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Council

Agenda

Date:	**Wednesday 26th February 2025**
Time:	**11.00 am**
Venue:	**The Tenants' Hall, Tatton Park, Knutsford WA16 6QN**

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

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

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

1. **Apologies for Absence**

2. **Declarations of Interest**

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

3. **Minutes of Previous Meeting (**Pages 5 - 22)

   To approve as a correct record the minutes of the meeting of Council held on 11 December 2024.

4. **Mayor's Announcements**

   To receive such announcements as may be made by the Mayor.

Please contact Katie Small on 01270 686465
E-Mail: katie.small@cheshireeast.gov.uk

5. **Public Speaking Time/Open Session**

In accordance the Council Procedural Rules, a total period of 30 minutes is allocated for members of the public to speak at Council meetings. Individual members of the public may speak for up to 2 minutes, but the Chair will have discretion to vary this requirement where they consider it appropriate.

Members of the public wishing to speak are required to provide notice of this at least three clear working days' in advance of the meeting and should include the question with that notice. Questions should be submitted to: katie.small@cheshireeast.gov.uk or brian.reed@cheshireeast.gov.uk.

Petitions - To receive any petitions which have met the criteria - Petitions Scheme Criteria, and falls within the remit of the Committee. Petition organisers will be allowed up to three minutes to speak.

6. **Leader's and Deputy Leader's Announcements**

To receive such announcements as may be made by the Leader and Deputy Leader.

7. **Recommendations from Corporate Policy Committee: Medium Term Financial Strategy 2025/26-2028/29 (**Pages 23 - 302)

To consider the recommendations from the Corporate Policy Committee.

8. **Council Tax Statutory Resolution (**Pages 303 - 318)

To set the Council Tax for Cheshire East for the financial year 2025/26.

9. **Recommendations from Corporate Policy Committee: Cheshire East Corporate Plan 2025-29 (**Pages 319 - 338)

To consider the recommendations from the Corporate Policy Committee.

10. **Recommendations from Corporate Policy Committee: Supporting Effective Engagement: Cheshire and Warrington Devolution (**Pages 339 - 354)

To consider the recommendations from the Corporate Policy Committee.

11. **Recommendations from Corporate Policy Committee: Pay Policy Statement 2025-26 (**Pages 355 - 370)

To consider the recommendations from the Corporate Policy Committee.

12. **Recommendations from Corporate Policy Committee: Calendar of Meetings 2025-2026 (**Pages 371 - 398)

To consider the recommendations from the Corporate Policy Committee.

13. **Recommendations from Finance Sub Committee: Approval of Supplementary Revenue Estimates (**Pages 399 - 432)

To consider the recommendations from the Finance Sub Committee.

14. **Recommendations from the Appointments Committee: Appointment of the Executive Director Resources (S151) (**Pages 433 - 438)

To consider the recommendation of the Appointments Committee.

15. **Audit and Governance Committee Annual Report 2023-24 (**Pages 439 - 458)

To receive the Audit and Governance Committee Annual Report 2023-24.

16. **Swimming Pool Support Fund Grant Acceptance (**Pages 459 - 466)

To approve the Supplement Capital Estimate relating to the Sports England Swimming Pool Fund Grant.

17. **Delivery Proposal for the Holiday Activity and Food Programme for 2025/26 (**Pages 467 - 478)

To approve the Holiday Activity and Food (HAF) Programme Delivery proposal for 2025/26.

18. **Nomination of Mayor and Deputy Mayor for the 2025-26 Civic Year (**Pages 479 - 482)

To consider making a nomination for Mayor for 2025/26, who will also act as Chair of the Council, and a nomination for Deputy Mayor for 2025/26

19. **Notices of Motion (**Pages 483 - 486)

To consider any Notices of Motion that have been received in accordance with the Council Procedure Rules.

20. **Questions**

In accordance the Council Procedure Rules, opportunity is provided for Members of the Council to ask the Mayor or the Chair of a Committee any question about a matter which the Council, or the Committee has powers, duties or responsibilities.

At Council meeting, there will be a maximum question time period of 30 minutes. A period of two minutes will be allowed for each Councillor wishing to ask a question. The Mayor will have the discretion to vary this requirement where they consider it appropriate.

21. **Reporting of Urgent Decisions taken by the Chief Executive (**Pages 487 - 488)

To note the urgent decisions taken by the Chief Executive on behalf of Council.

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Council**
held on Wednesday, 11th December, 2024 in the Council Chamber, SKA Observatory, Jodrell Bank, Lower Withington, SK11 9FT

PRESENT

Councillor M Houston (Mayor/Chair)
Councillor D Edwardes (Deputy Mayor/Vice-Chair)

Councillors S Adams, L Anderson, R Bailey, M Beanland, S Bennett-Wake, L Braithwaite, J Bratherton, M Brooks, D Brown, C Browne, L Buchanan, C Bulman, A Burton, R Chadwick, C Chapman, D Clark, J Clowes, A Coiley, N Cook, S Corcoran, L Crane, T Dean, S Edgar, K Edwards, M Edwards, H Faddes, R Fletcher, A Gage, S Gardiner, E Gilman, M Goldsmith, M Gorman, K Hague, E Hall, A Harrison, A Heler, C Hilliard, S Holland, T Jackson, D Jefferay, R Kain, A Kolker, N Mannion, G Marshall, A Moran, R Moreton, R Morris, H Moss, M Muldoon, J Pearson, J Place, B Posnett, J Pratt, J Priest, B Puddicombe, P Redstone, J Rhodes, J Saunders, H Seddon, M Sewart, M Simon, L Smetham, G Smith, J Smith, J Smith, L Smith, J Snowball, R Vernon, M Warren, H Whitaker, F Wilson, J Wray and B Wye

55 APOLOGIES FOR ABSENCE

Apologies were received from Councillors J Bird, B Drake, P Coan, A Farrall, G Hayes, C O'Leary and L Wardlaw.

56 DECLARATIONS OF INTEREST

The Mayor advised Members that they did not need to declare an interest as a Council Tax payer, or as a member of a town or parish council, on the item of business relating to the Council Taxbase, as there was a dispensation in place which removed this requirement.

During consideration of Item 10 – Recommendation from Corporate Policy Committee: Cheshire East Council support for Proposed Future Rail Scheme, Councillor S Gardiner declared that in previous employment he had attended meetings relating to the Manchester to Liverpool railway proposals.

57 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 16 October 2024 be approved, subject to the correction to the spelling of Mr Stuart Redgard's surname in Minute 47 – Public Speaking Time.

58 **MAYOR'S ANNOUNCEMENTS**

The Mayor, in summary: -

1 informed Council of the death of Honorary Alderman Bryon Evans, who had represented the Leighton Ward until the last election and had previously served on the former Crewe and Nantwich Council and invited all present to stand in a minute's silence in remembrance.

2 reported that on Remembrance Sunday she had represented the Council at the service in Memorial Square, Crewe.

3 reported that on 27 January 2025, the Council would be holding its annual Holocaust Memorial Day service in the Assembly Room at Macclesfield Town Hall, starting at 10.30 am. All Members would be receiving a formal invitation to the event.

59 **PUBLIC SPEAKING TIME/OPEN SESSION**

Mr Thomas Eccles spoke on behalf of the Save Dane Moss Community Group and urged the Council to urgently consider establishing a Peat Partnership for the preservation and sustainable use of peatlands in Cheshire. Mr Eccles stated that Peat Partnerships existed in Lancashire, Yorkshire, Cumbria and Northumberland to preserve and restore peatlands within their respective areas. Currently, there was no equivalent organisation for Cheshire.

In response, Councillor Mick Warren, Chair of the Environment and Communities Committee, stated that such partnerships required a collaboration between multiple agencies with an ambition to restore and conserve peatlands. They typically involved a range of stakeholders and whilst the Council was not currently in a position to lead the establishment of such a partnership, through teams in the Place Directorate the Council invested across the natural environment. The Rural and Cultural Economy Team were directly involved in improvements to Council owned assets and worked with partners for wider benefits (such as the Bollin Valley Partnership); S106 and Biodiversity Net Gain also provided funding streams for investment in nature. Additionally, the Council also supported the Lindow Moss Landscape partnership which sought to preserve, restore and enhance the Lindow Moss peatland at Wilmslow. The forthcoming Local Nature Recovery Strategy, to be published for consultation in the New Year, would be a regional plan for the natural environment, which was being developed with partner local authorities, DEFRA, Natural England, Cheshire Wildlife Trust and multiple farmers, landowners and other stakeholders. Through this process the Council would set out its priorities for nature, including the protection of peat land.

Ms Natalie Abbott spoke on behalf of Global Justice Macclesfield in support of the Notice of Motion on Fossil Fuel non-Proliferation Treaty and welcomed the Council's acknowledgement of the climate emergency through its endorsement of a Motion in May 2019 declaring an environment and climate emergency. She stated that local actions on environment and climate crisis were essential, and everyone had a part to play in reducing energy demand and restoring nature. She stated that it was essential that the Council recognised it interconnectedness with the whole of humanity and that emissions across the globe were already causing frequent and catastrophic weather events. Global Justice Macclesfield welcomed the Notice of Motion and stated that the Fossil Fuel Non-Proliferation Treaty had been devised to gain momentum for the urgent action required in relation to climate change, which had been acknowledged in the Council's Carbon Neutral Action Plan. The premise of the treaty sought to bring enough countries together to work on a plan that would become a roadmap to a managed transition that would be fast, fair and just. Ms Abbott urged the Council to endorse the principles of Treaty to influence and encourage the UK government to work with other countries to implement the treaty.

Mr Robert Douglas spoke on behalf of the residents living on Thistle Way Estate, Padgbury Lane, Congleton and raised concerns that the S106 monies for their estate had not been paid to Cheshire East. Mr Douglas referred to the October 2024 S106 schedule generated by Cheshire East and stated that £540,000 of S106 monies due prior to first occupation of Thistle Way, almost six years ago and a further £255,000 prior to 75% occupation, 3 years ago, had not been received. An additional £10,000 had also not received. The developer had gone into administration in January 2024 and Mr Douglas asked why the £800,000 had not been received and if the debt had been lodged with the administrators. Mr Douglas estimated that for sites within Congleton Town's boundary, except Thistle Way and the bridge linking Astbury Place with Congleton Park, over £1m of S106 monies have not yet been received and asked how much of this was overdue. It was estimated that there was £575,000 of S106 monies within Congleton's boundary that had been received and was listed as available. Mr Douglas asked when had these monies received, and what plans were in place to utilise them and by what date. Finally, Mr Douglas queried why Planning Applications 13/4216C and 13/4219C were not accessible on the Planning Portal, as this meant that residents were unable to obtain any information.

In response, Councillor Mick Warren, Chair of the Environment and Communities Committee, undertook to providing a written response.

Ms Sue Helliwell spoke in support of the Notice of Motion Protecting Family Farms and Preserving Rural Communities across Cheshire East. Ms Helliwell shared the concerns that many local farmers had in relation to government proposals over inheritance tax and how this would impact them. Ms Helliwell stated that Cheshire East needed to urgently support its farmers, and that the Council should ensure that all refreshments used for council meetings were locally sourced and produced.

Mr Stuart Redgard spoke in relation to the tragic tree incident leading to the death of Mr Chris Hall in 2020. Mr Redgard referred to the Health and Safety investigation report of Cheshire East Council and its wholly owned ground maintenance company, ANSA Environmental Services Limited, and shared his concern about the matter. Mr Redgard looked forward to learning more about the changes that were instigated following the investigation. Mr Redgard confirmed that Mr Hall's family intended to attend a future full Council meeting, and he hoped that the Mayor would exercise their discretion in offering a 1-minute silence in memory of Mr Hall.

Mr Richard Yarwood spoke in relation to the Notice of Motion Protecting Farms and Preserving Rural Communities across Cheshire East. Mr Yarwood stated that the Yarwood family had farmed in Brereton for 100 years, firstly as tenants of the Somerford Estate and subsequently as owner occupiers. Mr Yarwood was the third generation, and he farmed in partnership with his wife and son at Handfield Farm. Mr Yarwood's farm of 220 cows supplied Muller Dairies with 7000 litres a day destined for the Cooperative Stores, which was enough milk to supply the needs of a town the size of Congleton. Currently, Mr Yarwood was the landowner of Handfield Farm which had a value well in excess of the proposed Agricultural Property Relief threshold. The Business Property Relief (BPR) business assets, the cattle, machinery and buildings also exceed the threshold. Mr Yarwood stated the Chancellor failed to take account of BPR in her budget announcements, and his son could face a liability on over a million pounds of assets amounting to £200k. Mr Yarwood stated the impact this would have on his family and business and urged the Council to support the campaign to reform the Family Farm Tax.
this Notice of Motion would be referred to the appropriate service committee.

Ms Charlotte Peters-Rock spoke in relation to SEND education and raised concerns in respect of the David Lewis Centre, and recent correspondence received from the Executive Director Adults, Health and Integration. Ms Peters-Rocks stated that SEND pupils costed significant monies to educate, particularly cohorts who attended such facilities as the David Lewis Centre, largely because of its rural location. Ms Peters-Rock stated the impact that surges of busyness across the SEN campus had on this cohort, especially when no impact assessments were undertaken in advance, and that there was a lack of communication with parents. Mrs Peters-Rock asked that this was investigated, and that the Council ensured that those who were physically disabled using the campus, were safeguarded.

In response, Cllr Carol Bulman, Chair of the Children and Families Committee, sympathised with the issues raised and stated that the response the Executive Director for Adults, Health and Integration had previously provided was comprehensive, demonstrating the Council had good oversight. Cllr Bulman thanked Ms Peter's Rock for raising awareness surrounding the difficulties faced for those pupils when their environment changed over time and agreed to provide a written response if any further details were required.

60 LEADER'S AND DEPUTY LEADER'S ANNOUNCEMENTS

The Leader, in summary: -

1 referred to the significant financial pressures faced by the Council and reported that there was a current budget gap of £31.4m for 2025-2026 with ongoing efforts to identify savings, efficiencies, and additional funding sources.

2 reported that the provisional local government finance settlement and government grant announcements were expected by Christmas.

3 referred to the Transformation Programme and reported that both he and the Deputy Leader had attended the December staff event, which had been well attended by employees from all parts of the Council.

4 referred to the expected white paper on Devolution and stated that the Council was actively engaging with Cheshire West and Chester Council and Warrington Council on devolution proposals.

5 reported that he had attended a meeting of the Cheshire East Bus Partnership Forum which had heard speakers from the Dept of Transport and the Cheshire East Transport Team. The Government had announced the next round of bus improvement funding, which was vital funding to supporting bus service improvements, infrastructure and the £3 bus fare cap.

6 reported that the Council had been awarded Fostering Friendly status from the Fostering Network for supporting employees who wished to become foster carers.

7 thanked Council staff for their work responding to emergencies caused by Storm Darragh

8 wished everybody present and Council staff all the best for the coming festive season.

The Deputy Leader, in summary: -

1 referred to the staff event held on the Transformation Programme, which had provided valuable feedback and input from those who attended.

2 reported that development was underway for a new corporate plan for 2025-2029 which would focus on financial stability, clear values and effective partnerships and would align with the recommendations from the LGA Corporate Peer Challenge. A Member Task and Finish Group, comprising of himself, Councillors Liz Braithwaite, Mark Goldsmith, and Becky Posnett, had been set up to help with the drafting of the plan.

3 reported that the Council was supporting the Royal British Legion's Credit their Service Campaign which ensured military compensation would not be treated as income when calculating benefits.

4 reported that the Council was urgently looking to recruit more Personal Care Assistants to support individuals in the community who needed support to live independently.

5 commended the Cheshire East Highways Team who had worked day and night to mitigate the effects of Storm Darragh and paid thanks to the rural community who helped to clear and reopen roads as well as providing vital information on the situation in the rural areas.

61 **RECOMMENDATIONS FROM CORPORATE POLICY COMMITTEE: COUNCIL TAX BASE 2025/26**

Consideration was given to the recommendations of Corporate Policy Committee on 28 November 2024 in relation to the domestic tax base 2025/26.

RESOLVED:

That in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount to be calculated by Cheshire East Council as its Council taxbase for the year 2025-26 is 163,261.10 for the whole area.

62 **RECOMMENDATIONS FROM CORPORATE POLICY COMMITTEE: REVISED STATEMENT OF LICENSING POLICY**

Consideration was given to the recommendations of Corporate Policy Committee on 3 October 2024 in relation to the Revised Statement of Licensing Policy.

RESOLVED:

That Council adopt the revised Statement of Licensing Policy.

63 **RECOMMENDATIONS FROM CORPORATE POLICY COMMITTEE: CHANGES TO THE COUNCIL'S CONSTITUTION**

Consideration was given to the recommendations of Corporate Policy Committee on 28 November 2024 in relation to the changes to the Constitution.

RESOLVED: That Council approve:

1 the revised Petition Scheme, as appended to the report at Appendix 1, with the final sentence of the first paragraph being amended to read “subject to the decision of the Monitoring Officer as to *which* meeting will receive it”.

2 the revised Job Descriptions for the Leader and Deputy Leader, Chairs and Vice-Chairs and Opposition Spokespersons, as appended to the report at Appendices 2, 3 and 4, subject to the title of the Leader/Deputy Leader JD being amended to ‘Role of the Leader and Deputy Leader of the Council’.

3 the amendments to the Constitution in relation to Notices of Motion, Significant Decisions and electronic voting, as set out in paragraphs 17 to 19, 26 to 28 and 32 to 35 of the report.

4 the Acting Governance, Compliance and Monitoring Officer be given delegated powers to make any necessary changes to the Council’s Constitution as they deem are required to implement the decision of full Council.

64 **RECOMMENDATIONS FROM CORPORATE POLICY COMMITTEE: CHESHIRE EAST COUNCIL SUPPORT FOR PROPOSED FUTURE RAIL SCHEMES**

Consideration was given to the recommendations of Corporate Policy Committee on 28 November 2024 in relation to the Cheshire East Council’s support for proposed future rail schemes.

RESOLVED: That Council

1. provisionally supports:

   a) the proposed Liverpool to Manchester Railway section of NPR; and

   b) the use of the High Speed Rail (Crewe – Manchester) Bill to deliver the Liverpool to Manchester Railway provided that the conditions set out in paragraph 31 of the report are met.

2. remains a member of the Liverpool to Manchester Partner Board, acting at all times, under the agreed positions set out above.

3. welcomes the progression of alternative options to HS2, to improve rail connectivity and capacity between the Midlands and the North West, but the Council would only lend its support to schemes that put Crewe at the heart of the solution and deliver:

   a) enhanced connectivity from Crewe with improved direct services to key conurbations including London, Birmingham and Manchester;

   b) enables, facilitates and delivers the necessary capacity, upgrades and rationalisation at Crewe Station to enable any new services on an alternative north-south link to call at Crewe;

   c) supports and enables investment and growth in Crewe including the regeneration of Crewe Town Centre and provision of high quality links to the Crewe Station, and

   d) provides appropriate and sufficient mitigation against the negative impacts of the scheme, and its construction, on the borough, its residents and business and on the local environment.

4. only support the use of existing powers secured via the HS2 phase 2a hybrid bill to deliver part of any alternative north-south rail link if the scheme delivers the conditions set out above.

5. agrees the re-establishment of the HS2 Member Reference Group and that it be refocussed to support the Council's strategic rail priorities and positions.

6. approves the revised Terms of Reference and membership changes for the Member Reference Group, as proposed in Appendix 2 to the report, subject to the membership being extended to include Councillor Stewart Gardiner.

65 **RECOMMENDATIONS FROM FINANCE SUB COMMITTEE: APPROVAL OF SUPPLEMENTARY REVENUE ESTIMATES AND SUPPLEMENTARY CAPITAL ESTIMATES**

Consideration was given to the recommendations of the Finance Sub Committee on 7 November 2024 in relation to the Supplementary Revenue Estimates and Supplementary Capital Estimates, as set out in Annex 1, Section 3, Tables 1 and 5 to the report.

RESOLVED: That Council approve:

1 Children and Families – supplementary revenue estimate for: -
Household Support Fund £2,200,000

2 Highways and Transport – supplementary capital estimate for: -
Burford Roundabout Works £1,389,281

66 **SENIOR MANAGEMENT STRUCTURE - CHILDREN'S SERVICES**

Consideration was given to the report on the proposed new senior management structure in Children's Services.

Reference was made to the job description for the position of Director of Children's Services Commissioning, Quality Assurance and Partnerships and it was suggested that the job description be amended to specifically include the issue of children's safeguarding, so to ensure that the Council recruit a person with the appropriate qualifications and qualities who were fully aware of their responsibilities of the job before they applied.

The Mayor, having sought advice, responded that the job description could be changed by officers and that if there were any issues these could be reported back to the Chair and members of the Children and Families Committee.

RESOLVED: That Council

1 agrees the proposed change to the senior management staffing structure for Children's Services, subject to prior consultation with all parties affected by the decision, including any Trade Unions.

2 approves in principle a new post, subject to consultation with staff and trade unions on the staffing structure, where the remuneration will be more than £100,000 per year.

67 **CHESHIRE AND WARRINGTON JOINT COMMITTEE: AMENDMENT TO TERMS OF REFERENCE**

Consideration was given to the report on the proposed amendment to the Terms of Reference of the Cheshire and Warrington Joint Committee.

The recommendations were proposed and seconded and following debate a recorded vote was requested with the following results: -

FOR
Councillors L Anderson, S Bennett-Wake, L Braithwaite, J Bratherton, L Buchanan, C Bulman, A Burton, C Chapman, D Clark, A Coiley, S Corcoran, L Crane, K Edwards, M Edwards, H Faddes, M Goldsmith, M Gorman, C Hilliard, D Jefferay, N Mannion, G Marshall, J Place, J Priest, B Puddicombe, J Rhodes, H Seddon, G Smith, L Smith, J Snowball, R Vernon, M Warren, F Wilson and B Wye.

AGAINST
Councillors S Adams, R Bailey, M Beanland, D Brown, C Browne, R Chadwick, J Clowes, N Cook, T Dean, S Edgar, A Gage, S Gardiner,

K Hague, E Hall, A Harrison, A Heler, S Holland, T Jackson, A Kolker, A Moran, R Morris, H Moss, M Muldoon, B Posnett, J Pratt, P Redstone, J Saunders, M Sewart, John Smith, Julie Smith, H Whitaker and J Wray.

NOT VOTING
Councillors D Edwardes, R Fletcher, M Houston and R Kain.

The motion was declared carried with 33 votes for, 32 against and 4 not voting.

