



Third Financial Review 2023/24

January 2024

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:

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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 £750m.

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 and interest rates. 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 a forecast outturn of £13.0m against a net revenue budget of £353.1m. The most significant impact is within the rising costs of Children's Social Care. Further activity is required to identify other mitigating measures.

When the 2023/24 budget was set, in February 2023, 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, interest rates 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 2024 to 2028.

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 2023/24.

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2023/24 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.
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Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

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2023/24 Outturn Forecast - Financial Position

2023/24	Revised Budget (NET) £m	Forecast Outturn £m	Forecast Variance £m	For further information please see the following sections
SERVICE DIRECTORATES				
Adults, Health and Integration	136.5	141.5	5.0	Appendix 1
Children's Services	80.3	90.3	10.0	Appendix 2
Place - Directorate/Growth & Enterprise	24.8	22.0	(2.8)	Appendix 4
Place - Environment & Neighbourhood Services	48.7	51.8	3.1	Appendix 5
Place - Highways & Infrastructure	11.2	11.0	(0.2)	Appendix 6
Corporate Services	41.7	40.7	(1.0)	Appendix 3
Total Services Net Expenditure	343.2	357.3	14.1	
CENTRAL BUDGETS				
Capital Financing	19.0	19.0	-	Appendix 7 Section 5
Transfer to/(from) Earmarked Reserves	(7.4)	(7.4)	-	Appendix 7 Section 6
Transfer from MTFs Earmarked Reserve	-	-	-	Appendix 7 Section 6
Corporate Contributions / Central Budgets	(1.7)	(2.8)	(1.1)	Appendix 7
TOTAL NET EXPENDITURE	353.1	366.1	13.0	
Business Rates Retention Scheme	(55.3)	(55.3)	-	Appendix 7 Section 2
Specific Grants	(26.8)	(26.8)	-	Appendix 7 Section 3
Council Tax	(271.1)	(271.1)	-	Appendix 7 Section 2
Net Funding	(353.1)	(353.1)	-	
NET (SURPLUS) / DEFICIT	-	13.0	13.0	

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 inflation, the legacy impact of the Coronavirus pandemic on people and on the economy 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. The affects of inflation on contracts, 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 £14.1m over budget in the current year which includes mitigating actions identified to date. The 2023/24 Approved Budget Policy Changes and Forecast Variances provide further details and changes to service net budgets since the Medium-Term Financial Strategy (Section 2 in the **Appendices 1-6**).
4. It also shows that central budgets are forecast to be £1.1m below budget resulting in an overall forecast outturn of £13.0m against a net revenue budget of £353.1m.
5. Further items impacting on the level of the Council's balances are detailed in **Appendix 7**.

