 where hardship is proven to the Council, then there will be no requirement to grant Discretionary Rate Relief for that amount.
- 3.10 In certain cases, the order in which relief is granted is specified. Mandatory relief shall be granted in all cases where the criteria is met irrespective of whether discretionary relief can be granted or not.

The Council's approach to granting Government led Discretionary Relief schemes

- 3.11 Over the past few years, a number of schemes have been led by Central Government but without specific legislative changes. These are administered under S47 of the Local Government Finance Act 1988 and guidance is often provided. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

4.0 Effect on the Council's Finances

- 4.1 The granting of discretionary relief will, in the main, involve a cost to the Council. Since the change to the funding for Non-Domestic Rating in April 2013, the effect of the relief is complex.
- 4.2 Any amounts granted prior to 1st April 2013 and continuing since that date will be included in the Council's baseline within the Business Rates Retention Scheme. For any amounts granted for similar cases after 1st April 2013, the costs of the relief will be borne in accordance with the Business Rates Retention Scheme share namely 50% borne by Central Government and 50% by the Council. This also applies where mandatory relief is granted.
- 4.3 Where Central Government leads an initiative, grants are often available through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas
- 4.4 The financial effects of discretionary reliefs covered by this policy are as follows:

Appendix	Relief Type	Granted after 1st April 2013
	Charity Relief	
A	Discretionary relief granted to Mandatory Relief recipients	50% borne by the Council

Appendix	Relief Type	Granted after 1 st April 2013
B	Non-profit Making Organisations including Sports Clubs and societies	50% borne by the Council
	Rural Rate Relief	
C	50% Discretionary relief granted to Mandatory Rural Relief recipients	Section 31 Grant
D	Other premises within a rural settlement under £16500 RV	50% borne by the Council
	Localism	
E	Discretionary Relief granted to ratepayers generally and not covered by any other section	50% borne by the Council
	Local Newspaper Relief	
F	Discretionary Relief granted to local newspapers meeting the criteria (From 1 st April 2017 up until 2025)	Section 31 Grant
	Supporting Small Business Relief	
G	Supporting Small Businesses Relief (from 1 st April 2017 for a period of up to five years if conditions are met)	Section 31 Grant
	Expanded Business Rates Discount Relief	
H	Expanded Business Rates Discount Relief (from 1 st April 2021 for a period of one year)	Section 31 Grant
	Nursery Discount	
I	Nursery Discount (from 1 st April 2021 for a period of one year)	Section 31 Grant
J	COVID Additional Relief Fund (CARF)	
	The Council's COVID Additional Relief Fund (for 2021/22 only)	Section 31 Grant
K	Extension to Transitional Relief and Supporting Small Business Rates Relief	
	Extension to Transitional Relief and Supporting Small Business Rates Relief (from 1 st April 2022 for a period of one year)	Section 31 Grant
L	Retail, Hospitality and Leisure Business Rates Relief	
	Retail, Hospitality and Leisure Business Rates Relief (from 1 st April 2022 for a period of one year)	Section 31 Grant
	S49 Hardship Relief	
M	Partial or full relief for cases of hardship where it would be reasonable to do so	50% borne by the Council

Appendix	Relief Type	Granted after 1 st April 2013
	having due regard to the interests of council taxpayers	

5.0 Administration of Discretionary Relief

- 5.1 The following section outlines the procedures followed by officers in granting, amending, or cancelling discretionary relief and reduction. This is essentially laid down by legislation⁴

Applications and Evidence

- 5.2 All reliefs must be applied for. Application forms are produced by the Council both in hard copy and electronic format. The relevant application forms available online at the Council's website
https://www.cheshireeast.gov.uk/business/business_rates/business-rates-relief/business-rates-reliefs.aspx
- 5.3 Organisations are required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.
- 5.4 Applications should initially be made to the Revenues and Benefits Services and will be determined in accordance with Section 7 of this policy.
- 5.5 **The Council will provide this service and provide guidance free of charge. Ratepayers are encouraged to approach the Council direct and NOT pay for such services through third parties.**

Granting of relief

- 5.6 In all cases, the Council will notify the ratepayer of decisions made.
- 5.7 Where an application is successful, then the following will be notified to them in writing:
- The amount of relief granted and the date from which it has been granted;
 - If relief has been granted for a specified period, the date on which it will end. (It should be noted that reliefs are granted for the period specified in the appropriate Appendix and may vary from a day to a full financial year);
 - The new chargeable amount;

⁴ The Non-Domestic Rating (Discretionary Relief) Regulations 1989

- The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
 - A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.
- 5.8 Where relief is not granted, then the following information is provided, again in writing:
- An explanation of the decision within the context of the Council's statutory duty; and
 - An explanation of the appeal rights (see below).
- 5.9 Discretionary relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins whichever is the later. Since 1997 decisions can be made up to 6 months after the end of the financial year for which the application was made. In such cases, the Council *may* backdate its decision.
- 5.10 A decision to award discretionary relief and how much relief is given is normally only applicable to the financial year for which the application is made. However, the Council reserves the right to grant relief for any other period as appropriate.
- 5.11 A fresh application for discretionary relief will be necessary for each financial year **or** at such time-period as the Council determines.

Variation of a decision

- 5.12 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:
- Where the amount is to be increased due to a change in rate charge or a change in the Council's decision which increases the award – this will apply from a date determined by the Council as appropriate;
 - Where the amount is to increase for any other reason, it will take effect at the expiry of a financial year and so that at least one year's notice is given;
 - Where the amount is to be reduced due to a reduction in the rate charge or liability including any reduction in rateable value, awarding of another relief or exemption this will apply from the date of the decrease in rate charge; and
 - Where the amount is to be reduced for any other reason, it will take effect from a date determined by the Council as appropriate;
- 5.13 A decision may be revoked at any time however; a one-year period of notice will be given, and the change will take effect at the expiry of a financial year.

6.0 Scheme of Delegation

Granting, Varying, Reviewing and Revocation of Relief

- 6.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003, and the Localism Act 2011. However section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.
- 6.2 The Council's scheme of delegation allows for the Revenues Manager to award, revise or revoke any discretionary relief applications. However, any application which is considered to be of a significant nature will be subject to consultation with the relevant executive or committee prior to final determination.
- 6.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

Reviews

- 6.4 The policy for granting relief will be reviewed annually or where there is a substantial change to the legislation or funding rules. At such time, a revised policy will be brought before the relevant committee of the Council.

Appeals

- 6.5 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by the Revenues Manager. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.
- 6.6 Where the ratepayer wishes to appeal the decision of the Revenues Manager the case will be considered by the Section 151 officer, whose decision on behalf of the Council will be final
- 6.7 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

7.0 Reporting changes in circumstances

- 7.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief, to be reported as soon as possible. This will be important where the change would result in the amount of the award being reduced or cancelled e.g., where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.
- 7.2 Where a change of circumstances is reported, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

8.0 Fraud

- 8.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

Appendix A

Discretionary Relief – Mandatory Relief recipients

Discretionary Relief – Mandatory Relief recipients

General Explanation

- A.1 S43 of the Local Government Finance Act 1988 allows mandatory relief (80%) to be granted on premises if the ratepayer is a charity or trustees for a charity and the premises are wholly or mainly used for charitable purposes. No charge is made in respect of unoccupied premises where it appears that *when next in use* it will be used wholly or mainly for those purposes.
- A.2 The legislation has been amended by the Local Government Act 2003 (effective from 1st April 2004) to include registered⁵ Community Amateur Sports Clubs (CASC). These organisations can now receive the mandatory (80%) relief.

Charity registration

- A.3 Charities are defined within the legislation as being an institution⁶ or other organisation established for charitable purposes only or by persons administering a trust established for charitable purposes only.
- A.4 The question as to whether an organisation is a charity may be resolved in the majority of cases by reference to the register of charities maintained by the Charity Commissioners under s.4 of the Charities Act 1960. Entry in the register is conclusive evidence. By definition, under the Non-Domestic Rating legislation, there is no actual need for an organisation to be a registered charity to receive the relief and this has been supported by litigation⁷, however in all cases the organisation must fall within the following categories:
- trusts for the relief of poverty;
 - trusts for the advancement of religion;
 - trusts for the advancement of education; and
 - trusts for other purposes beneficial to the community, but not falling under any of the preceding heads.
- A.5 Certain organisations are exempted from registration generally and are not required to make formal application to the Charity Commissioners these are:
- the Church Commissioners and any institution administered by them;
 - any registered society within the meaning of the Friendly Societies Acts of 1896 to 1974;
 - units of the Boy Scouts Association or the Girl Guides Association; and
 - voluntary schools within the meaning of the Education Acts of 1944 to 1980.

⁵ Registered with HMRC as a CASC

⁶ S67(10) Local Government Finance Act 1988

⁷ Income Tax Special Commissioners v Pemsell (1891)

- A.6 The Council will consider charitable organisations, registered or not, for mandatory relief.

Use of Premises – wholly or mainly used

- A.7 Irrespective of whether an organisation is registered as a charity or not, the premises **must** be wholly or mainly used for charitable purposes. This is essential if any relief (either mandatory or discretionary) is to be granted. In most cases this can be readily seen by inspection, but on occasions the Council has had to question the actual use to which the premises are to be put. In some cases, it will be necessary for the Council to inspect any premises fully.
- A.8 Guidance from the Department of Communities and Local Government (now MHCLG) has stated that in the case of ‘mainly’, at least 51% must be used for charitable purposes whether of that charity or of that and other charities
- A.9 The following part of this section gives details on typical uses where relief may be given plus additional criteria that have to be satisfied. The list is not exhaustive but gives clear guidance on premises for which mandatory relief can be granted *and therefore* premises which may be equally considered for discretionary rate relief.

Offices, administration, and similar premises

- A.10 Premises used for administration of the Charity include:
- Offices;
 - Meeting Rooms; and
 - Conference Rooms.

Charity shops

- A.11 Charity shops are required to meet additional legislative criteria if they are to receive mandatory relief. Section 64 (10) of the Local Government Finance Act 1988 provides that a property is to be treated as being wholly or mainly used for charitable purposes at any time if, at the time, it is wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale of the goods (after any deduction of expenses) are applied for the purposes of the charity.
- A.12 In order to ascertain whether an organisation meets these requirements, inspections may be made by an officer of the Council when an application is received

Granting of Mandatory Relief - the Council's Policy

A.13 Where the criteria for awarding mandatory relief are met, the rate charges shall be calculated in accordance with the legislation reducing the liability of ratepayers for each day that the criteria are met.

Charity Relief – Mandatory Relief recipients, the Council's Policy for granting discretionary relief.

A.14 The Council has decided that discretionary relief for charities who receive mandatory relief shall be awarded as follows:

Type of charity	Mandatory discount	Maximum discretionary discount	Rate relief category
Village halls, community centres, meeting rooms	80%	20%	1
Youth organisations	80%	20%	2
Voluntary schools - aided and Special Agreement	80%	-	3
Schools / colleges including foundation schools	80%	-	4
Nursery schools	80%	20%	5
Charity shops - local charity within Cheshire and with own accounts	80%	20%	6
Charity shops - national charity	80%	-	7
Drop in / advice centres with open access to public	80%	20%	8
Local charity admin office - within Cheshire and with own accounts	80%	20%	9
National charity admin offices	80%	-	10
Sports and social clubs with a bar and where the rateable value is above the Small Business Rate Relief threshold	80%	-	11
Sports and social clubs with a bar and where the rateable value is below the Small Business Rate Relief threshold	80%	5%	12
Sports and social clubs without a bar and where the rateable value is above the Small Business Rate Relief threshold	80%	-	13
Sports and social clubs without a bar and where the rateable value is below the Small Business Rate Relief threshold	80%	20%	14

Community Amateur Sports Clubs with a bar and a rateable value above the Small Business Rate Relief threshold	80%	-	15
Community Amateur Sports Clubs with a bar and a rateable value below the Small Business Rate Relief threshold	80%	5%	16
Community Amateur Sports Clubs without a bar	80%	20%	17
Museums / historical houses / heritage centres - free admission	80%	20%	18
Museums / historical houses / heritage centres - admission charged	80%	10%	19
Other local charities - within Cheshire and with own accounts	80%	20%	20
Other national charities	80%	-	21
Social housing organisation premises (Registered Friendly Societies)	80%	-	22

Appendix B

Discretionary Relief – Non-Profit Making Organisations including Recreation

Discretionary Relief – Non-Profit Making Organisations including Recreation

General explanation

Non-Profit

- B.1 The legislation⁸ allows the Council to grant discretionary relief where the property is not an *excepted* one and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature, or the fine arts.
- B.2 Relief cannot be granted to any premises occupied by the Council, or any town, parish council or major Precepting Authority (*excepted premises*).
- B.3 A number of issues arise from the term 'not established or conducted for profit'. This requires the Council to make enquiries as to the overall purpose of the organisation although if surpluses and such amounts are directed towards the furtherance or achievement of the objects of the organisation then it does not necessarily mean that the organisation was established or conducted for profit.⁹

Recreation Clubs

- B.4 Ideally all recreation clubs should be encouraged to apply for Community Amateur sports Club (CASC) status, which would automatically entitle them to 80% relief. The relief granted to CASCs is covered earlier within this policy.
- B.5 Recreation clubs can also apply to the Charity Commissioners for registration as a Charity (thereby falling under the mandatory provisions for 80% relief) where they meet the following conditions:
 - (a) The promotion of community participation in healthy recreation and by the provision of facilities for the playing of particular sports; and
 - (b) The advancement of the physical education of young people not undergoing formal education.
- B.6 Where sports clubs do not meet the CASC requirement, and are not registered charities, discretionary relief can be granted (0-100%) where the property is not an *excepted* one, it is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

⁸ S47 Local Government Finance Act 1988

Definition of Recreation

B.7 Recreation is clearly defined by the Sports Council as any of the following¹⁰

Aikido	Croquet	Kabaddi	Real Tennis	Tang Soo
American	Crossbow	Karate	Roller Hockey	Do
Football	Curling	Kendo	Roller Skating	Tenpin
Angling	Cycling	Korfball	Rounders	Bowling
Archery	Disability Sport	Lacrosse	Rowing	Trampolinin
Arm Wrestling	Dragon Boat	Lawn Tennis	Rugby League	g
Association	Racing	Life Saving	Rugby Union	Triathlon
Football	Equestrian	Luge	Sailing	Tug of War
Athletics	Fencing	Modern	Sand/Land	Unihoc
Australian	Fives	Pentathlon	Yachting	Volleyball
Rules Football	Flying	Motor Cycling	Shinty	Water
Badminton	Gaelic Football	Motor Sports	Shooting	Skiing
Ballooning	Gliding	Mountaineering	Skateboarding	Weightliftin
Baseball	Golf	Movement,	Skiing	g
Basketball	Gymnastics	Dance, Exercise	Skipping	Wrestling
Baton Twirling	Handball	& Fitness	Snowboarding	Yoga
Biathlon	Hang/Para	Netball	Softball	
Bicycle Polo	Gliding	Orienteering	Sombo	
Billiards and	Highland Games	Parachuting	Wrestling	
Snooker	Hockey	Petanque	Squash	
Bobsleigh	Horse Racing	Polo	Skater/Street	
Boccia	Hovering	Pony Trekking	Hockey	
Bowls	Hurling	Pool	Sub-Aqua	
Boxing	Ice Hockey	Quoits	Surf Life Saving	
Camogie	Ice Skating	Racketball	Surfing	
Canoeing	Jet Skiing	Rackets	Swimming &	
Caving	Ju Jitsu	Raquetball	Diving	
Chinese	Judo	Rambling	Table Tennis	
Martial Arts			Taekwondo	
Cricket				

Access to clubs

B.8 Guidance issued by the DCLG (now DLUHC) also requires the Council to consider access to clubs within the community before granting discretionary relief.

B.9 Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the field covered by the

¹⁰ Definition last reviewed by Sport England in 2002

organisation or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.

- B.10 Membership rates should not be set at such a high level as to exclude the general community. However, membership fees may be payable at different rates that distinguish the different classes of membership such as juniors, adults, students, pensioners, players, non-players, employed and unemployed. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.
- B.11 The Council also asks the following question to help establish the level of access 'Does the organisation actively encourage membership from particular groups in the community e.g., young people, women, older age groups, persons with disability, ethnic minorities' etc.?'

Provision of facilities

- B.12 Clubs which provide training or education are encouraged, as are those who provide schemes for particular groups to develop their skills e.g., young people, the disabled, retired people.
- B.13 A number of organisations run a bar. The mere existence of a bar will not in itself be a reason for not granting relief. However, the Council focuses on the main purpose of the organisation. The Council is encouraged to examine the balance between playing and non-playing members.
- B.14 Within this area, the Council also considers whether the facilities provided relieve the Council of the need to do so or enhance and supplement those that it does provide.

Discretionary Relief - Non-Profit Organisations including Recreation – the Council's Policy

- B.15 The Council will consider applications for discretionary rate relief from non-profit making organisations on their own merits on a case-by-case basis. In determining the application, the following matters will be taken into consideration (The list is not exhaustive):
- How the organisation supports and links into the Council's corporate vision and priorities;
 - Whether the facilities provided include education and/or training for members as a whole or for special groups;
 - The extent to which the facilities provided reduce the demand for Council services or produce savings;
 - Any membership and fee structure and whether the facilities are accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;

- If covered by a membership scheme, membership numbers and the number and percentage of these members that are local residents; and
- If the organisation has due regard to equality issues and if its facilities are used by all members of the community, for example black and minority ethnic residents, people over 50 and people with disabilities.

B.16 The Council will also require additional financial information including:

- If the organisation runs a bar or food provision, the level of income from this activity and how this money is used.; and
- Whether the organisation operates at a local or national level and where appropriate, the local and national funding streams and financial position of the organisation.

B.17 The Council's current policy for awarding relief is as follows:

Type of organisation	Mandatory discount	Maximum discretionary discount	Rates relief category
Other sports and social clubs with a bar and a rateable value above the Small Business Rate Relief threshold	Nil	25%	23
Other sports and social clubs with a bar and a rateable value under the Small Business Rate Relief threshold	Nil	Up to 50% of the bill less the amount of small business relief granted	24
Other sports and social clubs without a bar and with a rateable value above the Small Business Rate Relief threshold	Nil	25%	25
Other sports and social clubs without a bar and with a rateable value below the Small Business Rate Relief threshold	Nil	Up to 100% less the amount of small business relief granted	26
Other non-registered charities with a rateable value above the Small Business Rate Relief threshold	Nil	25%	27
Other non-registered charities with a rateable value below the Small Business Rate Relief threshold	Nil	Up to the 100% less the amount of small business relief granted	28

Appendix C

Discretionary Relief - Rural Rate Relief – Mandatory Relief recipients

Discretionary Relief - Rural Rate Relief – Mandatory Relief recipients

What are the qualifying criteria for Mandatory Relief?