RESOLVED: That Council

1 approve the amendment to Part 2 of the Cheshire and Warrington Joint Committee Terms of Reference, as set out in red at Appendix 2 to the report.

2 agree that the final decisions related to the establishment of a Combined Authority and a devolution agreement are matters that will be brought back to this Council.

68 APPROVAL OF ABSENCE FROM COUNCIL MEETINGS

This item was withdrawn from the agenda.

69 URGENT ITEM OF BUSINESS: EXCEPTIONAL FINANCIAL SUPPORT

In accordance with Section 100B(4)(b) of the Local Government Act 1972, the Mayor had agreed that this item could be considered as an item of urgent business as it could not wait until the next scheduled meeting of full Council to enable a response to be sent to the Secretary of State for Housing, Communities and Local Government.

Consideration was given to the urgent report on Exceptional Financial Support which was necessitated by a request from the Ministry of Housing, Communities and Local Government received on 4 December 2024 to submit a formal request and supporting evidence for any Exceptional Finance Support by Friday 13 December 2024.

RESOLVED: That Council agree:

1 that the Chief Executive finalise and submit a request for exceptional financial support in the form of an in-principle capitalisation direction for 2024/25 to the Secretary of State for Housing, Communities and Local Government for up to £17.6m.

2 that the Chief Executive finalise and submit a request for exceptional financial support in the form of an in-principle capitalisation direction of up to £31.4m for 2025/26 to the Secretary of State for Housing, Communities and Local Government, and indications of a potential request of £23.7m for 2026/27.

3 delegate to the Interim Executive Director of Resources (S151 Officer) the ability to update those requests once further financial information from the local government finance settlement is received. This will be in consultation with the Chief Executive and will be reported at the earliest opportunity to the relevant committee(s).

70 **NOTICES OF MOTION**

Consideration was given to the following Notices of Motion which had been submitted in accordance with the Council's Procedural Rules.

Motion 1 **<u>Fossil Fuel Non-Proliferation Treaty</u>**

Proposed by Councillor S Corcoran and Seconded by Councillor D Clark.

"This Council notes that:

1. The scientific consensus is clear that fossil fuels are primarily responsible for accelerating global climate change, and that the climate crisis now represents one of the preeminent threats to global lives and livelihoods.

2. The Intergovernmental Panel on Climate Change Sixth Assessment Report states that it is unequivocal that climate change has already disrupted human and natural systems and that societal choices and actions implemented in the next decade determine the extent to which medium- and long-term pathways will deliver higher or lower climate resilient development.

3. The International Energy Agency stated in its May 2021 report "Net Zero by 2050" that in order to reach that goal there should be no new oil or gas fields, or new coal mines, as of that moment.

4. The Paris Climate Agreement is silent on coal, oil and gas, an omission with respect to the supply and production of fossil fuels (the largest source of GHGs) that needs to be collectively addressed by other means; and that global governments and the fossil fuel industry are currently planning to produce more than double the amount of coal, oil and gas by 2030 than can be burned if the world is to limit warming to 1.5°C and avert catastrophic climate disruption, and such plans risk undoing the work of our Council to reduce GHG emissions.

5. A new global initiative is underway calling for a Fossil Fuel Non-Proliferation Treaty that would plan the end of new fossil fuel exploration and expansion, phase out existing production in line with the global commitment to limit warming to 1.5°C and accelerate equitable transition plans globally.

6. Our entire global community will be impacted by the climate crisis. Vulnerable communities, and those who have contributed the least to climate change, however, will often be impacted most acutely.

This Council believes that:

7. New fossil fuel infrastructure and expanded reliance on fossil fuels exposes communities to untenable risks to public health and safety at the local and global levels; and that the economic opportunities presented by a clean energy transition far outweigh the opportunities presented by an economy supported by expanding fossil fuel use and extraction.

This Council resolves to:

8. Formally endorse the call for a Fossil Fuel Non-Proliferation Treaty and make that endorsement public.

9. Call on the UK government to also endorse the call for a Fossil Fuel Non-Proliferation Treaty

10. Reaffirm our commitment to rapidly decarbonising our economy at a local and national level.

11. Write to the Local Government Association and raise the need for a planned phase out of fossil fuels, and to call on it to promote the Fossil Fuel Non-Proliferation Treaty among its members."

RESOLVED:

That the Motion be referred to the Environment and Communities Committee.

Motion 2 <u>Protecting Family Farms and Preserving Rural Communities across Cheshire East</u>

Proposed by Councillor J Clowes and Seconded by Councillor A Heler

"This Council notes with concern, the proposed changes to inheritance tax announced by the Labour Government in the recent Autumn budget, which would scrap Agricultural Property Relief (APR) and Business Property Relief (BPR) on farmland and business assets.

This means an effective tax rate of 20% on agricultural assets valued over £1 million.

Whilst the government claims that the new £1m threshold will mean three-quarters of farms will not be impacted by the change, the NFU believes this is an underestimate and that at least 50% of all working farms may be impacted by the new tax rules.

Secretary of State for the Department of Environment, Food and Rural Affairs Steve Reed has stated that already struggling farmers will have to "do more with less". At a time when many farmers in Cheshire are struggling with soaring costs and energy prices, this tax rise will threaten the future of their farms and destroy confidence in the agricultural community.

APR and BPR have been pivotal in allowing British family farms to remain intact across generations, supporting food security, sustaining rural communities, and aiding environmental stewardship.

The Family Farm is an important feature of the Cheshire countryside and this form of agricultural unit is recognised in Cheshire East Council's own Rural Strategy (2022 – 2027) that states;

> *"There is real economic value in the area's natural capital and landscape character, and the contribution of farming and land management should not be underestimated or forgotten. It is after all, what underpins our rural character, environment and communities, contributing to our 'quality of place', which is accepted as an economic attribute, supporting locational decisions and investment in the area"*(1)

Unfortunately, despite government assurances that "small farms" won't be affected, recent analysis identifies that this tax is estimated to impact over 70,000(2) family farms, leaving the average farming family with a tax bill of at least £240,000(3).

Whilst family farms may be asset-rich in terms of workable land and/or buildings, annual profits are modest.
A typical 200-acre arable farm owned by an individual with an annual profit of £27,300 would face a £370,000 IHT liability. If spread over 10 years, this represents 136% of their profit each year to cover the tax bill. At current land prices, successors would have to sell 16% of their land.(4)

In short, this policy compromises the viability of family farms, will force many to sell portions of their land, or close entirely, paving the way for corporate ownership over family ownership.

The Council believes that this tax will have severe impacts on:

1. Food Security: Selling off land or closing farms will put our national food independence at risk, at a time when global stability is already fragile. British family farms are critical to ensuring a steady supply of homegrown food.

2. Rural Community Stability: Family farms are the foundation of rural Britain and represent the majority of farms across the borough of Cheshire East. They contribute to local jobs, schools, and essential services. Labour’s proposed tax risks destabilising communities, eroding the rural way of life, and causing a negative ripple effect across the countryside.
3. Environmental Stewardship: Farms cover 70% of the UK’s land, with family farms playing a leading role in nature recovery, biodiversity, and sustainable land management. The sale and fragmentation of these lands would hinder conservation efforts and undermine environmental initiatives.

This Council resolves to**:**

- Oppose the Labour Government’s changes to inheritance tax affecting family farms.
- Advocate for the exemption of family farms to preserve the UK's food security, rural communities, and environmental initiatives.
- That the appropriate service committee(s) proactively engage with local farmers and community representatives, to consider what support this Council may reasonably provide to this essential part of the Cheshire East economy.

This Council urges all Councillors to stand with Britain’s family farms, to support our rural communities, the Cheshire East “Quality of Place” and to protect the environment by formally rejecting this proposed “family farm tax.”

RESOLVED:

That the Motion be referred to the Economy and Growth Committee for consideration.

71 **QUESTIONS**

Councillor C Browne asked when Cheshire East Council would act in respect of installing acoustic cameras on the A34 Wilmslow to Alderley Edge and introduce a Public Space Protection Order.

In response Councillor M Gorman, Deputy Leader of the Council, stated that meetings had been held with elected members, officers and the Police and Crime Commissioner and that proposals were being brought forward, and the issue would be referred to the appropriate committee in due course.

Councillor N Cook referred to “Keep Clear” boxes on Middlewich Road, Sandbach that required re-painting, and asked that the prioritisation of signage, stop lines, give way lines and give way boxes be reviewed and action be taken on any outstanding requests and that the classification of defects were reviewed.

In response Councillor M Goldsmith, Chair of Highways and Transport Committee, undertook to provide a written response to the Middlewich Road junction in question, and stated that the Department for Transport were highly prescriptive on the signs which councils must act upon, and that Member's ward budgets could be used for this issue.

Councillor L Anderson asked for assurance that Tier 3 libraries would not be closed.

In response Councillor M Warren, Chair of Environment and Communities Committee, stated that the Library Strategy which had been agreed at Environment and Communities Committee on 27 November 2024 and implemented on 1 January 2025, did not include any library closures.

Councillor S Gardiner refer to proposed changes to the National Planning Policy Framework which could dimmish the powers of planning committees and sought assurance from the Leader and Deputy Leader that they would use their influence and contacts, especially at the LGA and with local MPs, to fight against the proposals.

In response Councillor N Mannion, Leader of the Council, stated that the LGA and the County Council's Network would be consulting their members on the proposals and would ensure that Councillor Gardiner's views were taken on board and any responses would be shared. Councillor Michael Gorman, Deputy Leader of the Council, said that he would provide assurances and would scrutinise the details of any proposals coming forward.

Councillor P Redstone suggested that, in the interests of fairness and to keep Council meetings as brief and as relevant as possible, the Leader and Deputy Leader's announcements should be limited to three minutes, in line with other Members.

The Mayor responded that Councillor Redstone suggestion had been noted.
Councillor A Kolker asked what the Leader was planning to do to address the falling birth rate in the UK and that there would eventually be insufficient people to look after the rapidly ageing population.

In response Councillor N Mannion, Leader of the Council, stated that different countries responded in different ways such as enhancing financial support to encourage an increase in the birth rate. It was noted that a large number of individuals from overseas came to the UK to seek employment in the health and care sectors.

Councillor R Fletcher referred to the flooding on Linley Lane in Alsager which was thought to be caused by drains be dealt with and asked for confirmation that Cheshire East Council had received money from Sainsbury's to rectify the ongoing issues with the drains, and that Alsager Ward Councillors were updated with progress.

In response Councillor M Goldsmith, Chair of Highways and Transport Committee, undertook to provide a written response.

Councillor H Moss referred to the recruitment of Personal Assistants (PAs) who provided support for individuals in the community and asked who was responsible for the recruitment and training of these new PAs.

In response Councillor J Rhodes, Chair of Adults and Health Committee, stated that Cheshire East Council had introduced a new system where PAs could be self-employed which should take away the stress of employing a PA from residents. Cllr Rhodes undertook to provide a written response.

Councillor D Jefferay asked that, due to updates to National Planning Policy Framework due to be published on 12 December 2024, how would the planning department manage the major development applications, and ensure that they would be assessed robustly, given that it was carrying a large number of vacancies.

In response Councillor M Warren, Chair of Environment and Communities Committee, agreed that capacity within the planning department was a concern and stated that there would be Member briefings in the New Year to help with the understanding of the changes, and to address concerns.

Councillor J Clowes asked, as climate change brought an increased likelihood of extreme weather events, and power outages were also likely to increase, what action could Cheshire East Council take to ensure all vulnerable residents, especially those reliant upon telecare and lived in signal black spots, or who were not able to access telecommunications during power cuts, stay informed and safe, and would the Council lobby the government and BT to ensure that there are backup solutions in place.

In response Councillor N Mannion, Leader of the Council,d stated that Cheshire East Council worked closely with energy companies and emergency services to ensure that residents and council clients were contacted to check that they were safe, and the Council would then highlight any further issues to energy companies. The Council also contacted those on its priority list, and provided food, generators and hotels where needed. He stated that the Council would investigate household emergency plans, including windup torches, safety kits, batteries, non-perishable foods, etc, and to develop community resilience plans to help communities to look after one another. Members were requested to contact the Council’s Emergency Planning Team if they would like additional information on any of the above items, or to arrange for an emergency planning officer to visit their ward. The Council was also working with BT to address the high numbers of mobile signal black spots and would lobby for appropriate financial support to try and address these challenges.

In response Councillor M Goldsmith, Chair of Highways and Transport Committee, stated that vulnerable people who relied on a land line could request a battery pack which could support their phones lines in a power cut, and those solutions would be made more widely available.

In response Councillor J Rhodes, Chair of Adults and Health Committee, stated that Cheshire East Council had raised the issue nationally regarding vulnerable residents relying on their telecare service with the LGA and ADAS and Local Resilience Forum and that the Council should let residents know of the backups available.

Councillor B Posnett asked why residents of supported living homes were not made aware that their meals provided by Cheshire East Council could be withdrawn, and why had finance details in the MTFS continued to include Beechmere supported living home, which burned down five years ago.

In response Councillor J Rhodes, Chair of Adults and Health Committee, said that the supported living homes had opened in 2009 under a different government and Council and that residents may not have been told at the point they moved in. Officers have been in to speak to residents at the two affected homes and Cheshire East Council were looking to support residents and had managed to find an alternative service.

Councillor R Bailey asked if the Highways and Transport Committee regularly considered all figures regarding car park usage and fees paid to park, and if not, could it do so in the future.

In response Councillor M Goldsmith, Chair of Highways and Transport Committee, stated that that the Highways and Transport Committee did not currently review existing car park charges so this would be unlikely to change for new charges.

Councillor S Bennett-Wake asked how devolution would benefit Cheshire East?

In response Councillor N Mannion, Leader of the Council, stated that there was academic evidence to support devolution to the sub region which showed that it provided better value for money and allowed Councils to target resources where they were needed.

The meeting commenced at 11.00 am and concluded at 3.35 pm

Councillor M Houston (Mayor/Chair)

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COUNCIL MEETING – 26 February 2025

RECOMMENDATION FROM THE CORPORATE POLICY COMMITTEE: MEDIUM-TERM FINANCIAL STRATEGY 2025-26 to 2028-29

RECOMMENDATIONS

That Full Council:

1. **Notes the report of the Council's Chief Finance Officer (Section 151 Officer), contained within the MTFS report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (Appendix A, Section 2, Section 25 Statement).**

2. **Approve the Revenue estimates for the 2025/26 budget (Appendix A, Section 2, Overview) and the medium-term Capital Programme estimates 2025-2029, as detailed in the Medium-Term Financial Strategy report (MTFS) 2025-2029 (Appendix A, Section 2, Capital budget).**

3. **Approve the setting of B and D Council Tax of £1,882.04 representing an increase of 4.99%. This is below the referendum limit (including 2% ringfenced for Adult Social Care) and arises from the provisional finance settlement (Appendix A, Section 1, Key Funding Assumptions).**

4. **Approve the utilisation of up to £25.3m conditional EFS (Capitalisation Direction) via borrowing to balance the 2025/26 budget shortfall (as reflected in Appendix A, Section 2, Balancing the Budget) and to delegate to the Chief Finance Officer (Section 151 Officer) to review the basis of funding through the 2025/26 year and report to the appropriate committee any recommended change to the funding basis of the EFS. The 2024/25 planned use of Flexible Capital Receipts is increased to £1.518m, an increase of £0.518m from the £1m approved in the 2024-28 Medium-Term Financial Strategy Report to fund transformational projects within the Council (Appendix A, Section 1, Key Funding Assumptions).**

5. **Approve the 2025/26 planned use of Flexible Capital Receipts as £1.0m (Appendix A, Annex 5, Section 3).**

6. **Approve the allocation of Revenue Grant Funding for 2025/26 of £397.080m (Appendix A, Annex 3), and delegates authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix A, Annex 3 (noting that all such variations will subsequently be reported to the appropriate committee, and that any new, previously unnamed, grants are subject to approval in-line with the Constitution).**

7. **Approve the allocation of Capital Grant Funding for 2025/26 of £99.122m (Appendix A, Annex 4), and delegates authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named**

grant changes from the figures contained within Appendix A, Annex 4 (noting that all such variations will subsequently be reported to the appropriate committee, and that any new, previously unnamed, grants are subject to approval in-line with the Constitution).

8. **Approve the Capital Strategy (Appendix A, Annex 5).**

9. **Approve the Prudential Indicators for Capital Financing (Appendix A, Annex 5).**

10. **Approve the Investment Strategy; including the financial limits for various classifications of investment, and the investment decision making process set out in the Strategy (Appendix A, Annex 6).**

11. **Approve the Treasury Management Strategy (Appendix A, Annex 7) and the Minimum Revenue Position (MRP) Statement for 2025/26 to 2028/29 (Appendix A, Annex 5) which includes a change in the MRP Policy, with effect from 1 April 2024.**

12. **Approve the Reserves Strategy (Appendix A, Annex 8), which includes proposed movements to and from reserves.**

13. **Notes that Corporate Policy Committee considered the Budget Engagement exercise undertaken by the Council, as set out in the attached (Appendix B) and the results contained within that report.**

[Note – Appendix A has been revised following the Meeting of Corporate Policy Committee – a list of the changes is included after Appendix A.]

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65 MEDIUM TERM FINANCIAL STRATEGY 2025/26-2028/29 (CORPORATE POLICY COMMITTEE)

The committee considered the report which presented the Medium-Term Financial Strategy (MTFS) for the four years 2025-26 to 2028-29. It was highlighted that the officer report had been prepared prior to the receipt of the Final Local Government Finance Settlement, which was received on Monday 3 February 2025. The Local Government Finance Settlement (LGFS) provided clarity on a number of grant contributions which were as finance officers had anticipated. Therefore, there were no material changes arising from the LGFS that needed to be reflected in the MTFS. The request for the Council to consider increasing Council Tax above the referendum limit was declined by central government and recommendation f4 would not need to be considered by the committee.

The committee noted the S151 Officer’s Section 25 report which advised members on the robustness of the estimates set out in the budget and the adequacy of the proposed reserves. The low level of reserves was highlighted within the report as a significant risk that needed to be addressed urgently. The reserves strategy sets out how the level of reserves could be built up over the life of the MTFS. Robust management of the budget was critical.

The committee noted the financial implications of the transformation programme. It was suggested that a separate line in the budget for the costs associated with the transformation programme would be more helpful for members. It was highlighted that the gross transformation savings were estimated to be in the region of £72m over the period of the MTFS and that the £10.8m for digital programmes would help support and deliver on some transformation savings. Officers commented that it was important to account for costs and savings from transformation in respective service areas, but that it was intended that there would be other supporting information reported, that would show the totality of transformation savings and the costs of achieving the changes.

The MTFS set out assumptions relating to likely capital receipts over the life of the MTFS from the sale of any assets via the Disposal Programme. The committee requested detail around the assets that might be sold. The committee noted that no capital schemes had been stopped but there had been a review of the capital programme to ensure that profiling of projects was right. The committee requested detail on all projects so that they could fully understand the impact. Officers committed to providing the committee with further information on capital projects and the assets being considered through the Disposal Programme as soon as possible.

The committee debated the impact that any increase in council tax would have on residents across the borough. Members agreed that work needed to continue to ensure that the impact on vulnerable individuals was fully understood.

The committee considered the recommendations in blocks, as set out below.

RESOLVED:

That the Corporate Policy Committee notes

1. The summary results of the Budget Engagement exercise undertaken by the Council, as set out in Appendix B and the implications for the MTFS.

2. The draft report of the Council's Section 151 Officer, contained within the MTFS report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (Appendix A, Section 2, Section 25 Statement). This remains a draft report and will be finalised following a recommendation by the Corporate Policy Committee to Full Council.

3. The Council's Finance Procedure Rules remain unchanged and will always apply to ensure proper approval should any changes in spending requirements be identified (Appendix A, Annex 9).

4. The report includes a change in MRP Accounting Policy, with effect from 1 April 2024 the effects for 2025/26 being reflected in the MTFS (Appendix A, Annex 5, Section 3, para 5.52).

That the Corporate Policy Committee recommends that Full Council notes:

5. The report of the Council's Chief Finance Officer (Section 151 Officer), contained within the MTFS report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (Appendix A, Section 2, Section 25 Statement).

RESOLVED (by majority)

That the Corporate Policy Committee recommends that Full Council

6. Approve the Revenue estimates for the 2025/26 budget (Appendix A, Section 2, Overview) and the medium-term Capital Programme estimates 2025-2029, as detailed in the Medium-Term Financial Strategy report (MTFS) 2025-2029 (Appendix A, Section 2, Capital budget).

RESOLVED (by majority)

That the Corporate Policy Committee recommends that Full Council

7. Approve the setting of B and D Council Tax of £1,882.04 representing an increase of 4.99%. This is below the referendum limit (including 2% ringfenced for Adult Social Care) and arises from the provisional finance settlement (Appendix A, Section 1, Key Funding Assumptions).

RESOLVED (by majority)

That the Corporate Policy Committee recommends that Full Council

8. Approve the utilisation of up to £25.3m conditional EFS (Capitalisation Direction) via borrowing to balance the 2025/26 budget shortfall (as reflected in Appendix A, Section 2, Balancing the Budget) and to delegate to the Chief Finance Officer (Section 151 Officer) to review the basis of funding through the 2025/26 year and report to the appropriate committee any recommended change to the funding basis of the EFS. The 2024/25 planned use of Flexible Capital Receipts is increased to £1.518m, an increase of £0.518m from the £1m approved in the 2024-28 Medium-Term Financial Strategy Report to fund transformational projects within the Council (Appendix A, Section 1, Key Funding Assumptions).

9. Approve the 2025/26 planned use of Flexible Capital Receipts as £1.0m (Appendix A, Annex 5, Section 3).

10. Approve the allocation of Revenue Grant Funding for 2025/26 of £397.080m (Appendix A, Annex 3), and delegates authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix A, Annex 3 (noting that all such variations will subsequently be reported to the appropriate committee, and that any new, previously unnamed, grants are subject to approval in-line with the Constitution).

11. Approve the allocation of Capital Grant Funding for 2025/26 of £99.122m (Appendix A, Annex 4), and delegates authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix A, Annex 4 (noting that all such variations will subsequently be reported to the appropriate committee, and that any new, previously unnamed, grants are subject to approval in-line with the Constitution).

12. Approve the Capital Strategy (Appendix A, Annex 5).

13. Approve the Prudential Indicators for Capital Financing (Appendix A, Annex 5).

14. Approve the Investment Strategy; including the financial limits for various classifications of investment, and the investment decision making process set out in the Strategy (Appendix A, Annex 6).