Table 1 - Service Revenue Outturn Forecasts

2023/24	Revised Budget	Forecast Outturn	Forecast Variance	Forecast Variance FR1	Movement from FR2 to FR3
	(NET)				
	£m	£m	£m	£000	£000
SERVICE DIRECTORATES					
Adult Social Care - Operations	137.9	142.9	4.9	4.7	0.3
Commissioning	(1.4)	(1.4)	0.1	0.1	0.0
Public Health	-	-	-	-	-
Adults and Health Committee	136.5	141.5	5.0	4.7	0.3
Directorate	0.7	0.5	(0.2)	0.1	(0.3)
Children's Social Care	49.0	58.1	9.2	9.4	(0.3)
Strong Start, Family Help and Integration	7.4	6.4	(1.0)	(0.6)	(0.4)
Education & 14-19 Skills	23.2	25.2	2.0	1.8	0.2
Children and Families Committee	80.3	90.3	10.0	10.8	(0.8)
Directorate	0.3	0.1	(0.2)	(0.2)	-
Growth & Enterprise	24.5	21.9	(2.6)	(1.7)	(0.9)
Economy and Growth Committee	24.8	22.0	(2.8)	(1.9)	(0.9)
Environment & Neighbourhood Services	48.7	51.8	3.1	3.5	(0.4)
Environment and Communities Committee	48.7	51.8	3.1	3.5	(0.4)
Highways & Infrastructure	11.2	11.0	(0.2)	1.2	(1.3)
Highways and Transport Committee	11.2	11.0	(0.2)	1.2	(1.3)
Directorate	0.6	0.3	(0.26)	(0.1)	(0.2)
Finance & Customer Services	13.3	13.1	(0.19)	0.2	(0.3)
Governance & Compliance Services	10.8	10.4	(0.37)	(0.4)	0.1
Communications	0.7	0.7	0.01	0.0	0.0
HR	2.6	2.2	(0.35)	(0.2)	(0.1)
ICT	11.8	12.1	0.28	0.4	(0.1)
Policy & Change	2.0	1.9	(0.08)	(0.3)	0.2
Corporate Policy Committee	41.7	40.7	(1.0)	(0.5)	(0.5)
TOTAL SERVICES NET EXPENDITURE	343.2	357.3	14.1	17.8	(3.6)
CENTRAL BUDGETS					
Capital Financing	19.0	19.0	-	0.4	(0.4)
Transfer to/(from) Earmarked Reserves	(7.4)	(7.4)	-	-	-
Corporate Contributions / Central Budgets	(1.7)	(2.8)	(1.1)	0.5	(1.6)
Finance Sub-Committee - Central Budgets	9.9	8.8	(1.1)	0.9	(2.0)
TOTAL NET EXPENDITURE	353.1	366.1	13.0	18.7	(5.7)
Business Rates Retention Scheme	(55.3)	(55.3)	-	-	-
Specific Grants	(26.8)	(26.8)	-	-	-
Council Tax	(271.1)	(271.1)	-	-	-
Finance Sub-Committee - Net Funding	(353.1)	(353.1)	-	-	-
NET (SURPLUS) / DEFICIT	-	13.0	13.0	18.7	(5.7)
General Reserves Balance					
2023/24 Budget					
£m					
Opening Balance April 2023	14.1	Actual			
2023/24 Impact on Reserves (see above)	(13.0)	Forecast			
Closing Balance March 2024	1.1	Forecast			

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Appendix 3

Corporate Policy Committee

1. Changes to Revenue Budget 2023/24 since Second Financial Review

	Second Review Revised Net Budget	Adjustments to FR2 Budget	Third Review Revised Net Budget	Unringfenced Grants to be Actioned
	£000	£000	£000	£000
CORPORATE				
Directorate	570	-	570	-
Finance & Customer Services	12,764	493	13,257	115
Governance and Compliance Services	10,766	-	10,766	-
HR	2,588	-	2,588	-
ICT	11,804	12	11,816	-
Communications	696	-	696	-
Policy and Change	2,014	-	2,013	-
Corporate Policy Committee	41,202	505	41,706	115

Note the unringfenced grants to be actioned column includes the expenditure part of centrally held unringfenced grants. These budget adjustments will take place once all third financial review approvals have been given.

Corporate Policy Committee

2. 2023/24 Approved Budget Policy Changes and Forecast Variances

Forecast Outturn Commentary:

The Corporate Policy Committee has responsibilities across the Corporate Directorate. Services cover support functions such as Finance, Legal, HR and ICT as well as front line services such as Customer Services, Revenues and Benefits, Registrations and Consultation Services. Services across the directorate are important in enabling activities, for example providing ICT Systems, project management, legal advice and HR support.

The forecast outturn for Corporate Services is an underspend of £1.0m, which is a £0.7m improvement over the £0.3m underspend reported at second financial review. The Directorate has improved its forecast by building on the staffing savings achieved through a review of vacancies at second review, by further vacancy and contract management, and regular review of non-staffing spend. Holding vacancies has considerably reduced forecast spend on staffing meaning that budget pressure relating to higher than forecast pay inflation can be met from in-year vacancies underspending. The main pressure continues to be from a shortfall in Rent Allowances income however, there is also a large reduction in commissioned hours within the shared ICT service, this has slightly improved since FR2 but continues to impact on income levels. Most of the financial changes identified within the 2023/24 budget are on track, although further work continues to be required to achieve the cost of democracy savings.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Corporate Policy Committee	2.551		
46	Pay inflation	2.587	-	The total cost of pay inflation will exceed 5% based on national pay negotiations. Figures produced at FR3 suggest that this will be mitigated in-year through management of vacancies. A budget pressure remains though.
47	Shared Services Review – move to hybrid model	0.39	-	Project has mobilised and identified appropriate resources. Financial profile is being analysed. NOTE: these costs are being funded from Capital Receipts which are shown outside of Corporate Services.