- C.1 For a Post Office or General Store to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £8,500 (from 1 April 2010);
 - The property must be used as a Post Office or a General Store (see below for definition), or both;
 - The property must be the only Post Office or the only General Store within the Rural Settlement.
- C.2 For a Public House or Petrol Filling Station to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £12,500 from 1 April 2010);
 - The property must be used as a Public House (see below for definition) or a Petrol Filling Station (see below for definition); and
 - The property must be the only Public House or the only Petrol Filling Station within the Rural Settlement.
- C.3 For a village food shop to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £8,500 from 1 April 2010); and
 - The property must be used as a shop selling mainly food (see below for definition).

What rural settlements exist within the Cheshire East Council's area?

- C.4 The following are deemed to be rural settlements within the District Council's area:

Rural Settlements		
Acton	Adlington	Agden
Alraham	Arclid	Ashley
Astbury (inc. Astbury marsh)	Aston by Budworth	Aston juxta Mondrum
Audlem	Austerson	Baddiley
Baddington	Barthomley	Basford
Batherton	Bickerton	Blakenhall
Bosley	Bradwall	Brereton (rest)
Brereton Green (Brereton)	Bridgemere	Brindley

Rural Settlements		
Broomhall	Buerton	Bulkeley
Bunbury	Burland	Calveley
Checkley cum Wrinehill	Chelford	Cholmondeley
Cholmondeston	Chorley (SK9)	Chorley (CW5)
Chorlton cum Wrinehill	Church Lawton (rest)	Church Lawton North (Church Lawton)
Church Lawton South (Church Lawton)	Church Minshull	Coole Pilate
Cranage	Crewe Green	Dodcott cum Wilkesley
Doddington	Eaton	Edleston
Egerton	Faddiley	Gawsworth
Goostrey (rest)	Goostrey Village	Great Warford
Hankelow	Hassall	Hassall Green
Hassall Green (Betchton)	Hatherton	Haughton
Henbury	Henhull	High Legh
Hough	Hulme Walfield	Hunsterson
Hurleston	Kerridge	Kettleshulme
Lea	Little Bollington	Little Warford
Lower Peover	Lyme Handley	Macclesfield Forest
Marbury cum Quoisley	Marton	Mere
Millington	Minshull Vernon	Mobberley
Moreton cum Alcumlow	Mottram St Andrew	Mount Pleasant (Odd Rode)
Mow Cop (Odd Rode)	Nether Alderley	Newbold (Betchton rest)
Newhall	Norbury	North Rode
Odd Rode	Ollerton and Marthall	Over Alderley
Peckforton	Peover Superior	Pickmere
Plumley with Toft and Bexton	Poole	Pott Shrigley
Rainow	Ravensmoor	Ridley
Rode Heath (Odd Rode)	Rostherne	Scholar Green (Odd Rode)
Siddington	Smallwood	Snelson
Somerford	Somerford Booths	Sound
Spurstow	Stapeley	Stoke
Styal	Sutton (except ward 4G01)	Sutton Langley (Ward 4G01)
Swettenham	Tabley	Tatton
Twemlow	Walgherton	Wardle

Rural Settlements		
Warmingham	Weston	Wettenhall
Wildboardclough	Windle	Winterley (Haslington)
Wirswall	Woolstanwood	Worleston
Wrenbury cum Firth	Wybunbury	

What is the definition of a General Store?

- C.5 For the purposes of Rural Rate Relief, 'General Store' means a business or trade, which wholly or mainly sells by retail both food (other than confectionery) for human consumption and general household goods. Where there are two or more General Stores within the same Rural Settlement, none can qualify for Mandatory Relief on that basis, although if one of them functions as a Post Office or a Food Shop relief may be claimed independently on that ground. However, both a General Store and a Post Office in the same Rural Settlement will qualify for Mandatory Relief, provided that, they both meet the criteria. Although a General Store or a Post Office may not meet the criteria for Mandatory Relief, they may still be eligible to apply for Discretionary Relief.

What is the definition of a Public House?

- C.6 For the purposes of Rural Rate Relief, 'Public House' means any premises as defined in the Licensing Act 2003, which has a premises license authorising sale by retail of alcohol for consumption on the premises. In addition, the premises must be used principally for retail sales of alcohol to members of the public for consumption on the premises, and sales must not be subject to the condition that buyers reside at or consume food on the premises.

What is the definition of a Petrol Filling Station?

- C.7 For the purposes of Rural Rate Relief, 'Petrol Filling Station' means premises where petrol or other automotive fuels are sold retail to the general public for fuelling motor vehicles intended or adapted for use on roads

What is the definition of a Food Shop?

- C.8 For the purpose of Rural Rate Relief, 'Food Shop' means a trade or business consisting wholly or mainly of the sale by retail of food for human consumption (excluding confectionery and catering – in this context catering means any supply of food for consumption on the premises on which it is supplied and any supply of hot food for consumption off the premises). This definition may also include shops, which sell mainly household foods, and which may partly also sell hot take away food or food consumed on the premises. But shops whose main business is a restaurant, tearoom, take-away, or confectionery sales are not food shops and so will not qualify for mandatory relief.

What are the qualifying criteria for Discretionary Relief?

- C.9 The Council may grant up to 50% Discretionary Relief in respect of any property which qualifies for 50% Mandatory Relief and the Council may also grant up to 100% Discretionary Relief to any rural business which does not meet the mandatory provisions. It should be noted that for 2017 onwards Central Government has requested that Council grant 50% discretionary relief to all ratepayers who receive 50% mandatory rural rate relief.

Rural Rate Relief – Mandatory Relief recipients, the Council's Policy for granting discretionary relief.

- C.10 As Central Government has requested and fully funds any additional relief granted to ratepayers who receive mandatory rural rate relief, the Council will automatically grant the additional 50% until such time as primarily legislation is changed.

Appendix D

Discretionary Relief – Premises within Rural Settlements

Discretionary Relief – Premises within Rural Settlements

- D.1 In addition to having the ability to grant discretionary relief to those in receipt of mandatory relief, the Local Government and Rating Act 1997 allows discretionary relief of up to 100% to be granted where the rateable value is £16,500 or less and:
- (a) Property is used for purposes which are of benefit to the local community; and
 - (b) It would be reasonable for the billing authority to award relief, having regards to the Council's Council Taxpayers.
- D.2 As with most discretionary relief, part of the cost, is met by Central Government and the balance from local sources.
- D.3 The main criteria for granting discretionary relief in respect of rural rate relief is that premises are used to benefit the local community.

Benefit to the local community

- D.4 Whilst each application for the relief will be considered on its own merits, there are certain factors which weigh heavily in the decision-making process. It is this Council's belief that the spirit of the legislation is to assist businesses and amenities, which contribute significantly to the quality of life of the people who have their main home in the Rural Settlement.
- D.5 To be successful for consideration, a business must show that its existence is a significant benefit to the local community with the majority of local residents directly benefiting from services or facilities provided by that business

Rural Rate Relief – the Council's Policy for granting discretionary relief.

- D.6 The Council will also consider applications for a discretionary rural rate relief from all ratepayers, not entitled to mandatory relief up to a maximum of 100%.
- D.7 In determining the application the following matters will be taken into consideration:
- The granting of any discretionary relief will be essential in ensuring the viability of any business within the rural settlement;
 - The granting of any discretionary relief is proportionate given the level of any business rates charged compared with the overall turnover of the business;
 - The granting of any discretionary relief will assist the business in continuing to be viable and / or prevent the business from failing;
 - The business is considered by the Council to be essential to the community and that any reduction or withdrawal of the business will have a serious detrimental effect on the rural settlement;
 - The granting of any discretionary relief is reasonable having regard to the effect on taxpayers of the Cheshire East Council.

Appendix E

Discretionary Relief – Localism Act 2011

Discretionary Relief – Localism Act 2011

General explanation

- E.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988. These provisions allow all Councils to grant discretionary relief in **any** circumstances where it feels fit having regards to the effect on the Council Taxpayers of its area.
- E.2 The provisions are designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Taxpayers.

Discretionary Relief – Localism – the Council's Policy

- E.3 Applications will be considered from any ratepayer who wishes to apply. However, where a ratepayer is suffering hardship or severe difficulties in paying their rates liability then relief can be granted under the existing provisions as laid down by Section 49 of the Local Government Finance Act 1988. There will be no requirement to grant relief in such cases under the Council's discretionary relief policy.
- E.4 Any ratepayer applying for discretionary rate relief under these provisions and who does not meet the criteria for existing relief (charities, non-profit making organisations etc.) must meet **all** of the following criteria and the amount of relief granted will be dependent on the following key factors:
 - (a) The ratepayer **must not** be entitled to mandatory rate relief (Charity or Rural Rate Relief);
 - (b) The ratepayer **must not** be entitled to Central Government funded reliefs;
 - (c) The ratepayer **must not** be an organisation that could receive relief as a non-profit making organisation or as a sports club or similar;
 - (d) The ratepayer **must** occupy the premises (no discretionary rate relief will be granted for unoccupied premises);
 - (e) The premises and organisation **must** be of *significant* benefit to residents of the Council's area;
 - (f) The premises and organisation **must** relieve the Council of providing similar facilities;
 - (g) The ratepayer **must**;
 - (i) Provide facilities to certain priority groups such as elderly, disabled, minority groups, disadvantaged groups; **or**
 - (ii) Provide *significant* employment or employment opportunities to residents of the Council; **or**
 - (iii) Provide the residents of the area with such services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation;

- (h) The ratepayer **must** demonstrate that assistance (provided by the discretionary rate relief) will be for a *short time only* **and** that any business / operation is financially viable in the medium and long term;
- (i) whether the premises occupied are considered to be reasonable having regard to the size and location of the premises, the size and nature of the organisation, and the use being made of the premises by the organisation; **and**
- (j) The ratepayer **must** show that the activities of the organisation are consistent with the Council's core values and priorities.

E.5 Where a ratepayer can demonstrate that **all** of the above criteria are met, relief will be considered for initially a short period.

Appendix F

Local Newspaper Relief

General Explanation

- F.1 This is a temporary relief that will be awarded until 2025 and the Government is not changing the legislation around the reliefs available to these properties. Central Government will reimburse local authorities that use their discretionary relief powers (under section 47(3)) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in this guidance.
- F.2 The Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.

Eligibility criteria

- F.3 The scheme will provide a £1,500 relief for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament.

Local Newspapers

- F.4 The relief is to be specifically for local newspapers and by that, the Council means what would be considered a “traditional local newspaper.” The relief will not be available to magazines.

Office Space

- F.5 The hereditament **must** be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

Amount of Relief

- F.6 The amount of relief is limited to a maximum of one discount per newspaper title (e.g., per newspaper name) **AND** per hereditament.

Local Newspaper Relief – the Council’s policy for granting discretionary relief.

- F.7 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix G

Supporting Small Businesses Relief (until 31st March 2022)

General Explanation

- G.1 Central Government has increased the thresholds for Small Business Rate Relief from 1 April 2017 to £12,000 for the 100% relief and £15,000 for the tapered relief. They have also allowed rural rate relief to be granted up to 100% using S47 of the Local Government Finance Act 1988 as a top up to the mandatory level of 50%, albeit that the rateable value limits have not been changes in respect of rural hereditaments (see section D of this policy). Unfortunately, despite these changes, some small businesses and businesses in rural areas may lose their entitlement to the relief due to increases in Rateable Value through the revaluation on 1st April 2017.
- G.2 The transitional relief scheme (provided under the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265) does not provide support in respect of changes in reliefs. Therefore, those ratepayers who have lost some or all of their small business or rural rate relief may face large percentage increases in bills from 1 April 2017.
- G.3 In view of this, Central Government announced that a new scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief due to the revaluation. All authorities are encouraged to grant the relief in accordance with the guidelines laid down by Central Government and if granted strictly in accordance with guidance, the Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.
- G.4 The relief is known as the 'Supporting Small Businesses Scheme'

Who is eligible for the relief and how much relief will be available?

- G.5 The Supporting Small Businesses relief will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their small business or rural rate relief and, as a result, are facing large increases in their bills.
- G.6 To support these ratepayers, the Supporting Small Businesses relief will ensure that the increase per year in the bills of these ratepayers is limited **to the greater of:**
 - (a) a percentage increase per annum. of 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation. (Unlike the transitional relief scheme under the Chargeable Amount regulations), for the first year of the scheme the percentage increase is taken against the bill for 31 March 2017 after small business rate relief or rural rate relief; **or**
 - (b) a cash value of £600 per year (£50 per month);

- G.7 This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something;
- G.8 In the first year of the scheme, this means all ratepayers losing some or all of their small business rate relief or rural rate relief will see the increase in their bill capped at £600. The cash minimum increase is £600 per year thereafter. This means that ratepayers who in 2016/17 paid nothing under small business rate relief and are losing all of their entitlement to relief (i.e., moving from £6,000 rateable value or less to more than £15,000) would under this scheme be paying £3,000 in year 5;
- G.9 The Government has also decided that those on the Supporting Small Businesses relief scheme whose 2017 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for the Supporting Small Businesses relief scheme;
- G.10 Ratepayers will remain in the Supporting Small Businesses relief scheme for either 5 years or until they reach the bill they would have paid without the scheme (this would be the charge payable as their true rates payable or the charge calculated under the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016);
- G.11 A change of ratepayer will not affect eligibility for the Supporting Small Businesses relief scheme, **but** eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

Recalculation of relief

- G.12 The amount of relief awarded under the Supporting Small Businesses relief scheme will be recalculated in the event of a change of circumstances including the following:
- This could include, for example, a backdated change to the rateable value or the hereditament; or
 - The awarding of another relief.
- G.13 The Council will, in effect, calculate the award on a daily basis taking into account the above, and the relief will be re-calculated if the rateable value changes.

Other Reliefs

- G.14 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for Supporting Small Businesses Relief. Likewise, the same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under the Supporting Small Business scheme.

- G.15 In accordance with Central Government guidelines, all other discretionary reliefs, will be considered **after** the application of Supporting Small Businesses relief.

Supporting Small Businesses Relief – the Council’s policy for granting discretionary relief.

- G.16 The Council has decided to grant relief strictly in accordance with Central Government guidelines

Appendix H

Expanded Retail Discount Scheme (2021/22 only)

General Explanation

- H.1 In response to the coronavirus pandemic (COVID-19), in the Budget on 3rd March 2021, the Government announced that it would provide an extension to the discount granted under the Expanded Retail Discount provisions into the financial year 2021/22 **only** to all those premises that received the discount during 2020/21 and meet the full eligibility criteria

Who is eligible for the relief?

- H.2 Properties that will benefit from the relief will be occupied hereditaments that which meet **all** of the following conditions for each chargeable day, namely that they are **wholly or mainly** being used as:
- (a) shops, restaurants, cafes, drinking establishments, cinemas, and live music venues;
 - (b) for assembly and leisure; or
 - (c) as hotels, guest & boarding premises, and self-catering accommodation,
- H.3 The Council considers shops, restaurants, cafes, drinking establishments, cinemas, and live music venues to mean:

Hereditaments that are being wholly or mainly used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc);
- Charity shops;
- Opticians;
- Post offices;
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors);
- Car/caravan show rooms;
- Second-hand car lots;
- Markets;
- Petrol stations;
- Garden centres; and
- Art galleries (where art is for sale/hire)

Hereditaments that are being wholly or mainly used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting;
- Travel agents;
- Ticket offices e.g., for theatre;
- Dry cleaners;
- Launderettes;
- PC/TV/domestic appliance repair;

- Funeral directors;
- Photo processing;
- Tool hire;
- Car hire;
- Employment agencies;
- Estate agents and letting agents; and
- Betting shops.

Hereditaments that are being wholly or mainly used for the sale of food and/or drink to visiting members of the public:

- Restaurants;
- Takeaways;
- Sandwich shops;
- Coffee shops;
- Pubs; and
- Bars.

Hereditaments which are being used wholly and mainly as cinemas

Hereditaments that are being used wholly and mainly as live music venues

- The Council considers that live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities:
 - i. are merely ancillary or incidental to the performance of live music (e.g., the sale/supply of alcohol to audience members); or
 - ii. do not affect the fact that the primary activity for the premises is the performance of live music (e.g., because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although the Council would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003

Sport and leisure

- Hereditaments that are being used wholly or mainly for the provision of sport, leisure, and facilities to visiting members of the public (including for the viewing of such activities) including:
 - Sports grounds and clubs
 - Museums and art galleries
 - Nightclubs
 - Sport and leisure facilities
 - Stately homes and historic houses
 - Theatres
 - Tourist attractions
 - Gyms
 - Wellness centres, spas, massage parlours
 - Casinos, gambling clubs and bingo halls

Assembly

- Hereditaments that are being used for the assembly of visiting members of the public;
- Public halls;
- Clubhouses, clubs, and institutions.

Hotels, guest & boarding premises, and self-catering accommodation

- The Council considers guest & boarding premises and self-catering accommodation to mean hereditaments where the non-domestic part is being used wholly or mainly for the provision of living accommodation as a business such as:
 - Hotels, Guest, and Boarding Houses
 - Holiday homes
 - Caravan parks and sites

H.4 To qualify for the discount the hereditament should be **wholly or mainly** being used for the above qualifying purposes. Hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

H.5 For the avoidance of doubt, hereditaments which have closed due to the government's advice on COVID-19 but would have otherwise remained open will be treated as occupied for the purposes of this relief.

H.6 It should be noted that the list set out above is not intended to be exhaustive and each case will be considered on its individual merits.

H.7 In line with Government guidance the list below sets out the types of uses that **will not be considered as eligible** for the purpose of this discount.

Hereditaments that are being used for the provision of the following services to visiting members of the public

- Financial services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers);
- Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers); and
- Post office sorting offices.

Hereditaments that are not reasonably accessible to visiting members of the public

- H.8 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, Council may not grant the discount to itself or a precepting authority.