15. Approve the Treasury Management Strategy (Appendix A, Annex 7) and the Minimum Revenue Position (MRP) Statement for 2025/26 to 2028/29 (Appendix A, Annex 5) which includes a change in the MRP Policy, with effect from 1 April 2024.

16. Approve the Reserves Strategy (Appendix A, Annex 8), which includes proposed movements to and from reserves.

17. Notes that Corporate Policy Committee considered the Budget Engagement exercise undertaken by the Council, as set out in the attached (Appendix B) and the results contained within that report.

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OPEN.

Corporate Policy Committee

6 February 2025

Medium-Term Financial Strategy 2025-2029 (Corporate Policy Committee)

Report of: Adele Taylor, Interim Executive Director of Resources (S151 Officer)

Report Reference No: CP/16/24-25

Ward(s) Affected: All Wards

For Decision or Scrutiny: Both

Purpose of Report

1 This report presents the Medium-Term Financial Strategy (MTFS) for Cheshire East Council for the four years 2025/26 to 2028/29. The Corporate Policy Committee is being asked to consider the relevant proposed budget changes in relation to the responsibilities of this Committee and also consider the feedback from the wider budget consultation.

2 The Committee is being asked to recommend a legally balanced budget which with the combination of income, use of resources, robust savings plans and the proposals for the use of Exceptional Financial Support (EFS) and increase in Council Tax, will ensure that income will cover ongoing costs and future commitments in a sustainable and manageable way for 2025/26, to the full Council meeting on 26 February 2025.

Executive Summary

3 The Council's financial resources are provided from a combination of local taxes, government grants, investment returns on assets and other direct contributions from individuals or organisations. Financial plans are based on estimated spending and income over the next four years and the report of the Chief Finance Officer brings Members' attention to the processes and risks associated with developing these estimates.

4 The Council aims to achieve value for money based on economy (how much we pay for things), efficiency (how well we use things) and effectiveness (how

we use things to achieve outcomes). Public feedback and internal and external scrutiny create the necessary framework to hold the Council to account for achieving these aims.

5 All councils are legally required to set a balanced budget each year.

6 The budget setting process for 2025/26 has enabled a set of proposals to be developed and challenged through a managed process that considered service changes, the Capital Programme and the supporting financial planning assumptions relating to funding levels.

7 There have been a series of distinct stages of the Budget Setting Process with reports in relation to the Council's financial position being taken to Corporate Leadership Team and all committees throughout 2024/25.

8 The MTFS Report provides financial background as well as setting out further details of the ongoing approach to funding the priorities set out in the Cheshire East Plan. It highlights the spending plans and income targets for the financial year starting 1 April 2025, as well as forecast estimates up to the 2028/29 financial year.

9 The Cheshire East Plan is a key strategic document for the Council, setting the vision and objectives for the whole organisation. It is a vital part of the Council's performance management framework and how the MTFS is delivered. The MTFS aligns resources to manage the costs associated with achieving the Council's vision.

10 A new Cheshire East Plan 2025-29 is being developed in parallel to the budget as the MTFS is the resource plan for its delivery. The draft Cheshire East Plan will follow the same timeline as the MTFS and be taken to Corporate Policy Committee and full Council in February 2025.

Recommendations from Finance Sub Committee

11 Finance Sub Committee in their meeting on 9 January 2025 made the following recommendations to the Corporate Policy Committee:

12 The Finance Sub Committee request that the Corporate Policy Committee consider the MTFS smoothing reserve to be disaggregated and returned to General Reserves.

13 The Finance Sub Committee request that the Corporate Policy Committee looks at the reserve situation and considers if they are adequate and have capacity to cover any above anticipated inflationary pay award in the region of a further 3% of what has been budgeted for.

14 This report provides the Medium-Term Financial Strategy (MTFS) Report (containing the Budget for 2025/26 that will be part of the recommendations) for the period 2025/26 to 2028/29 at **Appendix A**.

RECOMMENDATIONS

The Corporate Policy Committee notes:

(a) The summary results of the Budget Engagement exercise undertaken by the Council, as set out in **Appendix B** and consider any implications for the MTFS.

(b) The draft report of the Council's Section 151 Officer, contained within the MTFS Report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (**Appendix A, Section 2, Section 25 Statement**). This remains a draft report and will be finalised following a recommendation by this committee to Full Council.

(c) The Council's Finance Procedure Rules remain unchanged and will always apply to ensure proper approval should any changes in spending requirements be identified (**Appendix A, Annex 9**).

(d) The report includes a change in MRP Accounting Policy, with effect from 1 April 2024 the effects for 2025/26 being reflected in the MTFS (**Appendix A, Annex 5, Section 3, para 5.52**).

The Corporate Policy Committee:

(e) Identifies any further budget change proposals, as related to the Committee's responsibilities, that could assist in presenting an overall balanced budget to Council for 2025/26.

(f) Recommend to Council the items below –

That Council notes:

1 The Report of the Council's Chief Finance Officer (Section 151 Officer), contained within the MTFS Report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (**Appendix A, Section 2, Section 25 Statement**).

That Council, having given due regard to the report of the Chief Finance Officer, approves:

2 The Revenue estimates for the 2025/26 budget (**Appendix A, Section 2, Overview**) and the medium-term Capital Programme estimates 2025-2029, as detailed in the Medium-Term Financial Strategy Report (MTFS) 2025-2029 (**Appendix A, Section 2, Capital budget**).

3 The setting of Band D Council Tax of £1,882.04 representing an increase of 4.99%. This is below the referendum limit (including 2% ringfenced for Adult Social Care) and arises from the provisional finance settlement (**Appendix A, Section 1, Key Funding Assumptions**).

4 The utilisation of up to £25.3m conditional EFS (Capitalisation Direction) via borrowing to balance the 2025/26 budget shortfall (as reflected in **Appendix A, Section 2, Balancing the Budget**) and to delegate to the Chief Finance Officer (Section 151 Officer) to review the basis of funding through the 2025/26 year and report to the appropriate committee any recommended change to the funding basis of the EFS. The 2024/25 planned use of Flexible Capital Receipts is increased to £1.518m, an

increase of £0.518m from the £1m approved in the 2024-28 Medium-Term Financial Strategy Report to fund transformational projects within the Council (**Appendix A, Section 1, Key Funding Assumptions**).

5 The 2025/26 planned use of Flexible Capital Receipts is £1.0m (**Appendix A, Annex 5, Section 3**).

6 The allocation of Revenue Grant Funding for 2025/26 of £397.149m (**Appendix A, Annex 3**), and delegates authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix A, Annex 3 (noting that all such variations will subsequently be reported to the appropriate committee, and that any new, previously unnamed, grants are subject to approval in-line with the Constitution).

7 The allocation of Capital Grant Funding for 2025/26 of £99.952m (**Appendix A, Annex 4**), and delegates authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix A, Annex 4 (noting that all such variations will subsequently be reported to the appropriate committee, and that any new, previously unnamed, grants are subject to approval in-line with the Constitution).

8 The Capital Strategy (**Appendix A, Annex 5**).

9 The Prudential Indicators for Capital Financing (**Appendix A, Annex 5**).

10 The Investment Strategy; including the financial limits for various classifications of investment, and the investment decision making process set out in the Strategy (**Appendix A, Annex 6**).

11 The Treasury Management Strategy (**Appendix A, Annex 7**) and the Minimum Revenue Position (MRP) Statement for 2025/26 to 2028/29 (**Appendix A, Annex 5**) which includes a change in the MRP Policy, with effect from 1 April 2024.

12 The Reserves Strategy (**Appendix A, Annex 8**), which includes proposed movements to and from reserves.

That Council recognises that Corporate Policy Committee considered:

13 The Budget Engagement exercise undertaken by the Council, as set out in the attached (**Appendix B**) and the results contained within that report.

Context for the Medium-Term Financial Strategy (MTFS)

15 The MTFS and underpinning financial strategies underpin how Cheshire East Council will allocate resources, achieve the Cheshire East Plan and provide local services every day. The strategies must be affordable, based on robust estimates and balanced against adequate reserves.

16 The Cheshire East Plan 2021-25 was refreshed for 2024/25 and approved in July 2024. It articulates the vision of how these services will make Cheshire East an Open, Fair and Green borough:

- Open - We will provide strong community leadership and work transparently with our residents, businesses and partners to deliver our ambition in Cheshire East.
- Fair - We aim to reduce inequalities, promote fairness and opportunity for all and support our most vulnerable residents.
- Green - We will lead our communities to protect and enhance our environment, tackle the climate emergency and drive sustainable development.

17 **Appendix A, Annex 1** summarises the Cheshire East Plan on one page. A new Cheshire East Plan 2025-29 is now being developed in parallel to the budget as the MTFS is the resource plan for its delivery. This new plan is on the same agenda.

18 The MTFS and new Cheshire East Plan have been developed in parallel and the new plan aligns closely to the overall strategy for the original plan. Therefore, it is not expected that there will be any material changes that impact on the MTFS identified through the development of the delivery plan. If any material changes are identified later, these would need to be brought back for amended through Corporate Policy Committee and full Council.

The Financial Operating Cycle

19 The Council operates a three-stage cycle to support its financial strategies, the stages are Plan, Monitor and Report. Progress against each element of this cycle is crucial to maintain sustainable services:

Plan

20 The Council approved a four-year strategy in February 2024. In-year performance identified inflation factors and service growth that exceeded the budget, putting pressure on reserves.

21 The issues were also forecast to continue into the following financial year and beyond, therefore significant work had to be undertaken to mitigate these pressures as far as possible.

22 The reports received by committees in November 2024 set out the budget shortfall position for 2025/26 at that time and recommended that officers work with Members to develop further proposals to enable budgets to be managed within the overall estimated funding envelope for 2025/26.

23 At the time it was noted that further in-year analysis and the provisional local government funding announcements were due to follow and were then embedded into the current model.

24 Part of developing the plan is consulting and engaging with those potentially impacted. The Council launched local consultation on 19 December 2024 and reported the updated position at that time to all service committees during January.

25 Part of this consultation was around a new set of core budget principles included in the MTFS 2025-2029 as set out in **Appendix A, Section 1, Core Budget Principles**. These set out how we plan to prioritise funding over the life of the MTFS. Adhering to these principles is fundamental during times of exceptional financial pressure. The core budget principles are:

- Principle 1 – build and maintain an adequate level of reserves.
- Principle 2 – raise Council Tax in line with the maximum allowable limit.
- Principle 3 – optimise income generation.
- Principle 4 – capital investment to maximise return on investment, align to the Council’s Cheshire East Plan priorities and its Medium-Term Financial Strategy.
- Principle 5 – alignment with the Cheshire East Plan aims.
- Principle 6 – maintain tight financial control of in year budgets and management within budgeted cash envelopes.
- Principle 7 – create and maintain central contingency and risk budgets to mitigate against the impact of short term non delivery of savings.

Monitor (and Manage)

26 The Council regularly monitors the financial position and a single finance report is now considered at all service committees since the start of the financial year 2024/25. This ensures that there is a broader understanding of the overall financial health of the Council, as well as ensuring that financial decisions are not taken in isolation and without understanding wider implications than just a single service committee. It is important to note that monitoring also includes taking action where budgets are off track and is not just a passive assessment of our financial position.

27 The outturn position for 2024/25 is currently forecast to be an overspend of £18.3m at the Third Financial Review (FR3) position. The forecast has been reported to each service committee in January 2025, with detailed narrative on intended mitigating actions to reduce in-year and on-going pressures.

28 This financial year, an officer group, the Strategic Finance Management Board introduced weekly meetings, chaired by the S151 Officer and has led on a number of key tasks to urgently reduce spend and identify additional savings, including:

(a) Line-by-line reviews of all budgets to further identify immediately any underspends and/or additional funding.

(b) Stop any non-essential spend.

(c) Actively manage vacancies, particularly agency usage and reduce any overspends on staffing as soon as possible.

(d) Review of Section 106 legacy budgets, the effects of which are partly reflected in the FR3 forecast outturn as a one-off contribution to reserves.

(e) Review of capital receipts available and potential surplus assets that can be sold (for best consideration).

(f) Identification of any other areas of discretionary spend including grants awarded, where spend can be reduced or stopped.

(g) Review Debt management / overall level of bad debt provision – work undertaken to date, focusing on the Adult Social Care bad debt provision, has identified through adopting a new approach to reviewing and monitoring these debts, an improvement (reduction) of the Council's bad debt provision of £1.07m, further work is ongoing and will be updated at Outturn.

(h) Any directorate that is identified as being off target by more than 5% is subject to a detailed finance and performance review on a weekly basis through a financial recovery review process. This process has been put in place for Adults Services and Children and Families and has lead to proposals in the current MTFS to appropriately right-size the budget based on the levels of activity in these services.

29 In addition to reporting at the formal 'financial review' points in the year, other progress reports have been taken to particular service committees on their items as appropriate. For example, reports on: high cost care packages in Adults and Children's Services; work between directorates to enhance the transition process from child to adult social care; safer walking routes for school children; libraries strategy; asset transfers and devolving services to town and parish councils; car parking; and the use of assets to support transformation of services (including for Special Educational Needs and Disabilities, and Extra Care Housing).

30 During the year, a working group, formed from members of the Finance Sub Committee, scrutinised the budget assumptions for income and expenditure that were included in the last approved MTFS report. These assumptions were revised as necessary for the next MTFS report in line with current information and analysis. **Appendix A** sets out the key expenditure and funding assumptions included in the MTFS 2025-2029.

Report

31 Financial performance has been reported regularly to committees throughout 2024/25. This includes reporting on the final outturn position for 2023/24 which was presented in June 2024, and in-year financial reviews reported in September, November and January / February.

32 These reports are now single reports considered by all committees, and the way in which the reports were structured has been changed in this financial year, including more performance and risk information but this will be built upon for the new financial year.

33 The reports have included information on budget variances, identification of any mitigating actions where budgets are off track, delivery against agreed savings as well as information on the Capital programme. It has also included

information on corporate funding that all makes up the overall financial health of the organisation.

34 This MTFS includes the financial implications of transformational activity and so it will be important to embed more detailed reporting into the reports considered by committees for next year on this activity, especially where this will fall over more than one financial year.

35 Additional information on the Capital programme will also need to be included in the new financial year, including detail around the cost of borrowing especially given proposals around borrowing for EFS.

36 As important part of our reporting is our Statutory Accounts. The statutory accounts for 2023/24 were closed within the national deadline.

Transformation

37 In the Section 25 report of the MTFS report approved by the Council for 2024/25, the S151 Officer stated that the Council must transform to create sustainable services and support infrastructure projects that reflect 'whole life' costs. This must cover the medium to long term and be backed by reserves that can manage any emerging risks.

38 As part of the Council's request for EFS, there were several conditions that would need to be met prior to formal approval, in summary the Council needed to:

- Undergo an external assurance review on the Council's financial position and financial management policies, and the Council's work to improve its productivity and efficiency.
- Produce an improvement and transformation programme within six months (by 27 August 2024) that is focused on delivering the Council's key objectives and securing the medium-term financial position.
- The programme should incorporate any recommendations identified as part of the external review.

39 In August 2024, the Corporate Policy Committee considered the Council's Transformation Plan that required submission to the Ministry of Housing, Communities and Local Government (MHCLG) by no later than 27 August 2024. This was a formal requirement in order for the Council to access conditional EFS.

40 This Transformation Plan links closely with other improvement work, particularly in Children's services where the Council must respond to the external inspection and the need to improve outcomes for our children and young people. This transformation programme includes investment across all service areas but is also aligned with the improvement plan following our ILACS (Inspection of Local Authority Children's Services) inspection.

41 As stated in previous reports, the Council needed to transform the way it delivers its services. Given that the gap between funding and our current responsibilities had been identified in February 2024 as growing to £100m by

the end of 2027/28, including the need to replenish general reserves to a minimum of £20m.

42 During 2024/25, in developing this MTFS, the Council has worked with an external partner, Inner Circle, to develop a Transformation Plan. The Transformation Plan will support the delivery of approved/proposed savings, cost avoidance, cost mitigation and identify new savings for the coming years.

43 There are six programmes within the plan, each containing a range of projects and other initiatives across:

- Workforce
- Social Care
- Place
- Early Intervention and Prevention
- Digital
- Special Projects

44 The revenue and capital implications for growth, investment and savings associated with the above initiatives have been reflected in the MTFS 2025/26 – 2028/29.

45 The approved Transformation Plan can be accessed here: https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s119439/CPC%20Transformation%20Plan%20V%200.01%20003.pdfBudget%202025/26

Budget 2025/26

46 **Appendix A, Section 2** sets out the S25 statement of the Chief Finance Officer (S151) and the planned response to setting the 2025/26 budget and reserves position and the transformational activity taking place during 2025/26 and beyond to help address the financial crisis the Council is facing.

The Medium-Term Financial Strategy (Key headlines)

47 The Medium-Term Financial Strategy presented in **Appendix A** contains the following headlines for the 2025/26 financial year.

48 Overall net revenue spending on services is being increased by £26.7m to £402.4m in 2025/26, as shown in Table 1:

Table 1: Summary position for 2025/26 to 2028/29	Revised Budget 2024/25 £m	Estimated Net Budget 2025/26 £m	Estimated Net Budget 2026/27 £m	Estimated Net Budget 2027/28 £m	Estimated Net Budget 2028/29 £m
Adults, Health and Integration	138.0	**159.4**	**157.2**	**158.8**	**160.2**
Childrens Services	88.6	**97.3**	**97.2**	**97.0**	**96.8**
Place	92.2	**91.0**	**95.2**	**96.6**	**103.8**
Resources and Chief Executive's Office	41.7	**42.8**	**47.2**	**49.1**	**50.6**
Council Wide Transformation savings	0.0	**-13.5**	**-34.2**	**-45.2**	**-45.2**
Total Service Budgets	360.5	**377.1**	**362.6**	**356.3**	**366.1**
CENTRAL BUDGETS:					
Capital Financing	31.7	**35.0**	**38.8**	**41.9**	**43.2**
Flexible use of Capital Receipts	-1.0	**-1.0**	**-1.0**	**-1.0**	**-1.0**
Bad Debt Provision (change)	-0.1	**-0.1**	**-0.1**	**-0.1**	**-0.1**
Contingency Budget	0.0	**16.0**	**30.9**	**42.8**	**55.7**
Risk Budget	0.0	**0.0**	**3.8**	**2.0**	**0.8**
Pension adjustment	0.0	**-0.7**	**-0.7**	**-0.7**	**-0.7**
Use of (-) / Top up (+) Reserves	-15.4	**1.3**	**5.0**	**8.9**	**8.9**
Total Central Budgets	15.2	**50.5**	**76.6**	**93.7**	**106.8**
TOTAL: SERVICE + CENTRAL BUDGETS	**375.7**	**427.6**	**439.3**	**450.0**	**473.0**
FUNDED BY:					
Council Tax	-287.1	**-307.3**	**-325.6**	**-345.0**	**-365.5**
Business Rate Retention Scheme	-56.6	**-57.1**	**-57.1**	**-57.1**	**-57.1**
Revenue Support Grant	-0.4	**-0.8**	**-0.8**	**-0.8**	**-0.8**
Specific Unring-fenced Grants	-31.6	**-37.1**	**-34.1**	**-34.1**	**-34.1**
TOTAL: FUNDED BY	**-375.7**	**-402.4**	**-417.7**	**-437.0**	**-457.6**
Exceptional Financial Support - Capitalisation Direction		**-25.3**			
Funding Position (+shortfall)	**0.0**	**0.0**	**21.6**	**13.0**	**15.4**

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

49 Central government unringfenced grants (including Revenue Support Grant) will increase by £6.0m overall to £38.0m.

50 Funding from Council Tax increases by £20.2m, to £307.3m. This is on the basis of a proposed Council Tax increase of 4.99% from £1,792.59 to £1,882.04 for a Band D property. 2% (£5.7m) of the total Council Tax increase relates to Adult Social Care and partially supports the forecast growth in demand. This is set at the current limit for all councils.

51 Capital spending is forecast at £594.9m for the period 2025/26 to 2028/29 including £298m on Highways, £155m on Economy and Growth and £83m on Education and Children's Social Care.

52 The capital programme includes £142m for schemes that require financial contributions from Cheshire East for all or part of their funding.

53 In order to set a legally balanced budget, the Council has submitted an application to MHCLG to be allowed to have EFS. This is included in Table 1, and in this presentation assumes that this will be fully funded by borrowing. Further detail on this is included below.

Capital Financing and Borrowing

54 In addition to funding from Council Tax, grants and other income, the Council also needs to appropriately manage its everyday cashflow through Treasury Management activity as well as consider how it funds its Capital programme.

All of this has an impact on the revenue budget, particularly in relation to the costs of borrowing to fund the Capital programme.

55 In order to reduce the significant pressure on the revenue budget the Council should aim to pay more back to current borrowing commitments in any one year than it adds with new borrowing, so bringing down the overall borrowing burden year on year to a more sustainable level.

56 As part of reviewing the MTFS, we undertook a Balance Sheet review through our Treasury Advisors, Arlingclose Ltd.

57 As part of that review, they considered the revenue impact of the current Minimum Revenue Provision (MRP) and Capital Financing Requirement (CFR) policy currently in place. We asked them to assess our alignment with current Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.

58 As part of that review, they proposed changes which are set out in the Capital Strategy (**Appendix A, Annex 5, Section 3**) summarising the change in Accounting Policy required, and the effect of the change through the 2025/26 – 2028/29 MTFS against the Capital Financing Budget. In summary, these are below and set out in **Appendix A, Annex 5, Section 3, para 5.52**:

- 2024/25 £3.8m net improvement – to be reflected at Outturn
- 2025/26 £4.2m net improvement – reflected in MTFS

59 Changes to the Accounting Policy need to be made in the current year 2024/25 due to new regulations coming in from 1 April 2025 and therefore have the benefit of reducing the 2024/25 charge to revenue with a betterment to the overall outturn position plus ongoing impacts from 2025/26 onwards reflected through the MTFS. Making such a change has long term implications and discussions with our external auditors, Ernst & Young, will take place before final implementation.

60 The Capital Financing Budget over the term of the MTFS will be impacted in several ways; the Dedicated Schools Grant deficit, EFS and borrowing to fund capital projects all have separate impacts and Table 2 below summarises those.