48	Revenue implications of capital: IT Procurements and Application Lifecycle Management	0.511	-	On track, subject to ongoing monitoring.
49	Infrastructure Investment Programme	0.239	-	On track, subject to ongoing monitoring.
50	Accelerate digital transformation / robotics and related Digital Savings	0.15	-	Structure of digital transformation is being reviewed. No growth incurred to date whilst plans are being developed.
51	Mitigation of reduction in the Dedicated Schools Grant	0.122	-	On track, subject to ongoing monitoring.
52	Remove Commercial Workstream Income Target	0.1	-	Action complete – budget adjusted.
53	Coroners Restructure Costs	0.06	-	Action complete – budget adjusted.
54	Improved Debt Recovery and correcting budgeted court costs income targets to reflect actual levels	0.013	-	On track, subject to ongoing monitoring.
55	Pension Costs Adjustment	-0.996	-	On track, subject to ongoing monitoring, dependent on in-year staffing costs.
56	ICT Operational Efficiencies	-0.31	-	Reduction in end user licence costs achieved. Further review of resources and third party contracts. Subject to ongoing monitoring.
57	Reduce cost of Democracy	-0.135	0.084	Report to Corporate Policy Committee on 15 June 2023 provided latest position.
58	Elections Act 2022 additional costs (funded by New Burdens grant funding)	-0.132	-	Action complete – budget adjusted.
59	Elections Act 2022 additional costs (funded by New Burdens grant funding)	0.132	-	Action complete – budget adjusted.

60	Revenue implications of capital: Vendor Management Phase 3 to drive improvements in procurement	-0.089	-	On track, subject to ongoing monitoring.
61	Brighter Futures Together Programme Customer Experience	-0.081	0.081	Savings relate to staffing reductions. These may not be appropriate in 2023/24 due to significant change projects requiring support to customers.
62	Across the board efficiencies, including procurement and income generation etc	-0.01	-	On track, subject to ongoing monitoring.
63	Review of leadership and management, including MARS and redefine 'core offer'	-	-	On track, subject to ongoing monitoring.
	In-year Directorate		-0.263	Chief executive appointed on 3 rather than 5 days a week and lower daily rate plus some assumptions re non-pay spend in this centre and the Executive Director centre. This figure takes no account of the announcement of the newly appointed Chief Executive starting during 2023/24 - start date to be confirmed.
	In-year pressure Finance & Customer Services		-0.272	Transactional services forecast to overspend by £143k (£47k improvement since FR2), Finance overspending by £126k mainly as a result of increased External Audit Fee Spend. CSC overspend reduced to £42k from £88k at FR2, mainly as a result of vacancy management (NOTE: Service assuming certain cost will be met from Brighter Futures Reserve). R&B - Pressure in Systems Development & small pressure (£4k) in BIDs offset by underspends in HB Admin and Revenues Service. Improvement in forecast outturn caused by grant related costs incorrectly forecast in FP&A at FR1 and FR2 as incurred, Service now identified that this years costs have been met from elsewhere - this has resulted in a reduction of £329k. NOTE: HoS is looking to create a reserve from these grants to cover ongoing future year revenue costs relating to the project, this would reduce the outturn forecast if agreed.

	Rent Allowances Under-recovery (Included in F&CS Team Plan)		-	Rent allowances under-recovery of £1.074m to be funded by Collection Fund Reserve.
	In-year Governance & Compliance		-0.458	Registration Services forecast to over-recover the income budget by £210k (£235K at FR2) due to increased number of ceremonies at approved premises. Elections overspent the budget/reserve available by £4k due primarily to increased costs of printing and postage. Members budget underspent by £53k on transport, communications and SRAs. £84k overspend due to inability of service to achieve MTFS savings on costs of democracy. Audit & Risk is forecast to underspend by £202k against a forecast underspend of £305k at FR2. The main reason for the change is due to unachievable Fraud income of £100k mistakenly being included in previous forecast figures. The service has shown some further improvements to the staffing underspend due to keeping vacancies open however, this has been offset by a forecast fall in CHESS income in Health & Safety. Legal Services overspend has reduced to £66k from £137k at FR2. Main reason for the overspend due to counsel fees £72k (no change since FR2), income shortfall of approx £85k (£88k at FR2), and staffing now forecast to underspend by approx £88k (£22k at FR2).
	In-year Policy & Change		-0.082	PMO balanced due to use of reserves, Business Intelligence People overspending by £45k, Business Int Research & Consultation underspent by £63k (£72k at FR2), Subscriptions overspent by £55k (£50k at FR2) partially offset by equality and diversity underspend of £5k (was £21k at FR2) - change due to spend on Corporate Plan. Underspend on P&C management costs due to vacant post, restructure planned to go out to consultation in 2023/24.
	In-year pressure Communications		0.007	Overspending on salaries - potentially increased due to return of fostering budget to Children's Services.
	In-year HR		-0.350	Underspending on central training and organisational development budgets is predicted at £244k (£103k at FR2) with the remainder primarily due to part and full year vacancies.