The Closed Cash Cap

- H.9 In addition to meeting the criteria laid down within the previous paragraphs, consideration will also be given as to whether the ratepayers also meet the 'Closed Cash Cap' provisions as follows:
- (a) Ratepayers that meet the eligibility criteria for the closed cash cap will be ratepayers who for a chargeable day occupy one or more hereditaments whose use on the chargeable day would, based on the law and guidance applicable on 5 January 2021, have meant that the business or activity would have been mandated to close by the government. For the avoidance of doubt, hereditaments which have closed due to the government's response to coronavirus will be treated as occupied for the purposes of the closed cash cap;
 - (b) If, under this eligibility test, a person would have been required to close its main, in-person service but could have adapted its business to operate takeaway, click and collect or online with delivery services, it will be considered closed and be eligible for the closed cash cap because its substantive business would have been mandated to close;
 - (c) In cases where hereditaments would have remained open to provide services that can continue as they are exempt from the regulations (e.g., post office services, food banks etc.) the ratepayer may still be eligible for the closed cash cap, because they would have been unable to provide their main in-person service.
- H.10 The following hereditaments **will not meet** eligibility for the closed cash cap:
- (a) Hereditaments occupied by businesses and other ratepayers that would have been able to conduct their main service because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g., accountants, solicitors); and
 - (b) Hereditaments whose occupiers may have chosen to close but not been required to.

How much relief will be available?

- H.11 Subject to the cash caps, the total amount of government-funded relief available for each property for 2021/22 under this scheme is:
- (a) For chargeable days from 1 April 2021 to 30 June 2021 100% of the chargeable amount: and
 - (b) For chargeable days from 1 July 2021 to 31 March 2022, 66% of the chargeable amount.
- H.12 The relief will be applied after mandatory reliefs and, other discretionary reliefs funded by Section 31 grants from Central Government have been applied, excluding those where the Council has used its wider discretionary relief powers introduced by the Localism Act, which are not funded by Section 31 grants.
- H.13 Subject to the cash cap, the eligibility for the discount and the discount itself will be assessed by the Council and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2021/22:
- Amount of relief to be granted = $V \times \text{percentage Expanded Retail Discount}$, where:
 - V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs
 - The calculation will be undertaken ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- H.14 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties subject to the cash caps explained below.

The calculation and the cash caps

- H.15 No cash caps will apply for the period between 1 April 2021 to 30 June 2021.
- H.16 Under the cash caps, a ratepayer may only receive up to the following cash caps of Expanded Retail Discount in 2021/22 ignoring any relief for the period before 1 July 2021:
- (a) £2 million for ratepayers meeting the eligibility for the closed cash cap test set out above; and
 - (b) £105,000 for all other ratepayers.
- H.17 No ratepayer can, in any circumstances, exceed the £2 million cash cap across all of their hereditaments in England. Where a ratepayer eligible for the closed cash cap also occupies hereditaments which do not meet the criteria for the closed cash cap and the value of the discount on the closed hereditaments is less than £2 million then they may also claim the discount on other eligible hereditaments but only up to the cap of £105,000 in respect of those other eligible hereditaments. For example, such a ratepayer whose rate bill from 1 July 2021 onwards on

hereditaments eligible for the closed cash cap is £1 million and also occupies other eligible hereditaments with a rates bill of £3 million is able to claim up to £1,105,000 in discount from 1 July 2021 onwards (£1million on their closed hereditament and then up to the £105,000 cash cap on their other eligible hereditaments).

- H.18 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers will be considered as **one** ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- (a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other; or
 - (ii) both are subsidiaries of the same company; or
 - (b) where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- H.19 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash caps, then the Council will automatically withhold the discount. The Council reserves the right to request information from ratepayers to assist in its decision and to determine whether any relief should be paid.

Expanded Retail Discount – the Council’s policy for granting discretionary relief.

- H.20 The Council has decided to grant relief in accordance with Central Government guidelines and in accordance with this policy.

Appendix I

Nursery Discount Scheme (2021/22 only)

General Explanation

- I.1 The Government announced an extension to the business rates Nursery Discount on 3rd March 2021. This relief will apply to hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage and which are subject to business rates in the year 2021/22. There will be no rateable value limit on the relief and Ofsted will ensure that all local authorities can access the Ofsted Early Years Register to help authorities identify eligible properties.

Who is eligible for the relief?

- I.2 Properties that will benefit from the relief will be hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage.
- I.3 To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purpose. For the avoidance of doubt, hereditaments which have closed temporarily due to the government's advice on COVID19 should be treated as occupied for the purposes of this relief.
- I.4 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council may not grant the discount to itself or a precepting authority.

How much relief will be available?

- I.5 Subject to the cash caps, the total amount of government-funded relief available for each property for 2021/22 under this scheme is:
- (a) For chargeable days from 1 April 2021 to 30 June 2021 100% of the chargeable amount: and
 - (b) For chargeable days from 1 July 2021 to 31 March 2022, 66% of the chargeable amount.
- I.6 The relief will be applied after mandatory reliefs and, other discretionary reliefs funded by Section 31 grants from Central Government have been applied, excluding those where the Council has used its wider discretionary relief powers introduced by the Localism Act, which are not funded by Section 31 grants
- I.7 Subject to the cash cap, the eligibility for the discount and the discount itself will be assessed by the Council and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2021/22:
- Amount of relief to be granted = $V \times \text{percentage Expanded Retail Discount}$, where:

- V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs
- The calculation will be undertaken ignoring any prior year adjustments in liabilities which fall to be liable on the day.

I.8 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties subject to the cash caps explained below.

The calculation and the cash caps

- I.9 No cash caps will apply for the period between 1 April 2021 to 30 June 2021.
- I.10 Under the cash caps, a ratepayer may only receive Nursery Discount up to £105,000 for 2021/22 ignoring any relief for the period before 1 July 2021.
- I.11 No ratepayer can in any circumstances can exceed the cash cap across all of their hereditaments in England.
- I.12 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers will be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- (a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other; or
 - (ii) both are subsidiaries of the same company; or
 - (b) where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- I.13 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash caps then the Council will automatically withhold the discount. The Council reserves the right to request information from ratepayers to assist in its decision and to determine whether any relief should be paid.

Nursery Discount Scheme – the Council’s policy for granting discretionary relief.

- I.14 The Council has decided to grant relief in accordance with Central Government guidelines and in accordance with this policy.

Appendix J

COVID Additional Relief Fund (2021/22 only)

General Explanation

- J.1 The purpose of this policy is to determine the level of discretionary relief payable under the Council's COVID-19 Additional Relief Fund (CARF) scheme.
- J.2 Central Government has provided the authority with funding to assist those ratepayers who businesses have been (and continue to be) affected by the pandemic but that are ineligible for existing support linked to business rates.
- J.3 The Government has not changed the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in this policy, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988.
- J.4 Whilst funding is provided by Central Government, it is for the Council to decide its own local scheme and determine in each individual case whether to grant this particular relief.
- J.5 Relief under the CARF scheme will only be available to reduce chargeable amounts in respect of the 2021/22 financial year.
- J.6 Where ratepayers receive relief it will be granted under the COVID-19 Additional Relief Fund (CARF) scheme in line with the following policy.

Eligibility for discretionary relief under the COVID-19 Additional Relief Fund (CARF) scheme

- J.7 Whilst the Council has determined its own scheme, the Department for Levelling Up, Housing and Communities has stated that, in order for the Council to receive the allocated funding, it must:
 - (a) **not** award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Expanded Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS);
 - (b) **not** award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and
 - (c) direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.
- J.8 In line with section 47(8) of the Local Government Finance Act 1988, the Council must not grant any relief to itself or to either local or major precepting authorities.
- J.9 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where the Council

has provided relief using its wider discretionary relief powers introduced by the Localism Act 2011 which are not funded by section 31 grants.

- J.10 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 (where hardship is proven to the Council), then there will be no requirement to grant CARF Discretionary Rate Relief for that amount.
- J.11 In certain cases, the order in which relief is granted is specified. Mandatory relief shall be granted in all cases where the relevant criteria are met irrespective of whether discretionary relief can be granted or not.

Council's policy for granting relief under the COVID-19 Additional Relief Fund.

- J.12 Over the past few years, a number of schemes (such as the COVID-19 Additional Relief Fund) have been led by Central Government but without specific legislative changes.
- J.13 The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable.
- J.14 In view of this, the Council has decided that where a ratepayer meets **all** of the relevant criteria, relief will be 17% of the 2021/22 liability **after** any other reliefs and reductions have been applied. The council will roll forward any credit balances from 2021/22 to reduce liability for 2022/23 and will not issue refunds for any overpayment due to CARF in the year 2021/22. The Council will award relief only where the monetary value is £100 or more.
- J.15 The criteria for the COVID-19 Additional Relief Fund are as follows:
 - (a) the ratepayer is **not** eligible (or would be eligible) for the Expanded Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS);
 - (b) the ratepayer is not entitled to either Small Business Rate Relief or Rural Rate Relief granted at 100%;
 - (c) the ratepayer is **not** entitled to mandatory relief (80%) and discretionary (top up) of 20% which is funded through business rates retention;
 - (d) the hereditament is treated as occupied by the Council;
 - (e) the ratepayer confirms that they have been adversely affected by the pandemic and have been unable to adequately adapt to that impact;
 - (f) the ratepayer is **not** subject to Subsidy Control and
 - (g) the hereditament is not excluded as shown below.

Excluded hereditaments

- J.16 The Council has decided that the following hereditaments / ratepayers will be excluded from relief under the Council's COVID-19 Additional Relief Fund (CARF) scheme:
- Hereditaments that do not directly employ anyone (for example: parking spaces, advertising boards, communication masts, ATMs);
 - NHS including NHS and Foundation Trusts, practitioners who provide services under contract to the NHS;
 - Government departments, legislative bodies, the armed forces, the fire and police services;
 - Financial Services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers);
 - Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors);
 - Professional services (e.g., solicitor, accountants, insurance agents/financial advisers);
 - Post office sorting offices;
 - Businesses in administration, liquidation or subject to a strike off notice on Companies house will not benefit from this relief; and
 - Businesses who entered into a CVA or IVA prior to 31 March 2022.

Subsidy Control

- J.17 The Council's COVID-19 Additional Relief Fund (CARF) scheme is subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA). However, for CARF there is an exemption for subsidies under the value of approximately £2,243,000 per economic actor (broadly speaking, for example, a holding company and its subsidiaries).
- J.18 This allowance comprises 325,000 Special Drawing Rights (at current exchange rates about £343,000) for Small Amounts of Financial Assistance and a further £1,900,000 for COVID-19 related subsidy.
- J.19 Therefore, to be awarded CARF the ratepayer must not have claimed over the period 2019/20 to 2021/22 more than £2,243,000 from schemes which fell within the Small Amounts of Financial Assistance or COVID-19 related allowances.
- J.20 Any COVID-19 business grants a ratepayer has received from local government generally and the 2019/20 Retail Relief should count towards this limit, but the ratepayer should not count any Extended Retail Discount they have received since 1 April 2020.
- J.21 Further details of subsidy control can be found at:
<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>
- J.22 The ratepayer will need to indicate to the Council:

- if they have not to date received any subsidy which fell within the Small Amounts of Financial Assistance or COVID-19 related allowances; or
- if the ratepayer has received other such subsidies, they will be required to provide the name and total value of those subsidies.

J.23 A ratepayer is not eligible to receive CARF if they have already exceeded the £2,243,000 allowance. However, the Council will still apply relief under the CARF scheme if they have reached this limit provided the ratepayer can evidence that they:

- (a) Intend to use the support to fund uncovered fixed costs (costs not covered by profits for insurance etc) during the period of COVID-19. Economic actors may claim for up to 70% of their uncovered costs (although this 70% limit does not apply to small businesses with less than 50 employees and less than £9 million turnover where the limit is instead 90%); and
- (b) Have shown a decline in turnover of at least 30% within the April 2020 to March 2021 period, compared to the same 2019 to 2020 period.

J.24 The ratepayer may claim up to a further £10 million of additional allowance (on top of the £2,243,000) if they meet the above tests and they have not claimed any other support from the additional allowance up to an aggregate £10 million limit (such as from the COVID-19 business grants).

J.25 Government and the Council will not tolerate any business falsifying their records or providing false evidence to gain this relief including claiming support above these thresholds.

J.27 A ratepayer who falsely applies for any relief or provides false information or makes false representation in order to gain relief may be guilty of fraud under the Fraud Act 2006.

Effect on the Council's Finances

J.28 As Central Government leads this initiative, funding will be provided through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas.

J.29 In order to guarantee funding, the Council will ensure that the criteria in this policy are met in full

Appendix K

Extension to the Transitional Relief Scheme Supporting Small Business Rates Relief Scheme (2022/23 only)

Purpose of the Policy

- K.1 The purpose of this policy is to determine the level of discretionary relief to be awarded in respect of Transitional Relief (TR) and Supporting Small Business Rates relief (SSB) for the financial year commencing 1st April 2022.
- K.2 This is a government led initiative and the Council is keen to support businesses as far as possible.

General Explanation

- K.3 The Transitional Relief scheme was introduced in 2017 to help those ratepayers who were faced with higher bills as a result of the revaluation. The scheme ends on 31 March 2022 and, as a result, a small number of ratepayers would face a significant increase to their full rates bill from 1 April 2022.
- K.4 Government has announced that it would like to extend the current Transitional Relief (TR) scheme and the Supporting Small Business scheme (SSB) for one year to the end of the current revaluation cycle.
- K.5 This scheme, which has been adopted by the Council, will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

How will the relief be provided?

- K.6 As this is a temporary measure for 2022/23, the government is not changing the legislation around transitional relief. Instead, the government will, in line with the eligibility criteria set out in this guidance, reimburse the Council if it uses its discretionary relief powers, under section 47 of the Local Government Finance Act 1988, to grant relief.

Who is eligible for the relief?

- K.7 Hereditaments that will benefit are those with a rateable value up to and including £100,000 who would have received transitional relief and/or SSB in 2022/23. In line with the existing thresholds in the Transitional Relief scheme, the £100,000 rateable value threshold will be based on the rateable value shown for 1st April 2017 or the substituted day in the cases of splits and mergers.
- K.8 This policy does **not** apply to those in downward transition to lower bills, those will fall to their full bill on 1 April 2022.

How much relief will be available?

- K.9 Government will fund the discretionary relief to ensure eligible properties receive the same level of protection they would have received had the statutory Transitional Relief scheme and Supporting Small Business scheme extended into 2022/23.
- K.10 The practical effects of the Transitional Relief scheme will be assumed to remain as it is in the current statutory scheme (As prescribed in the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265) except that:
- (a) the cap on increases for small properties (with a rateable value of less than or equal to £20,000/£28,000 in London) in 2022/23 will be assumed to be 15% (before the increase for the change in the multiplier). Specifically, X in regulation 10(6) for the year commencing 1 April 2022 will be assumed to be 115. Q in regulation 10(12) should be assumed to be 1; and
 - (b) the cap on increases for other properties (up to and including £100,000 rateable value) in 2022/23 will be assumed to be 25% (before the increase for the change in the multiplier). Specifically, X in regulation 10(4) for year commencing 1 April 2022 will be assumed to be 125. Q will be assumed to be 1.
- K.11 This scheme applies only to hereditaments up to and including £100,000 rateable value based on the value shown for 1st April 2017 or the substituted day in the cases of splits and mergers.
- K.12 Changes in rateable value which take effect from a later date will be calculated using the normal rules in the Transitional Relief scheme. For the avoidance of doubt, properties whose rateable value is £100,000 or less on 1st April 2017 (or the day of merger) but increase above £100,000 from a later date will still be eligible for the relief.
- K.13 Where necessary, the Valuation Office Agency will continue to issue certificates for the value at 31st March 2017 (regulation 17, SI 2016 No. 1265) or 1st April 2017 (as required under regulations 16 and 18 SI 2016 No.1265).
- K.14 The relief will be calculated on a daily basis.
- K.15 The Supporting Small Business scheme will be assumed to remain as it is in the Council's current scheme (for periods up to 31st March 2022) with a percentage cap in 2022/23 of 15% plus inflation (or a cash value increase of £600 if greater).
- K.16 Where a ratepayer would have been in receipt of both Transitional Relief and Supporting Small Business in respect of 2022/23, a single award of section 47 relief will be granted resulting in a chargeable amount equivalent to that had the original Transitional Relief and Supporting Small Business schemes continued.

Recalculations of relief

- K.17 As with the original Transitional Relief scheme, the amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.

Calculating the extension of Transitional Relief and Supporting Small Business where other reliefs apply

- K.18 Under the statutory Transition scheme which ends on 31 March 2022, Transitional Relief is measured before all other reliefs. But the extension of Transitional Relief and Supporting Small Business scheme into 2022/23 will be delivered via section 47 of the Local Government Finance Act 1988 which will be measured **after** other reliefs (including other funded reliefs granted under section 47).

Subsidy control

- K.19 The extension of Transitional Relief and Supporting Small Business relief scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.
- K.20 To the extent that the Council is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to 325,000 Special Drawing Rights (£343,000 as at 9 December 2021) in a three-year period (consisting of the 2022/23 financial year and the two previous financial years) Expanded Retail Discount granted in either 2020/21 or 2021/22 does not count towards the £343,000 allowance but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit, should be counted.
- K.21 In those cases where it is clear to the Council that the ratepayer is likely to breach the Small Amounts of Financial Assistance Allowance then the Council will automatically withhold the relief.

Transitional Relief & Supporting Small Business Rates Relief (2022/23) - the Council's policy for granting discretionary relief.

- K.22 Over the past few years, a number of schemes have been led by government but without specific legislative changes. These are administered under S47 of the Local Government Finance Act 1988. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to

maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

- K.23 In the case of transitional relief and supporting small business rates relief, the Council will grant the relief strictly in accordance with government guidance.

Effect on the Council's Finances

- K.24 As this is a government led initiative, grants for the full amount awarded will be available through section 31 of the Local Government Act 2003.

Appendix L

Retail, Hospitality and Leisure Relief (2022/23 only)

Purpose of the Policy

- L.1 The purpose of this policy is to determine the level of discretionary relief to be awarded in respect of the Retail, Hospitality and Leisure Business Rates Relief Scheme for the financial year commencing 1st April 2022.
- L.2 This is a government led initiative and the Council is keen to support businesses as far as possible.

General Explanation

- L.3 The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

Who is eligible for the relief?