Table 2: Capital Financing Budget - elements	**2025/26 £m**	**2026/27 £m**	**2027/28 £m**	**2028/29 £m**
Interest Payable – DSG Deficit	5.6	6.4	7.4	7.4
Interest Payable – EFS	1.0	1.7	1.6	1.6
Interest Payable – Capital Borrowing	13.5	12.8	13.3	13.3
Interest receivable	(2.3)	(2.1)	(2.1)	(2.1)
Total Net Interest	**17.8**	**18.8**	**20.2**	**20.2**
MRP - EFS	0.5	1.3	2.1	2.2
MRP – Capital Borrowing	16.7	18.7	19.6	20.8
Total MRP	**17.2**	**20.0**	**21.7**	**23.0**
Total CFB requirement	**35.0**	**38.8**	**41.9**	**43.2**

61 The table assumes that the Accounting Policy change is adopted and that EFS is fully funded by borrowing.

62 As part of the building of the forecast for our borrowing costs, we need to make an assumption about what our likely Capital receipts will be over the life of the MTFS from the sale of any assets. Table 3 below sets out the latest prudent forecast for future year capital receipts based on the disposal programme.

Table 3: Forecast – Prudent View	2025/26 £m	2026/27 £m	2027/28+ £m
Forecast (Prudent view)	9.07	10.94	12.75
Already included in MTFS / Capital Programme	(2.25)	(2.75)	(5.0)
Additional Receipts Forecast	**6.82**	**8.19**	**7.75**

63 It allows for some slippage / timing differences around actual receipts and adjustments for receipts already included in the currently approved MTFS 2024/25 either within the Capital programme or as part of the Capital Financing Budget.

64 As part of the strategic approach to balancing the 2025/26 budget and MTFS for 2025/26-2028/29, consideration will be given to the available capital receipts and their utilisation to support:

- Investment of transformational activities (e.g. revenue growth)
- Funding EFS costs – instead of additional borrowing – as set out in the Recommendations.
- Invest to save capital projects (E.g. transformation).

Dedicated Schools Grant (DSG) Deficit

65 The risk to the Council remains regarding the High Needs spending from the Dedicated Schools Grant (DSG). The accumulated deficit is forecast to be £115.7m by the end of 2024/25. A statutory override was previously extended by a further two years by the previous Government, which means that DSG deficits do not have to be covered from the General Fund i.e. they are not cash backed up to 31 March 2026. The Provisional Settlement announcement by the current Government has delayed any update on the override until proposed reforms of the SEND system are announced. That is expected before the end of February 2025.

Exceptional Financial Support (EFS) (2024/25 and 2025/26)

66 42 As noted in paragraph 27 above, the 2024/25 forecast in year overspend of £18.3m (as per Third Financial Review) will need to be funded from conditional £17.6m EFS (Capitalisation direction) and £0.7m from reserves. The forecast revenue cost of financing the £17.6m EFS over 20 years is £1.56m per annum and is reflected in the 2025/26 budget and MTFS 2025/26-2028/29.

67 Net revenue service expenditure in 2025/26 is expected to increase by £52.0m, however income from additional funding is only forecast to increase by £26.7m, creating a budget deficit of £25.3m, which will have to be funded by the use of conditional EFS (Capitalisation direction) due to lack of available reserves.

68 An urgent report was received by full Council on 11 December 2024, which was necessitated following a request from the Ministry of Housing, Communities and Local Government (MHCLG) received on 4 December 2024 to submit a formal request and supporting evidence for any EFS for future years by Friday 13 December 2024. At the same time, any revisions to previous in-principle decisions also needed to be submitted for the current year. The request at that time was £31.4m for 2025/26.

69 The revised gap for 2025/26 of £25.3m contained in Table 1 above now reduces the EFS required for 2025/26 by £6.1m. The paper also gave delegated permission to the S151 Officer to liaise with MHCLG on any changes following the finance settlement and other funding announcements which she will continue to do to advise them of the changes.

70 The use of EFS is included within this report based on it being in the form of a capitalisation direction, which is the most prudent view.

Reserves

71 The Council needs to consider the appropriate level of reserves that it should hold. Reserves are amounts of money that are set aside for the following reasons:

- Earmarked reserves for specific purposes, recognising that expenditure will fall across different years from when the income related to that activity may be received.
- A “sinking fund” that smooths out expenditure that would otherwise create a single spike in one financial year. An example is an election reserve that spreads out a single years costs across the four year term.
- A general fund reserve that is set aside to mitigate against urgent expenditure that may be required due to an event outside the control of the Council.

72 Currently, the Council holds very low amounts of reserves and these have been historically low and reducing over a number of years. The MTFS must therefore deal with the replenishment of reserves whilst balancing the cost of doing so.

73 Table 5 below breaks down the current levels of reserves and the proposed replenishment of those reserves.

Table 5:

Earmarked Reserves	Opening Balance 01 April 2024 £000	Closing Balance Forecast 31 March 2025 £000	Closing Balance Forecast 31 March 2026 £000	Closing Balance Forecast 31 March 2027 £000	Closing Balance Forecast 31 March 2028 £000	Closing Balance Forecast 31 March 2029 £000
Adults and Health	**5,226**	**2,378**	**1,399**	**1,399**	**2,796**	**4,194**
Children and Families	**1,724**	**0**	**0**	**0**	**0**	**0**
Corporate Policy	**20,772**	**7,618**	**7,587**	**5,256**	**7,411**	**11,656**
Economy and Growth	**2,777**	**903**	**0**	**0**	**0**	**0**
Environment and Communities	**870**	**152**	**0**	**0**	**0**	**0**
Highways and Transport	**908**	**488**	**400**	**400**	**400**	**400**
Earmarked Reserves Total	**32,277**	**11,539**	**9,386**	**7,055**	**10,607**	**16,250**
General Fund Reserve	5,580	**3,696**	**5,000**	**10,000**	**15,000**	**20,000**
Total Reserves	**37,857**	**15,235**	**14,386**	**17,055**	**25,607**	**36,250**

74 At the 31 March 2025, the forecast balance in the General Fund Reserve will be £3.696m and the forecast balance in the earmarked reserves will be £11.539m of which, £2.378m is unallocated ring-fenced grant for Public Health specific use. The remaining earmarked reserves are set out below with the exception of £1.143m for Place Directorate services that are due to be fully utilised in 2025/26 (See **Appendix A, Annex 8, Section 4**).

75 The current balance in the General Fund does not align to the minimum level of reserves of £20m that the Council should be holding Therefore, the Council plans to increase the General Fund Reserve to £5m by 31 March 2026 and by £5m per annum over the medium term.

76 It is also recommended that any beneficial financial performance or additional income should be added to reserves in the first instance over the medium-term, which could reduce future years gaps earlier in the MTFS.

77 The strategy for managing reserves is included in the MTFS **Appendix A, Annex 8** and, the Council has set out some key principles that it needs to continue to follow in the short and medium term to manage the financial uncertainty that it faces.

78 This includes an important Principle (7) – to create and maintain a central contingency and risk of undelivered savings budgets.

79 This recognises the request from Finance Sub Committee as reported in June 2024, to set aside a central contingency fund and risk budget against undeliverable savings to protect against the risk of underachievement of planned transformation savings and / or unforeseen growth in service budgets.

- Contingency Budget - The aim is to maintain this annual contingency budget over the medium term at 1.5% of the net revenue budget plus other known risks which if they materialise will be vired to the correct place during the financial year.

- Risk Budget - The risk of underachievement of savings targets grows as more and more challenging savings are included in the budget setting. Setting aside a risk budget based on a percentage of the savings identified in any given year is prudent (currently 10%).
- Any proposed use of these two Strategic Budgets in year will require the approval from both the Chief Executive and S151 Officer and will be determined against the criteria when creating the budgets as set out above. This will need to follow appropriate decisions to be approved and/or reported to the relevant committee at the earliest opportunity.

80 The following Strategic earmarked reserves are proposed within the Reserves Strategy (**Appendix A, Annex 8**), and in some cases, replenished over the four year MTFS as part of the Council’s approach to improving the robustness of the MTFS and adequacy of Reserves:

- PFI Equalisation Reserve - Extra Care Housing – to meet future payments on the existing PFI contract.
- Public Health unallocated ring-fenced grant – to be invested in areas to improve performance against key targets (subject to annual assurance sign off).
- Insurance Reserve – to settle insurance claims and manage excess costs.
- Transformation Reserve – to fund the Council’s transformation programme costs.
- Collection Fund Reserve - to manage cash flow implications as part of the Business Rates Retention Scheme.
- Elections Reserve – to provide funds for Election costs every four years.
- Flood Risk and Adverse Weather Events Reserve - to help the service manage risks such as the impact of adverse weather, specifically flooding or extensive periods where winter maintenance is required.

81 At 31 March 2026, the forecast balance in the earmarked reserves is £9.386m.

82 The proposals for the General Fund and the Earmarked Reserves are set out in **Appendix A, Annex 8**. It should be noted that the MTFS Earmarked Reserve has been cleared as part of the movements to the General Fund Balance in forecasting the closing 2024/25 Reserves position.

83 Members will note within the Reserves Strategy (**Appendix A, Annex 8**), the proposal of building back the General Fund reserve to £20m in line with the Cheshire East Plan target, over the next four years. At 31 March 2025 these proposals anticipate that the balance will be £3.7m and a further contribution of £1.3m is planned for 2025/26 such that the General Fund reserve is £5m at 31 March 2026. In the event the 2025/26 pay award is higher than budgeted, the General Fund reserve will be used to support any difference in the first instance with the future year of the MTFS being adjusted to top up plans for future years.

Public Engagement on budget setting approach

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

85 During the engagement exercise, there were 304 responses, with additional feedback being provided by the Council's service committees. **Appendix B** provides information on the responses. A summary of feedback is provided below:

86 Budget engagement for 2024 to 2025 invited respondents to share their views on six principles that the Council proposed to use to shape its budget and financial strategy for 2025 to 2029.

87 Feedback on the principles is summarised below:

88 **Principle 1 - Resizing and reshaping the budget to protect services and support for Cheshire East residents who are most in need**. - Many supported funding for services that help the most in need, and recognised that the Council has an obligation to deliver these services. However, some respondents voiced concerns about this being at the expense of universal services for everyone. Some also responded expressing the view that social care should be funded by central government rather than Council Tax payers.

89 **Principle 2 – Investing in children's services – for example recruiting to additional posts to deliver the children's services improvement plan**. There was significant support for investment in Children's services and Children's services improvement – however, some respondents voiced similar concerns to those raised in relation to Principle 1 – that the council should set its budget to provide services for everyone equally and not focus on particular groups. Others felt that the budget was big enough, and that efficiencies should be sought before further recruitment was considered.

90 **Principle 3 – Investing in adult social care to ensure our budgets reflect the anticipated growth in demand and increasing complexity of need for those who require the most help – including ensuring that growing demands and staffing costs are fully funded in the budget.** People recognised that there is not enough money in the system to sustain social care services at current levels. Respondents also cited the challenge of recruiting to adult social care services. However, some were concerned about staffing costs. Other comments questioned who this support was for, reflecting comments made about Principles 1 and 2 about services for all.

91 **Principle 4 – Delivering transformation projects – doing things differently, including better management of grants, fees and charges for services, and focusing on helping people with additional needs to live more independently for longer, helping to put the council on a more sustainable financial footing for the long-term**. There was significant support from many respondents supporting transformation, however, some expressed concerns about the cost of transformation and what is actually deliverable. Some wanted more information in order to form a view. Some respondents, in responding to this and other principles also stated opposition to raising Council Tax.

92 **Principle 5 – Addressing new external costs, such as the increase in National Living Wage which can mean that the services the council commissions from external providers, including many adult social care**

services, cost more. Respondents raised concerns about expenditure on external providers and 'unnecessary projects'. Others commented on national government policy in relation to National Insurance and National Living wage.

93 **Principle 6 – Looking for other ways to change services to reduce costs, avoid costs, or increase income**. Respondents put forward a number of views and suggestions for other ways to change services to reduce costs, avoid costs, or increase income. These included improving productivity and efficiency, bringing more services back in house, reducing costs and use of consultants and stopping what were considered projects that do not have "measurable (£) benefits".

94 Respondents were also asked how they get information about Council services and their communications preferences. These responses will inform the communications and engagement approach. Some voiced concerns about the Council's approach to consultation and engagement, with some feeling the Council does not listen to residents.

Consultation with the business community

95 The business planning process consisted of a business community survey, mirroring the main public engagement survey, which closed on 2 February 2025. A verbal update on responses to this survey will be provided at the meeting.

Reasons for Recommendations

96 In accordance with the Budget and Policy Framework Rules of Procedure, Corporate Policy Committee has responsibility to recommend the Medium-Term Financial Strategy to Council for approval.

97 The recommended MTFS should be balanced to support the Council in its statutory duty.

98 The Council's Section 151 Officer report, in accordance with Section 25 of the Local Government Act 2003 and Sections 32 and 43 of the Local Government Finance Act 1992, as amended by the Localism Act 2011, is included within the MTFS and provides commentary on the robustness of the estimates making up the Council Tax Requirement of £307,263,921. This is based on a total 4.99% Band D increase, which includes a 2% precept ringfenced specifically for Adult Social Care services. Additionally, the report comments on the adequacy of the financial reserves for the Council. The S.25 statement of the Council's S151 Officer is included **Appendix A, Section 2** and Members should have due regard of this report in making their recommendations to Council or giving approval to recommendations at Council.

99 Further to the above statement it can be reported that the Medium-Term Financial Strategy Report 2025/26 to 2028/29 (**Appendix A**) is based on sound financial principles and reflects sufficiently detailed plans that can be implemented in a timely manner.

Other Options Considered

100 The Council has a legal duty to set a balanced annual budget taking regard of the report from the Chief Finance Officer. Options cannot therefore be considered that would breach this duty. Any decision of the Committee must still recognise the requirement for the Council to fulfil this duty.

101 There is no option to "do nothing" to support spending plans for the Council in 2025/26. The Council has statutory obligations to provide certain services, which would be unaffordable based on the latest forecasts if the Council failed to levy an appropriate Council Tax.

102 The Council will continue to explore options to provide financial benefits through efficiencies, enhanced digital services, process reviews and sale, transfer or leasing of surplus assets.

Implications and Comments

Monitoring Officer/Legal

103 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget and require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

104 The provisions of Section 25 of the Local Government Act 2003, require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance Officer (S151) as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

105 The Council should therefore have robust processes in place so that it can meet statutory requirements and fulfil its fiduciary duty. It must ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans. Local authorities are creatures of statute and are regulated through the legislative regime and whilst they have in more recent times been given a general power of competence, this must operate within that regime. Within the statutory framework there are specific obligations placed upon a local authority to support communities. These duties encompass general and specific duties and there is often significant local discretion in respect of how those services or duties are discharged. These will need to be assessed and advised on as each circumstance is considered.

106 The financial position of the Council must therefore be closely monitored, and Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings or alternative mitigations.

Section 151 Officer/Finance

107 Please see all Sections of this report.

108 The S.25 Statement of the S151 Officer provides information on the process and professional judgement of the Budget 2025/26. This is provided on page 42 of **Appendix A**.

Policy

109 The MTFS report outlines policy and budget proposals which will impact on service delivery arrangements.

110 The Cheshire East Plan will drive and inform Council policy and priorities for service delivery. The priorities and actions listed may have direct policy implications will be considered on a case-by-case basis.

Equality, Diversity and Inclusion

111 Under the Equality Act 2010, decision makers must show “due regard” to the need to:

(a) Eliminate unlawful discrimination, harassment and victimisation;

(b) Advance equality of opportunity between those who share a protected characteristic and those who do not share it; and

(c) Foster good relations between those groups.

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

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

114 The Council needs to ensure that in taking decisions on the Medium-Term Financial Strategy and the Budget that the impacts on those with protected characteristics are considered. The Council undertakes equality impact assessments where necessary and continues to do so as proposals and projects develop across the lifetime of the Council Plan and the MTFS. The process assists us to consider what actions could mitigate any adverse impacts identified. Completed equality impact assessments form part of any detailed Business Cases.

115 The proposals within the MTFS may include positive and negative impacts for individuals, groups and communities. A separate Equality Impact Assessment for the budget as a whole is routinely included in the full MTFS report each year (See **Appendix A, Annex 11**).

116 The Cheshire East Plan’s vision reinforces the Council’s commitment to meeting its equalities duties, promoting fairness and working openly for everyone. Cheshire East is a diverse place and we want to make sure that people are able to live, work and enjoy Cheshire East regardless of their background, needs or characteristics.

Human Resources

117 A number of the proposals will impact on staff. See **Appendix A, Section 2** for full list of change proposals.

118 Any restructures will follow the Council's established processes and will include consultation and engagement with staff and Trade Unions.

Risk Management

119 The steps outlined in this report mitigate the four main legal and financial risks to the Council's financial management arrangements:

- The Council must set a balanced Budget.
- Setting the Council Tax for 2025/26 must follow a compliant process.
- The Council should provide high quality evidence to support submissions for external assessment.
- That Council borrowing will comply with the Treasury Management Strategy which is underpinned by the Prudential Code.

120 A risk assessment of the significant proposals being put forward has been carried out by each service and is included as part of the planning process.

121 It is important to note that the Council faces significant financial challenges in achieving its desired outcomes. Management of risk is embedded within the organisation to ensure the Council can seize opportunities, introduce new, innovative models of service delivery, focus on improving outcomes for residents and review its range of services whilst identifying and controlling any resulting risks. The approach to risk management will continue to be assessed as the Council's plans and financial strategy are implemented.

Rural Communities

122 The Cheshire East Plan, along with the 'Green' aim and supporting priorities will have direct and indirect implications for our rural communities across Cheshire East. These impacts will be considered and reported through individual work programmes as they are developed.

123 The MTFS report provides details of service provision across the borough. See **Appendix A, Section 2**.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

124 The Cheshire East Plan, along with the 'Fair' aim and supporting priorities will have direct and indirect implications for children and young people and cared for children which will be considered individually and in line with the actions required. These impacts will be considered and reported through individual work programmes as they are developed.

125 See **Appendix A, Section 2**.

Public Health

126 The Cheshire East Plan, along with the 'Fair' aim and supporting priorities will have direct and indirect implications for public health which will be considered individually and in line with the actions required. These impacts will be considered and reported through individual work programmes as they are developed.

127 See **Appendix A, Section 2**.

Climate Change

128 The Cheshire East Plan has a very strong environmental thread throughout with a specific aim for the Council to be ‘Greener’.

129 A number of priorities and activities are listed which will support the Council’s commitment of being carbon neutral.

Access to Information	
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Appendices:	Appendix A – Medium Term Financial Strategy 2025-2029 Appendix B – Budget Consultation Report
Background Papers:	The following are links to key background documents: Cheshire East Plan 2024/25 Medium-Term Financial Strategy 2024-28 Corporate Policy Committee 21 August 2024 - Approved Transformation Plan First Financial Review 2024/25 Second Financial Review 2024/25 Third Financial Review 2024/25 Council Tax base 2025/26 Budget Consultation

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Cheshire East Council Medium-Term Financial Strategy 2025-2029 and Budget 2025/26

February 2025

Open, Fairer, Greener

www.cheshireeast.gov.uk

This document will be available to download on the Cheshire East Council website. It formed part of the 6 February 2025 Corporate Policy Committee Agenda and then went on to be considered as part of the 26 February 2025 Council Agenda.

You can continue to provide feedback on the proposals in this report by speaking to your local Councillor

– visit Find Your Local Councillor on the Cheshire East Council website for contact details.

Contents

Section 1 - Medium Term Financial Strategy

Overview

1.1. The vision for Cheshire East Council is to create a borough that is Open, Fair and Green. The Council provides essential services such as Social Care, Education, Highways, Economic Development and Waste that lead the way in achieving this vision for local people. Council services are funded mostly from Council Tax, with additional contributions from Business Rates and government grants and managing these resources appropriately enables our plans to be sustainable over the medium-term.

1.2. Cheshire East is the third largest Council in the Northwest of England with a population of just over 400,000. Our gross annual spend is around £700m and includes capital spending and costs funded directly from government grants such as Dedicated Schools Grant. Net expenditure reflects spending that is only funded from Council Tax, Business Rates and unring-fenced government grants and is approximately £400m.

1.3. The Council reviews its budgetary position annually and produces a rolling 4-year plan, known as the Medium-Term Financial Strategy (MTFS). This considers the financial climate at both the local and national level together with available resources and budgetary pressures in arriving at a financial strategy and detailed financial position over the medium term. The last MTFS, including a balanced budget for 2024/25 and Council Tax setting was approved at full Council on 27 February 2024.

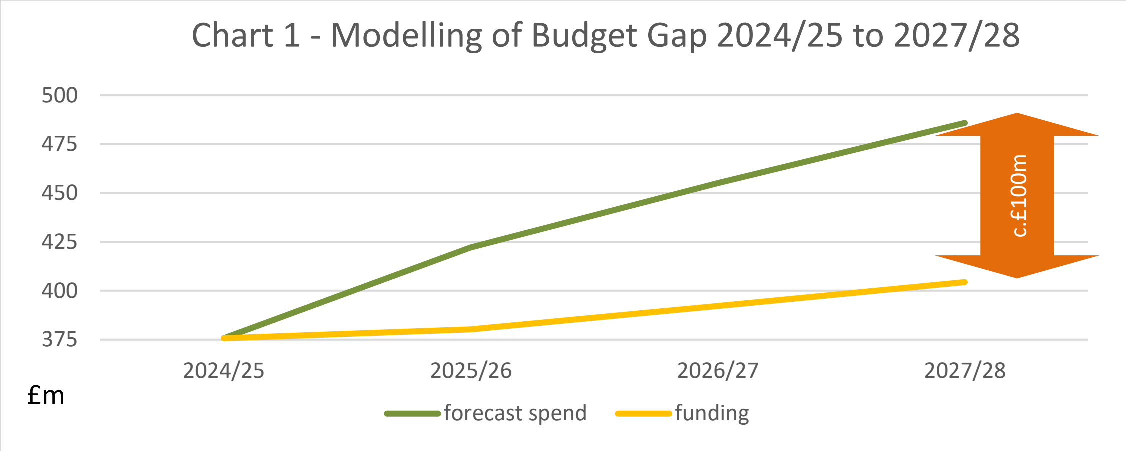
1.4. The Council is facing a significant financial challenge. Like many councils, it is experiencing growth in demand for a number of services, with Children’s Services and Adult social care being some of the most significant impacted by demographic demands as well as the same impact that all businesses are facing with inflationary impacts on the costs of goods and services.

1.5. The position for the Council is more acute than many other councils, due to its historically very low level of reserves. These are barely adequate to cover its current risks and are insufficient to cover future projected funding shortfalls that were identified for 2025/26 and beyond without significant sustainable savings being identified.

