



Second Financial Review 2025/26

Results to end of August 2025

Finance Sub Committee

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Section 1: 2025/26 Forecast Outturn

- 1.1. **Table 1** provides a service summary of financial performance based on information available as at the end of August 2025. The current forecast is that services will be £12.906m over budget in the current year.
- 1.2. It also shows that central budgets are forecast to be £10.561m under budget resulting in an overall outturn of £2.345m overspend against a net revenue budget of £360.197m.
- 1.3. The forecast outturn position is based on a full financial management review across all service and reflects the following assumptions:
 - 1 Includes those savings that have been identified as non-achievable though the tracker on our High Level Business Cases (HLBC) with no/some alternative actions currently presented;
 - 2 A review of the on-going impacts of adverse variances identified in 2024/25;
 - 3 Any identified, emerging items of significance:
 - 4 Within Adult Social Care, significant growth is forecast for care costs, less mitigations linked to delivery of savings;
 - 5 Within Children's Services, the rising cost and number of placements is a continuing trend and the Directorate are reviewing governance in this area in order to mitigate the overspend.
 - 6 Forecast impact of the confirmed increased 2025/26 pay award £1.7m (assumed to be covered from the contingency budget);
 - 7 Detailed review of any vacancy underspends in all areas;
 - 8 One-off items that have been identified so far through line-by-line reviews and/or identification of additional funding that has been announced since the MTFS was set.
 - 9 Mitigation activities delivered or forecast to be delivered by 31 March as reflected in paragraph 30 of the main covering report.
- 1.4. Further items impacting on the level of the Council's balances are detailed in **Section 5**.
- 1.5. The tables below show details of the forecast by service area within each committee:

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

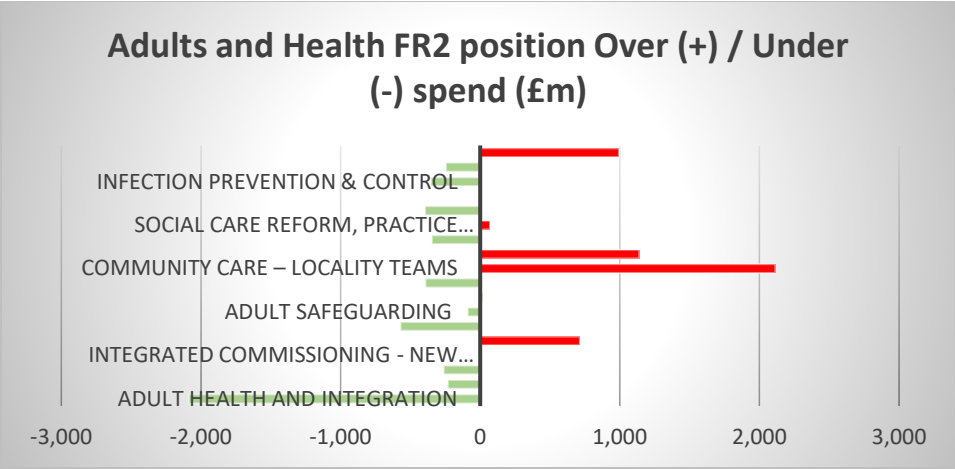
Committee	Service Area Tier 3	Revised Budget	Forecast Outturn	Variance	FR1 Variance	Movement from FR1
Corporate Policy	Corporate Total	1.302	0.967	(0.335)	(0.335)	-
Corporate Policy	Customer Service Centres Total	2.671	2.511	(0.161)	(0.100)	(0.061)
Corporate Policy	Human Resources & Organisational Development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

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

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

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

Adults and Health adverse variance of £0.1m:



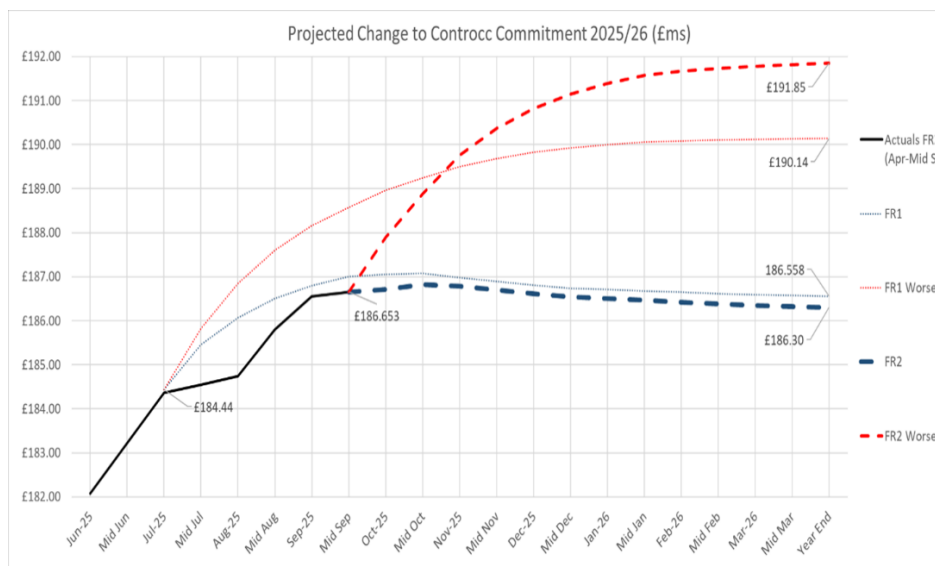
2.2 The Adults, Health and Integration budget is forecast to overspend by £0.077m at FR2. The early assumptions included in FR1 and FR2 have been developed using information about the impact of transformation activity. However, estimates remain subject to change over the remaining seven months of 2025/26.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

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

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

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

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



Figures in Chart:

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

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

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

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

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

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

Risks

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

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

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

NHS

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

Mitigations

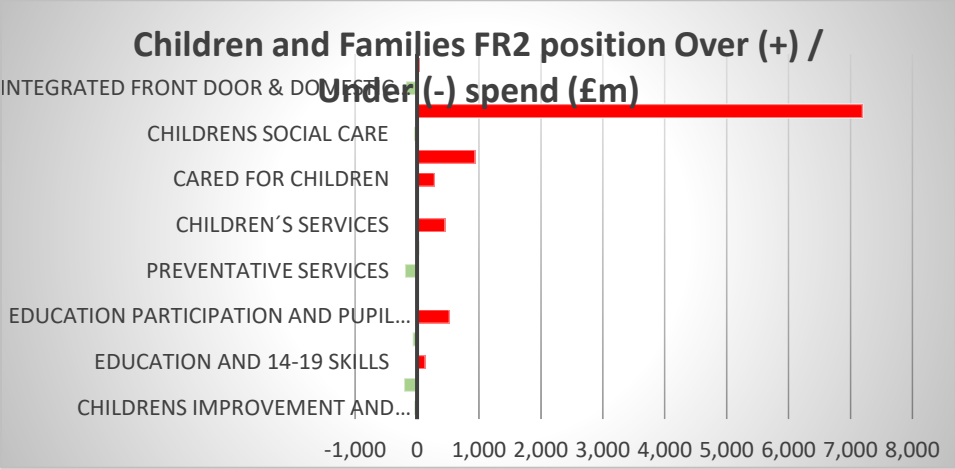
- 2.10 The position assumes it will be possible to replicate 2024/25's use of grants against eligible criteria.
- 2.11 The forecast assumes that staffing levels remain consistent with the September payroll. Underspends in year are currently being driven by held vacancies, which are forecast at FR2 to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

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

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

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

Children and Families adverse variance of £8.9m



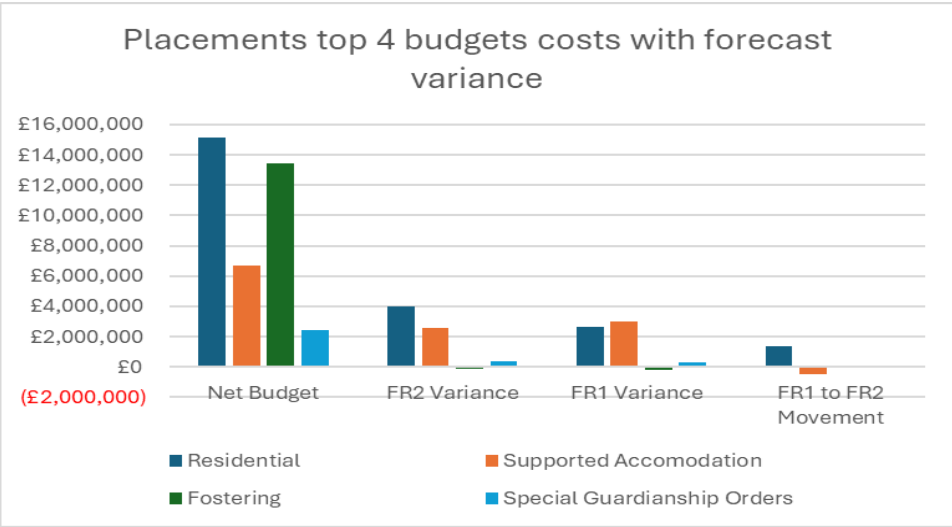
2.13 The Children’s Services second financial review for 2025/26 reflects a forecast overspend of £8.864m, based on the August 2025 reports, a reduction of £0.136m on FR1 overspend position £8.998m. The key pressures continue to be increased costs in placements and staffing, which are the focus of this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