	In-year Pressure ICT		0.279	ICT Strategy anticipating fully utilising the funding given for ALM (shown above) due to dependencies on the hybrid programme and cyber security risk noting that this budget accommodates for growth in shared service contracts. £200k underspend due to Gemini project. Further mitigations include transformational work being undertaken within ICT at management level which could potentially be supported by Capital Flexible Receipts. ICT Shared Service CEC 50% share of overspend is £480k due to forecast for commissioned hours reducing to 63,000 from 70,000 previously. This has lead to a worse position on income however this has been partially mitigated by underspends identified within premises and contracts.
	REVISED FORECAST VARIANCE		-0.974	

Corporate Policy Committee

3. Corporate Grants Register

- 3.1 Cheshire East Council receives two main types of Government grants; specific purpose grants and general use grants. Specific purpose grants are held within the relevant service with a corresponding expenditure budget. Whereas general use grants are held in central budgets with a corresponding expenditure budget within the allocated service area.
- 3.2 Spending in relation to specific purpose grants must be in line with the purpose for which it is provided.
- 3.3 The increase in specific purpose and general use grants relates mainly to a forecast increase in Housing Benefit-related grants. Other additional specific purpose grants have also been received, reflecting the latest allocations, and are detailed in **Table 2** and **Table 3**.

- 3.4 **Table 1** provides a detailed listing of all Corporate Policy related grants, their movements between the reporting period and the treatment of the grant.
- 3.5 **Table 2** shows additional **specific purpose** grant allocations that have been received which are £500,000 or less and are for noting only.
- 3.6 **Table 3** shows delegated decisions for additional **specific purpose** grants previously named within the MTFS.
- 3.7 **Table 4** shows delegated decisions for additional **general use** grants previously named within the MTFS.

Table 1 – Corporate Grants Register

Grants 2023/24	Original Budget	Revised Forecast Mid-Year	Revised Forecast FR3	Change from Mid-Year Forecast	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
CORPORATE POLICY					
Specific Purpose (Held within Services)					
Revenues and Housing Benefits:					
Housing Benefit Subsidy	46,652	52,633	53,221	588	SRE
Discretionary Housing Payments Grant	314	349	349	0	
Housing Benefit (HB) Award Accuracy Initiative	29	30	30	0	
LADS - VEP (RTI) funding	24	22	21	(1)	
LADS - Internet Protocol Access	0	0	1	1	SRE
New Burdens: Universal Credit, maintenance & natural migration	8	8	8	0	
LADS - New Burdens - Discretionary Housing Payments (DHP)	0	60	60	0	
LADS - New Burdens - Benefit Cap	0	1	1	0	
LADS - New Burdens - Single Fraud Investigation	0	0	1	1	SRE
LADS - New Burdens - Welfare Reform Changes (S4/2022)	62	1	0	(1)	
LADS - New Burdens - Supported & Temporary Accommodation Change Request	2	0	0	0	
LADS - New Burdens - Supported & Temporary Accommodation	5	0	0	0	
LADS - New Burdens - Single Housing Benefit Extract Automation	5	10	16	6	SRE
LADS - New Burdens - Changes to Universal Credit Stop Notice	0	0	1	1	SRE
Incapacity Benefit Reassessment (S5/2022)	2	0	0	0	
Council Tax Rebate Scheme - New Burdens on Account Payment	0	94	94	0	
Energy Bills Support Scheme Alternative Funding	0	325	325	0	
Democratic Services:					
Police and Crime Commissioner's Panel grant	65	65	65	0	
Electoral Integrity Programme - New Burdens (Voter ID)	132	132	132	0	
Electoral Integrity Programme - New Burdens (Postal Votes)	0	8	8	0	
Total Corporate Policy - Specific Purposes	47,300	53,739	54,334	594	