1.6. Following another single year financial settlement from central government, there is more uncertainty around future central government funding that adds to the scale of this risk. The 2024/25 budget was balanced by the use of General Fund reserves for the first time and this cannot happen in subsequent years.

1.7. The Council therefore needed to urgently consider the actions to take to ensure the affordability of its services and financial sustainability over the medium term. To deal with revised spending forecasts the Council must increase income from taxation and charges as well as making significant savings right across all services. Although this is an extremely challenging situation, actions taken must also ensure that we consider longer term financial implications and not just a short term savings.

1.8. The previous MTFS position as published in February 2024 estimated a budget gap of c.£100m over the period 2025/26 to 2027/28 (when including the requirement to increase the General Reserves to a minimum level of £20m consistent with a unitary council of our size and complexity).



1.9. "Budget Gap" describes the difference between the funding the Council expected to receive, and the estimated cost of continuing to deliver current services. Put simply, the budget gap results from funding failing to keep pace with demand, inflation, and other financial pressures. The Council must develop a strategy to address the gap to deliver a balanced budget each year as well as have the resources to manage any financial shock.

1.10. During 2024, the Council commissioned the following external reviews and external support to help identify and address the key issues:

- Local Government Association (LGA) Corporate Peer Challenge – a peer challenge was carried out in March 2024 and the report published in June 2024 with a set of 18 recommendations for the Council. A detailed action plan has been produced.
- Decision-making accountability (DMA) review – the Council has also commissioned the LGA to carry out a review of its senior management structure, with a view to establishing a model which promotes clear responsibilities, accountabilities and efficient decision-making.
- Contracting an external transformation partner, Inner Circle, to help the Council to shape a transformation plan to help close the gap.

1.11. There has been a significant programme of works following these reviews to address findings including engagement with an external partner to work alongside officers and Members to identify opportunities to transform the way the Council operates to help improve the Council, address key findings and to assist with closing the gap that was identified in the last MTFS. The Transformation Plan, produced as a result of this work, was approved at Corporate Policy Committee in August 2024 and submitted to central government by the end of August 2024 in line with the requirement as part of the approval of Exceptional Financial Support (EFS), granted in principle, in February 2024.

1.12. Extensive internal work has also been undertaken to challenge budgets and put forward savings and income options alongside the transformation programme recommendations.

1.13. To address in-year pressures, Strategic Finance Management Board introduced weekly meetings, chaired by the Section 151 Officer and has led on a number of key tasks to urgently reduce spend and identify additional savings, including:

- Line-by-line reviews of all budgets to further identify any underspends and/or additional funding;
- Stopping any non-essential spend;
- Actively managing vacancies, particularly agency usage and reduce overspends on staffing as soon as possible;

- Reviewing Section 106 legacy budgets, the effects of which are partly reflected in the FR3 forecast outturn as a one-off contribution to reserves;
- Review of capital receipts available and potential surplus assets that can be sold (for best consideration);
- Identifying any other areas of discretionary spend including grants awarded, where spend can be reduced or stopped;
- Reviewing Debt management / overall level of bad debt provision – work undertaken to date includes an internal review focussing on the Adult Social Care bad debt provision, has identified through adopting a new approach to reviewing and monitoring these debts, an improvement (reduction) of the Council's bad debt provision of £1.07m, further work is ongoing and will be updated at Outturn;
- Reviewing Fees and Charges – work undertaken including benchmarking and new income opportunities by Lyon Consulting working alongside Transformation partners to deliver additional income to the Council – proposals included in the 2025/26 Budget and future years is ongoing;
- Any directorate that is identified as being off target by more than 5% is subject to a detailed finance and performance review on a weekly basis through a financial recovery review process. This process has been put in place for Adults Services and Children and Families and is being chaired by the Section 151 Officer.

1.14. As a result of the work carried out during 2024/25, the updated MTFS position as at February 2025 is summarised in Table 1 below, followed by a summary of the national and local context issues and key expenditure and income assumptions included in the makeup of these projections. It should be noted that as the Council identifies ongoing proposals to address the budget gap, the future years gaps will reduce accordingly.

1.15. Due to the unprecedented financial circumstances that the Council continues to be in it has not been possible to present a fully balanced budget beyond 2025/26.

1.16. An urgent report was received by full Council on 11 December 2024, which was necessitated following a request from the Ministry of Housing, Communities and Local Government (MHCLG) to submit a formal request and supporting evidence for any EFS for future years by 13 December 2024. At the same time, any revisions to previous in-principle decisions also needed to be submitted, for the current year.

1.17. It was agreed at that meeting that the Chief Executive could finalise and submit a request for EFS in the form of an in-principle capitalisation direction for 2024/25 for up to £17.6m, up to £31.4m for 2025/26 and up to £23.7m for 2026/27.

1.18. This MTFS report sets out the detail behind the budget for the financial year 2025/26 for approval, including the projected use of EFS for 2025/26 and the forecast position for the rest of the medium term. It also contains the individual financial strategies around Capital, Investments, Treasury Management and Reserves (see **Annex 4** to **Annex 8**).

Table 1: Summary position for 2025/26 to 2028/29	Revised Budget 2024/25 £m	Estimated Net Budget 2025/26 £m	Estimated Net Budget 2026/27 £m	Estimated Net Budget 2027/28 £m	Estimated Net Budget 2028/29 £m
Adults, Health and Integration	138.0	**159.4**	**157.2**	**158.8**	**160.2**
Childrens Services	88.6	**97.3**	**97.2**	**97.0**	**96.8**
Place	92.2	**91.0**	**95.2**	**96.6**	**103.8**
Resources and Chief Executive's Office	41.7	**42.8**	**47.2**	**49.1**	**50.6**
Council Wide Transformation savings	0.0	**-13.5**	**-34.2**	**-45.2**	**-45.2**
Total Service Budgets	360.5	**377.1**	**362.6**	**356.3**	**366.1**
CENTRAL BUDGETS:					
Capital Financing	31.7	**35.0**	**38.8**	**41.9**	**43.2**
Flexible use of Capital Receipts	-1.0	**-1.0**	**-1.0**	**-1.0**	**-1.0**
Bad Debt Provision (change)	-0.1	**-0.1**	**-0.1**	**-0.1**	**-0.1**
Contingency Budget	0.0	**16.0**	**30.9**	**42.8**	**55.7**
Risk Budget	0.0	**0.0**	**3.8**	**2.0**	**0.8**
Pension adjustment	0.0	**-0.7**	**-0.7**	**-0.7**	**-0.7**
Use of (-) / Top up (+) Reserves	-15.4	**1.3**	**5.0**	**8.9**	**8.9**
Total Central Budgets	15.2	**50.5**	**76.6**	**93.7**	**106.8**
TOTAL: SERVICE + CENTRAL BUDGETS	**375.7**	**427.6**	**439.3**	**450.0**	**473.0**
FUNDED BY:					
Council Tax	-287.1	**-307.3**	**-325.6**	**-345.0**	**-365.5**
Business Rate Retention Scheme	-56.6	**-57.1**	**-57.1**	**-57.1**	**-57.1**
Revenue Support Grant	-0.4	**-0.8**	**-0.8**	**-0.8**	**-0.8**
Specific Unring-fenced Grants	-31.6	**-37.1**	**-34.1**	**-34.1**	**-34.1**
TOTAL: FUNDED BY	**-375.7**	**-402.4**	**-417.7**	**-437.0**	**-457.6**
Exceptional Financial Support - Capitalisation Direction		**-25.3**			
Funding Position (+shortfall)	**0.0**	**0.0**	**21.6**	**13.0**	**15.4**

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

National Context

1.19. The Council is significantly exposed to the national economic changes. Increasing prices impact the Council's contracts and bills, increasing complexity in demand also contributes to driving up costs. Once the annual budget is set the Council must rely on achieving financial targets or using reserves to manage risks. The Council has limited reserves due to the level of spending required on front line services and as such the national financial challenges are causing significant financial stress on the ability to deliver services without fundamental change.

1.20. Analysis from the Local Government Association (LGA) found that due to inflation and wage pressures alongside cost and demand pressures, English councils face a £2.3 billion funding gap in 2025/26 rising to £3.9 billion in 2026/27. This is a £6.2 billion shortfall across the two years.

1.21. In the UK, CPI inflation peaked at a 40-year high of 11.1% in October 2022; a figure that would have been higher without the energy price guarantee limiting households' annualised energy bills. Inflation has now fallen to 2.9% (December 2024) but the higher costs and prices are now permanently locked into the system.

1.22. Interest rates remain high and the annual Capital Financing Budget had to increase for 2024/25 from £19m to £28.5m to support the increased interest rates and borrowing costs. £4.9m of this increase is required to deal solely with the interest payments attributable to the Dedicated Schools Grant deficit that continues to rise year on year.

Funding

1.23. The Chancellor announced in the Budget on 30 October 2024 that Core Spending Power would increase by 3.2% in real terms (inclusive of assumed average Council Tax increases of 4.8% and taxbase increases of 0.8%), and that this will include an increase of £1.3 billion nationally in grant funding.

1.24. A policy statement was then released in November 2024 which set out further funding information. This was intended to give information ahead of the Local Government Provisional Finance Settlement to help with planning. This resulted in the abolition and reduction of some grants (including the Services Grant) in order to redistribute to other areas (including the new Children's Social Care Preventative Grant and the new Recovery Grant).

1.25. The Provisional Local Government Settlement was then received on 18 December 2024. This resulted in an improvement to the funding envelope when compared to the pre settlement position of £4.5m. This includes a local estimate for the Employers National Insurance grant (£3.0m) that had not been previously included in estimates. This grant sits outside of the specific confirmed funding announcements at this time and the actual grant allocation will be announced as part of the Final Local Government Settlement in February 2025. It will then be included in the Core Spending Power total. It should be noted that the grant is only anticipated to cover around 80% of the estimated additional direct costs (c.£3.7m) and will not cover third party employer national insurance increased costs.

1.26. A new Recovery Grant, allocated using a deprivation index was announced but Cheshire East Council did not receive an allocation from that fund.

1.27. Social Care Grant will increase by £880m, a further £200m higher than was announced in the Policy Statement in November.

1.28. The new Children's Social Care Prevention Grant has been distributed using an interim children's relative needs-based formula. The grant was £250m in the provisional settlement and will be uplifted to £263m in the final settlement.

1.29. New Homes Bonus (NHB) will continue in 2025/26, and there will be no change in the methodology including no future legacy payments. It has been confirmed as the final year that NHB will operate.

1.30. Multiplier freeze cap compensation will be paid to compensate authorities for lost Business Rates income arising from the decision to freeze the small business rating multiplier once again.

1.31. Services Grant has been deleted for 2025/26 onwards and other grants have been rolled into Revenue Support Grant including the Election Integrity Programme New Burden, Extended Rights to Free Transport and the Transparency Code grant.

1.32. Local authorities had already been notified of their Extended Producer Responsibility (EPR) allocations; a national summary of the allocations will not be published. These allocations are not taken into account in the Core Spending Power allocations.

1.33. In terms of Council Tax referendum limits, this was confirmed once again at 2.99% core increase plus an additional 2% Adult Social Care precept for a further year.

1.34. The flexible use of capital receipts will be extended until 2030. Authorities will also be able to capitalise redundancy costs.

Funding Reforms

1.35. The Government also launched its consultation on funding reforms on 18 December 2024 and the consultation will run until 12 February 2025. The Spring Budget will set out further information on funding levels for the sector and additional consultations are due to be published, for example on a reset to the Business Rates Retention Scheme. These will continue during early 2025 in readiness to implement the funding reforms in 2026/27.

1.36. Further funding detail, including specific allocations for Cheshire East Council is set out in Section 1 Key Funding Assumptions and **Annex 3**.

Social Care Reforms

1.37. On 3 January, the government set out reforms to improve adult social care and support the workforce.

1.38. Split over two phases, the commission will set out a vision for adult social care, with recommended measures and a roadmap for delivery.

1.39. The first phase, reporting in 2026, will identify the critical issues facing adult social care and set out recommendations for reform and improvement in the medium term. The second phase, reporting by 2028, will make longer-term recommendations for the transformation of adult social care.

1.40. Separately, the government will shortly publish a new policy framework for the Better Care Fund in 2025 to 2026. The framework has been developed collaboratively between the Department of Health and Social Care (DHSC), NHS England, the Ministry of Housing, Communities and Local Government, and local government and will support local systems to deliver integrated health and social care in a way that supports patients and delivers better outcomes.

Waste Reforms

1.41. In October 2023 reforms to household waste and recycling collections were published through the Simpler Recycling Plan with the aim to boost recycling rates and protect the environment.

1.42. By 31 March 2025 all local authorities will need to collect the required recyclable waste streams: glass; metal; plastic; paper and card; food waste; and garden waste. The government's Simpler Recycling household and business waste collection reforms mandate the collection of a core set of recyclable materials and the collection of food waste on a weekly basis (amongst other proposals).

1.43. The introduction of weekly food waste collections by 31 March 2026 from households (a year earlier for businesses including councils) will require the expansion of the collection fleet and associated resources. The government has allocated some capital funding to councils but the announcement on the value of the new burdens support is awaited. It is likely that the support will not entirely cover the costs.

1.44. The English Resources and Waste Strategy announced that an Extended Producer Responsibility for Packaging would be introduced resulting in payments to councils from the packaging supply chain for the management of packaging that ends up in household waste streams.

1.45. The Council has received notification for its 2025/26 unringfenced allocation which will be paid in instalments from October 2025. A process is in place to notify councils for future years but it should be noted that amounts allocated cannot be precisely forecast and could vary from year to year based on a number of factors (including whether councils are considered to be collecting waste effectively and efficiently).

Dedicated Schools Grant (DSG) "negative" reserve

1.46. The Council holds a reserve to manage DSG balances without impacting on the Council's General Reserves. Growth in the number of pupils with an Education, Health and Care Plan (EHCP) had been reducing the reserve balance and in 2019/20 the reserve moved into a deficit position and became a "negative" reserve. This is a national issue and local authorities were instructed to hold a negative reserve based on a temporary accounting override of accounting treatment approved by MHCLG which means they can be treated as unusable reserves. In December 2022 the override was confirmed for a further three years through to March 2026. The removal of this override would present a significant risk to the financial sustainability of councils and the scale of the deficit already presents a cashflow issue before that point. This specifically impacts on Cheshire East.

Local Context

1.47. Cheshire East Council on the face of it would appear to be better placed than some councils to meet the financial challenges that it faces.

1.48. Strong domestic taxbase growth has seen consistent increases in Council Tax revenue, outside of the percentage increases, and over the last 15 years the taxbase has grown by 23.3% since 2010/11.

1.49. However, Council Tax Band D levels for Cheshire East when compared to nearest statistical neighbouring local authorities is 1.94% lower than the average meaning that for every property in the borough we are collecting less income per house from Council Tax than our comparators.

1.50. Lower reliance on grant means that the impact of government spending reductions has been less than in some other councils over recent years. Revenue Support Grant is almost nil now and the unringfenced grant funding level only makes up 9% of the net funding envelope for 2025/26.

1.51. Therefore any increases in Core Spending Power, as used as a measure of funding increases by the government, means that the local taxbase is likely to be making up the majority of any increase as Council Tax is included in the measure.

1.52. Cheshire East Core Spending Power compared to our statistical nearest neighbours is 5.77% lower than the average meaning we are relatively underfunded by comparison.

1.53. The Cheshire Pension fund is in a positive funding position meaning that future contribution rates on employee costs can be slowly reduced, freeing up more budget to spend on front line services. Assumptions have been built into the MTFS.

1.54. The additional demands on the budget are outweighing any increased funding though, specifically:

- high demand on social care services resulting in budget overspends against forecast levels;
- DSG deficit of £78.6m by 31 March 2024– interest payments on the deficit balance currently c.£4.9m per annum;
- Pay pressure in excess of budgeted levels in 2023/24 and 2024/25;
- low levels of cash balances, meaning relatively low investment income on balances;
- external borrowing increasing (as internal borrowing from excess cash balances erodes) resulting in increased capital financing costs.

1.55. Inflationary pressures can have a significant impact on costs, particularly where these are driven largely by staffing costs, both internally and externally. Whilst we have many contracts in place that can help to mitigate risks around inflation, this can have a significant impact when contracts need to be renewed.

1.56. Interest Rates have a particularly high impact due to the overall level of borrowing for the Council. This impact is exacerbated by the high and increasing level of short-term borrowing, which means that rate rises have an immediate impact on council finances.

1.57. As part of prior years management, a number of vacancies have been held to mitigate over spends. Long-term, there is a significant risk that without this capacity to deliver, the Council will make short term decisions that have unintended financial consequences and can provide a false economy through not being able to deliver savings appropriately. The team may also lack expertise leading to an increased risk of legal or regulatory challenge.

Core Budget Principles

1.58. Cheshire East Council will continue to face considerable financial pressures over the medium term and tight budget and assumption management will be crucial to ensure that future plans, in line with the Transformation Plan, can be achieved in full and on target.

1.59. This section sets out some key principles that the Council needs to continue to follow in the short and medium term to manage the financial uncertainty that it faces.

Principle 1 – build and maintain an adequate level of reserves

1.60. Reserve levels as at the end of the 2023/24 financial year were at historically low levels (£37.9m). The forecast closing balance position for 2024/25 is just £15.2m; of which, the General Fund Reserve is forecast to be only £3.7m instead of the £20m that should be the minimum level held, and Earmarked Reserves (excluding schools balances) are forecast to be £11.5m. This position and rate of reduction over recent years is clearly not sustainable for a further year.

1.61. Adequate reserves balances are required to protect against risks therefore one of the key priorities has to be replenishing reserves to a more sustainable level as a matter of urgency. The target for the General Fund reserve minimum balance is set at £20m. This is based on 5% of funding envelope for 2025/26. For more information see **Annex 8**.

Principle 2 – raise Council Tax in line with the maximum allowable limit

1.62. Council Tax contributes to a large share of the Council's net budget (76%). The Council already faces the need to make further reductions to services and scale back investment. This position will only be made more challenging if it does not increase Council Tax in line with the assumptions in the MTFS.

1.63. The Council should therefore remain committed to increasing Council Tax in line with the maximum limits set by central government including the acceptance, in full, of any further precept flexibilities to increase Council Tax to support Social Care services.

Principle 3 – optimise income generation

1.64. The Council should aim to ensure that its fees and charges are set at levels that are appropriate and proportionate to the costs of the service they are delivering and the market within which they operate. The expectation should be that these will keep pace with inflation, should be appropriately benchmarked with other similar authorities and services, and should be reviewed on an annual basis to ensure that they at least cover the cost of services when appropriate to do so.

Principle 4 – capital investment to maximise return on investment, align to the Council's Cheshire East Plan priorities and its Medium-Term Financial Strategy

1.65. Funding capital investment represents a significant pressure on the revenue budget. It is essential that the Council understands fully the revenue impact of capital investment and the extent to which the investment: -

- meets the Council's policy objectives;
- is self-funding;
- delivers a realistic pay back in the case of invest to save schemes;

- Appropriate external funding routes need to be considered;
- All capital investment should be supported by appropriately detailed business cases with clear measures of return on investments at both a financial and community level.

1.66. In order to reduce the significant pressure on the revenue budget the Council should aim to pay more back to current borrowing commitments in any one year than it adds with new borrowing, so bringing down the overall borrowing burden year on year to a more sustainable level.

1.67. Over time the Council should continue to ensure that it funds more of its ongoing maintenance and equipment replacement from its revenue budget.

Principle 5 – alignment with the Cheshire East Plan aims

1.68. Budget change proposals put forward as part of the usual business planning process, or as part of the transformation programme are assessed against the priority aims as set out in the new Cheshire East Plan 2024/25 as approved at full Council on 17 July 2024 (replacing the former Corporate Plan 2021-2025) to ensure that as far as practical, the council is prioritising budgets in line with the aims of the current aspirations.

Principle 6 – maintain tight financial control of in year budgets and management within budgeted cash envelopes

1.69. The Council has recognised the need to keep tight control of its spending to ensure that the scale of the financial challenge does not worsen even further. During 2024/25 improved and more frequent budget change items monitoring reports to committee meetings have been introduced and this allowed challenge of any spending pressures at an early stage.

1.70. The Council will need to deliver substantial savings to balance the medium-term budget so there needs to be a continued focus on monitoring and control and on delivering planned savings in 2024/25 and beyond in full, or if not, alternative mitigations need to be identified. In addition, any directorate that is identified as being off target by more than 5% is subject to a detailed finance and performance review on a weekly basis through a financial recovery review process. This process has been put in place for Adults Services and Children and Families during 2024/25 and is being chaired by the Section 151 Officer.

Principle 7 – create and maintain central contingency and risk budgets to mitigate against the impact of short term non delivery of savings

1.71. The Finance Sub Committee report from June 2024, set out the aspiration to set aside a central contingency fund and risk against undeliverable savings budget to protect against the risk of underachievement of planned transformation savings and / or unforeseen growth in service budgets.

1.72. The aim is to maintain this annual contingency budget over the medium term at 1.5% of the net revenue budget plus other known risks, e.g. National Living Wage. The Chief Executive and Section 151 Officer must approve any use of the contingency budget with any unapplied funds in any given financial year being transferred into General Fund Reserves or Specific Strategic Reserves at outturn, as set out in the Reserves Strategy (See **Annex 8**) to help bolster the financial resilience of the Council.

1.73. The risk of underachievement of savings targets grows as more and more challenging savings are included in the budget setting scenario. Setting aside a risk budget based on a percentage of the savings identified in any given year is prudent (currently 10%). Any unused risk budget at the end of the financial year will be transferred into General Fund Reserves. A Risk Budget of £3.8m has been introduced from 2026/27 to align with the increased impact of the full year Transformation savings reflected through the MTFS across 2025/26 and 2026/27. Whilst acknowledging that there are also £47.1m of savings reflected through 2025/26 budget, overall affordability of the 2025/26 budget and any risks arising from the 2025/26 in year position will need to be mitigated where possible or considered against the Contingency budget and / or General Fund Reserves.

Key Expenditure Assumptions

1.74. The key financial assumptions over the life of the MTFS have been reviewed and revised where appropriate. Stress testing these is increasingly important in present times given the speed of the economic changes over the last couple of years.

1.75. **Pay**: The assumptions within the MTFS are that the annual pay award will be 2.5% in each of the years 2025/26 to 2028/29 in line with current lower inflation levels. If the actual 2025/26 pay award is greater than the 2.5% included in the MTFS, the in year impact will be met in the first instance from the Contingency budget with future year budgets revised through the next MTFS / Budget for 2026/27 and beyond.