Change from FR1 (improvement of £0.136m)

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

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

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



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

Risks

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

Mitigations

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

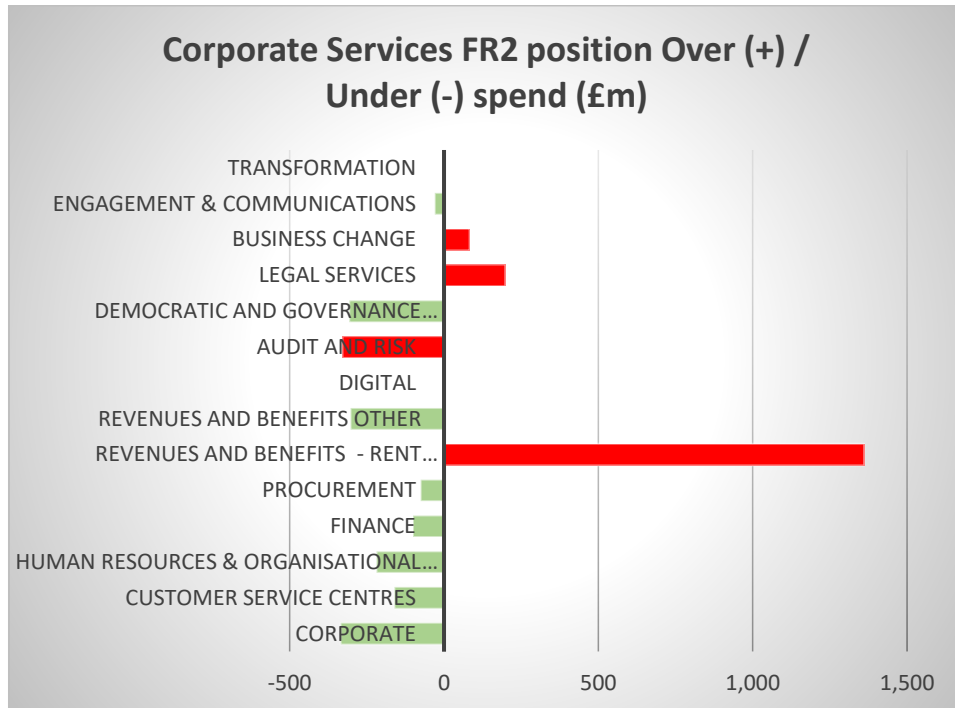
MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Children and Families Committee 2025/26 Revised Budget as per Cover report Table 1		98.420	107.285	8.864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