- L.4 Hereditaments which benefit from the relief will be those which for a chargeable day in 2022/23:
 - (a) meet the eligibility criteria; and
 - (b) the ratepayer for that chargeable day has not refused the relief for the eligible hereditament. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2023. The ratepayer cannot withdraw their refusal for either all or part of the financial year.
- L.5 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council may not grant the discount to themselves certain precepting authorities (e.g., a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

How much relief will be available?

- L.6 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2022/23 under this scheme is for chargeable days from 1 April 2022 to 31 March 2023, 50% of the chargeable amount.
- L.7 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where the Council has used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants.
- L.8 Subject to the cash cap, the eligibility for the discount and the relief itself will be assessed and calculated on a daily basis. The formula that will be used to determine the amount of relief to be granted for a chargeable day for a particular

hereditament in the financial year 2022/23 is $V \times 0.5$, where V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs.

- L.9 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

The cash cap and subsidy control

- L.10 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.
- L.11 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers will be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- (a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other; or
 - (ii) both are subsidiaries of the same company; or
 - (b) where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- L.12 Furthermore, the Retail, Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK’s domestic and international subsidy control obligations
- L.13 To the extent that the Council is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to 325,000 Special Drawing Rights (£343,000 as at 9th December 2021) in a three-year period (consisting of the 2022/23 year and the two previous financial years). Expanded Retail Discount granted in either 2020/21 or 2021/22 does not count towards the £343,000 allowance but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit should be counted.
- L.14 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash cap or the Small Amounts of Financial Assistance limit then the authority will automatically withhold the relief.
- L.15 The amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

Eligibility for the Retail, Hospitality and Leisure Relief Scheme

- L.16 Hereditaments that are eligible for Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all of the following conditions for the chargeable day:
- (a) they are wholly or mainly being used:
 - (i) as shops, restaurants, cafes, drinking establishments, cinemas, or live music venues;
 - (ii) for assembly and leisure; or
 - (iii) as hotels, guest & boarding premises, or self-catering accommodation.
- L.17 The Council considers shops, restaurants, cafes, drinking establishments, cinemas, and live music venues to mean:
- (i) Hereditaments that are being used for the sale of goods to visiting members of the public:**
 - Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc);
 - Charity shops;
 - Opticians;
 - Post offices;
 - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors);
 - Car/ caravan show rooms;
 - Second-hand car lots;
 - Markets;
 - Petrol stations;
 - Garden centres; and
 - Art galleries (where art is for sale/hire).
 - (ii) Hereditaments that are being used for the provision of the following services to visiting members of the public:**
 - Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc);
 - Shoe repairs/ key cutting;
 - Travel agents;
 - Ticket offices e.g., for theatre;
 - Dry cleaners;
 - Launderettes;
 - PC/ TV/ domestic appliance repair;
 - Funeral directors;
 - Photo processing;
 - Tool hire; and
 - Car hire.

(iii) Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants;
- Takeaways;
- Sandwich shops;
- Coffee shops;
- Pubs; and
- Bars.

(iv) Hereditaments which are being used as cinemas

(v) Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended);
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) that are merely ancillary or incidental to the performance of live music (e.g., the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g., because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).

L.18 The Council considers assembly and leisure to mean:

(i) Hereditaments that are being used for the provision of sport, leisure, and facilities to visiting members of the public (including for the viewing of such activities):

- Sports grounds and clubs;
- Museums and art galleries;
- Nightclubs;
- Sport and leisure facilities;
- Stately homes and historic houses;
- Theatres;
- Tourist attractions;
- Gyms;
- Wellness centres, spas, massage parlours; and
- Casinos, gambling clubs and bingo halls.

(ii) Hereditaments that are being used for the assembly of visiting members of the public:

- Public halls; and
- Clubhouses, clubs, and institutions.

L.19 The Council considers hotels, guest & boarding premises, and self-catering accommodation to mean:

(i) Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, guest, and boarding houses;
- Holiday homes; and
- Caravan parks and sites.

L.20 To qualify for the relief, the hereditament should be wholly or mainly being used for the above qualifying purposes. This is a test on use rather than occupation, therefore hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

L.21 The lists set out above are not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes.

Ineligible uses

L.22 The lists below set out the types of uses that the government **does not** consider to be an eligible use for the purpose of this discount.

(i) Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops);
- Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents); and
- Post office sorting offices.

(ii) Hereditaments that are not reasonably accessible to visiting members of the public

Retail, Hospitality and Leisure Business Rates Scheme (2022/23) - the Council's policy for granting discretionary relief.

L.23 Over the past few years, a number of schemes have been led by government but without specific legislative changes. These are administered under S47 of the Local Government Finance Act 1988. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

L.24 In the case of Retail, Hospitality and Leisure Business Rates Relief scheme, the Council will grant the relief strictly in accordance with government guidance.

Effect on the Council's Finances

- L.25 As this is a government led initiative, grants for the full amount awarded will be available through section 31 of the Local Government Act 2003.

Appendix M

Section 49 – Hardship Relief

Section 49 – Hardship Relief

General explanation

- M.1 The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1988 to provide either partial or full relief for non-domestic rate payments in cases of hardship where it would be reasonable to do so having due regard to the interests of council tax payers in general.

Section 49 Hardship Relief – the Council's Policy

- M.2 The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. The Revenues Manager will consider applications. Application forms are available at the following links:
- M.3 In making decisions on whether to award the relief the Council takes into account the following criteria (not listed in any priority):
- Any reduction or remission of rates on the grounds of hardship should be the exception rather than the rule;
 - Any reduction of the rates must be shown to be significant to the future viability of the business;
 - The business must continue to trade;
 - Evidence provided must include (but not limited to):
 - audited or independently verified accounts from the last two years
 - copies of your last three months' bank statements
 - a copy of any business plan
 - a brief history of your business
 - a cash flow forecast for the next 12 month
 - The test of "hardship" is not strictly confined to financial hardship and that this, in itself, is not a deciding factor;
 - The loss of the business would reduce amenities of an area if it is the sole provider of a service in the area;
 - The loss of the business would worsen the employment prospects in the area;
 - The interests of the Council Tax payers of the area would be best served by awarding the relief;
 - The business must demonstrate how it is beneficial to the local community and why it is currently suffering financial hardship;
 - The business provides employment to local residents in an area where employment opportunities are limited;
 - Independent advice given by banks or financial advisors should be sought to demonstrate the future viability of the business; and
 - Applications will only be considered where signed by the ratepayer, or, where an organisation is the ratepayer, an appropriately authorised representative of the organisation.



Working for a brighter future together

Finance Sub-Committee

Date of Meeting:	9 November 2022
Report Title:	Governance of the Cheshire & Warrington DF (GP) Ltd
Report of:	Alex Thompson, Director of Finance & Customer Services
Report Reference No:	FSC/19/22-23
Ward(s) Affected:	All Wards

1. Purpose of Report

- 1.1. The purpose of the report is to ask the Sub-Committee to make an appointment to the Board of Cheshire and Warrington DF (GP) Limited ("C&W"), a wholly-owned company of Cheshire East Council, set up on behalf of the Cheshire and Warrington Local Enterprise Partnership (LEP) as part of a Limited Partnership structure required for Evergreen 3.
- 1.2. The company was established as part of a 'Limited Partnership' arrangement, being a structure required to manage the investment of European Regional Development Fund (ERDF) monies in local projects ("Evergreen 3"). Evergreen 3 contributes to the Council's strategic priority of making Cheshire East "a thriving and sustainable place" and in particular making it a great place to live, work and visit, and have "thriving urban and rural economies".
- 1.3. The report also seeks approval to make arrangements for the appointment of another director to the Board of the Company, in order to ensure representation across the Cheshire and Warrington sub-region.

2. Executive Summary

- 2.1. The Council acts as entrusted entity for a development fund on behalf of the LEP. Up to £20m funding is available, provided by ERDF, and the Authority is the signatory to the related grant funding agreement with the Department for Levelling Up, Housing and Communities (DLUHC), formerly the Ministry of Housing, Communities and Local Government (MHCLG).

- 2.2. The development fund operates via a Limited Partnership (referred to as “the Cheshire and Warrington Development Limited Partnership” or “the Partnership”), comprised of the Council and C&W. All funding decisions take place within C&W; C&W receiving advice and support as to its funding decisions from CBRE, a fund manager experienced in regeneration/ property investments.
- 2.3. Finance Sub-Committee is the shareholder representative for the Council’s interests in its wholly owned companies. In the absence of any current delegation in this regard, it is Finance Sub-Committee that needs to appoint directors to the board of C&W.
- 2.4. The former Executive Director Place was the Council’s first appointee as director of the company, who resigned on his departure from the Council. Currently, the sole director appointed is Philip Cox, Chief Executive of the LEP.
- 2.5. It is proposed that, along with approving the appointment of Jayne Traverse to be a director of C&W (as the Council’s incumbent Executive Director Place), the Sub-Committee also appoints an appropriate officer, (in the form of the equivalent director of growth) from Warrington Borough Council so as to provide representation for the wider sub region on the board.
- 2.6. A delegation is sought to enable the appointment in due course of a Cheshire East officer to represent the Council as regards the operation of Cheshire and Warrington Development Limited Partnership.

3. Recommendations

- 3.1. It is recommended that Finance Sub-Committee:
- 3.2. Appoint Jayne Traverse, the Executive Director Place, as the Council’s director on the Board of Cheshire and Warrington DF (GP) Limited.
- 3.3. Approve the appointment of Steve Park, Director of Growth at Warrington Borough Council as a director of the Cheshire and Warrington DF (GP) Limited.
- 3.4. Delegate to the Executive Director Place the authority to name a representative of Cheshire East Council to act on its behalf with all matters relating to the Cheshire and Warrington Development Limited Partnership.
- 3.5. Authorise the Section 151 Officer to take all steps necessary to ensure that the Authority complies with the funding agreement entered into with DLUHC, formerly MHCLG.

4. Reasons for Recommendations

- 4.1. At the present time and following the departure of the former Executive Director of Place, there is only one serving director of the Cheshire and

Warrington DF (GP) Limited, being the Chief Executive from the LEP. It is therefore necessary to appoint another director.

- 4.2. Also, as the purpose of the fund is to make investments across the Cheshire and Warrington sub region, it is also important to consider enabling other senior colleagues from partner councils to have representation on the board. Both Cheshire West and Chester, and Warrington Borough Councils were approached but only Warrington expressed a requirement to have a director on the Board.
- 4.3. Finally, there are day to day governance tasks within the Council relating to the business of the Partnership that need to be managed and actioned. Delegating authority to the Section 151 Officer will allow this to happen.

5. Other Options Considered

- 5.1. Corporate governance rules require that director appointments need to be made by the shareholders. As Finance Sub Committee is the shareholder representative these decisions rest with the Sub Committee. There may be an option where authority to appoint directors is delegated to officers, or to the Board of the Limited Company itself. However, it is noted that although this is ostensibly a LEP-led, sub regional project, the legal and statutory responsibilities lie with the Council, as entrusted entity of the partnership and sole shareholder of the company.

6. Background

- 6.1. In February 2019 Council approved the creation of a Cheshire and Warrington Development Fund and the applying for, and acceptance of, associated ERDF funding. In June 2019 Cabinet considered and approved the governance steps necessary to reflect the formation of the resulting Cheshire and Warrington LEP Development Fund, with the Council acting as Entrusted Entity for an up to £20m ERDF funded scheme, being administered and run by the LEP on a day-to-day basis.
- 6.2. An 'Entrusted Entity' is effectively the Accountable Body for the programme. According to ERDF rules, this has to be a public sector body such as a Local Authority. The role of the Entrusted Entity is to ultimately be accountable for the ERDF investment.
- 6.3. As part of the necessary arrangements to manage the funds and investments, a Limited Partnership (Cheshire and Warrington Development Limited Partnership) was established. A limited company (Cheshire and Warrington DF (GP) Limited); owned by the Council; was set up as the general partner. The Council is the sole shareholder in the Limited Company and is the 'limited partner' in the Partnership.
- 6.4. To apply for and subsequently draw down and account for ERDF funds, the monies are paid to the Council as Entrusted Entity; investments from the Development Fund are managed by an experienced Fund Manager. The

Development Fund Manager (CBRE) was procured as part of a full OJEU and ERDF-compliant process.

- 6.5. On the advice of the Fund Manager, the appointed Board signs off on investments, drawdowns and all matters relating to the Fund, and takes all steps necessary to comply with the Funding Agreement entered into with the then MHCLG (now DLUHC).
- 6.6. The former Executive Director Place was the Council's original appointed director on the board of the Limited Company. It is necessary to appoint a replacement, and also to consider appointing other directors to ensure representation across the sub region.
- 6.7. Finance Sub Committee is now responsible for representing the Council's interests in its wholly owned entities. Under company law, and in the absence of any delegations in this instance, it is the shareholder/s who are responsible for appointing directors.

7. Implications

7.1. Legal

- 7.1.1. Vacancies on the board of C&W require the Council to make suitable director appointments. C&W is in effect solely a vehicle to process funding decisions for project to whom Evergreen 3 funding is to be awarded. It is noted that in making these decisions the board will be reviewing recommendations as to suitable projects made by CBRE. Whereas the business of C&W is tightly focussed; those individuals undertaking a director role should be aware of and bear in mind their legal duties. Set out in the Appendix to this report is a note on Director Duties as an aide memoire.
- 7.1.2. It should be borne in mind that as advised by Addleshaws the Council's appointee(s) to the board of C&W should be different from those acting on behalf of the Council in its capacity as limited partner so as to mitigate any risk that the Council is taking a direct hand in the day-to-day management of the LP.

7.2. Finance

- 7.2.1. These decisions have no direct finance implications other than they improve the general risk management and governance issues around the development funds. This therefore reduces the risk of financial error or penalty.

7.3. Policy

- 7.3.1. It contributes to the strategic priority of making Cheshire East "a thriving and sustainable place" and in particular making it a great place to live, work and visit, and have "thriving urban and rural economies".

7.4. Equality

- 7.4.1.** The nature of the Fund will not entail any staff being directly employed. Through introducing new capital to the sub region it is likely that positive benefits will be evident. The principal procurements will reflect the Council's commitment to equality and diversity. Equally, whilst investment decisions will be based upon best fit and need there will be an awareness of the Authority's position on equality.

7.5. Human Resources

- 7.5.1.** The decision does not have any particular human resource implications. Officers from Finance, Legal, Procurement and Audit Services will be involved as necessary in ongoing administration and support with regard to the Fund, in order to fulfil our obligations as Entrusted Entity.

7.6. Risk Management

- 7.6.1.** The recommendations will help to ensure that Cheshire East Council, and senior officers from partners in the sub region, will be fully represented on the company board and therefore that the risks and benefits of the investments proposed by CBRE as professional fund managers will be fully considered.

7.7. Rural Communities

- 7.7.1.** There are no direct implications for rural communities.

7.8. Children and Young People/Cared for Children

- 7.8.1.** There are no direct implications for children and young people.

7.9. Public Health

- 7.9.1.** There are no direct implications for public health.

7.10. Climate Change

- 7.10.1.** The recommendations will improve the governance of the Development Fund and ensure that a Cheshire East representative is able to participate and influence decision making. The ERDF funding of up to £20m covers three priority areas: 1,3 and 4. Priority 4 which is up to £8m and is the largest, is "Promoting the production and distribution of energy derived from renewable sources". There are therefore obvious synergies the Council's ambition to reduce its carbon footprint and achieve environmental sustainability by reducing energy consumption and promoting healthy lifestyles.

Access to Information	
Contact Officer:	Paul Goodwin, Head of Finance & Deputy Chief Finance Officer Email: paul.goodwin@cheshireeast.gov.uk Telephone: 01270 686185
Appendices:	Directors' Duties - Summary
Background Papers:	11 June 2019 Cabinet Paper: Formation of a Cheshire and Warrington LEP Urban Development Fund Portfolio Holder: Portfolio Holder Finance & Communication

Governance of the Cheshire and Warrington DF (GP) Ltd

Appendix

Directors' Duties – Summary

Directors' duties were codified by the Companies Act 2006. Duties are owed to the company and it is only the company that can bring an action against a director for breach of duty, breach of trust or negligence.

The remedies for breach of a director's duties include damages, an injunction, setting transactions aside, accounting for profits and the return of the company's property.

The General Duties

The Companies Act 2006 sets out seven general duties:

Duty to Act Within Powers (Section 171)

A director must act in accordance with the company's constitution and must only exercise powers for their proper purpose.

Duty to Promote the Success of the Company (Section 172)

A director must act in good faith and in a way that would be most likely to promote the success of the company for the benefit of its members as a whole. The Companies Act 2006 contains six factors that must be considered:

- the likely consequences of the decision in the long term;*
- the interests of the company's employees;*
- the need to foster the company's business relationships with suppliers, customers and others;*
- the impact of the company's operations on the community and the environment;*
- the desirability of the company to maintain a reputation for high standards of business conduct; and*
- the need to act fairly as between the members of the company.*

This is not an exhaustive list; other factors such as profitability can also be considered, and the factors are in no particular order. Indeed there is no guidance on which should take priority in the event of a conflict. In order to demonstrate compliance with this duty, directors should document the factors that have been considered for each decision in the minutes of meetings.

Duty to Exercise Independent Judgment (Section 173)

A director must exercise their own judgement, independent of the views of others on the board. This duty does not prevent a director from taking advice but their own judgement must be used in deciding whether to follow the advice.

Duty to Exercise Reasonable Care, Skill and Diligence (Section 174)

A director must act as a reasonably diligent person. This takes into account:

- the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as that director; and
- the specific general knowledge, skill and experience of that particular director.

The first element is an objective test and the second analyses a director's particular expertise. For example, a director with accountancy qualifications or experience would be expected to exercise greater scrutiny of the company's accounts.

Duty to Avoid Conflicts of Interest (Section 175)

A director must avoid situations where there could be an interest that conflicts with the interests of the company, although the directors who are not conflicted may be able to authorise a director to continue to act despite there being a conflict. This duty is interpreted widely and applies to the use of any property, information or opportunity available to the company. The duty will be breached even if a director exploits an opportunity that the company considered but decided not to pursue and continues to apply after a person ceases to be a director.

Duty Not to Accept Benefits From Third Parties (Section 176)

A director must not accept any benefit from a third party that is given due to their position as a director or their actions, or omissions, as a director unless the benefit cannot reasonably be regarded as likely to cause a conflict of interest. The benefits covered by this duty include financial and non-financial benefits. It is important to consider what would be regarded as 'normal' in the circumstances and whether the benefit is excessive.