1.76. **National Living Wage**: will increase to £12.21 in April 2025 for workers 21 years and over (an increase of 6.7% on the 2024/25 rate). This could create pressure on our social care budgets.

1.77. **Pension rates** are included for 2025/26 at the latest triennial valuation carried out during 2022, covering the period 1 April 2023 to March 2026. The forecast was for a further reduction for 2025/26 of 1.5% taking the pension payover total to 23.7% for employees in the Local Government Pension Scheme. Future years pension rates are forecast to reduce in line with early estimates for the next triannual valuation. Payover rates are anticipated to drop to 20%/19%/18% respectively for 2026/27 to 2028/29.

1.78. **Debt management –** Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates). The balance of outstanding debt as at November 2024 was £16.9m, reducing by £1m since the end of September 2024. The total amount of service debt over six months old as at November 2024 is £10.8m; split as £9.3m of Adult Social Care debt and £1.5m of Sundry Debt. A provision of £6.8m was made at year ended 31 March 2024 to cover doubtful debt in the event that it needs to be written off. There is an ongoing review during 2024/25 of the Bad Debt provision which has to date focused on Adult Social Care (ASC) debt, this work has identified a forecast £1m reduction in the provision linked to the ASC debt, reflected in the forecast outturn position for 2024/25 (as at FR3).

1.79. **Inflation:** The Bank of England monetary report (November 2024) has been used to inform the revised MTFS assumptions for our expenditure and income. The report and the following graphs highlight that CPI inflation is close to the 2% target. The current projections are that inflation is likely to rise to around 2.75% over the next year, as household energy prices provide less of a drag on inflation than they have done in recent months. Inflation is expected to fall back to the 2% target after that. Global shocks that keep inflation high cannot be ruled out though, for example, developments in the Middle East could increase inflation by causing oil prices to rise.

Chart 2 – Inflation data

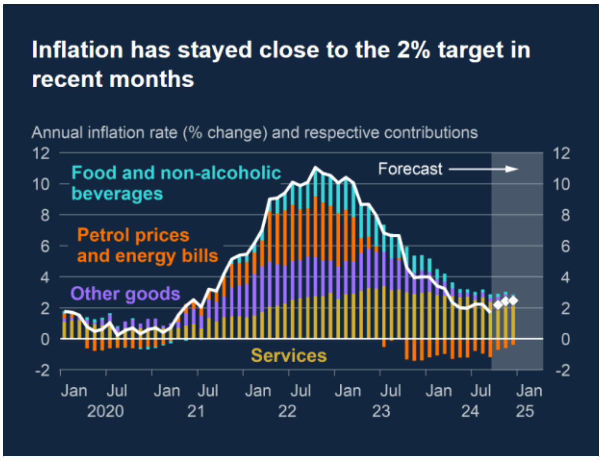


Chart 3 – Inflation projections

Source: Bank of England – November 2024 forecast

1.80. **Energy Costs**: Wholesale energy prices fell in 2024 and further reductions in commodity costs for gas and electricity is forecast in 2025/26, (the overall expectation is 16% reduction on gas and 1% reduction on electricity), although early indications suggest that any significant reductions are likely to be offset by wholesale increases in water charges. The continued adoption of the West Mercia Energy (WME) risk-managed energy procurement contract arrangements resulted in windfall benefit savings of £0.4m to be returned across the whole estate in 2024 and independent analysis suggests that the continued use of this approach will secure the continued benefits of obtaining future competitive public sector energy prices.

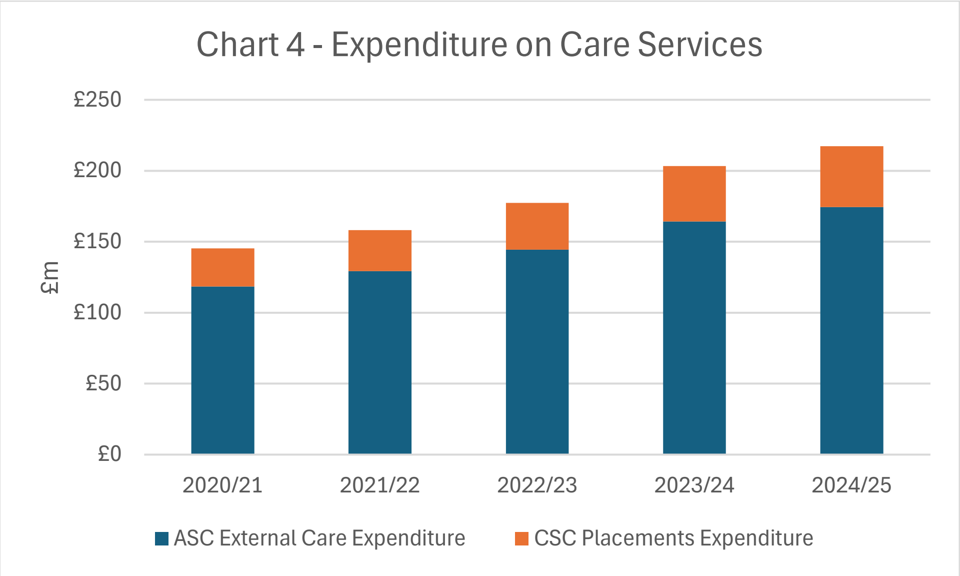
1.81. Additional savings in energy consumption are also forecast, with the reduction of the corporate estate and the continued programme of public sector decarbonisation projects. The closure of the office base Westfields will result in energy and water cost savings of circa £85,000 per annum. Works to decarbonise premises across the estate continues at pace and significant carbon savings and further reductions in gas consumption are forecast, there are consequential increases in electricity consumption, and upgraded power supplies. The introduction of building mounted solar photovoltaic and LED lighting has mitigated the overall impact. 2023/24 consumption fell by 1 GWh to 9.7 GWh and the recent commissioning of further project works will continue to enhance the opportunities for income generation.

1.82. **Contract inflation** The ONS are predicting an inflation increase of approximately 2-3% for the year 2025 which is in line with the BCIS construction price predictions of 3% yearly over the next few years. It remains to be seen, however, if the recent budget will have any further effect on these forecasts. Inflation is still susceptible to labour and material shortages, albeit labour shortages are the current driver. Inflation is also impacted by the geopolitical landscape which remains highly unpredictable. To address contract inflation, the Council has initiated a comprehensive project that focuses on reviewing third-party expenditure. This initiative aims to identify potential efficiencies and explore opportunities for savings within our existing contracts.

1.83. **National Living Wage (NLW)** increases are the main driving factor for the increase in care costs in both Adults and Children's services, with staffing costs making up around 70% of provider rates. Over the last few years large increases in the NLW have resulted in high levels of fee uplifts being requested by providers, and the increase to £12.21 in April 2025 is expected to result in further rate increase requests. The budget includes an assessment of potential cost and is included within the contingency budget.

1.84. **National** Insurance **(NI)** - Alongside the increases in NLW the government has also made changes to National Insurance thresholds and payment for employers for 2025/26, this may put pressure on care providers as they need to cover increasing NI costs.

1.85. Other factors such as demand, market availability, complexity of need, numbers of service users, and the profile of the types of care all have an impact on the overall cost of delivering these statutory services. The overall increasing cost of care over the last few years can be seen in Chart 4 below.



1.86. In order to recognise these factors a central contingency budget has been created in order to mitigate the risks around inflation for the Council. This is alongside growth in the budget for demographic pressures, as well as an adjustment to recognise the existing pressures on the care budget.

1.87. **Interest rates** – forecasts are based on the advice received from our treasury advisors Arlingclose Ltd. Current rates are anticipated to fall to 3.75% by the end of March 2026.

1.88. **New capital schemes** have been reviewed by the Capital Programme Board to determine which schemes are essential and to be recommended to full Council. The Capital Programme tables (**Annex 5**, Annex A) includes these new proposals.

1.89. **Minimum Revenue Provision** has been calculated based on a change to the accounting policy to bring it more in line with CIPFA guidance. This policy change will take effect in 2024/25 and its impacts have been included in the calculation of the Capital Financing Budget going forward and is also recognised in the Prudential Indicators. (Refer to Capital Strategy - **Annex 5,** Section 3, and Annex C)

Key Funding Assumptions

1.90. Table 2 below outlines the Council's estimated Core Spending Power funding levels in the current year and for 2025/26. Government have not yet set out funding levels for 2026/27 onwards. These funding streams are the items specifically contained with the calculation of the Core Spending Power as announced in the Provisional Local Government Finance Settlement (this is not an exhaustive list of grants, there are other service specific items accounted for directly within service budgets) The majority of funding continues to come from Council Tax and Business Rates, comprising 74% of the total Core Spending Power for 2025/26.

Table 2: Core Funding*	2024/25 £m	2025/26 £m
Council Tax**	287.1	307.3
Business Rates**	56.6	57.1
Revenue Support Grant	0.4	0.8
Social Care Grant	22.6	29.5
New Homes Bonus	4.1	3.0
Services Grant (ceased for 2025/26)	0.3	-
Children's Social Care Prevention Grant (new)	-	0.9
Improved Better Care Fund	8.7	-
Discharge Fund	2.0	-
Local Authority Better Care Grant (sum of above two)	-	10.7
ASC Sustainability and Improvement Fund (renamed)	6.3	6.3
Domestic Abuse Safe Accommodation Grant (previously outside CSP)	-	0.8
TOTAL CORE SPENDING POWER (adjusted)	**388.1** Note 1	**416.4** Note 2

*Funding items listed as contained within Core Spending Power calculation as part of the Provisional Local Government Finance Settlement (LGFS).
** This figure is made up of Settlement Funding Assessment (Business Rates baseline) plus a proportion of S31 Business Rates compensation grants for reliefs brought in after 2013/14.
Note 1 - Figures differ from the LGFS as MHCLG use their own local estimates for Council Tax for publication purposes.
Note 2 – This figure does not match the 2025/26 Revenue Net funding envelope as some items in the table above are ringfenced specifically for service use therefore are included directly with the relevant service budget.

1.91. Cheshire East core spending power per head is £2,173 for 2025/26. This is 5.9% lower when compared to the average of nearest statistical neighbouring authorities (an average of £2,310 per head for 2025/26).

Council Tax

1.92. Locally collected domestic taxes that are directly retained by the Council will provide 76% of the Council’s net revenue budget in 2025/26.

1.93. The Provisional Finance Settlement confirmed the referendum limit on base increases is 2.99%, with a further 2% flexibility for an Adult Social Care precept. It is proposed that Council Tax is increased by 4.99% (including 2% ring-fenced for Adult Social Care pressures) on the 2024/25 level to give a Band D charge of £1,882.04 for 2025/26.

1.94. Band D Council Tax for 2025/26 is shown in Table 3. The proposed increases over the medium-term are currently 4.99% each year.

Table 3: Band D Council Tax is calculated after grant and Business Rates allocations		2025/26 £m	2025/26 £m
Total Net Revenue Budget 2025/26			402.4
Less:			
Business Rates Retention Scheme	14.2% [1]	-57.1	
Specific Unring-fenced Grants	9.2% [1]	-37.1	
Revenue Support Grant	0.0% [1]	-0.8	-95.1
Amount to be raised from Council Tax	**76.3%** [1]		**307.3**
No. of Band D Equivalent Properties			**163,261.10**
Band D Council Tax			**£1,882.04**

1 Percentage of Net Revenue Budget

1.95. The impact on each Council Tax band and the number of dwellings in each band is shown in Table 4.

Table 4: Dwelling and Band D per band

Band	**A**	**B**	**C**	**D**
Council Tax £	1,254.69	1,463.81	1,672.92	1,882.04
No of Dwellings*	31,684	39,145	37,349	28,110
Band	**E**	**F**	**G**	**H**
Council Tax £	2,300.27	2,718.50	3,136.73	3,764.08
No of Dwellings*	23,369	15,363	13,070	1,989

*As per Council Tax Base (CTB) data collection return October 2024

1.96. The Council Taxbase quantifies the number of properties from which the Council can collect Council Tax. The taxbase is presented as an equivalent number of domestic properties in Council Tax Band D terms after adjusting for relevant discounts and exemptions (for example a Band H property counts as two Band D properties, whereas a Band A property counts as two thirds of a Band D). The level of Council Tax multiplied by the taxbase equals the expected income.

1.97. The gross taxbase for 2025/26 (before making an allowance for non-collection) is calculated as 164,910.20. After taking into account current high collection rates, the non-collection rate has been maintained at 1.00% for 2025/26. This results in a final taxbase of 163,261.10 Band D equivalent domestic properties.

1.98. The taxbase reflects an increase of £5.9m (1.9%) on the 2024/25 budgeted position which is £2.7m higher than the £3.2m (1%) forecast increase reported in February 2024. £1.2m of this improvement relates to the introduction of the new 100% premium chargeable on second furnished homes from April 2025. A further £1m income is also being raised from the introduction of the empty homes premium for properties over 1 year which commenced in April 2024 but had not been included in the taxbase calculation for 2024/25. The Council Taxbase was approved by full Council on 11 December 2024.

1.99. Cheshire East has a relatively high Council Taxbase compared to its nearest neighbours. This is partly due to the much higher proportion of properties in Bands F to H in the Cheshire East area (16.0% in Cheshire East compared to the England average of 9.3% as per Council Taxbase: Local Authority Level Data 2024 (MHCLG).

1.100. In common with most Billing Authorities, Cheshire East Council charges a Council Tax premium of 100% on property that has been empty for two years or more to encourage homes to be brought back into use. The Local Government Finance Act 1992 (amended) enables Councils to charge a premium on empty properties.

1.101. Additional flexibilities were introduced in subsequent Government budgets and Cheshire East now charges the following premiums for empty properties:

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

1.102. The Government's Levelling Up and Regeneration Bill received royal ascent on 26 October 2023 and included a further discretionary option for the application of Council Tax premiums on furnished second homes subject to a 12 month notice period. This was approved as part of the MTFS 2023-2027 in February 2023 subject to the passing of the Bill. Therefore, the introduction of the 100% premium on furnished second homes will come into effect on 1 April 2025. The additional income due to be raised from the introduction of this premium (subject to some exclusions to the premium) is estimated to be £1.2m and has been included in the calculation of the taxbase for 2025/26.

1.103. From 1 April 2013 the Council Tax benefit system was replaced by a local Council Tax support scheme. Claimants under this scheme receive appropriate discounts to their bills depending on their circumstances. It is important to note that pensioner claimants remain unaffected by this change.

1.104. The taxbase also reflects assumptions around Council Tax Support (CTS) payments. The Cheshire East CTS scheme was introduced in 2013/14 and subsequently amended following consultations in 2016/17, 2020/21 and was amended again for 2022/23 to make the scheme more supportive in the light of funding being provided by central government (£3.3m) to be able to assist the pandemic recovery.

1.105. The funding for this Local Council Tax Support grant was received in 2020/21 and was transferred to the Collection Fund Earmarked reserve. The funding has been used over the last four years to support the revenue budget to compensate for supressed Council Tax levels as a result of higher Council Tax Support payments. This funding has now been used in full and no further funding has been made available.

1.106. No changes are proposed to the Council Tax Support scheme for 2025/26 other than to increase the income bands and non-dependant deductions in line with CPI. This continues the higher levels of support for those on the lowest income. The scheme will be reviewed again during 2025/26.

1.107. The budget for CTS for 2025/26, included within the taxbase calculation, is £21.6m. This will be reviewed in future years to ensure the budget remains aligned with changing need.

Business Rates Retention Scheme (BRRS)

1.108. Locally collected non-domestic taxes, that are directly retained by the Council, will support approximately 14% of the Council's net revenue budget in 2025/26.

1.109. For scale, the Council anticipated collection of approximately £155m (before accounting adjustments) in Business Rates in 2024/25 and was based on the Council's NNDR1 return to Central Government on 31 January 2024.

1.110. Under the BRRS arrangements, 50% of the net rates collected is paid to Government with 49% being retained specifically to support Cheshire East Council services. 1% is paid to the Fire Authority. In addition to this reduction a tariff of £29m must be paid to Government which is used to top-up funding allocations to other local authorities.

1.111. From 2021/22, growth forecasts in Business Rates have been paused due to the overall reduction in the taxbase and uncertainty around growth in future years, in part, due to the residual effects of the Covid-19 pandemic, the current economic forecasts and the potential for a full review of the approach towards Business Rates retention approach by Central Government.

1.112. In October 2023, the Non-Domestic Rating Act 2023 was passed to allow Government to de-couple the business rate multipliers, giving ministers the power to increase the small and standard multipliers by different amounts. For 2025/26, the Government has announced that the Small Business Rate Multiplier will remain frozen again at 49.9p in the pound, but the Standard Business Rate Multiplier will increase in-line with CPI from 54.6p to 55.5p in the pound. This change is intended to increase the annual yield from Business Rates, whilst at the same time protecting smaller businesses.

1.113. Despite the increase in the Standard Multiplier Rate, a large compensation payment will be made to Local Government to mitigate the losses between what the Small Multiplier was capped at compared to September 2024 inflation.

1.114. Since the baseline funding level for Business Rates retention was set back in 2013/14, there have been many policy changes around reliefs for different business types. With each policy change, all local authorities are compensated for their share of Business Rates foregone.

1.115. In 2025/26, £10.6m of this compensation has been included within the Business Rates budget with the remaining compensation being credited to the Collection Fund Earmarked Reserve to continue to support any future risks around business rate funding and cover levy payments on growth (c.£5m per annum) and any deficit positions in the Collection Fund.

1.116. The total Business Rates budget is set to increase from £56.6m in 2024/25 to £57.1m for 2025/26 as a result of the inflation applied to the Settlement Funding Assessment allocations as announced in the Provisional Local Government Settlement.

Collection fund

1.117. Receipts from Council Taxpayers and businesses are paid into the Collection Fund which is then distributed to all precepting organisations (Cheshire East Council, Fire Authority, Police and Crime Commissioner, Central Government and local Town and Parish Councils).

1.118. A predicted surplus in the Collection Fund can be drawn down to support revenue funding for the following annual budget, and vice versa in the case of a deficit. This can happen if actual changes in the taxbase vary from the predicted changes, or if collection rates vary from the original forecasts.

1.119. The Council Tax collection fund has been forecast to be a £0.073m cumulative surplus as at 31 March 2025. The Cheshire East share of this surplus is £0.061m. This will be payable in 2025/26 and will be managed through the Collection Fund earmarked reserve.

1.120. The Business Rates Collection Fund has been forecast to be a £2.050m cumulative deficit at 31 March 2025. The Cheshire East share of this deficit is £1.004m. This is to be repaid in 2025/26 and will be managed through the Collection Fund earmarked reserve.

Grants

1.121. The detailed funding settlement from Government impacts on longer term financial planning. Key dates for 2025/26 include:

- The Autumn Statement on 30 October 2024.
- The release of the Provisional Settlement on 18 December 2024 confirming the allocation of grants, approach to Council Tax and confirmation of Business Rates baselines.
- Final Settlement announced early February 2025

1.122. These have set out changes to general funding levels – including confirming increases in Social Care grants, and one more year of New Homes Bonus funding. Further details are included at **Annex 3**.

1.123. The Government Grants provided to local authorities can be categorised under several main headings for 2025/26:

- Revenue Support Grant (£0.8m)
- Specific Grants (unring-fenced revenue) (£37.1m)
- Specific Grants (ring-fenced revenue) (£359.2m)
- Capital Grants (main programme) (£99.9m)

1.124. More detail is provided on each of these elements below.

Revenue Support Grant

1.125. Various grants are being rolled into Revenue Support Grant (RSG) in 2025/26 (there will be no change in distributions):

- Electoral Integrity Programme New Burdens grant (worth £4.6m nationally)
- Tenant Satisfaction Measures New Burdens grant (£3.9m nationally)
- Transparency Code New Burdens grant (£3.6m nationally)

1.126. For Cheshire East this has resulting in an increase of RSG from £414,000 in 2024/25 to £849,000 in 2025/26.

Unringfenced Specific Grants

1.127. Separate unring-fenced Specific Grants have been largely retained and increased in some areas and total £37.1m in 2025/26. The detail is shown in **Annex 3** and summarised in Table 5 below. The table shows the original grant budget for 2024/25 and **Annex 3** shows the in-year position including grant received after the budget was set.

1.128. The Provisional Local Government Finance Settlement (December 2024) included unring-fenced funding for 2025/26 totalling £29.5m for Cheshire East social care. This is a national overall increase of £880m compared to 2024/25 and is £200m more than the £680m increase for this grant announced by Government in the policy statement on 28 November 2024.

1.129. The Government also announced £250m (to be increased to £270m by the final settlement) of new funding into a new Children’s Social Care Prevention Grant. It is being distributed “using a children’s needs-based formula, which will allocate funding according to estimated need for children’s social care services. Alongside the interim formula, the variation in the cost of delivering services and the ability of local authorities to raise resources locally has also been taken into account to determine the grant allocations". For Cheshire East, this grant is £0.9m for 2025/26.

1.130. The 2025/26 allocation of NHB is again to be paid for one year only (£3.0m) which extends the last few years single year allocations. Legacy payments have now been phased out.

1.131. Services Grant is being repurposed and therefore has been reduced from £0.3m in 2024/25 to nil for 2025/26.

1.132. The government has announced an additional £515m for local authorities, in compensation of National Insurance Contributions as part of the 2025/26 local government finance settlement. The NICs grant will form part of Core Spending Power at the final settlement only therefore the grant allocation for 2025/26 of £3.0m is currently an estimate. The allocation is based on the assumption that MHCLG wants to provide the funding to local authorities based on their share of total expenditure (both direct cost and third-party costs).

1.133. Full details are set out in **Annex 3**.

Table 5: Grant levels are increasing	**2024/25 £m**	**2025/26 £m**	**1 yr Change £m**	**1 yr Change %**
Social Care Grants	-25.6	-29.5	-3.9	
New Homes Bonus	-4.1	-3.0	+1.1	
Employers National Insurance Grant (estimate)	-	-3.0	-3.0	
Other Grants	-1.9	-1.6	+0.3	
Total Unringfenced Specific Grants	**-31.6**	**-37.1**	**-5.5**	**17.4%**

Ringfenced Specific Grants

Dedicated Schools Grant (DSG)

1.134. The Government announced the allocations of DSG for 2025/26 on 18 December 2024. DSG is a ring-fenced grant provided to the Council to meet certain educational costs.