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

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

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

Corporate Policy favourable variance of £0.2m



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

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

2.25 These underspends have been offset by the following pressures:

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

Risks

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

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

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

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

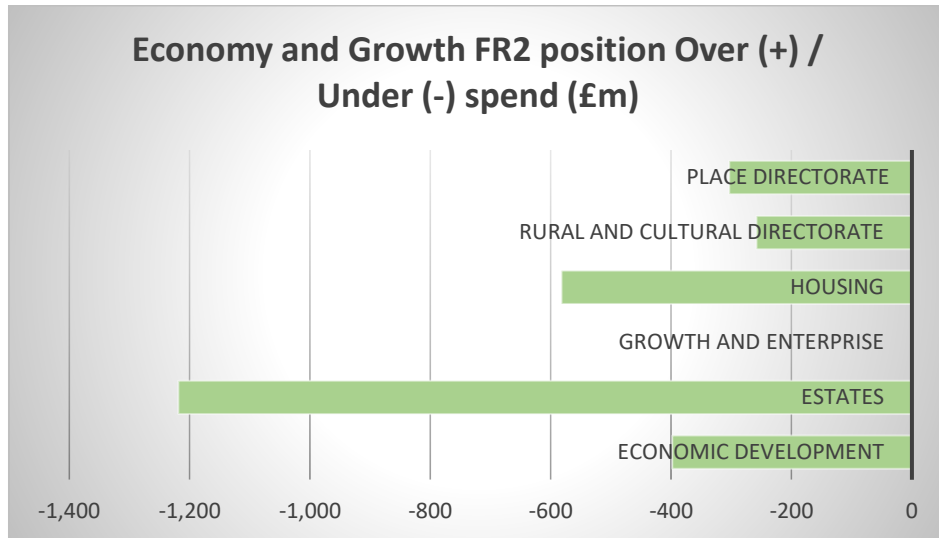
MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Corporate Policy Committee - Council Wide Transformation 2025/26 Budget as per Cover report Table 1		(13.452)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

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

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

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

Economy and Growth favourable variance of £2.8m



2.32 Housing: -£0.6m underspend (vacancies, income and reduced spend).

2.33 Facilities management: - £0.5m underspend (Vacancies and underspends on utility costs offsetting pressures).

2.34 Other -£0.3m underspend (Farms, Green infrastructure and cultural economy).

2.35 Directorate -£0.3m (reduction in expenditure and use of reserves).

2.28 Growth and Enterprise Directorate and Place Directorate are forecasting an underspend of -£2.8m against a budget of £31.3m which is £0.5m further improvement since FR1.

2.29 The key reasons for the underspend are evident in a number of service areas, as explained below:

2.30 Assets Service: -£0.6m underspend (vacancies and one-off invoicing for backdated rent).

2.31 Economic Development: -£0.4m underspend (vacancies, use of grants and additional recharges to capital).

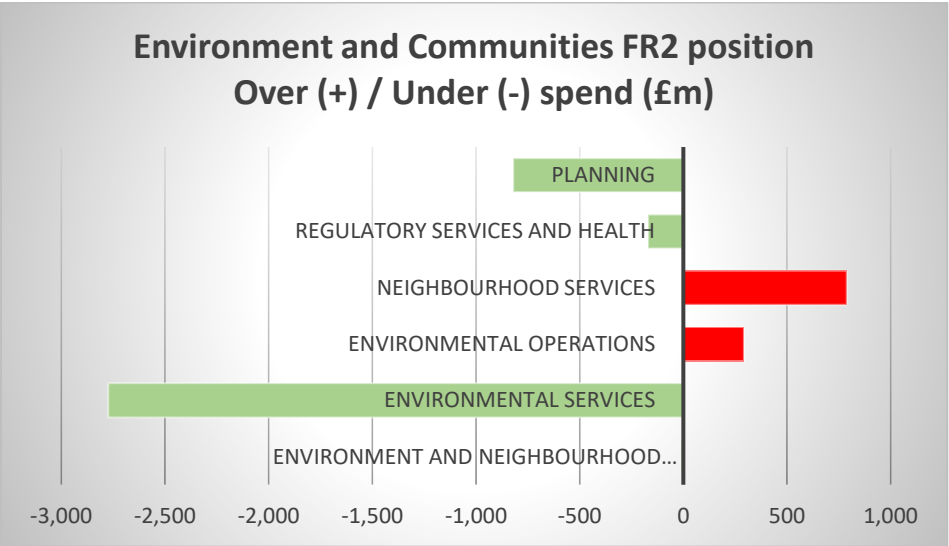
MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 MTFS £m	2025/26 Forecast Outturn £m	2025/26 Forecast Outturn Variance £m	Progress 2025/26 (RAG rating and commentary)
Economy and Growth 2025/26 Revised Budget as per Cover report Table 1		28.756	25.996	(2.761)	
Change from 2024/25 budget		0.534	(2.227)	(2.761)	
57	Office Estate Rationalisation	(0.150)	(0.100)	0.050	Amber - due to the timeline for the transfer of buildings being extended. Risk associated with the transfer of Westfields to Education for a SEND school. This item is being mitigated by in year savings.
58	Pension Costs Adjustment	(0.164)	(0.164)	-	Completed
59	Tatton Park ticketing and EPOS upgrade	0.001	0.001	-	Green - A procurement process is currently underway to source a supplier who can ensure onsite and web-based delivery of a new system which aligns with present and future needs. Improved functionality should enable future savings delivery.
60	CEC Archives	0.014	0.014	-	Green - All elements of the programme are progressing well, on time and on budget.
61	Rural and Visitor Economy Electricity costs	(0.021)	(0.021)	-	Green - In line with wider national industry price caps, the projections of energy reduction costs to users were due to be introduced during 2025/26 and therefore consideration to reduce the budget provision has been carried out in the base budget.
62	Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment	0.023	0.102	0.079	Amber – Prioritised negotiations with 3rd parties/tenants occupying premises being expedited to mitigate delays on obtaining access for surveys, completing necessary improvement works and legally completing lease renewals.
63	Pay Inflation	1.064	1.187	0.123	Red - LGS pay offer for 2025.Full and final offers of 3.20% increase resulting in overspend of c.£1.7m across the Council.
64	Maintenance and operation of new assets in Crewe town centre	0.205	0.205	-	Green - Expected to spend to allocated budget.
65	Land Fill Site Assessments Revenue Adjustment - Estates – Review and Risk Assessment of Council owned Landfill sites (53 sites) Review and Risk Assessment completions	0.010	0.010	-	Green - Environment Service capacity identified. 2nd stage review underway.
66	Tatton Park Estate Dwellings Refurbishment	0.015	0.015	-	Completed - Provision for response maintenance issues for 8 onsite dwellings to ensure properties meet standards required as part of tenancy agreements and the National Trust lease.