Duty to Declare an Interest in a Proposed Transaction or Arrangement with the Company (Section 177)

There is no duty to avoid interest in transactions or arrangements with the company. However, a director must disclose to the other directors the nature and extent of any interest in a proposed transaction or arrangement with the company, whether direct or indirect. Such a declaration must be made before the company enters into the transaction or arrangement at a board meeting, by written notice or by general notice and must be updated should the interest change. There is also a duty under section 182 of the Companies Act 2006 to declare any interest in an existing transaction or arrangement.

There are certain exemptions where declaration of an interest is not required, including the following:

- the director is unaware of the interest or of the transaction. However, ignorance is not a complete defence and the director will be deemed to be aware of matters that they ought reasonably to be aware of;
- there is no reasonable possibility of a conflict of interest;
- the other directors know of the interest, therefore no disclosure is required if the company has only one director. It will be for a director seeking to rely on this exemption to prove that the other directors knew, or ought reasonably to have known, of the interest. It is therefore best to declare an interest in order to avoid any doubt; and
- the transaction is a service contract between the company and the director.

The Companies Act 2006 sets out certain types of transaction where a conflict of interest is likely to arise that includes substantial property transactions, directors' loans, payment for

loss of office and directors' service contracts for more than two years. In general, should these circumstances be met, the transaction will need to be approved by an ordinary resolution of the shareholders.

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Finance Sub-Committee

Date of Meeting:	9 November 2022
Report Title:	Review of Wholly-Owned Companies' Business Plans
Report of:	Alex Thompson, Director of Finance and Customer Services
Report Reference No:	FSC/20/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. The purpose of the report is to ask Finance Sub-Committee to re-establish the Shareholder Working Group, to review the Business Plans of Ansa Environmental Services and Orbitas Bereavement Services, for the period 2023/24-2026/27, and related performance reports.
- 1.2. The annual review of company business plans by the Sub-Committee contributes to strategic aims and objectives in the Council's Corporate Plan, particularly those relating to:
 - 1.2.1. ensuring that there is transparency in all aspects of Council decision making
 - 1.2.2. supporting a sustainable financial future for the Council, through service development, improvement and transformation
 - 1.2.3. and looking at opportunities to bring more income into the Borough.

2. Executive Summary

- 2.1 The responsibilities of the Finance Sub-Committee include the oversight of the Council's company shareholdings. This responsibility is articulated in the Terms of Reference for the Sub-Committee as:

"making decisions as Shareholder, reviewing and approving Business plans, including risk registers and commissioning services and functions from the Council's ASDVs"

- 2.2 To manage these responsibilities in an appropriately detailed and timely manner the Sub-Committee is being asked to re-establish a Shareholder Working Group.
- 2.3 The working group will be required to support the responsibilities of the Sub-Committee during November 2022 and then report back to the Sub-Committee for decisions, as necessary, in December.
- 2.4 Similar arrangements will be required in subsequent years, and consequently the making of appointments to a Shareholder Working Group, at the start of each civic year, is also proposed in this report.
- 2.5 To ensure the Shareholder Working Group is provided with sufficient scope and guidance to make suitable recommendations, the Sub-Committee is being asked to confirm clear terms of reference. The Terms of Reference should include responsibilities relating to:
 - Reviewing company business plans
 - Analysing risks in company operations
 - Analysing company profit/ loss targets and forecasts
 - Engaging commissioning officers and company representatives
 - Reviewing company financial stability, including dividend proposals and investment plans

3. Recommendations

- 3.1. That the Finance Sub-Committee approve:
 - 3.1.1. That a Shareholder Working Group be established to review the Business Plans of Ansa Environmental Services and Orbitas Bereavement Services, for the period 2023/24-2026/27, and related performance reports.
 - 3.1.2. The Terms of Reference for the review as set out in Appendix A.
 - 3.1.3. That the Shareholder Working Group be made up of the same Chair and Members as the working group established by the Sub-Committee on 7 September 2022 for the purposes of the governance review of wholly-owned companies, along with supporting officers as set out in the Terms of Reference.
 - 3.1.4. That the Shareholder Working Group co-opt officers or other individuals with appropriate expertise to provide information and advice, as required, as described in the Terms of Reference.
 - 3.1.5. That the Chair of the Working Group provide a report back to the Sub-Committee in December 2022 based on the work of the Group, as required by its Terms of Reference.

- 3.1.6. That from 2023/24, arrangements be put in place to make appointments to the Shareholder Working Group at the start of each civic year, for the year ahead.

4. Reasons for Recommendations

- 4.1. The Finance Sub-Committee has the responsibility of providing the necessary oversight that ensures the wholly-owned companies fulfil their purpose and provide appropriate returns on the Council's interests. This responsibility can be delegated.
- 4.2. To manage the shareholder responsibilities, it is recommended that the Sub-Committee creates a working group that can review company activity, relationships with the shareholder and the potential risks and opportunities.
- 4.3. This will be achieved by establishment of terms of reference that incorporates an appropriate mix of supporting officers and Members with the necessary skills and experience for the role. Setting clear terms of reference for the working group will also ensure the necessary focus for the group's activities and how they meet the Sub-Committee's interests.

5. Other Options Considered

- 5.1. The Sub-Committee could carry out the intended activities of the Shareholder Working Group through formal Sub-Committee meetings. Full Sub Committee could be seen to present a highly transparent approach. However, this approach is not recommended as the Shareholder Working Group is expected to meet in an intense sequence of meetings and external advisors utilised should also be members of this group to provide appropriate technical expertise. Issues may also be commercially sensitive and heard under Part 2, which restricts the public transparency. This approach does not suit the format of full Sub-Committee meetings. The responsibilities of the Sub-Committee can still be discharged by providing the right terms of reference and membership of the working group, and by ensuring that the reporting back to the Sub-Committee is suitably evidence based.
- 5.2. The constitutional responsibilities of the Sub-Committee do not support a 'do nothing' option.

6. Background

- 6.1. The CIPFA Financial Management Code includes a principle of Assurance, which requires attention to standards of governance, resilience, risk and sustainability. These standards apply equally to the Council's role as shareholder of wholly owned companies as they do to direct provision of services. The establishment of the Shareholder Working Group will support the Sub-Committee in addressing this principle.

- 6.2.** The purpose of the wholly-owned companies must be reviewed in accordance with the business cases that were approved to establish the companies. Each company is expected to provide annual business plans that articulate performance and financial returns that meet the Council's ambition, and the Shareholder Working Group can assess these publications.
- 6.3.** Each wholly-owned company will provide statutory accounts and business plans during the period October to November, meaning the timing of the Working Group is appropriate to consider the financial returns, investment possibilities and financial stability of each company when it meets.
- 6.4.** The Alternative Service Delivery Vehicles (ASDV) review programme has been ongoing since March 2018 and has made significant recommendations to change the Group Structure of the Council based on analysis of the ASDVs. This has included reviews of performance and potential financial returns, based on the understanding of the market position of the company. The Shareholder Working Group will be able to analyse progress against the aims of the review and provide insight on any further proposals.
- 6.5.** The membership of the Shareholder Working Group is recommended to be a mix of Members and supporting officers to ensure appropriate oversight and skills are engaged in developing any feedback to the Sub-Committee. The Group should seek representation from commissioning services and the companies, as this client/ provider relationship is crucial in understanding the benefits of the Group Structure.
- 6.6.** The Shareholder Working Group also needs to provide a commercial focus, advising on appropriate commercial income targets and assessing year-on-year progress against these. Appropriate business acumen will also be sought via the membership.
- 6.7.** Clear Terms of Reference are necessary to allow the Sub-Committee to provide suitable guidance to the Working Group as to what is required to fulfil its responsibilities as shareholder.
- 6.8.** An Assessment Template is included at Appendix B, being an appraisal tool providing a framework to support members of the Shareholder Working Group in reviewing the business plans of the Council's wholly-owned companies (WOCs).

7. Consultation and Engagement

- 7.1.** There is no requirement for consultation outside of the Council's Group structure to address the recommendations of this report. Engagement on

the recommendations will require meetings with both commissioners and members of the WOCs to be arranged.

8. Implications

8.1. Legal

- 8.1.1. There are no legal implications linked to the recommendations of this report. The recommendations will help to ensure that the Sub-Committee fulfils its responsibilities in accordance with the Constitution with regard to making decisions as Shareholder and reviewing and approving business plans.

8.2. Finance

- 8.2.1. There are no financial implications linked to the recommendations of this report. The recommendations will help to ensure that the Sub-Committee fulfils its responsibilities in accordance with the Constitution with regard to making decisions as Shareholder and reviewing and approving business plans.
- 8.2.2. The Working Group may make recommendations that could impact the Council's Medium Term Financial Strategy (MTFS), which incorporates the financial performance of the wholly owned companies. However, such recommendations would be presented to the Sub-Committee for approval (or onward recommendation), and any such decisions would be supported with appropriate clarification of the financial implications.

8.3. Policy

- 8.3.1. There are no policy implications identified.

8.4. Equality

- 8.4.1. There are no equality implications identified.

8.5. Human Resources

- 8.5.1. There are no human resources implications identified.

8.6. Risk Management

- 8.6.1. Management of risk is included within the terms of reference for the Shareholder Working Group. Any emerging risks, or reassessment of existing risks should be reported back to the Sub-Committee in appropriate detail.
- 8.6.2. There could be tension between a wholly owned company's desire for growth and delivery of services to the Council. It is appropriate that such tensions are explored by the Working Group, where the commissioner

will be in attendance, before recommendations for growth targets are made back to the Sub-Committee.

8.7. Rural Communities

8.7.1. There are no implications for rural communities.

8.8. Children and Young People/Cared for Children

8.8.1. There are no implications for children and young people.

8.9. Public Health

8.9.1. There are no implications for public health.

8.10. Climate Change

8.10.1. There are no implications for climate change.

Access to Information	
Contact Officer:	Paul Goodwin, Head of Finance Paul.goodwin@cheshireeast.gov.uk 01270 686185
Appendices:	A – Terms of Reference B – Business Plan Assessment Template
Background Papers:	N/A



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Shareholder Working Group TERMS OF REFERENCE

1. Purpose of the Shareholder Working Group (“the Group”)

1.1. The Group will give advice and direction to the Finance Sub-Committee (“the Sub-Committee”) who hold the legal responsibility for making shareholder decisions.

1.2. The Group will:

1.2.1. Review the strategic business cases for each WOC and provide strategic advice to the Sub-Committee to support any decision making required by the Sub-Committee in dispensing their responsibilities as shareholder.

1.2.2. Otherwise support the Sub-Committee in dispensing its responsibilities as the Shareholder in respect of the Council.

2. Membership

2.1. The Group shall consist of the following members:

2.1.1. 5 drawn from the Elected Members of the Council, the Chair of the Group shall be appointed by the Sub-Committee from the membership of the Sub-Committee. Other Members need not be Members of the Sub-Committee;

2.1.2. 1 officer representing the Corporate Leadership Team of the Council;

2.1.3. 1 individual providing professional financial support;

2.1.4. 1 individual providing professional legal support.

2.2. The proportionality of the Group shall be determined by the Sub-Committee.

3. In Attendance

3.1. To support the work of the Group the Chair may invite additional individuals to attend each meeting as follows. The individuals may provide information and advice to the Working Group; and will not have voting rights.



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- 3.1.1. Officer(s) representing the commissioned Services of the WOC; depending on which WOC is being discussed
- 3.1.2. Member(s) of the Company Board of the WOC depending on which WOC is being discussed
- 3.1.3. External advice and expertise may also be provided to the Group to assist in their work.

4. Functions

4.1. The core function of the Group is to:

- 4.1.1. Provide assurance that the business plans for each WOC are fit for purpose, meet the needs of customers and commissioners or provide recommendations to ensure that they will;
- 4.1.2. Provide assurance that the business plans for each WOC comply with the Public Contract Regulations 2015;
- 4.1.3. Provide assurance that all WOCs are structured in a way that complies with the relevant statutory and regulatory framework as a company and in their respective areas of operation.

4.2. The Working Group shall provide advice to the Sub-Committee on any potential risks to the Cheshire East Group associated with the current arrangements.

4.3. The Shareholder Group is to make recommendations to the Sub-Committee about whether or not to approve the business plans of each of the WOCs as shareholder. Within this core function the Group will also:

- 4.3.1. Provide strategic advice to the Sub-Committee on the robustness and suitability of each of the WOC Business Plans;
- 4.3.2. Review any proposals to make a significant capital or revenue investment in any of the Council's WOCs;
- 4.3.3. Specifically reviewing any proposal by a WOC to submit a tender for services to a client other than Cheshire East Council;
- 4.3.4. Provide advice to the Sub-Committee before exercising any shareholder consents;
- 4.3.5. Determine the distribution of any surplus or the issue of any dividends from a WOC; and, in making this determination, provide assurance that



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any proposed investment or retention of accumulated surpluses is appropriate for the purposes of the Companies Business Plans.

5. Frequency of meetings

5.1. The Group will meet during the period November to December 2022 and make recommendations to the Sub-Committee on any future pattern of meetings.

6. Administration

6.1. Minutes and agendas will be distributed no later than 5 clear working days prior to the meeting.

7. Principal Information Management needs:-

- Statutory accounts of each company
- Annual engagement and commercial activity report
- Update reports on major projects
- Business plans for each company including risk registers

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Appendix B – Business Plan Assessment Template

This appraisal tool provides a framework to support members of the Shareholder Working Group in reviewing the business plans of the Council's Wholly Owned Companies (WOCs).

The template can be used to capture feedback to enable reporting to the Shareholder, represented by the Finance Sub-Committee.

How to use the Appraisal Tool: Work through each business plan independently. Consider the matters detailed under the 5 core appraisal criteria, writing down any additional items you wish to consider. Responses can be recorded in the right-hand column to support feedback.

In considering the overall assessment of the Criteria items can be scored as presenting High, Medium or Low Risks to achievement or present Opportunities for future achievements (H/M/L/O)

NAME OF ASDV:

CRITERIA	MATTERS TO CONSIDER	Assessment (H / M / L / O)	Response / Comment
Strategy	<ul style="list-style-type: none"> Is there a clear focus on priorities and vision? Are key stakeholder expectations being managed? Is there evidence to demonstrate that business plan will achieve customer expectations? Is planned product development and market analyses aligned with market demand and vision / strategic objectives? Is there a focus by the company on reducing its carbon footprint, environmental sustainability by reducing energy consumption, and/or promoting healthy lifestyles? 		
Value for Money	<ul style="list-style-type: none"> Are the financial plans transparent to you as shareholder? Are the forecast achievements against each income stream transparent? Are commercial development plans robust especially for new business/? Do services offer represent value for money to clients / customers – how is this demonstrated? Is there evidence that the company has reduced costs to improve margins? Are plans scenario tested to understand their resilience? Is the Company Board offering a dividend? 		
Impact & Risk	<ul style="list-style-type: none"> Are delivery plans sufficiently robust? Are risks to current services identified and managed? Is innovation risk assessed to understand likely returns on investment? Is there evidence that the impact of any commercial development plans on existing core clients/contracts has been identified, assessed robustly and managed effectively? Are financial plans suitably robust to withstand variations in operating costs or demand such as that driven by inflation, bad weather or customer behaviour? Is the company at risk of issuing a profit warning, or are financial risks robustly mitigated? Does the Company have adequate reserves to manage risk? 		

CRITERIA	MATTERS TO CONSIDER	Assessment (H / M / L / O)	Response / Comment
Control	<ul style="list-style-type: none">• Are services clearly identifying where they fulfil statutory obligations on behalf of the Council?• Are strategic commissioning arrangements clear, robust and well managed?• Are KPIs managed and achieve strategic objectives?• Are quality assurance mechanisms in place such as for ISO / HSE?• Are all necessary licenses and standards up to date?• Are other assurance mechanisms in place to ensure compliance to any necessary statutory and regulatory frameworks?• Is the company complying with teckal exemption?• Are client contracts governed appropriately?		
Service Delivery	<ul style="list-style-type: none">• Are key service achievements evident?• Are current customers / clients satisfied?• Were there any service delivery failures in the last year, and were they dealt with appropriately?• Is future service delivery in line with market / customers demand and strategic objectives?• Have development plans been aligned to current contract delivery and resource plans to ensure sufficient capacity, capability and control to deliver success?• Are you anticipating any challenge to service standards throughout the year, and how are you preparing to minimise these?• Is there sufficient capacity and capability to respond to any changes in priorities?		