1.135. Under the National Funding Formula (NFF) arrangements DSG is allocated in four funding blocks, namely the Schools Block, Early Years Block, High Needs Block and Central Schools Services Block.

1.136. The Schools Block allocation to the Council is based on the schools' block NFF. This takes October 2024 pupil data and provides a basic per pupil amount plus additional funding for issues such as deprivation and low attainment. The NFF also applies a minimum per pupil level of funding of £4,955 Primary and £6,465 Secondary in 2025/26. Those values must be used in local formula.

1.137. Local authorities provide funding to schools through a local formula for 2025/26. The Schools' Forum have agreed that a local formula using the NFF values, allocating any additional funding via the basic entitlement and applying a minimum funding guarantee of -0.5% should be submitted for consideration at the 10 February 2025 Children and Families Committee.

1.138. For 2025/26 the Schools' Forum has agreed to a transfer of 0.5% from the Schools Block to High Needs. However, the Council has applied to the DfE to support a higher transfer of 0.7% to match the DSG Management Plan. The reduced funding to be allocated across pupil based criteria where the formula permits due to mirroring existing NFF factors.

1.139. Subject to Children and Families Committee approval that formula will be used to allocate funding to schools for 2025/26. The per pupil figures in Table 6 assume that the formula is approved.

1.140. For 2025/26, the supplementary funding issued to schools in the prior year has been rolled into the baseline DSG grant.

1.141. The Early Years Block mainly comprises:

- Funding for the universal 15-hour entitlement for all three- and four-year-olds.
- Funding for the additional 15 hours for three- and four-year-old children of eligible working parents.
- Funding for the 15-hour entitlement for families of 2-year-olds receiving additional support.
- Funding for the 15-hour entitlement for eligible working parents of two-year-old children (due to be extended to 30 hours from 1 September 2025).
- Funding for 9-to-23-month-old children for eligible working parents to access 15 hours (due to be extended to 30 hours from 1 September 2025).
- Funding for the Disability Access Fund for eligible children accessing the early years entitlements.
- Funding for the Early Years pupil premium for eligible children and looked after children accessing the early years entitlements

1.142. The early years block has increase significantly in 2025/26 due to the extended hours from September 2025 for 2-year-old and entitlements from 15 hours to 30 hours of free childcare for eligible children.

1.143. The High Needs Block is a single block for local authorities' high needs pupils / students aged 0-24. The block includes place funding for pre-16 and post-16 places in appropriate establishments such as mainstream schools, special schools, and the pupil referral unit. The block includes top-up funding for pupils and students occupying places in such settings.

1.144. The high needs block is calculated through the high needs NFF. This is made up of a range of factors and weightings including:

- A basic entitlement
- A historic spend factor
- A population factor
- Measures relating to low attainment and deprivation
- A funding floor
- An area cost adjustment

1.145. The Central Schools Services Block is based on a NFF that includes:

- Historic commitments.
- Ongoing responsibilities.
- An area cost adjustment.

1.146. The historic commitments element of the central block has been subject to a further 20% reduction by the DfE for 2025/26. The Council has approved a growth bid to replace the lost funding where those services cannot be reduced in line with the DfE's reduction. The main issue within the historic commitments is prudential borrowing costs.

1.147. Table 6 shows the DSG received for 2024/25, the indicative DSG for 2025/26, and per pupil funding levels. (This excludes the adjustment for Academy recoupment).

1.148. All the schools block funding is passported directly through to schools.

Table 6: Dedicated Schools Grant is allocated in four notional blocks in 2025/26	Actual 2024/25 £m	Provisional 2025/26 £m	Change £m	Change %
Total Dedicated Schools Grant	**389.7**	**437.9**	**48.2**	**12.4**
Comprising:				
Schools Block	285.6	307.4	21.8	**7.6**
Central School Services Block	2.4	2.5	0.1	**4.2**
Early Years Block	43.2	64.6	21.4	**49.5**
High Needs Block	58.5	63.4	4.9	**8.4**
Per Pupil Funding	**£ / pupil 2024/25**	**£ / pupil 2025/26**		
Dedicated Schools Grant:				
Schools Block				
Primary	4,923	5,313		
Secondary	6,275	6,794		
Central Schools Block (ongoing responsibilities)	38.18	42.29		
Early Years Block 3 and 4 hourly rate – minimum rate	5.06	5.28		
– maximum rate	5.80	6.33		
2-Year-old hourly rate disadvantage children including Early Years Pupil Premium	7.79	8.35		
2-Year-old hourly rate working parents	7.11	7.35		
9 – 23-month hourly rate	9.65	10.95		

Notes:

- These figures are before the academy recoupment and before any High Needs deductions.
- Figures are prior to de-delegation and assumes Growth Funding is removed.
- The calculation of the primary and secondary split for 2025/26 uses census data at this stage rather than the DfE model which was not available at the time of writing.
- The above figures include the early years supplement. There have been no announcements yet on high needs and schools supplements.

Dedicated Schools Grant (DSG) - Academy Funding

1.149. The Department for Education are clear that becoming an academy should not bring about a financial advantage or disadvantage to a school but rather, enable academies to have greater freedom over how they use their budgets.

1.150. The Schools Block funding receivable for the 96 academies which opened before or during 2024/25 has not been removed from the total DSG award to be received (as reflected in Table 6). The funding for these academies of approximately £203m (based on 2024/25 funding) will be deducted from the Authority's DSG as part of the academy recoupment process (see **Annex 3**).

DSG Reserve Forecasts

1.151. The Council holds a reserve to manage DSG balances without impacting on the Council's General Reserves. Growth in the number of pupils with an Education, Health and Care Plan (EHCP) had been reducing the reserve balance and in 2019/20 the reserve moved into a deficit position and became a negative reserve.

1.152. This is a national issue and local authorities are allowed to hold a negative reserve based on a temporary accounting override of accounting treatment approved by Ministry of Housing, Communities and Local Government (MHCLG) (formerly Department of Levelling Up, Housing and Communities at the time of approval) which means they can be treated as unusable reserves.

1.153. In December 2022 the override was confirmed for a further three years through to March 2026. The removal of this override would present a significant risk to the financial sustainability of councils and the scale of the deficit already presents a cashflow issue before that point.

1.154. The estimated impact on the Council's revenue costs, from interest linked to the forecast DSG deficit balance, is that the cost of interest in 2024/25 will be around £4.9m, rising to over £5.6m in 2025/26. This cost will increase annually if the DSG deficit continues to increase.

1.155. These pressures, due to the difference between the level of High Needs funding received and the cost to deliver High Needs support, have continued and are forecast to extend the overall deficit in each financial year in the current DSG Management Plan. Current forecasts suggest the reserve will continue to be in an increasing deficit in the medium-term.

1.156. The Council's DSG Management Plan which sets out the forecasts of spend is approved annually by the Children and Families Committee. The Council continues to work with the DfE but currently have not been accepted to join the Safety Valve program.

1.157. The DSG management plan was approved at Children and Families Committee on 29 April 2024 and further updates are regularly provided throughout the year. The latest forecast that the cumulative DSG deficit override would increase to £209.6m by the end of 2027/28 as a mitigated position which would result in estimated annual interest costs to maintain a deficit balance to be around £7.4m based on an interest rate of 3.75%.

1.158. Table 7 summarises the DSG reserve position for 2024/25. This position is unaffordable and unsustainable. The Council is not in a position to budget for removal of the accounting override which could require the deficit being met from other general funds or useable reserves. This risk will therefore continue to be a feature of ongoing liaison with MHCLG, as well as with the DfE through the Safety Valve program.

Table 7 - Dedicated Schools Grant Reserve is negative	2024/25 £m
Brought Forward Position	-78.6
In-Year Forecast Overspend for High Needs	-37.1
Predicted Cumulative Carry Forward	**-115.7**

Sixth Form Funding

1.159. Total sixth form funding of £2.8m is receivable for maintained schools (this is an estimated figure to be confirmed when actual sixth form pupil numbers are known). In

2024/25 a balance of £85.1m was allocated directly to academies by the Education and Skills Funding Agency. The allocation for 2025/26 is not yet known.

Pupil Premium Grant

1.160. The indicator for eligibility will be Free School Meals received in any of the prior six years by any pupil. The allocations for 2024/25 are £1,480 for primary aged pupils and £1,050 for secondary-aged pupils for every eligible child in both maintained schools and academies. All looked after children, adopted children and children with guardians will attract funding of £2,570 and children whose parents are in the armed forces will attract £340 per annum for 2024/25. It is estimated that Cheshire East Council will receive £5.0m in relation to the Pupil Premium for 2025/26.

Physical Education Grant

1.161. The Council expects to receive £1m for 2025/26. This is an estimate after any reduction for academies.

Universal Infant Free School Meals (UIFSM)

1.162. The Council expects to receive £1.8m for 2025/26. This is an estimate for maintained schools. The figure is normally based on a set amount per eligible pupil. The grant is paid directly to local authorities or academies. The Council will comply with the requirement to pass on the grant to maintained schools in full.

Public Health Grant

1.163. Public Health responsibilities cover a wide range of services including sexual health services; children's 0-19 services; NHS health check programmes; substance misuse services, infection control and One You services.

1.164. Public Health grant has been ring-fenced from 2013 and will continue to be so during 2025/26 to ensure expenditure is incurred in line with the public health framework.

1.165. Allocations for 2025/26 were announced in mid February at an increased level of £19.6m.

Household Support Fund

1.166. The Household Support Fund is distributed by councils through small payments to support vulnerable households to meet daily needs such as food, clothing, and utilities. The allocation for 2025/26 has not yet been published but is expected in the region of £4m.

Holiday Activity Fund

1.167. Allocations for 2025/26 holiday activity fund have not been announced but it is anticipated that funding will continue at a similar level to previous years at £0.9m.

Children and Families Grant

1.168. This is a new grant and brings together the funding from six existing grants: Supporting Families; Leaving Care Allowance Uplift Implementation; Supported Accommodation;

Staying Put Implementation; Extended Personal Adviser Duty; and Extension of the role of Virtual School Heads. The allocation for 2025/26 is £2.1m.

Children’s Social Care Prevention Grant

1.169. This is a new grant for 2025/26 and will be used to rollout mandatory Family Group Decision Making. The allocation for 2025/26 is £0.9m.

Asylum Seekers

1.170. The asylum seekers grant is received in respect to the cost of supporting unaccompanied asylum-seeking children. The grant is based on claims for the number of children so the amount varies. The estimated value for 2025/26 is £2.8m.

Skills & Lifelong Learning

1.171. Allocations for 2025/26 post 18 education have not yet been announced. Based on previous years it is expected to be about £0.9m.

Extended Producer Responsibility Payment

1.172. The first set of announcements regarding the Extended Producer Responsibility payment were released on 28 November 2024. These have set out a figure of £7.5m for 2025/26 and enabled initial estimates to be added to each year of the MTFS. These take account of expected changes to tonnages and the impact of the carbon tax in later years.

Shared Prosperity Grant

1.173. A 2025/26 transition year allocation of the UK Shared Prosperity Fund has been announced as £3.8m for Cheshire East (Capital: £0.7m reported elsewhere, Revenue: £3.1m). The funding is designed to meet local needs and support government priorities, particularly kickstarting economic growth. The funding will provide a transition to a new, future funding framework. Up to 4% of the allocation can, by default, be used to undertake necessary Fund administration. Funding for 2025/26 can be used to support investment in activities from 1 April 2025 to 31 March 2026, including continuations of existing activity where appropriate.

Homelessness Prevention Grant

1.174. In December 2024 the MHCLG announced the allocation of £633.24m in national funding through the Homelessness Prevention Grant that will be made available to local authorities in 2025/26 to deliver services to prevent and respond to homelessness.

1.175. Cash allocations from 2024/25 to all local authorities (£440.36m in total) are being rolled over. This includes £331.3m core funding, alongside £109.1m which was provided as a top up to account for homelessness pressures, including those from Ukraine households. This means all local authorities will receive at least the same amount of funding in 2025/26 as they did in 2024/25.

1.176. Cheshire East is due to receive £1.5m for 2025/26.

Bus Service Improvement Plan – Phase 3

1.177. The DfT have released funding allocations for local transport authorities to provide bus service improvements throughout England, excluding London. The funding for 2025 to 2026 comprises:

- £670m to enable Local Transport Authorities to deliver their bus service improvement plans (BSIPs).
- £285m for the Bus Services Operators Grant (BSOG) to protect existing services and support service delivery.
- £151m to continue the National Bus Fare Cap at £3, beginning in January 2025 through to 31 December 2025.

1.178. Cheshire East Council has been awarded £2.9m from Bus Service Improvement revenue funding.

Use of flexible capital receipts

1.179. The proposals within the Flexible use of Capital Receipts Strategy have been prepared based on a capitalisation direction issued by the Secretary of State under Sections 16(2)(b) and 20 of the Local Government Act 2003: Treatment of Costs as Capital Expenditure.

1.180. The Spending Review in 2015 included a relaxation to the capital regulations by allowing council's to use their capital receipts (income from the sale of assets) for a limited period initially from 2016/17 to 2018/19 to fund revenue expenditure that is designed to transform service delivery and reduce revenue costs. This announcement was implemented by the issuing of regulations in March 2016. The period over which these amended regulations apply has now been extended to the year 2030.

1.181. The current guidance states that qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and / or transform service delivery to reduce costs and / or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. The local authority must decide for itself whether a project qualifies for flexibility.

1.182. Local authorities cannot borrow to finance the revenue costs of the service reforms.

1.183. The type of expenditure that will be allowed under the flexibility are the up-front set up and implementation costs that will generate the future ongoing revenue savings and / or service transformation to reduce revenue costs and improve service delivery.

1.184. In allowing the Council to use this flexibility, the Council must have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of practice – See **Annex 5,** Annex D.

1.185. The Council had several projects that had been identified in 2024/25 that fitted the criteria prescribed in the guidance for transforming and or improving service delivery that will reduce revenue costs by producing efficiency savings for the Council.

1.186. The original amount approved as part of the 2024-28 Medium-Term Financial Strategy was £1m, however since then a further £0.518m of transformational expenditure has been identified. The additional amount is included as a recommendation for approval in the MTFS covering report. The table below details the list of projects and the value of capital receipt to be utilised.

Table 8 Project Name	List of projects funded by flexible capital receipts Project Description and Progress	Expenditure 2023/24 £000s	Expenditure 2024/25 £000s
Adults	Impower - external consultancy engaged to transform Adults services.	420	0
Adults	Extra Care Housing, policy development.	115	0
Adults	Alternative Futures Group review team - transform approach to Supported Living care support.	100	0
Adults	Care Cubed - digital approach to agreeing packages of care.	35	0
School Transport Transformation Programme	Review of the home-to-school transport (including SEND) in light of increasing costs and SEND demand. This follows the service being brought back in-house from 1 April 2022.	521	200
Children & Families Service Transformation	To increase the levels of staff within Children's Social Care - Create a "Grow Your Own" policy so that it enables the Council to retain more qualified staff and Joint Targeted Area Inspection Improvement.	550	0
New Residential Childrens Home	To bring residential care in-house by setting up and running our own care homes.	56	0
Catering Services Review	Review of provision of catering services to schools, including current offer and alternative options to run the service.	9	0
Childrens	Placements transformation.	30	0
Project Management Office (PMO)	To identify time spent within the PMO on supporting transformational projects across CEC. Based on estimates at FR2 and will be refined. Examples include: digital processes; customer experience; cleaner Crewe, green waste and Adults transformation.	200	0
ICT	New Delivery operating model and further digital investment for Customers.	316	802
Estates Service Review	To enable a review of the Estates service and the optimisation of our property assets, as well as promoting key efficiencies in our Facilities Management programmes. In year objectives include responding to the MEES energy efficiency regulations and implementing improvement to the property information and management system.	20	0
Leisure Services Review	Wholesale review of how leisure services are commissioned by the Council with its appointed provider, aligned to key public health outcomes and in the context of escalating corporate landlord and other costs associated with subsiding the service.	22	0
Library Services Review	Redesign of existing service including reduction of opening hours with the associated changes to staff contracts. This is together with implementation of a commercial strategy to generate new and increased income by utilising the library estate to make the service more financially sustainable.	247	41
Household Waste Recycling Centre Review	Review and implementation of changes to Household Waste Recycling Centre service provision across the borough to ensure that service meets statutory guidance levels.	134	358
Green Spaces Review	New policy and associated maintenance schedules implemented leading to significant rationalisation and standardisation of maintenance regimes to Council owned green spaces.	43	32

Table 8 Project Name	List of projects funded by flexible capital receipts Project Description and Progress	Expenditure 2023/24 £000s	Expenditure 2024/25 £000s
Green Waste Review	Garden Waste Subscription implementation generating an income to the Council to offset direct costs of operating this service - including investment in new systems and significant changes to frontline operational services rolled out and charge implemented from the 15 January 2024.	83	0
ASDV Review	Review of two of the Council's wholly owned companies to ensure that they are achieving the objectives set out in their original and latest business plans i.e. generating a commercial return to the Council to offset its own increasing direct operating costs.	35	35
Planning Review	Improve the planning application process with better lead times and to ensure that the service is adequately staffed where support, training and development opportunities are provided too.	119	0
Community Enforcement New ICT System	To enable service transformation by the introduction of a bespoke IT case management system. This will enable the team to realise key service efficiencies around the back-office functions hence allowing a greater amount of staff time to be spent out on site undertaking key aspects of the enforcement function.	25	0
Transformation of CCTV Service	Full system upgrade to digital wireless to meet technological and security advances, deliver financial savings over time through efficiencies in the delivery of the service, compliance with standards, improved public safety and evidence for enforcement/partners.	67	0
Parking Services Review	To support delivery of changes for car parking that revise operational arrangements and tariffs to provide greater transparency and equity across the borough.	267	50
Total		**3,414**	**1,518**

1.187. As it is the Council's policy not to rely on capital receipts until they are realised, these capital receipts have not been factored into the Council's Capital Financing Requirement (CFR) by way of reducing debt or financing capital expenditure. Consequently, the use of the receipts under this flexibility will have no effect on the Council's Prudential Indicators.

Charges to Local Service Users

1.188. In certain circumstances the Council makes direct charges for access to services. Some prices will be set nationally but prices should always be related to recovering the Council's costs in delivering discretionary services.

1.189. Charges for services represent c.11% of total gross income to Cheshire East Council and the prices are reviewed at least annually. This income is netted off the cost of services before Council Tax levels are calculated.

1.190. The Cheshire East Council pricing structure has over 1,000 different charges. The overall objective is to reduce subsidy from taxation in charged for services. This means some price rises may exceed inflation in the medium-term. In such cases users are consulted and alternative service options are discussed.

1.191. To assist officers and Members to recover full cost, the Council has a Charging and Trading Strategy to provide the relevant guidance to be applied. Lists of fees and charges are available as appropriate on the Council's website.

1.192. Service managers are responsible for reviewing the Charging and Trading Strategies for their particular services, optimising income levels for the Council whilst recognising the cost impacts on service users. As part of the Transformation Programme this year, external consultants have also undertaken a benchmarking exercise against other local authorities resulting in a number of proposals being included in the 2025/26 budget and future years of the MTFS (See Section 2, Fees & Charges proposal (55)).

Transformation Programme

1.193. In the Section 25 report of the MTFS approved by the Council for 2024/25, the Section 151 Officer stated: The Council must transform to create sustainable services and support infrastructure projects that reflect 'whole life' costs. This must cover the medium to long term and be backed by reserves that can manage any emerging risks. It is highly likely that the Council will require additional capacity to manage this programme, in a way that is yet to be determined, but it will inevitably require additional funding, which will need to be met from within existing resource.

1.194. The Council received confirmation from MHCLG that they were minded to approve the Council's request for Exceptional Financial Support. However, there are several conditions that will need to be met prior to formal approval, in summary the Council must:

(a) Undergo an external assurance review on the Council's financial position and financial management policies, and the Council's work to improve its productivity and efficiency.

(b) Produce an improvement and transformation programme within six months (27 August 2024) that is focused on delivering the Council's key objectives and securing the medium-term financial position.

(c) The programme should incorporate any recommendations identified as part of the external review.

1.195. In August 2024, the Corporate Policy Committee considered the Council's Transformation Plan that required submission to the Ministry of Housing, Communities and Local Government (MHCLG) by no later than 27 August 2024, being a formal requirement in order for the Council to access conditional Exceptional Financial Support.

1.196. This Transformation Plan links closely with other improvement work, particularly in Children's services where the Council must respond to the external inspection and the need to improve outcomes for our children and young people. This Transformation programme includes investment across all service areas but is also aligned with the improvement plan following our ILACS (Inspection of Local Authority Children's Services) inspection.

1.197. As stated in previous reports, the Council must transform the way it delivers its services. The reality is that the organisation needs to spend £100m less by 2028.

1.198. To achieve this a robust and deliverable transformation plan working with Inner Circle has been established. The Transformation Plan will support the delivery of approved / proposed savings, cost avoidance, cost mitigation and identify new savings for the coming years.

1.199. There are six programmes within the plan, each containing a range of projects and other initiatives across:

(a) Workforce

(b) Social Care

(c) Place

(d) Early Intervention and Prevention

(e) Digital

(f) Special Projects

1.200. The revenue and capital implications for growth, investment and savings associated with the above initiatives have been reflected in this MTFS 2025/26 – 2028/29.

1.201. The approved Transformation Plan can be accessed here: https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s119439/CPC%20Transformation%20Plan%20V%200.01%20003.pdf

Summary of Budget Change Proposals

1.202. Table 9 below presents a list of changes to the Council's 2024/25 budget, and then further estimated changes through to the 2028/29 financial year. The list shows the proposals related to each of the Council's committees, which ensures ongoing transparency for monitoring and reporting of progress against each proposal. These items are described in more detail in Section 2. Figures represent the change in base budget in each financial year compared to the previous year.

1.203. Summary table of budget change proposals:

Table 9: Summary of Proposed Budget Changes – Committee Budgets	**2025/26 £m**	**2026/27 £m**	**2027/28 £m**	**2028/29 £m**
Adults and Health Committee	+21.494	-2.204	+1.516	+1.480
Children and Families Committee	+8.659	-0.064	-0.201	-0.258
Corporate Policy Committee	+1.078	+4.396	+1.890	+1.485
Corporate Policy Committee - Council-wide Transformation	-13.452	-20.730	-11.030	-
Economy and Growth Committee	+0.534	+0.695	+0.432	+0.328
Environment and Communities Committee	-2.741	+3.269	+0.982	+6.792
Highways and Transport Committee	+1.061	+0.152	+0.068	+0.030
Total Proposed Service Budget Change	**+16.633**	**-14.486**	**-6.343**	**+9.856**
Finance Sub-Committee (Central Budgets)	+35.294	+26.123	+17.082	+13.104
Finance Sub-Committee (Funding Budgets)	-26.666	-15.285	-19.391	-20.515
Funding Position (incremental)	**+8.628**	**+10.838**	**-2.309**	**-7.411**
Exceptional Financial Support (EFS) (capitalisation direction)	**-25.261**			
Funding Position inc. EFS use in 2025/26	**0.000**	**-3.648**	**-8.653**	**+2.445**

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

Capital Programme

1.204. The table below presents the proposed capital programme for the next 4 years together with the funding requirement.