Grants 2023/24	Original Budget	Revised Forecast	Revised Forecast	Change from	Treatment of
	2023/24	2023/24	2023/24	Mid-Year	Grant
	£000	£000	FR3	Forecast	
			£000	2023/24	Notes 2 - 5
				£000	
CORPORATE POLICY					
Specific Purpose (Held within Services)					
Revenues and Housing Benefits:					
General Use (Held Corporately)					
Revenue Support Grant	388	388	388	0	
Housing Benefit Administration Subsidy	626	626	741	115	SRE
NNDR Administration Allowance	587	578	578	0	
New Homes Bonus	3,794	3,794	3,794	0	
Services Grant	1,720	1,720	1,720	0	
Council Tax Support Fund	0	521	521	0	
Council Tax Support New Burdens	0	25	25	0	
Business Rates Reliefs Grant 2023/24	0	21,039	21,039	0	
Total Corporate Policy - General Use	7,115	28,692	28,807	115	
TOTAL CORPORATE POLICY	54,415	82,431	83,140	709	

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.

Table 2 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Corporate Policy	2023/24	LADS - Internet Protocol Access (Specific Purpose)	1	This is a new grant from the Department for Work and Pensions (DWP). To cover IT costs for the LA data sharing programme initiatives
Corporate Policy	2023/24	LADS - New Burdens - Single Fraud Investigation (Specific Purpose)	1	This is a new grant from the Department for Work and Pensions (DWP). This New Burden funding is for costs associated with providing information to the DWP to support fraud investigations. The funding has been allocated based on the forecasted FYE March 2024 HB admin subsidy caseloads.
Corporate Policy	2023/24	LADS - New Burdens - Changes to Universal Credit Stop Notice (Specific Purpose)	1	This is a new grant from the Department for Work and Pensions (DWP). LA's receive stop notices from DWP when Housing Benefit (HB) is due to end due migration to Universal Credit. DWP proposed new types of stop notices to identify the reason HB should stop. Software changes were required to meet this criteria.
Total Specific Purpose Allocations less than £500,000			3	

Table 3 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) previously named in the MTFS.

Committee	Year	Type of Grant	£000	Details
				On 22 nd February 2023 Council delegated authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix C, Annex 7 of the MTFS.
Corporate Policy	2023/24	Housing Benefit Subsidy (Specific Purpose)	588	Increase on MTFS 2023-27 estimate and Financial Review 2 revised forecast. This grant is from the Department for Work and Pensions. Payment of claims administration within Housing Benefits.
Corporate Policy	2023/24	LADS - New Burdens - Single Housing Benefit Extract Automation (Specific Purpose)	6	Increase on MTFS 2023-27 estimate and Financial Review 2 revised forecast. This grant is from the Department for Work and Pensions (DWP). This is a change request for a new IT field for supported and temporary accommodation information.
Total Delegated Decision Specific Purpose Allocations previously named in the MTFS			594	

Table 4 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (General Use) previously named in the MTFS.

Committee	Year	Type of Grant	£000	Details
				On 22 nd February 2023 Council delegated authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix C, Annex 7 of the MTFS.
Corporate Policy	2023/24	Housing Benefit Administration Subsidy (General Use)	115	Increase on MTFS 2023-27 estimate. This grant is from the Department for Work and Pensions. Payment of claims administration within Housing Benefits.
Total Delegated Decision Specific Purpose Allocations previously named in the MTFS			115	

Corporate Policy Committee

4. Debt Management

	Outstanding Debt £000			Over 6 months old £000		
	Sep-23	Oct-23	Increase / (Decrease)	Sep-23	Oct-23	Increase / (Decrease)
Corporate Policy Committee						
Finance and Customer Services	95	83	(12)	53	55	2
Governance and Compliance	13	2	(11)	-	-	-
Human Resources	9	2	(7)	-	1	1
ICT	8	188	180	1	1	-
	125	275	150	54	57	3

Note: Finance and Customer Services - £81,000 of outstanding invoices is for overpayment of salaries and the majority of these are being paid in installments.