Work Programme – Finance Sub Committee – 2022/23

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
FSC/8/22-23	11 Jan 2023	Financial Planning: Medium Term Financial Strategy 2023 to 2027 Consultation	<p>To allow the Sub-Committee to engage in the MTFS 2023 to 2027 consultation process</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Note the 2023 to 2027 MTFS proposals as related to the Committee responsibilities. - Provide feedback on the proposals as consultees. 	Director of Finance and Customer Services (s151 Officer)	Yes	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
FSC/9/22-23	11 Jan 2023	Investment Strategy Review	<p>To review the Council's approach to managing investments as part of the MTFS</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Consider the appropriateness of the current strategy in light of associated performance and emerging guidance. - Consider and comment on any proposed amendments to the Strategy as part of the development of the MTFS 	Director of Finance and Customer Services (s151 Officer)	Yes	No	Yes	Ensure that there is transparency in all aspects of council decision making	No

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
FSC/10/22-23	11 Jan 2023	Treasury Management Strategy Review	<p>To review the Council's approach to managing Treasury Management, including cashflow, borrowing and investments as part of the MTFS.</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Consider the appropriateness of the current strategy in light of associated performance and emerging guidance. - Consider and comment on any proposed amendments to the Strategy as part of the development of the MTFS 	Director of Finance and Customer Services (s151 Officer)	Yes	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
FSC/11/22-23	11 Jan 2023	Capital Strategy Review	<p>To review the Council's approach to managing capital expenditure and associated funding.</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Consider the appropriateness of the current strategy in light of associated performance and emerging guidance. - Consider and comment on any proposed amendments to the Strategy as part of the development of the MTFS 	Director of Finance and Customer Services (s151 Officer)	Yes	No	Yes	Ensure that there is transparency in all aspects of council decision making	No

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
FSC/12/22-23	11 Jan 2023	Reserves Strategy Review	<p>To review the requirements to maintain financial reserves and to provide statements on the types of reserves and current and predicted balances.</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Consider the appropriateness of the current strategy in light of associated performance and emerging guidance. - Consider and comment on any proposed amendments to the Strategy as part of the development of the MTFS. 	Director of Finance and Customer Services (s151 Officer)	Yes	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
FSC/23/22-23	11 Jan 2023	Fair Tax Declaration	To consider a report in response to the Notice of Motion referred by Council.	Director of Finance and Customer Services (s151 Officer)	N/A	No	No	Ensure that there is transparency in all aspects of council decision making	No
FSC/13/22-23	8 Mar 2023	Aligning the MTFS to the Council's Committee Structure	<p>Following the Budget Council meeting the MTFS needs to be aligned with the Committee structure. This promotes financial transparency and accountability.</p> <p>The Sub-Committee will be asked to:</p> <p>Approve the alignment of the MTFS to the Council's Committees. This includes: Revenue; Capital; Reserves; New / Amended Proposals.</p>	Director of Finance and Customer Services (s151 Officer)	N/A	No	Yes	Ensure that there is transparency in all aspects of council decision making	No

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
FSC/14/22-23	8 Mar 2023	Second Financial Review Report for 2022/23	<p>To provide information on the Council's performance against the financial strategy during the 2022/23 Financial Year.</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Note the financial performance in 2022/23 as it relates to: income and expenditure of Revenue and Capital budgets; movement in reserves; achievement of MTFS proposals across all Committees.. - Note or Approve any mitigating action as a consequence of the performance in 2022/23 in relation to the Committees responsibilities. - Note or Approve items being considered as part of the 2023 to 2027 MTFS. - Note or Approve financial management transactions, such as virement and supplementary estimates, as required by the Constitution. 	Director of Finance and Customer Services (s151 Officer)	N/A	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
FSC/16/22-23	TBC	S.106 / CIL Oversight	<p>To consider the impact of Developer Contributions (s.106 and Community Infrastructure Levy) on the MTFS.</p> <p><i>(Note: Final structure of report dependent upon activity in this area by the Environment and Communities Committee)</i></p>					Ensure that there is transparency in all aspects of council decision making	

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
FSC/17/22-23	TBC	National Business Rates - Consultation Response	<p>To consider the Council's response to national consultation on Business Rates</p> <p>To note the content of the consultation material</p> <p>To note the potential impact on the Council's MTFS</p> <p>To note the impact on local ratepayers</p> <p>To approve the Council's response to the consultation questions</p>					Ensure that there is transparency in all aspects of council decision making	

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Working for a brighter future together

Finance Sub-Committee

Date of Meeting:	9 November 2022
Report Title:	Procurement Pipeline
Report of:	Alex Thompson: Director of Finance and Customer Service
Report Reference No:	N/A
Ward(s) Affected:	All

1. Executive Summary

- 1.1. The purpose of this report is to enable the Finance Sub-Committee to fulfil its responsibilities in relation to oversight of the procurement pipeline of the Council. The report provides an update on the procurement pipeline for the council and any contracts to be considered as business as usual, the contracts awarded since April 2022 and other procurement activity.
- 1.2. This report supports the Council being open and working transparently with its residents, businesses and partners.
 - 1.2.1. **Ensuring that there is transparency in all aspects of Council decision making** (page 3 and 13 Corporate Plan 2021 to 2025) by publishing a pipeline of procurement activity and contracts awarded on the Council's Open Data.

2. Recommendations

- 2.1. That the Finance Sub-Committee
 - 2.1.1. Note the procurement pipeline of activity in Appendix 1.
 - 2.1.2. Approve the 1 new pipeline project in Appendix 1 as business as usual (column H approval required).
 - 2.1.3. Note the contracts awarded by the Council since April 2022, Appendix 2.

- 2.1.4.** Note the reason for 5 waivers approved between 1st September 2022 and 31st October 2022 (18 in total in 2022/23).

3. Reasons for Recommendations

- 3.1.** To ensure compliance with the Public Contract Regulations 2015 (PCRs), the Constitution and the Commissioning Framework, a procurement pipeline of work is maintained which the Sub-Committee should review as part of its responsibilities. This is attached at Appendix 1.
- 3.2.** Column H of the pipeline identifies which procurements are categorised as business as usual and which are categorised as Significant Decisions and require service committee approval. This is due to them incurring non-routine expenditure or having a significant effect on communities.
- 3.3.** To ensure the Council complies with the Local Government Transparency Agenda all contracts awarded are published on the Council's transparency pages on the website ([Cheshire East Transparency Pages](#)). Appendix 2 provides a list of all contracts awarded since April 2022.
- 3.4.** The Contract Procedure Rules set out the necessary controls that are used to manage related spending. There are occasions when it is appropriate to waive these rules with the proper authority.
- 3.5.** Waivers are pre-approved variations from the Contract Procedure Rules, and these form part of the procurement process.

4. Other Options Considered

- 4.1.** There is an option not to publish a pipeline of procurement activity that classifies business as usual activity and significant decisions. This option would lead to all procurement activity requiring detailed reports to Committees in addition to the existing oversight from the Finance Sub-Committee and exception reporting to the Audit and Governance Committee. This would cause additional work for officers having to draft routine reports for committee for business-as-usual expenditure. This option is not recommended as the Finance Sub-Committee can provide suitable assurance that spending is, or is not, routine and within the Budget and Policy Framework. Audit and Governance Committee also provide assurance in their role of reviewing procurement activity where procedure rules are waived or not adhered to.
- 4.2.** The responsibility of the Sub-Committee is to establish a procurement forward plan, which is provided at Appendix 1. Other information such as the past spend, review of waivers and approval of significant decisions could therefore be removed from this report as an alternative option. This option is not recommended as the Corporate Plan supports transparency which is enhanced by providing additional context around procurement activity.

5. Background

- 5.1. It is important for the Council to ensure proper oversight of procurement activity. Following the implementation of the Committee system, Key Decisions have been replaced within the Constitution by “Significant Decisions”.
- 5.2. Oversight is important as in a normal operating year the Council spends more than £350m with external parties which need to be procured in accordance with the PCRs 2015, ensuring value for money and that the Council’s Social Value principles and objectives are achieved.
- 5.3. The procurement pipeline provides a list of all the Council’s scheduled procurement activity above £1m. The Sub-Committee should be reassured that significant decisions are well managed and therefore consider reviewing important or valuable contracts. The pipeline is also available on the [Cheshire East Transparency Pages](#).
- 5.4. All waivers approved in the periods between Finance Sub-Committee meetings will be presented to the next Committee meeting. The number of waivers to be reported to this meeting is 5. The detailed waivers are set out in Part 2 of the agenda as they contain exempt information.

5.4.1. Table 1: Waivers

Waivers	2016-2017	2017-2018	2018-2019	2019-2020	2020 - 2021	2021 - 2022	April – October 2022
	40	20	16	17	25	37	18

- 5.4.2. The number of waivers increased over the past two years because of COVID and the impacts it has had on the care sector. So far this year 12 of the waivers approved have been care related.
- 5.4.3. So far during 2022 – 2023 financial year there have been 103 procurements (these include tenders, request for quotations above £25k and call offs from frameworks) with 334 contracts awarded.

6. Consultation and Engagement

- 6.1. Consultation and engagement have been undertaken with Cheshire East Council staff who have a role within Commission, Procuring and Contract Managing goods, services or works for the Council.

7. Implications

7.1. Legal

- 7.1.1. The Councils commercial legal team will work with procurement and seek to ensure that the Council’s procurement activity complies with the PCRs and the Council’s contract rules; and will look to advise on the appropriate form of contracts to be used.

7.2. Finance

- 7.2.1.** The recommendations in this report do not impact on the Council's Medium Term Financial strategy (MTFS).

7.3. Policy

- 7.3.1.** New policies regarding Contract Management and the roles and responsibilities.

7.4. Equality

- 7.4.1.** All tenders issued by the Council include a Selection Questionnaire which asks bidders to confirm obligations in environmental, social and labour laws. This is a self-declaration which provides a formal statement that the organisation making the declaration has not breached any of the exclusion grounds, including Equality Legislation. If a serious misrepresentation is found in the Selection Questionnaire, bidder may be excluded from the procurement procedure, and from bidding for other contracts for three years.
- 7.4.2.** All Cheshire East Council contracts have a clause stating "the supplier shall perform its obligations under the Contract in accordance with all applicable equality Law and the Council's equality and diversity policy as provided to the Supplier from time to time"

7.5. Human Resources

- 7.5.1.** There are no direct implications for HR.

7.6. Risk Management

- 7.6.1.** Contract and supplier risks and issues will be managed through the new Contract Management System ensuring supply chain risks are monitored and managed appropriately with visibility across the Council.

7.7. Rural Communities

- 7.7.1.** There are no direct implications for rural communities.

7.8. Children and Young People/Cared for Children

- 7.8.1.** There are no direct implications for children and young people.

7.9. Public Health

- 7.9.1.** There are no direct implications for public health

7.10. Climate Change

- 7.10.1.** Carbon and the environment form part of the Council's Social Value Policy and Framework. How the Council measures the outcomes and performance from the supply chain will be through the Contracts Management Framework.

Access to Information	
Contact Officer:	Lianne Halliday Lianne.halliday@cheshireeast.gov.uk
Appendices:	Appendix 1 Pipeline Appendix 2 Contracts
Background Papers:	Waivers – exempt

Data is available on the Cheshire East website, link below.

[Cheshire East Transparency Pages](#)

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Pipeline: Pipeline	Project Status	Date Tender to be advertised	Estimated Contract start date	Overall Project Budget	Department	Finance sub committee approval	Approval Required
22 036 Care at Home (Adults)	Pre tender	04/12/2022	04/09/2023	£ 140,000,000.00	Integrated Commissioning	Service Committee Approval - March 22	
22 065 DPS - Home to School & Commercial Transport	Pre tender	01/11/2022	01/11/2022	£ 60,000,000.00	Highways	07/07/2022	
22 083 Handforth Garden Village Primary Infrastructure Works	Pre tender	01/12/2022	01/02/2023	£ 37,000,000.00	Economic Development	Cabinet 11/09/2018	
22 048 Family Support Services	Pre tender	01/12/2022	02/05/2024	£ 22,000,000.00	Children's Commissioning	Childrens Committee 24/03/2022	
23 038 Alternative Provision for Education	Forward plan	01/04/2023	01/09/2023	£ 8,015,000.00	Children's Commissioning	Required	Service Committee
22 094 Insurance Policies	Pre tender	03/10/2022	01/03/2023	£ 8,000,000.00	Audit and Risk Management	05/01/2022	
22 033 Day Opportunities - Round 2	Live	04/10/2022	10/01/2023	£ 7,000,000.00	Integrated Commissioning	Service Committee Approval - November 2021	
22 091 Congleton Greenway Bridge	Forward plan	12/12/2022	01/04/2023	£ 5,300,000.00	Highways	Service Committee Approval - July 2022	
19 092 PROVISION OF A BUILDING INTEGRATED GROUND MOUNTED SOLAR PV SCHEME	Live	23/03/2022	25/07/2022	£ 4,000,000.00	Economic Development	02/02/2021	
22 098 Supply of Water and Wastewater Services.	Forward plan	01/06/2023	01/04/2024	£ 3,800,000.00	Estates	07/09/2022	
22 035 Carers Hub	Live	27/06/2022	01/01/2023	£ 3,750,000.00	Adults Commissioning	Service Committee Approval - 24th March 2022	
21 084 Construction Related Consultancy Services	Live	14/02/2022	30/11/2022	£ 3,500,000.00	Estates	05/01/2022	
22 100 Provision of Fresh Produce, Bread and Dairy	Pre tender	17/11/2022	01/03/2023	£ 3,300,000.00	Education Infrastructure and Outcomes	07/09/2022	
22 077 Holiday Activity Fund Provider Framework (HAF)	Pre tender	15/09/2022	12/12/2022	£ 2,500,000.00	Children's Commissioning	Service Committee November 2022	
22 108 Network Incentives Voucher Scheme	Pre tender	04/11/2022	01/12/2022	£ 2,200,000.00	Children in Need and Child Protection	BAU	Yes
23 022 Emotionally Healthy Children & YP	Forward plan	30/08/2023	01/04/2023	£ 2,000,000.00	Public Health	Required	Service Committee
23 030 Universal Information & Advice	Forward plan	03/10/2023	03/04/2024	£ 1,108,000.00	Adults Commissioning	Adults and Health Committee 26/09/2022	