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

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

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

Environment and Communities favourable variance of £2.7m



Mitigations

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

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

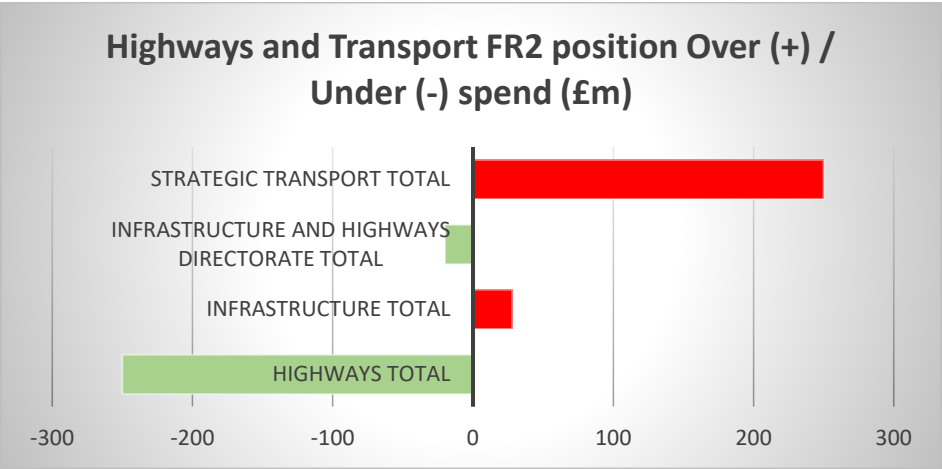
2.38 There are a number of one off items generating an in-year improvement versus budget. This is partially offset by a £1m pressure within Leisure Commissioning which is as a result of delays in the delivery of MTFS savings, a pressure of capital financing costs and a shortfall in income.

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

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

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

Highways and Transport adverse variance of £0.008m



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

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

Mitigations

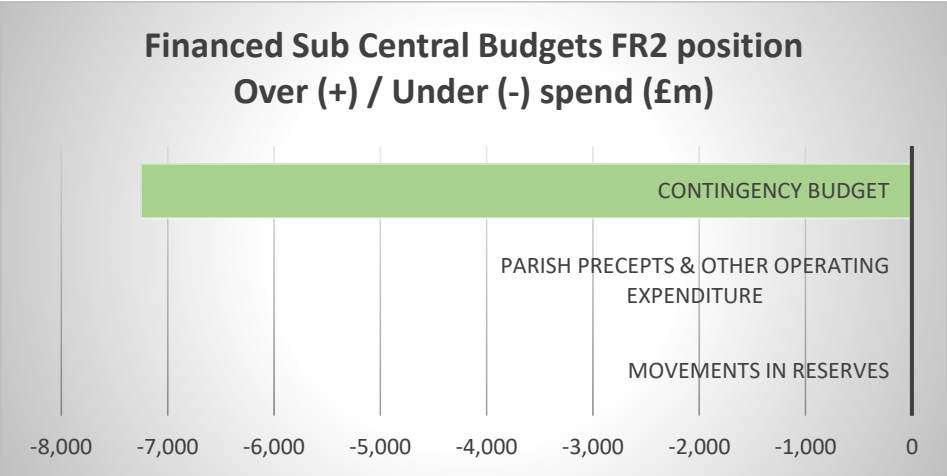
2.45 Transport Policy is £0.2m underspent due to vacancies and Highways income is forecast to be £0.2m better than budget, both of which are addressing the pressures in parking.