Governance and Compliance - outstanding debt has reduced due to 12 invoice being paid, and 3 invoices remain outstanding

HR - only 2 invoices remain outstanding

ICT - Increase in outstanding debt mainly due to 3 local authority invoices (£183,000 total) falling in 1-3 months overdue

Corporate Policy Committee

5. Capital Strategy

Corporate Policy								CAPITAL					
CAPITAL PROGRAMME 2023/24 - 2026/27													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes in progress													
ICT Services													
Care Act Phase 2	6,314	4,130	826	1,358	0	0	2,184	0	0	0	0	2,184	2,184
Digital Customer - Delivery Programme Phase 1	250	129	121	0	0	0	121	0	0	0	0	121	121
Digital Customer Enablement	2,874	1,010	1,390	474	0	0	1,864	0	0	0	0	1,864	1,864
ICT Device Replacement	1,912	453	459	1,000	0	0	1,459	0	0	459	0	1,000	1,459
IADM (Information Assurance and Data Management)	19,465	15,183	1,601	1,281	1,400	0	4,282	0	0	0	0	4,282	4,282
Infrastructure Investment Programme (IIP)	36,370	30,068	1,673	1,996	1,804	830	6,303	0	0	0	0	6,303	6,303
Unified Communications Project	1,216	1,008	208	0	0	0	208	0	0	0	0	208	208
Vendor Management	1,006	743	163	100	0	0	263	0	0	0	0	263	263
Finance & Customer Services													
Core Financials	11,317	8,813	701	808	698	297	2,504	0	0	0	0	2,504	2,504
Strategic Capital Projects	17,518	8,578	2,852	2,390	2,300	1,397	8,939	0	0	0	0	8,939	8,939
Vendor Management - Phase 2	320	19	0	0	301	0	301	0	0	0	0	301	301
Total Committed Schemes	98,562	70,134	9,994	9,407	6,503	2,524	28,428	0	0	459	0	27,969	28,428
New Schemes													
ICT Services													
ICT Hybrid Model	1,552	0	581	971	0	0	1,552	0	0	0	0	1,552	1,552
Total New Schemes	0	0	581	971	0	0	1,552	0	0	0	0	1,552	1,552
Total Corporate Policy	98,562	70,134	10,575	10,379	6,503	2,524	29,980	0	0	459	0	29,521	29,980

Corporate Policy Committee

6. Reserves Strategy

Corporate Policy Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March '24 £000	Notes
<u>Directorate</u>				
Corporate Directorate	1,356	(421)	935	To support a number of widespread projects within the Corporate Directorate.
<u>Finance and Customer Services</u>				
Collection Fund Management	17,819	(6,610)	11,209	To manage cash flow implications as part of the Business Rates Retention Scheme.
Capital Financing Reserve	12,886	(7,900)	4,968	To provide for financing of capital schemes, other projects and initiatives.
MTFS Reserve	5,147	(4,761)	386	To support the financial strategy and risk management.
Section 151 Revenue Grants	558	(558)	0	Unspent specific use grant carried forward into 2023/24.
<u>Governance and Compliance</u>				
Insurance Reserve - CCC Fund	(647)	0	(647)	To settle insurance claims and manage excess costs. Additional work required by Insurance Service, but reserve cannot be given up.
Insurance Reserve - CEC Fund	5,623	0	5,623	To settle insurance claims and manage excess costs. Additional work required by Insurance Service, but reserve cannot be given up.
Elections General	640	(640)	0	To provide funds for Election costs every 4 years.
Brexit Funding	13	0	13	To be reviewed.
<u>Human Resources</u>				
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)	306	(306)	0	To fund ongoing changes to pay structure.

Corporate Policy Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March '24 £000	Notes
<u>Policy and Change</u>				
Brighter Future Transformation Programme	1,789	(1,271)	518	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. £1.271m drawn down to date as per MTFS budget. However, there is some uncertainty regarding who controls this reserve and cannot get details of committed spend. To be reviewed.
CORPORATE POLICY TOTAL	45,549	(22,467)	23,064	