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Contract Ref	Contract: Contract Name	Status	Start Date	End Date	Contract Manager	Procurement Officer	Awarded Value	Department
C0820	Building Services Contract	Active	01/04/2022	31/03/2029	Ian King	Steve Mellor	£ 97,000,000.00	Estates
C0896	FULLY MANAGED SERVICE FOR ENERGY SUPPLY	Active	01/04/2022	31/03/2027	Mahdi Choudhury	Victoria Adjekum	£ 30,500,000.00	Estates
C1214	North West Crown Highways Construction - Stage 2	Active	01/04/2022	31/03/2024	Neil Grundy	Steve Mellor	£ 25,484,361.22	Highways
C1159	Cheshire East Bereavement Services Contract	Active	01/04/2022	31/03/2027	Ralph Kemp	Steve Mellor	£ 12,303,072.00	Environmental Services
C0834	Day Opportunities	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£ 7,000,000.00	Integrated Adult Social Care
C0814	Assistive Technology	Active	01/07/2022	30/06/2025	Steve Clews	Tracy Roberts	£ 4,778,057.00	Public Health
C0910	Statutory Advocacy Services	Active	01/09/2022	31/08/2026	Kelly Brighouse, CEC - Paul Jones, CWAC	Emma Harris	£ 4,193,000.00	Integrated Adult Social Care
C1414	Domestic Energy Retrofit	Active	01/08/2022	31/03/2026	Karen Whitehead	Alex Jones	£ 3,000,000.00	Housing
C0774	Level Access Showers	Active	01/04/2022	31/03/2024	Karen Whitehead	Alex Jones	£ 3,000,000.00	Housing
C1403	CAH Adults Non-Commissioned Providers	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 2,382,745.00	Adults Commissioning
C1288	Wilmington High School Expansion - Enabling Works RIBA Stage 5	Active	16/05/2022	21/04/2025	Nick Cook	Steve Mellor	£ 1,403,405.38	Education Infrastructure and Outcomes
C0837	NHS Health Checks	Active	01/04/2022	31/03/2025	Kelly Brighouse	Tracy Roberts	£ 1,400,000.00	Public Health
C1033	Digital Customer Enablement Platform	Active	01/04/2022	31/03/2024	Lou Jones	Simon Hagan	£ 925,250.00	ICT Services
C1076	P442 General Estates Support and Disposal	Active	01/04/2022	31/03/2026	Joanne Jones	Michael Lees	£ 900,000.00	Highways
C1029	Provision of Franking Machines	Active	23/09/2022	22/09/2027	Dave Bennett	Emma Harris	£ 874,198.00	Estates
C0911	P441 General Estates Support and Disposal	Active	01/04/2022	31/03/2026	Joanne Jones	Michael Lees	£ 700,000.00	Highways
C0845	Local Healthwatch Cheshire and Independent Complaints Advocacy Service	Active	01/04/2022	31/03/2026	Kelly Brighouse	Louise Fenn	£ 604,800.00	Integrated Commissioning
C1329	Short Stay CCG Beds	Active	01/04/2022	30/03/2023	Elizabeth Hopper	Louise Fenn	£ 561,600.00	Adults Commissioning
C0915	P414 Contract for the provision of collections services on behalf of CEC	Active	01/04/2022	31/03/2023	Nova Pointon	Michael Lees	£ 500,000.00	Customer Services
C1125	Regulatory Services Management Solution	Active	27/07/2022	26/07/2027	Tracy Bettaney	Steve Mellor	£ 473,783.00	Economic Development
C1102	Grid Connection at Legiton	Active	01/04/2022	15/04/2024	Elizabeth Hopper	Louise Fenn	£ 457,266.31	Adults Commissioning
C1328	Short Stay CCG Beds	Active	01/04/2022	30/03/2023	Elizabeth Hopper	Simon Hagan	£ 443,300.00	Adults Commissioning
C1023	Public Rights of Way Furniture and associated works.	Active	03/10/2022	02/10/2025	Nicola Swinnerton	Emma Harris	£ 440,000.00	Highways
C0829	Cash receipting and Income Management Software	Active	01/05/2022	30/04/2027	Lou Jones	Simon Hagan	£ 416,697.00	ICT Services
C1482	Provision of Mental Health Blocked Beds at Eden Mansions Care Home	Active	01/10/2022	01/03/2023	Liz Hopper	Sharif Danesh	£ 371,800.00	Integrated Commissioning
C1292	Provision of Mental Health Blocked Beds at Eden Mansions Care Home	Expired	01/04/2022	30/09/2022	Hopper	Louise Fenn	£ 371,800.00	Integrated Commissioning
C1236	Cherry Tree Lodge Care Home - individual placement	Active	01/04/2022	01/04/2024	Elizabeth Hopper	Michael Ashworth	£ 361,861.76	Adults Commissioning
C1325	Short Stay CCG Beds	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£ 338,000.00	Adults Commissioning
C1396	Moore Care Home - individual placement	Active	01/04/2022	01/04/2024	Elizabeth Hopper	Louise Fenn	£ 311,878.32	Adults Commissioning
C1463	Non-Commissioned Providers - Right at Home Cheshire East	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 298,881.60	Adults Commissioning
C1449	Non-Commissioned Providers - Helping Hands	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 291,176.80	Adults Commissioning
C1378	Storage, Retrieval, Index and Digitise Documents	Active	22/06/2022	31/01/2023	Sam Ryan	Simon Hagan	£ 285,000.00	ICT Strategy
C1282	Contract for System Resilience Beds - Short Stay in Care Homes	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£ 284,700.00	Integrated Commissioning
C1185	MEB - Impact Assessment Conservation Payments (Phased)	Active	01/04/2022	01/04/2023	Chris Hindle	Sharif Danesh	£ 281,422.02	Highways
C1397	Jackson House Care Home - individual placement	Active	01/04/2022	01/04/2024	Elizabeth Hopper	Michael Ashworth	£ 268,320.00	Adults Commissioning
C0860	Emergency Assistance Scheme Lot 1	Active	01/04/2022	31/03/2026	Janet Alcock	Alex Jones	£ 262,000.00	Business Change
C1405	Haydock House - individual placement	Active	01/04/2022	01/04/2024	Elizabeth Hopper	Tracy Roberts	£ 260,765.00	Adults Commissioning
C1117	P458 Digital Programme Consultant (Active/Jeff Garratt)	Active	01/04/2022	31/03/2024	Emma Eardley	Janet Ellison-Jones	£ 257,000.00	ICT Strategy
C1319	Cheshire East Covid 19 Early Warning System	Active	05/09/2022	05/09/2023	Emma Eardley	Michael Ashworth	£ 230,400.00	Adults Commissioning
C1441	Non-Commissioned Providers - Cherish U Ltd	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 230,119.65	Adults Commissioning
C1158	Contract Lifecycle Management System	Active	11/08/2022	10/08/2024	Lianne Halliday	Simon Hagan	£ 223,634.00	ICT Strategy
C1037	Contract for the Provision of Rating List Analysis and Finder Service	Active	02/09/2022	01/09/2024	Nova Pointon	Lydia Russell	£ 200,000.00	Customer Services
C1167	P464 Crewe Hub- Funding and Financing Options and Implementation	Active	11/04/2022	30/06/2024	Hayley Kirkham	Michael Lees	£ 199,105.00	H52
C1437	Non-Commissioned Providers - Homecare Northwest	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 196,446.55	Adults Commissioning
C1443	Non-Commissioned Providers - Compassionate Care Ltd	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 194,035.00	Adults Commissioning
C1379	Records Management Services	Active	22/06/2022	31/01/2023	Sam Ryan	Simon Hagan	£ 190,000.00	ICT Services
C1314	Emergency Assistance Scheme Lot 2 & 3	Active	01/04/2022	31/03/2026	Janet Alcock	Alex Jones	£ 172,800.00	Business Change
C1438	Non-Commissioned Providers - Bluebird Care	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 172,492.00	Adults Commissioning
C0920	Microsoft Unified Support	Active	01/04/2022	31/03/2023	Amanda Curtis	Simon Hagan	£ 157,467.00	ICT Services
C1462	Non-Commissioned Providers - Valour Healthcare Services	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 156,300.00	Adults Commissioning
C1286	Contract for System Resilience Beds - Short Stay in Care Homes	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£ 156,000.00	Integrated Commissioning
C1284	Contract for System Resilience Beds - Short Stay in Care Homes	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£ 156,000.00	Integrated Commissioning
C1323	Short Stay CCG Beds	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£ 155,844.00	Adults Commissioning
C0830	Online Learning for children and young adults	Active	01/09/2022	31/08/2025	Laura Rogerson	Lydia Russell	£ 150,000.00	Inclusion
C0828	Early Intervention & Prevention - Sensory Impairment, hearing	Active	01/04/2022	31/03/2025	Victoria Davies	Lydia Russell	£ 150,000.00	Mental Health and Learning Disability
C1452	Non-Commissioned Providers - Home Instead - Northwich	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 147,262.50	Adults Commissioning
C1450	Non-Commissioned Providers - Home Instead - Northwich (South Cheshire Senior Car	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 146,969.85	Adults Commissioning
C1442	Non-Commissioned Providers - Cheshire Home Care Solutions	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 145,603.00	Adults Commissioning
C1430	P475 Strategic development of Extra Care Housing in Cheshire Ea	Active	12/09/2022	12/06/2023	Shelley Brough	Janet Ellison-Jones	£ 145,478.17	Integrated Adult Social Care
C1324	Short Stay CCG Beds	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£ 143,000.00	Adults Commissioning
C1455	Non-Commissioned Providers - My Home Care - Stockport	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 140,805.40	Adults Commissioning
C1326	Short Stay CCG Beds	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£ 135,200.00	Adults Commissioning
C1212	Mental Health Assessors (DOLS) - 2. Psychiatric Reports and Medicolegal Services	Active	01/04/2022	31/03/2023	Tom Cox	Louise Fenn	£ 135,000.00	Adult Safeguarding
C1096	P455 Information Assurance and Data Management Programme	Active	04/04/2022	31/03/2023	Keith Sutton	Janet Ellison-Jones	£ 133,525.00	ICT Strategy
C1091	Springfield School Expansions - PCSO	Active	18/04/2022	31/07/2023	Alan Jackson	Steve Mellor	£ 131,626.21	Education Infrastructure and Outcomes
C1220	Crewe Cultural and Civic Space - PCSO	Active	18/07/2022	24/10/2023	Robert Edwards	Steve Mellor	£ 129,338.14	Economic Development
C1228	Royal Arcade Redevelopment Project Management Services - Lot 5	Active	27/04/2022	30/09/2024	Debra Wrench	Janet Ellison-Jones	£ 126,784.32	Economic Development
C1456	Non-Commissioned Providers - Reto Care Limited	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 124,494.40	Adults Commissioning
C1209	Handforth Garden Village, Groundwater Investigations works - Lot 8	Active	23/05/2022	22/05/2023	Robert Edwards	Janet Ellison-Jones	£ 119,533.00	Economic Development
C1322	Short Stay CCG Beds	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£ 114,400.00	Adults Commissioning
C1101	P457 Adults Childrens & Public Health Programme Consultant (ACPH)	Active	01/04/2022	31/03/2023	Gwynn Arrowsmith	Janet Ellison-Jones	£ 109,250.00	ICT Strategy
C1081	P448 Creative communication project and campaign services for CEC Supplier B	Active	01/04/2022	31/03/2024	Lauren Kelly	Michael Lees	£ 100,000.00	Business Change
C1080	P447 Creative communication project and campaign services for CEC Supplier A	Active	01/04/2022	31/03/2024	Lauren Kelly	Michael Lees	£ 100,000.00	Business Change
C0979	21 204 Refurbishment of Childrens Libraries	Active	01/04/2022	30/11/2023	Helen Jones	Steve Mellor	£ 100,000.00	Neighbourhood Services
C1432	P475 Cheshire Councils - Unit4 ERP Report Optimisation Review	Active	01/09/2022	28/02/2023	Paul Goodwin	Janet Ellison-Jones	£ 99,900.00	Financial Support and Procurement
C1327	Short Stay CCG Beds	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£ 98,800.00	Adults Commissioning
C1281	Contract for System Resilience Beds - Short Stay in Care Homes	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£ 97,500.00	Integrated Commissioning
C1100	P445 Adults Childrens & Public Health Project Consultant (ACPH)	Active	01/04/2022	31/03/2023	Gwynn Arrowsmith	Janet Ellison-Jones	£ 97,500.00	ICT Strategy
C1086	RFO Self Service Kiosks and Security Gates	Active	01/04/2022	31/03/2025	Gwynn Shannon	Michael Ashworth	£ 96,233.98	Neighbourhood Services
C1336	Adult Respite Support (bed based) Service	Active	01/07/2022	30/11/2023	Sharif Danesh	Sharif Danesh	£ 96,014.28	Integrated Commissioning
C1151	TTCE Programme - LFT Home Testing Kits	Expired	01/04/2022	30/04/2022	Lucie Robinson	Sharif Danesh	£ 87,000.00	Public Health
C1010	Choice Based Letting System	Active	01/08/2022	31/07/2024	Nic Abbott	Michael Ashworth	£ 84,000.00	Housing
C1483	E Payslips Software Solution	Active	30/09/2022	30/09/2026	Rebecca Danby	Michael Ashworth	£ 82,656.00	Human Resources
C1045	P438 Research study - Covid 19 effects	Active	09/05/2022	07/04/2023	Katy Ellison	Michael Ashworth	£ 79,995.00	Financial Support and Procurement
C1025	Tree Management Software	Active	16/06/2022	16/06/2024	Elton Watson	Michael Ashworth	£ 75,855.00	ICT Services
C1215	Mental Health Assessors (DOLS) - 6. Super support service Limited	Active	01/04/2022	31/03/2023	Tom Cox	Louise Fenn	£ 75,000.00	Adult Safeguarding
C1211	Mental Health Assessors (DOLS) - 3. All & Co Limited	Active	01/04/2022	31/03/2023	Tom Cox	Louise Fenn	£ 75,000.00	Adult Safeguarding
C1214	Mental Health Assessors (DOLS) - 5. Farashkam Ltd	Active	01/04/2022	31/03/2023	Tom Cox	Louise Fenn	£ 75,000.00	Adult Safeguarding
C1270	Mental Health Assessors (DOLS) - 7. Dr Min Latt	Active	01/04/2022	31/03/2023	Tom Cox	Louise Fenn	£ 75,000.00	Adult Safeguarding
C1169	Mental Health Assessors (DOLS) - 1. Psychiatry Medicolegal Service Limited	Active	01/04/2022	02/09/2023	Tom Cox	Louise Fenn	£ 75,000.00	Adult Safeguarding
C1454	Non-Commissioned Providers - Lantern Care Services	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 69,826.95	Adults Commissioning
C1433	Non-Commissioned Providers - Absolute Angels	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 66,915.00	Adults Commissioning
C1484	Asbury Marsh	Active	25/08/2022	24/08/2023	Karen Whitehead	Emma Harris	£ 65,143.29	Housing
C1457	Non-Commissioned Providers - Right at Home North Cheshire and Leigh	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 64,500.00	Adults Commissioning
C1459	Non-Commissioned Providers - Right at Home Stockport & Didsbury	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 64,422.85	Adults Commissioning
C1146	P466 Email and Identity Management Architecture Service	Expired - Still Active	07/04/2022	30/09/2022	Chris Weedall	Janet Ellison-Jones	£ 62,400.00	ICT Services
C1317	W1349 Zero trust network configuration technical counsellor	Active	29/07/2022	29/10/2023	Paul Chadwick	Janet Ellison-Jones	£ 61,625.00	ICT Strategy
C1155	Community Infrastructure Solution	Active	12/06/2022	20/06/2023	Allan Clarke	Simon Hagan	£ 60,000.00	Strategic Planning
C1011	Data Colling	Active	13/06/2022	12/06/2023	Martin Potts	Michael Ashworth	£ 60,000.00	ICT Services
C1136	P465 Cheshire East Business Case and Funding Bid Development Services	Active	27/05/2022	01/03/2023	Carwyn Evans	Janet Ellison-Jones	£ 58,454.00	Economic Development
C1458	Non-Commissioned Providers - Right at Home South Cheshire	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 54,728.40	Adults Commissioning
C1285	Contract for System Resilience Beds - Short Stay in Care Homes	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£ 53,820.00	Integrated Commissioning
C1451	Non-Commissioned Providers - Home Instead - Northwich	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 53,197.50	Adults Commissioning
C1132	Council Tax Exemption Rebate/Ukrainian sponsor/Fraud Protection	Active	12/06/2022	12/04/2023	Nova Pointon	Michael Ashworth	£ 51,822.00	ICT Strategy
C1041	Insurance Claims Database	Active	01/07/2022	30/06/2024	Tricia Cuncliffe	Simon Hagan	£ 51,072.00	Audit and Risk Management
C1436	Non-Commissioned Providers - Be Helpful	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 50,600.00	Adults Commissioning
C1274	Solar Sites Feasibility	Expired	24/06/2022	12/08/2022	Emma Williams	Michael Lees	£ 48,319.00	Environmental Services
C0831	21 097 Sharepoint Online	Active	03/05/2022	03/05/2023	Keith Sutton	Simon Hagan	£ 48,100.00	ICT Services
C1446	Non-Commissioned Providers - ExtraHand Care Services Ltd	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 47,712.00	Adults Commissioning
C1309	Electronic Signature Solution	Active	10/05/2022	09/05/2024	Lianne Halliday	Simon Hagan	£ 45,643.52	ICT Services
C1223	Best Interests Assessors DOLS 3.	Active	01/04/2022	31/03/2023	Tom Cox	Lydia Russell	£ 45,000.00	Adult Safeguarding
C1119	Employee engagement surveys	Active	21/10/2022	20/10/2024	Therese Hynes	Lydia Russell	£ 44,625.00	Human Resources
C0946	Career Planning Database	Active	01/04/2022	31/03/2023	Sarah Ramsey	Simon Hagan	£ 42,982.27	Early Help and Prevention
C1448	Non-Commissioned Providers - Goyt Valley Carers	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 41,580.00	Adults Commissioning
C1464	Non-Commissioned Providers - Your Life Your Way	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£ 41,178.80	Adults Commissioning
C0825	BACS Payment Platform	Active	16/06/2022	16/06/2024	Paul Goodwin			