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

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

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

Finance Sub favourable variance of £10.6m



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

Change from FR1

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

Risks

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

Mitigations

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

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

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

Section 3: Revenue Grants for approval

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

Table 1

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

Section 4: capital

- 4.1 The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary for the whole Council is shown in **Table 2**. For detailed tables by Committee please see **Annex 3**
- 4.2 **Table 3** lists details of Delegated decisions up to £500,000 for noting.
- 4.3 **Table 4** lists Capital Supplementary Estimates over £500,000 and up to £1,000,000 for committee approval and Capital Virements over £500,000 and up to and including £5,000,000 that require Relevant Member(s) of CLT and Chief Finance Officer in consultation with Chair of the relevant Committee and the Chair of Finance Sub-Committee to approve.
- 4.4 **Table 5** lists Budget reductions for noting.

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

*Anticipated MRP based on achieving capital receipts targets

Table 2: Capital Programme Update

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

Note 1:

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

Note 2:

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

Table 3: Delegated Decisions – Supplementary Capital estimates and Budget virements up to £500,000

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

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

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

Committee / Capital Scheme	Amount Requested £m	Reason and Funding Source	
Service Committee are asked to approve the Supplementary Capital Estimates above £500,000 up to and including £1,000,000			
Growth and Enterprise		Approval of SCE to provide additional budget to the Capital Programme as per the below S106 agreement/s (and any incurred interest):	
Crewe Towns Fund - Mill Street Corridor	0.571		
		Planning Reference	Amount
		13/2069	143,092.15
		11/2069	140,151.33
		12/311N	232,342.54
		11/4549 & 13/1021	54,996.47
		Total	570,582.49

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

Table 5: To Note – Capital Budget Reductions

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

Section 5: Reserves

Management of Council Reserves

- 5.1 The Council's Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.
- 5.2 The opening balance at 1 April 2025 in the Council's General Fund Reserves was £6.299m, as published in the Council's Statement of Accounts for 2024/25.
- 5.3 At FR2, the closing balance at 31 March 2026 in the Council's General Fund Reserve is forecast to be £7.789m.
- 5.4 The current balance on reserves is insufficient in order to provide adequate protection against established and newly emerging risks, particularly the DSG deficit, which is projected to rise to £145.978m by year end and has been highlighted in the MTFS as having no alternative funding.
- 5.5 The Council also maintains Earmarked Revenue Reserves for specific purposes. The opening balance at 1 April 2025 was £23.114m.
- 5.6 During 2025/26, £16.811m will be drawn down to fund expenditure specifically provided for by services. This includes £4.561m to fund one off Transformation costs, £2.234m for Capital expenditure and £6.193m to support the Collection Fund. These balances fall within the forecasts approved during the MTFS budget setting process. £13.039m will be added back to reserves, this is predominantly related to the Collection Fund and will be used to mitigate future legislative changes over the short to medium term. Net movement on earmarked reserves is therefore £3.772m.
- 5.7 The indicative closing balance on Earmarked Reserves at 31 March 2026, is forecast at £19.342m. With the General Fund reserves of £7.789m, total reserves available for Council use at 31 March 2026 are forecast at £27.131m.
- 5.8 Unspent schools' budgets that have been delegated, as laid down in the Schools Standards Framework Act 1998, remain at the disposal of the school and are not available for Council use. These balances are therefore excluded from all reserve forecasts.

Reserves Balances

Table 1 – Adults and Health Committee

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

Table 2 – Children and Families Committee

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

Table 3 – Corporate Policy Committee

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

Table 4 – Economy and Growth Committee

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

Table 5 – Environment and Communities Committee

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

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

Table 6 – Highways and Transport Committee

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

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

Table 7 – Earmarked Reserves Summary

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