C1369	NHS Health Checks, Tudor Surgery	Active	01/04/2022	31/03/2025	Kelly Brighouse	Tracy Roberts	£	40,000.00	Public Health
C1367	NHS Health Checks, Rope Green Medical Centre	Active	01/04/2022	31/03/2025	Kelly Brighouse	Tracy Roberts	£	40,000.00	Public Health
C1349	NHS Health Checks, Haslington Heath Centre	Active	01/04/2022	31/03/2025	Kelly Brighouse	Tracy Roberts	£	40,000.00	Public Health
C1366	NHS Health Checks, Redesmoor Medical Centre	Active	01/04/2022	31/03/2025	Kelly Brighouse	Tracy Roberts	£	40,000.00	Public Health
C1253	P467 Review of Traded Services to Schools	Active	01/08/2022	30/12/2022	Heather Grove	Janet Ellison-Jones	£	40,000.00	Financial Support and Procurement
C1424	Locum Educational Psychologists	Active	19/05/2022	01/09/2026	Alexandria Brightmore	Janet Ellison-Jones	£	40,000.00	Adult Safeguarding
C1338	NHS Health Checks, Ashfields Primary Care Centre	Active	01/04/2022	31/03/2025	Kelly Brighouse	Tracy Roberts	£	40,000.00	Public Health
C1341	NHS Health Checks, Bunbury Medical Practice	Active	01/04/2022	31/03/2025	Kelly Brighouse	Tracy Roberts	£	40,000.00	Public Health
C1222	Best Interests Assessors DOLS 2	Active	01/04/2022	31/03/2023	Tom Cox	Lydia Russell	£	38,000.00	Adult Safeguarding
C1445	Non-Commissioned Providers - Extra Mile Homecare	Active	01/04/2022	02/09/2023	Emma Eardley	Lydia Russell	£	36,160.00	Adults Commissioning
C1098	Library self -serve tablet sharing solution	Active	19/08/2022	18/08/2025	Joanne Shannon	Michael Ashworth	£	36,000.00	ICT Strategy
C1312	P471 Borough wide Baseline and options for Carbon	Active	18/07/2022	30/11/2022	Emma Williams	Michael Ashworth	£	35,687.00	Environmental Services
C1389	Locum Educational Psychologists	Active	05/04/2022	01/09/2026	Alexandria Brightmore	Janet Ellison-Jones	£	35,000.00	Adult Safeguarding
C1387	Locum Educational Psychologists	Active	12/05/2022	01/09/2026	Alexandria Brightmore	Janet Ellison-Jones	£	35,000.00	Adult Safeguarding
C1241	Broker Fees for Financial Instruments 2022/23	Active	01/04/2022	31/03/2023	Paul Goodwin	Lydia Russell	£	35,000.00	Financial Support and Procurement
C1239	Next Generation Firewall Credit	Active	25/09/2022	24/09/2026	Janet Ellison-Jones	Lydia Russell	£	33,074.81	ICT Services
C1238	P468 Delivery of promotional activity & assets to support the council's capablc	Active	26/05/2022	31/12/2022	Rhannon Hilton	Janet Ellison-Jones	£	32,400.00	Economic Development
C1140	P424 40226 Tattondale Home Farm Top Yard	Active	01/09/2022	31/12/2022	Ian Barlow	Michael Ashworth	£	31,500.00	Financial Support and Procurement
C1440	Non-Commissioned Providers - Carefound Home Care (Wilmslow)	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£	31,473.45	Adults Commissioning
C1269	Disability Adaptation Works SR2001525	Active	26/05/2022	25/05/2023	Karen Whitehead	Emma Harris	£	30,324.27	Housing
C1164	P460 Cheshire East Children and Families Travel Support Review	Expired	11/04/2022	29/07/2022	Gill Betton	Michael Lees	£	30,000.00	Financial Support and Procurement
C1468	Locum Educational Psychologists	Active	24/05/2022	01/09/2026	Alexandria Brightmore	Janet Ellison-Jones	£	30,000.00	Adult Safeguarding
C1165	P462 Food Inspections	Active	05/04/2022	31/03/2023	Sarah Sutton	Michael Lees	£	29,982.73	Environmental Services
C1460	Non-Commissioned Providers - SimplyHelpingSeniors Limited	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£	29,274.55	Adults Commissioning
C1027	Oracle Program Technical Support Services	Active	20/05/2022	19/05/2023	Martin Potts	Simon Hagan	£	28,496.24	ICT Strategy
C1570	External wall insulation SR2002617	Active	04/10/2022	04/10/2023	Karen Whitehead	Steve Mellor	£	27,320.00	Housing
C1409	Storage Heaters SR2002394	Active	16/06/2022	31/03/2023	Karen Whitehead	Steve Mellor	£	26,631.20	Housing
C1163	P459 ICT Sharepoint Programme 2022-23	Active	01/04/2022	31/03/2023	Louise Murphy	Michael Lees	£	25,200.00	ICT Services
C1221	Best Interests Assessors DOLS 1	Active	01/04/2022	31/03/2023	Tom Cox	Lydia Russell	£	25,000.00	Adult Safeguarding
C1149	Maintenance & Repairs of Catering Equipment - fridge/freezers (lot2)	Active	01/08/2022	31/07/2025	Diane Corley	Tracy Roberts	£	25,000.00	Education Infrastructure and Outcomes
C1555	Lifelong Learning 2021	Active	01/08/2022	31/07/2023	Giles Sowden	Tracy Roberts	£	24,930.00	Education Infrastructure and Outcomes
C1428	P473 Playing Pitch & Outdoor Sport Strategy (IPOSS)	Active	22/08/2022	30/09/2023	Giles Sowden	Janet Ellison-Jones	£	24,786.00	Neighbourhood Services
C1556	Lifelong Learning 2021	Active	01/08/2022	31/07/2023	Giles Sowden	Tracy Roberts	£	24,000.00	Education Infrastructure and Outcomes
C1557	Lifelong Learning 2021	Active	01/08/2022	31/07/2023	Giles Sowden	Tracy Roberts	£	23,651.00	Education Infrastructure and Outcomes
C1265	Resurfacing of Outdoor Learning Environment at Oakencough Children's Centre 2	Expired	04/07/2022	04/08/2022	Adam Hindhaugh	Lydia Russell	£	23,520.00	Early Help and Prevention
C1444	Non-Commissioned Providers - Compassionate Healthcare Ltd	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£	23,170.00	Adults Commissioning
C1423	To design, supply and install Christmas decorations for Tatton park Mansion house	Active	08/08/2022	01/01/2023	Carolyn Latham	Sharif Danesh	£	22,500.00	Culture and Tourism
C1280	Contract for System Resilience Beds - Short Stay in Care Homes	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£	22,100.00	Integrated Commissioning
C1569	Test and Trace	Active	01/05/2022	31/10/2022	Emma Harris	Michael Lees	£	22,056.58	Public Health
C1500	TTC Behaviourally Optimised Autumn/Winter Campaign	Active	22/08/2022	31/10/2022	Clare Hand	Lydia Russell	£	21,687.50	Public Health
C1554	Lifelong Learning 2021	Active	01/08/2022	31/07/2023	Giles Sowden	Tracy Roberts	£	20,915.00	Education Infrastructure and Outcomes
C1008	Hypervisor Licences	Active	01/09/2022	31/08/2023	Martin Potts	Michael Ashworth	£	20,774.62	ICT Services
C1229	Oaktree childrens centre renovation	Expired	03/05/2022	10/05/2022	Adam Bailey	Sharif Danesh	£	20,060.00	Children's Commissioning
C1400	Practical English Education	Expired	01/08/2022	12/09/2022	Muktadir Khan	Lydia Russell	£	19,560.00	Communities
C0841	Education Infrastructure and Outcomes Lifelong Learning	Active	01/07/2022	01/07/2024	Christopher Rowland	Simon Hagan	£	19,270.00	Education Infrastructure and Outcomes
C1315	Java Licences	Active	04/10/2022	03/10/2023	Martin Potts	Simon Hagan	£	18,709.18	ICT Services
C1249	Resurfacing of outdoor area at Oakencough Children's Centre	Expired	25/07/2022	08/09/2022	Adam Hindhaugh	Katie Griffin	£	18,494.72	Cared for Children and Care Leavers
C1377	Funding and policy information portals	Active	01/10/2022	01/10/2025	Dan Coyne	Janet Ellison-Jones	£	18,015.00	Communities
C1334	Organisational Redesign Workshop	Expired	11/07/2022	14/07/2022	Valda Williams	Janet Ellison-Jones	£	17,800.00	ICT Strategy
C1530	Copyright Licensing	Active	01/04/2022	31/03/2023	Michael Moore	Sharif Danesh	£	17,550.00	Business Change
C1147	P463 School Dev Pathway-Professional Development of School Leaders & Teachers	Active	17/05/2022	31/08/2023	Jan Genter	Michael Lees	£	17,352.63	Financial Support and Procurement
C1334	Clerk of Works / NECA Supervisor Services 2022-23 Lot 5	Active	01/04/2022	31/03/2023	Andy Norton	Janet Ellison-Jones	£	16,641.30	Estates
C1283	Contract for System Resilience Beds - Short Stay in Care Homes	Expired	01/04/2022	30/09/2022	Elizabeth Hopper	Louise Fenn	£	16,640.00	Integrated Commissioning
C1250	Call Pause & Resume adapter for the NICE CX1 system	Active	01/04/2022	31/03/2023	Lou Jones	Louise Fenn	£	16,500.00	ICT Services
C1382	P469 Urban Design Support	Active	18/07/2022	31/03/2023	Thomas Evans	Lydia Russell	£	16,250.00	Neighbourhood Services
C1318	Kiosk Hardware and Software Support	Active	01/04/2022	31/03/2023	Joanne Shannon	Lydia Russell	£	15,747.48	Neighbourhood Services
C1461	Non-Commissioned Providers - Tattenhall Local Care	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£	15,661.80	Adults Commissioning
C1051	Copyright Licence	Active	01/04/2022	31/03/2023	Michael Moore	Lydia Russell	£	15,600.00	Legal Services
C1123	The supply of cleaning services at properties used by CEC for temp accommodation	Active	01/04/2022	31/03/2023	David Fenton	Sharif Danesh	£	15,000.00	Housing
C1213	Mental Health Assessors (DOLS) - 4. Kabe Ltd	Active	01/04/2022	31/03/2023	Tom Cox	Louise Fenn	£	15,000.00	Adult Safeguarding
C1150	TMP PO PPOs / Closures 22-23	Active	01/04/2022	31/03/2023	Genni Butler	Sharif Danesh	£	15,000.00	Culture and Tourism
C1271	Flexera AdminStudio Perpetual licence with Silver Support for 3 years	Active	30/05/2022	30/05/2025	Lou Jones	Michael Lees	£	14,669.58	ICT Strategy
C1495	Subsidy Control advice relating to Towns Fund projects	Active	26/05/2022	31/12/2022	Joe Goodman	Emma Harris	£	14,000.00	Economic Development
C1267	Disability Adaptation Works SR2001230	Active	26/05/2022	25/05/2023	Karen Whitehead	Emma Harris	£	13,545.99	Housing
C1435	Non-Commissioned Providers - Aviana Health care	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£	13,482.00	Adults Commissioning
C1273	Firewall & Web Content Filtering Service (Smoothwall)	Active	08/06/2022	07/06/2023	Martin Potts	Sharif Danesh	£	13,050.00	ICT Strategy
C1538	Support for Syrian families	Active	30/09/2022	03/09/2023	Muktadir Khan	Sharif Danesh	£	12,500.00	Communities
C1434	Non-Commissioned Providers - Anew Young People Services Ltd	Active	01/04/2022	31/03/2023	Emma Eardley	Louise Fenn	£	12,300.00	Adults Commissioning
C1305	Apprenticeship - Data Technician	Active	25/05/2022	31/08/2023	Hilary Gibson	Michael Lees	£	12,000.00	Human Resources
C1496	Crews Arts & Heritage Research	Active	01/09/2022	06/10/2023	Helen Paton	Sharif Danesh	£	12,000.00	Culture and Tourism
C1266	Covid Recovery Youth Voice project 2022	Expired	06/06/2022	06/10/2022	Megan Watley	Sharif Danesh	£	11,952.00	Public Health
C1466	The Dingle Primary School Expansions RIBA 2-3 - Lot 5 Building Surveying Service	Active	20/07/2022	30/03/2023	Robert Edwards	Janet Ellison-Jones	£	11,374.25	Education Infrastructure and Outcomes
C1391	Locum Educational Psychologists	Active	12/07/2022	31/08/2026	Alexandria Brightmore	Janet Ellison-Jones	£	11,250.00	Adult Safeguarding
C1548	Carbon showcase film	Expired	01/09/2022	30/09/2022	Anne Grace	Sharif Danesh	£	11,155.00	Environmental Services
C1006	Mobile Catering Licence from Brenton Heath Local Nature Reserve	Active	01/04/2022	31/03/2023	Richard Dorian	Louise Fenn	£	10,600.00	Culture and Tourism
C1407	Park home insulation SR20023407	Active	06/07/2022	06/07/2023	Karen Whitehead	Steve Mellor	£	10,015.00	Housing
C1406	Park home insulation SR2003407	Active	06/07/2022	06/07/2023	Karen Whitehead	Steve Mellor	£	10,015.00	Housing
C1237	Learning Disability Conference 2022	Expired	20/06/2022	20/06/2022	Mark Hughes	Sharif Danesh	£	10,000.00	Integrated Adult Social Care
C1427	Interpretation Signage Stableyard Tatton Vision Phase 2.	Active	01/08/2022	30/11/2022	Ian Barlow	Lydia Russell	£	10,000.00	Culture and Tourism
C1307	Structural Consultant	Active	09/06/2022	09/06/2023	Ian Bunin	Lydia Russell	£	10,000.00	Strategic Planning
C1573	Convelton Link Road Settlement Agreement	Active	01/04/2022	31/03/2024	Paul Griffiths	Michael Lees	£	10,000.00	Human Resources
C1501	Hole Farm Feasibility - Surveys	Active	08/08/2022	11/05/2023	Karen Carsberg	Janet Ellison-Jones	£	9,730.00	Housing
C1245	Barnfield Farm Central Heating Installation	Active	01/06/2022	31/12/2022	Lucy Roberts	Lydia Russell	£	9,500.00	Estates
C1330	HWRC Improvements 2022 - Site Investigation - Lot 8	Active	04/07/2022	28/04/2023	Tim Allen	Janet Ellison-Jones	£	9,441.76	Environmental Services
C1410	Mural Maccesfield Train Station	Expired	06/06/2022	01/09/2022	Helen Paton	Sharif Danesh	£	9,400.00	Culture and Tourism
C1485	Silk FM Brand Builder - Foster care advertisement	Active	22/08/2022	23/08/2023	Shamena Sadiq	Sharif Danesh	£	9,360.00	Cared for Children and Care Leavers
C1539	Alpha Parking	Active	24/05/2022	08/03/2023	Joanne Rigg	Lydia Russell	£	9,101.00	Human Resources
C1160	Sensory Items	Expired	05/04/2022	30/08/2022	Zoe Blackwell	Sharif Danesh	£	8,812.30	Cared for Children and Care Leavers
C1553	English Education Practical sessions	Expired	01/08/2022	12/09/2022	Muktadir Khan	Sharif Danesh	£	8,800.00	Communities
C1331	HWRC Improvements 2022 - QS Services - Lot 3	Active	04/07/2022	30/09/2024	Tim Allen	Janet Ellison-Jones	£	8,750.00	Environmental Services
C1494	Chair and Author of a Domestic Homicide Review- consultancy/Review	Active	01/09/2022	31/01/2024	Richard Christopherson	Lydia Russell	£	8,500.00	Communities
C1316	Pay Equipment	Expired	01/07/2022	31/08/2022	Ian Barlow	Lydia Russell	£	8,433.00	Estates
C1589	Mobberley CE Primary School Expansions RIBA Stage 2-7 - Lot 3	Active	24/10/2022	30/09/2024	Tim Allen	Janet Ellison-Jones	£	8,248.00	Education Infrastructure and Outcomes
C1049	Legal Support - Appeal Hearing	Active	05/04/2022	04/04/2023	Peter Hoolley	Lydia Russell	£	8,000.00	Economic Development
C1233	Ornate Tree Guards - tatton Park	Active	01/06/2022	31/03/2023	Ian Barlow	Lydia Russell	£	8,000.00	Culture and Tourism
C1470	Locum Educational Psychologists	Expired	05/07/2022	04/09/2022	Alexandria Brightmore	Janet Ellison-Jones	£	8,000.00	Adult Safeguarding
C1384	Nessus Professional Feed	Active	20/07/2022	19/07/2025	Martin Potts	N/A	£	7,819.00	ICT Services
C1063	Network Membership Subscription	Active	01/04/2022	31/03/2023	Giles Weedall	N/A	£	7,650.00	ICT Strategy
C0763	Crews Town Centre Heat Network - Lot 3 QS Services	Active	18/07/2022	29/09/2023	Robert Edwards	Janet Ellison-Jones	£	7,500.00	Environmental Services
C1333	Mandatory Annual ESFA sub-contracting funding audit	Expired	01/06/2022	31/08/2022	Giles Sowden	Lydia Russell	£	7,500.00	Education Infrastructure and Outcomes
C1058	Consultancy Services for Definitive Map Modification Order Application	Expired	07/07/2022	30/09/2022	Genni Butler	Lydia Russell	£	7,200.00	Culture and Tourism
C1057	Consultancy Services for Definitive Map Modification Order Application	Active	07/07/2022	30/01/2023	Genni Butler	Lydia Russell	£	7,200.00	Culture and Tourism
C1059	Supply of Consultancy Services for Definitive Map Modification Order Application	Active	15/08/2022	31/03/2023	Genni Butler	Lydia Russell	£	7,200.00	Culture and Tourism
C1060	Consultancy Services for Definitive Map Modification Order Application	Active	15/08/2022	31/03/2023	Genni Butler	Lydia Russell	£	7,200.00	Culture and Tourism
C1214	Qualification for Teachers of Children and Young People with vision impairment	Active	24/05/2022	01/07/2023	Joanne Rigg	Lydia Russell	£	7,080.00	Human Resources
C1576	Test and Trace	Active	12/09/2022	12/09/2023	Lucie Robison - Now Matt Tyrer	Sharif Danesh	£	6,900.00	Public Health
C1588	Mobberley CE Primary School Expansions RIBA Stage 0-2 Building Services Lot 1	Active	24/10/2022	30/06/2023	Tim Allen	Janet Ellison-Jones	£	6,875.00	Education Infrastructure and Outcomes
C1413	Electrical Remedial works - Tatton Mansion	Expired	01/07/2022	31/08/2022	Ian Barlow	Sharif Danesh	£	6,816.00	Culture and Tourism
C1476	Summer Reading Challenge materials for CE libraries	Active	01/04/2022	31/03/2023	Helen Paton	Sharif Danesh	£	6,740.15	Neighbourhood Services
C1540	Newspaper Licensing	Active	01/11/2022	31/10/2023	Michael Moore	Sharif Danesh	£	6,500.00	Human Resources
C1516	P4M5 - Commissioned Online Video Training	Active	26/08/2022	03/12/2022	Joanne Rigg	Sharif Danesh	£	6,300.00	Human Resources
C1439	Non-Commissioned Providers - Care Select	Active	01/04/2022	02/09/2023	Emma Eardley	Louise Fenn	£	6,280.00	Adults Commissioning
C1028	Sharegate Desktop	Active							

C1184	Remove Netbackup Instance	Expired	12/04/2022	31/05/2022	Martin Potts		£	2,300.00	ICT Services
C1392	Promodag Reports	Active	26/07/2022	25/07/2023	Martin Potts	N/A	£	1,954.65	ICT Services
C1335	Load Balancer Support	Active	28/05/2022	27/11/2022	Martin Potts	N/A	£	1,768.00	ICT Services
C1053	CAV Annual support and maintenance	Active	01/04/2022	31/03/2023	Keith Sutton	N/A	£	1,660.35	ICT Services
C0941	Cross browser testing platform	Active	16/08/2022	15/08/2023	Lou Jones	N/A	£	1,198.00	ICT Services
C1210	Hardware Support (Bull Escala)	Expired	14/04/2022	14/07/2022	Martin Potts		£	1,104.00	ICT Services
C1415	Hardware Support (Bull Escala)	Expired	18/07/2022	17/10/2022	Martin Potts		£	1,104.00	ICT Services
C1574	Hardware Support (Bull Escala)	Active	18/10/2022	17/01/2023	Martin Potts		£	1,104.00	ICT Services
C1421	Corporate Chat Bot Solution	Active	01/05/2022	30/04/2023	Lou Jones	N/A	£	924.79	ICT Services
C1521	Nomine Membership & Domain Lease	Active	01/08/2022	31/07/2024	Lou Jones	N/A	£	740.00	ICT Services
C1291	MapInfo Pro-Maintenance	Active	01/04/2022	31/03/2023	David Malcolm	N/A	£	699.84	ICT Services
C1390	Fibre Test & Termination	Expired	13/07/2022	12/08/2022	Martin Potts		£	650.00	ICT Services
C1272	Mind Mapping Software	Active	30/07/2022	29/07/2023	Paul Chadwick	N/A	£	637.50	ICT Strategy
C1248	Macclesfield Library Data Point	Expired	18/05/2022	17/06/2022	Martin Potts		£	575.00	ICT Services
C1489	Database/Software for Advice & Support Service, client caseload	Active	31/07/2022	30/07/2023	Karen Porter	N/A	£	550.00	Education Partnership and Pupil Support
C1232	Ellesmere Port Market Data Point	Expired	03/05/2022	10/05/2022	Martin Potts		£	495.00	ICT Services
C1563	Red Hat Linux	Active	16/10/2022	15/10/2023	Martin Potts		£	478.30	ICT Services
C1257	Fibre Testing	Expired	24/05/2022	13/06/2022	Martin Potts		£	350.00	ICT Services
C1479	ICT Technicians Schools - Branded T-Shirts	Expired	23/08/2022	30/08/2022	Amanda Curtis		£	318.75	ICT Services
C1492	EHC Hub	Active	03/08/2022	07/08/2023	Martin Potts	N/A	£	230.38	ICT Services
C1375	Apple Developer Account	Active	03/08/2022	03/08/2023	Lou Jones	N/A	£	65.83	ICT Services
C1565	Wincip professional licences for PSN Compliance	Active	13/10/2022	12/10/2023	Amanda Curtis		£	58.74	ICT Services
C1509	Day Opportunities - East Cheshire Housing	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1514	Day Opportunities - SOS Homecare Ltd	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1515	Day Opportunities - Time Out Group (North West)	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1512	Day Opportunities - Oxygen housing	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1511	Day Opportunities - Let's Farm	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1508	Day Opportunities - Crossroads Together	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1504	Day Opportunities - Always Active	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1503	Day Opportunities - 1st Enable Ltd	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1507	Day Opportunities - YMCA Crewe	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1506	Day Opportunities - Christies Care	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1513	Day Opportunities - Pure Innovations Limited	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1505	Day Opportunities - Choice Support	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C1510	Day Opportunities - Hopes & Beams	Active	01/08/2022	31/07/2027	Gerard Buckley	Tracy Roberts	£	-	Integrated Adult Social Care
C0549	Cycle to Work Salary Sacrifice Scheme	Active	01/10/2022	31/12/2022	David Worrall	Michael Lees	£	-	Human Resources
C1473	DPS Complex Needs - Vision Beyond Autism	Active	21/07/2022	25/11/2023	Mark Hughes	Sharif Danesh	£	-	Integrated Commissioning
C1474	DPS Complex Needs - Eternity Care	Active	01/09/2022	25/11/2023	Mark Hughes	Sharif Danesh	£	-	Integrated Commissioning
C1472	Sort Code Verification (W1355)	Active	24/08/2022	23/08/2023	James Horncastle	Simon Hagan	£	-	Corporate
C1469	Dummy call off to create modification	Active	01/08/2022	30/04/2023		Emma Harris	£	-	Children's Commissioning
C1068	SCE SQL/CIS CPS	Active	01/06/2022	31/05/2025	Amanda Curtis	Simon Hagan			ICT Services
C1581	DPS-AWC David Lewis	Active	25/10/2022	30/11/2024	Liz Hopper	Sharif Danesh			Integrated Commissioning
C0889	Adlington Footpath No. 10 river erosion reinstatement	Active	01/09/2022	01/02/2023	Genni Butler	Sharif Danesh			Environmental Services
Total							£	215,704,693.78	

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