1.205. There still remains £130m of borrowing within the programme from 2025/26 through to 2028/29 which is not affordable and further work needs to be done to reduce the level of borrowing and minimise its impact where possible e.g. through reprofiling, finding alternative sources of funding, use of capital receipts etc.

Table 10 – Capital Programme Summary

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2025/26 - 2028/29

	Prior Years £000	Budget 2025/26 £000	Budget 2026/27 £000	Budget 2027/28 £000	Budget 2028/29 £000	Total Budget £000
Committed Schemes - In Progress						
Adults and Health	0	389	0	0	0	**389**
Children and Families	41,260	37,723	24,103	20,749	0	**123,835**
Corporate Policy	68,441	6,389	1,173	0	0	**76,003**
Economy & Growth	135,466	35,627	28,723	38,976	39,563	**278,355**
Environment & Communities	14,545	12,177	2,259	5,497	9,954	**44,432**
Highways & Transport	309,876	58,635	42,500	38,514	112,597	**562,122**
Total Committed Schemes - In Progress	**569,588**	**150,940**	**98,758**	**103,736**	**162,114**	**1,085,135**

CAPITAL PROGRAMME 2025/26 - 2028/29

	Prior Years £000	Budget 2025/26 £000	Budget 2026/27 £000	Budget 2027/28 £000	Budget 2028/29 £000	Total Budget £000
New Schemes						
Adults and Health	0	0	0	0	0	**0**
Children and Families	0	0	0	0	0	**0**
Corporate Policy	0	6,356	3,755	3,754	600	**14,465**
Economy & Growth	0	454	1,933	3,401	6,197	**11,985**
Environment & Communities	0	7,180	0	0	0	**7,180**
Highways & Transport	0	8,147	12,960	13,070	11,502	**45,679**
Total New Schemes	**0**	**22,137**	**18,648**	**20,225**	**18,299**	**79,309**
Total Capital Schemes	**569,588**	**173,077**	**117,406**	**123,961**	**180,413**	**1,164,444**

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2025/26 - 2028/29

Funding Requirement

	Prior Years £000	Budget 2025/26 £000	Budget 2026/27 £000	Budget 2027/28 £000	Budget 2028/29 £000	Total Budget £000
Indicative Funding Analysis:						
Government Grants	235,079	99,952	80,481	33,912	113,083	**562,507**
External Contributions	27,057	16,314	12,705	36,626	29,812	**122,514**
Revenue Contributions	552	6,486	0	0	0	**7,038**
Capital Receipts	1,847	731	1,325	21,853	11,588	**37,344**
Prudential Borrowing (See note 1)	305,053	49,594	22,895	31,570	25,930	**435,041**
Total	**569,588**	**173,077**	**117,406**	**123,961**	**180,413**	**1,164,444**

Note 1:

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

General and Earmarked Reserves

1.206. The table below provides the forecast four year position on General and Earmarked Reserves.

General Fund

1.207. When the 2024/25 budget was set, in February 2024, it was balanced by the use of £11.6m of General Reserves. This usage is not sustainable in the medium term. Net spending therefore needed to be contained within the estimates of expenditure that form the budget.

1.208. It was also agreed as part of the previous MTFS to transfer all earmarked reserves which have not been identified for use in 2024/25 into the General Fund Reserve. The value of un-ringfenced reserves to be transferred in 2024/25 totals £3.1m.

1.209. At 1 April 2025, it is anticipated that the Council will hold a General Reserves balance of £3.7m (See breakdown in **Annex 8,** Table 2).

1.210. The current balance in the General Fund Reserve does not align to the Cheshire East Plan target of £20m by 2025. For this reason, the Council now plans to increase the General Fund reserve by £5m per annum over the medium term, plus any beneficial financial performance or additional income to reserves in the first instance over the medium-term as an approach to complying with the Plan.

Earmarked Reserves

1.211. In addition, the following Strategic Earmarked Reserves are proposed to be protected and, in some cases, replenished over the 4-year MTFS as part of the Council's approach to improving the robustness of the MTFS and adequacy of Reserves:

- PFI Equalisation Reserve - Extra Care Housing – to meet future payments on the existing PFI contract.
- Public Health unallocated ring-fenced grant – to be invested in areas to improve performance against key targets (subject to annual assurance sign off).
- Insurance Reserve – To settle insurance claims and manage excess costs.
- Transformation Reserve – To fund the Council's transformation programme costs.
- Collection Fund Reserve - To manage cash flow implications as part of the Business Rates Retention Scheme.
- Elections Reserve – To provide funds for Election costs every 4 years.
- Flood Risk Reserve - To help the service manage risks such as the impact of adverse weather, specifically flooding or extensive periods where winter maintenance is required.

1.212. Full details on Reserves are set out in Annex 8.

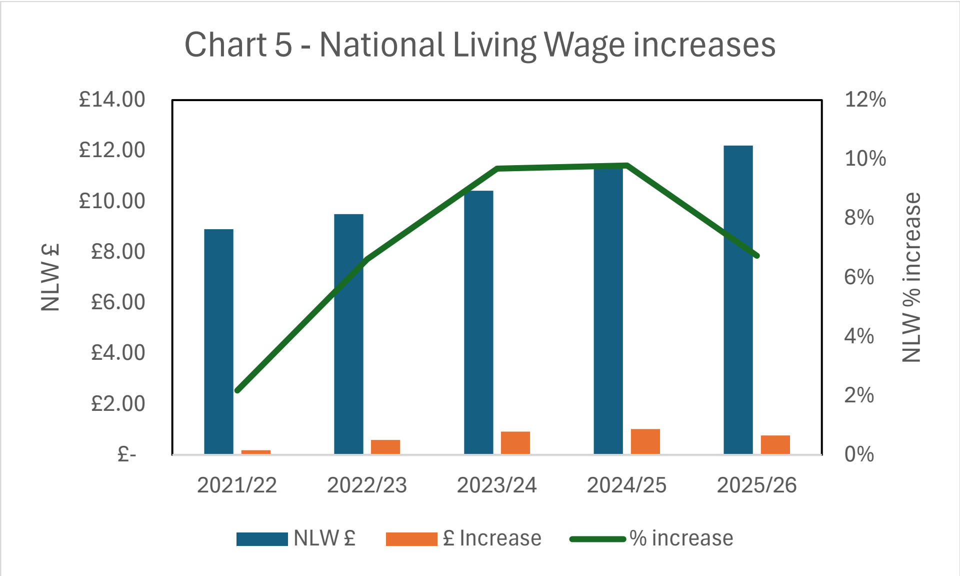
Table 11 Earmarked Reserves	Opening Balance 01 April 2024 £000	Closing Balance Forecast 31 March 2025 £000	Closing Balance Forecast 31 March 2026 £000	Closing Balance Forecast 31 March 2027 £000	Closing Balance Forecast 31 March 2028 £000	Closing Balance Forecast 31 March 2029 £000
Adults and Health	**5,226**	**2,378**	**1,399**	**1,399**	**2,796**	**4,194**
Children and Families	**1,724**	**0**	**0**	**0**	**0**	**0**
Corporate Policy	**20,772**	**7,618**	**7,587**	**5,256**	**7,411**	**11,656**
Economy and Growth	**2,777**	**903**	**0**	**0**	**0**	**0**
Environment and Communities	**870**	**152**	**0**	**0**	**0**	**0**
Highways and Transport	**908**	**488**	**400**	**400**	**400**	**400**
Earmarked Reserves Total	**32,277**	**11,539**	**9,386**	**7,055**	**10,607**	**16,250**
General Fund Reserve	5,580	**3,696**	**5,000**	**10,000**	**15,000**	**20,000**
Total Reserves	**37,857**	**15,235**	**14,386**	**17,055**	**25,607**	**36,250**

Strategic Risks

1.213. The Council assesses the strategic risks to cover the MTFS period as part of its budget setting process. Some of the key risks include:

- **Inflation**: In the past two years inflation has been at an all-time high. In the current year and within the proposed budget the Council has reviewed its inflationary assumptions and taken measures to manage expenditure. Although rates are now forecast in the right trajectory there is still a risk that the reduction slows, or the economy continues to influence costs such as energy or pay.
- **Rising Service Demand**: As mentioned within the report the Council is facing rising demand across a number of services including Adults, Children's and Education. Assumptions for increasing demand have been incorporated within the proposed budget, however there is still a risk demand may outstrip this and put further pressure on the budget.
- **National Living Wage/Employee National Insurance**: National Living Wage (NLW) increases are the main driving factor for the increase in care costs in both Adults and Children's services, with staffing costs making up around 70% of provider rates. Over the last few years large increases in the NLW have resulted in high levels of fee uplifts being requested by providers, and the increase to £12.21 in April 2025 is expected to result in further rate increase requests. NLW increases have been above 5% for the last 4 years, totaling just under 33% over the 4 year period, meaning that Council Tax increases have been unable to keep pace with the increasing cost of the

NLW. Alongside the increases in NLW the government has also made changes to National Insurance thresholds and payment for employers for 2025/26, this will put pressure on care providers as they need to cover increasing NI costs.



- **Funding**: The Council is becoming increasingly reliant on local taxation, with Council Tax and Business Rates now equating to c.90% of the Council's net funding envelope. This means in challenging economic times, where businesses and households are struggling with the cost of living, the Council bears the greater risk of reduced income levels.
- **Funding uncertainty**: There is significant uncertainty around funding with the further single year settlement. There is also the risk that future funding reform will have a detrimental impact on the Council to our perceived self-sufficiency from having a large Council Tax base.
- **NHS integration**: Integrated Care System (ICS) and the risk resulting from health service who are also looking to make savings.
- **Climate Change:** Balancing the need to reduce the Council's carbon footprint and deliver financial sustainability.
- **Interest Rate risk**: The risk of the Council's budget being affected by changes in interest rates when refinancing maturing debt.
- **DSG Deficit**: The risk to the Council remains regarding the High Needs spending from the Dedicated Schools Grant (DSG). The accumulated deficit forecast to be £115.7m by the end of 2024/25. A statutory override was previously extended by a further two years by the previous Government, which means that DSG deficits do not have to be covered from the General Fund i.e. they are not cash backed up to 31 March 2026. The Provisional Settlement announcement by the current Government has delayed any update on the override until proposed reforms of the SEND system are announced. That is expected before the end of February 2025.

1.214. The Council has forecast for the setting aside of two budgets to cover such risks:

- Contingency budget – £145.3m over the medium term to help cover the issues set out above.

- Risk of unachievable savings targets – 10% of savings items identified to be delivered (£6.5m over the medium term) – The risk of underachievement of savings targets grows as more and more challenging savings are included in the budget setting. Setting aside a risk budget based on a percentage of the savings identified in any given year is prudent.

Public Engagement on budget setting approach

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

1.216. During the engagement exercise, there were 304 responses, with additional feedback being provided by the Council's service committees. Appendix B provides information on the responses. A summary of feedback is provided below:

1.217. Budget engagement for 2024 to 2025 invited respondents to share their views on six principles that the Council proposed to use to shape its budget and financial strategy for 2025 to 2029.

1.218. Feedback on the principles is summarised below:

1.219. **Principle 1 - Resizing and reshaping the budget to protect services and support for Cheshire East residents who are most in need**. - Many supported funding for services that help the most in need, and recognised that the Council has an obligation to deliver these services. However, some respondents voiced concerns about this being at the expense of universal services for everyone. Some also responded expressing the view that social care should be funded by central government rather than Council Tax payers.

1.220. **Principle 2 – Investing in children's services – for example recruiting to additional posts to deliver the children's services improvement plan**. There was significant support for investment in Children's services and Children's services improvement – however, some respondents voiced similar concerns to those raised in relation to Principle 1 – that the council should set its budget to provide services for everyone equally and not focus on particular groups. Others felt that the budget was big enough, and that efficiencies should be sought before further recruitment was considered.

1.221. **Principle 3 – Investing in adult social care to ensure our budgets reflect the anticipated growth in demand and increasing complexity of need for those who require the most help – including ensuring that growing demands and staffing costs are fully funded in the budget**. People recognised that there is not enough money in the system to sustain social care services at current levels. Respondents also cited the challenge of recruiting to adult social care services. However, some were concerned about staffing costs. Other comments questioned who this support was for, reflecting comments made about Principles 1 and 2 about services for all.

1.222. **Principle 4 – Delivering transformation projects – doing things differently, including better management of grants, fees and charges for services, and focusing on helping people with additional needs to live more independently for longer, helping to put the council on a more sustainable financial footing for the long-term**. There was significant support from many respondents supporting transformation, however, some expressed concerns about the cost of transformation and what is actually deliverable. Some wanted more information in order to form a view. Some respondents, in responding to this and other principles also stated opposition to raising Council Tax.

1.223. **Principle 5 – Addressing new external costs, such as the increase in National Living Wage which can mean that the services the council commissions from external providers, including many adult social care services, cost more**. Respondents raised concerns about expenditure on external providers and 'unnecessary projects'. Others commented on national government policy in relation to National Insurance and National Living wage.

1.224. **Principle 6 – Looking for other ways to change services to reduce costs, avoid costs, or increase income**. Respondents put forward a number of views and suggestions for other ways to change services to reduce costs, avoid costs, or increase income. These included improving productivity and efficiency, bringing more services back in house, reducing costs and use of consultants and stopping what were considered projects that do not have "measurable (£) benefits".

1.225. Respondents were also asked how they get information about Council services and their communications preferences. These responses will inform the communications and engagement approach. Some voiced concerns about the Council's approach to consultation and engagement, with some feeling the Council does not listen to residents.

1.226. The business planning process consisted of a business community survey, mirroring the main public engagement survey, which closed on 2 February 2025. A verbal update on responses to this survey will be provided at the meeting. Full details of the Budget Consultation results can be found in Appendix B to the main covering report.

Section 2 - 2025/26 Budget

Overview

2.1. Setting a budget needs to ensure that it takes into account all known information.

2.2. Over the course of the year, the financial position of the Council continues to be challenging due to the sustained high interest rates and rising demand for key services such as Adults and Children's Social Care.

2.3. A large amount of effort and focus has been placed on managing the risks, pressures and reducing expenditure and agency use. In addition, we are developing savings and transformation plans to best achieve long term sustainability and not just focus on short term savings that create longer term pressures.

2.4. Improvement has been seen in the current year position since the First Financial Review reported in September 2024, with the 2024/25 projected overspend now down to £18.3m (January 2025), and a balanced budget position for 2025/26 being presented, as summarised in Table 12 below by the use of Exceptional Financial Support (for further information see Section 2: Balancing the Budget 2025/26).

Table 12 – Revenue budget summary 2025/26	Revised Net Budget 2024/25 £000	Gross Exp Budget 2025/26 £000	Income Budget 2025/26 £000	Net Exp Budget 2025/26 £000	Change from 2024/25 £000
Adults, Health and Integration	137,955	250,877	-91,428	159,449	+21,494
Children and Families	88,631	107,313	-10,025	97,288	+8,659
Corporate Policy	41,708	108,802	-66,014	42,788	+1,078
Corporate Policy - Council Wide Transformation Savings	-	-12,702	-750	-13,452	-13,452
Economy and Growth	27,908	38,144	-9,703	28,441	+534
Environment and Communities	48,443	68,964	-23,263	45,701	-2,742
Highways and Transport	15,840	28,370	-11,469	16,901	+1,061
Finance Sub (central budgets)	15,226	54,012	-3,492	50,520	+35,294
TOTAL SERVICE EXPENDITURE	**375,710**	**643,780**	**-216,144**	**427,636**	**+51,926**
Finance Sub (funding budgets)	-375,710		-402,375	-402,375	-26,666
Exceptional Financial Support	0	-25,261		-25,261	-25,261
NET POSITION	**0**	**618,519**	**-618,519**	**0**	**-**

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

Capital Programme 2025/26 Summary

2.5. The Council recognises it needs to invest in the borough to encourage economic development, provide vital council services and improve the way it works. However, it also recognises the need to reduce the current level of debt and the resulting ongoing cost of borrowing which puts a strain on the revenue budget. The MTFS assumes that capital receipts, third party funding and savings generated because of investment will be used to fund the programme wherever possible. Other than refinancing the maturing of loans, new borrowing will only be undertaken where absolutely necessary over next four years.

Table 13: Capital Programme 2025/26 Summary	£m
Capital Programme	**173.0**
Funding by:	
Government Grants	99.9
9External Contributions	16.3
Revenue Contributions	6.5
Capital Receipts	0.7
Prudential Borrowing	49.6
Total Funding	**173.0**

2.6. During 2024/25 all schemes requiring borrowing as part of their funding have been subject to review with a view to reducing their impact on the revenue budget and this has mainly been achieved through reprofiling and some budget reductions.

2.7. There remains a significant amount of borrowing required to fund the programme in 2025/26 and the Capital Programme Board will provide review of and challenge to projects within the programme with a view to reducing the revenue cost impact of the capital programme.

2.8. The Council are actively looking to dispose of surplus assets that do not provide value for money and which are not suitable for repurposing. As a prudent estimate approximately £6.8m will be available to help support the costs of transformation and or borrowing for the capital programme and EFS.

Section 25 (Robustness) Statement

Overview and Context

2.9. Under Section 25(1) of the Local Government Act 2003, I am required to report on the robustness of the estimates in the budget and the adequacy of the proposed reserves. Council must have regard to this report when making decisions on the budget.

2.10. The Council is in a serious financial position and as highlighted in last year's report by the Section 151 Officer at the time, there needs be a continued focus on delivering sustainable change over the medium term and avoid short term decision making that may have longer term consequences.

2.11. It was highlighted last year that the Council must react to the structural financial deficit in the budget and much work has been done over this last financial year to change the future direction of the Council's financial sustainability. This includes detailed reviews of the causes of prior year overspends, considering how the balance sheet of the Council can contribute to longer term changes including reviewing potential asset sales, and the development of a Transformation Plan that has changed the trajectory of the Council's finances. At the same point last year, the gap over the medium term was growing from £41m in year 1 of the medium-term financial plan, to £80m by the end of year 4, with a need to replenish General Fund reserves by at least £20m. That trajectory also assumed delivery to budget within 2024/25 which has not been the case.

2.12. The medium-term plan presented here has altered the trajectory, with a reducing gap over the medium-term, including the replenishment of general reserves as well as some other specific reserves. However, this still leaves the Council with a deficit in 2025/26 and 2026/27 which, if supported by central government, will be addressed through the use of Exceptional Financial Support (EFS).

2.13. This is only a short-term solution, and it will be important to continue to find additional funding, income and efficiency savings to reduce the need of utilising this support over the coming financial year. EFS comes at a cost over the medium term. This report assumes EFS will be approved as at the time of writing and should be considered in that context.

2.14. For clarity, if the Council is unable to access Exceptional Financial Support then I would have no choice but to issue a Section 114 notice given the current projections on income and expenditure.

2.15. The Council must continue to act to address the financial deficit in this budget that will be addressed through EFS as well as delivering on all of the proposed transformation and other savings included in the budget.

2.16. Whilst change and transformation are important, strong financial management and control to deliver against the budgets is equally as important. There is a history of overspending for at least the last three financial years which had been addressed using one-off sources of funding. This has not addressed the underlying needs being experienced in the Council. There are now insufficient reserves to be able to continue the use of one-off monies to deal with unidentified pressures and so addressing the structure of the budget must be a priority.

2.17. There has been a continued trend of non-delivery of savings targets being achieved by the Council in the past, although some were realised later than planned.

2.18. The level of growth materially exceeded forecasts during 2024/25 and has created in-year overspending in both Adults and Children’s Services.

2.19. Cheshire East Council is not alone in facing such a material financial challenge, but this fact does nothing to mitigate the issues. There are several reasons for increasing costs, and these can be summarised under three main headings:

1. **Demand Led Growth**: Given the proportion of our services that are delivered to individuals or families, the Council is sensitive to demographic changes especially in relation to increases in complexity of needs, growth in an aging population and often these services are statutory in nature. These services are also impacted by price inflation in contracts and supplies and services that are often sensitive to national wage inflation. Therefore, the Council has to consider ensuring that it sets aside enough resources to ensure it meets its statutory responsibilities.

2. **Interest Rates**: The Council has debts of £370m accumulated from the spending profile of large-scale infrastructure projects, overspending of budgets and the increasing deficit in high needs (SEND) education expenditure. Repayment of interest on these debts continues to be a material problem due to the higher interest rates in 2024 and 2025.

3. **Other**: During 2024/25 there has been a change in national government and so there are a number of emerging policies that impact on the Council that could have a fundamental impact on our financial sustainability in the future. These include, but are

not limited to, delays in decisions on infrastructure funding currently within our Capital programme, reforms for both Children's and Adults Social Care, a recognition that SEND needs reform and the cancelling of the Safety Valve programme with a replacement yet to be identified. Local Government reorganisation and devolution will also have an impact on Cheshire East and this will need to be considered and built into future iterations of the MTFS.

4. **National funding reform:** Yet again for 2025/26 we have been provided with a one-year financial settlement, but a much stronger narrative around financial reform to come. It is likely that national funding reform will mean that Cheshire East will fare less well in the future with regard to funding. This will need to be addressed in future iterations of the budget once there is more clarity over this reform.

2.20. Over the last 12 months, the Chief Executive has considered the outcomes of external assessments in regard to the performance of the organisation including the LGA peer review, the results of the inspection of Children's Services and in his role as the Head of Paid Service, has considered the need to redesign the shape of the organisation to meet the challenges identified. This is included as part of the transformation programme and has started with a restructure and ongoing live restructure of the senior structure within the Council. The financial impacts of this are included within the MTFS.

2.21. The transformation programme that has driven the savings in this MTFS has been supported with an external partner. This has so far been funded through reserves and it is recommended to set aside monies from the identification of in-year savings relating to an accounting policy change on Minimum Revenue Provision (MRP) in 2024/25 to support ongoing transformation work. It is appropriate to use one off sources of funding for this, given this is not permanent resource, and supports the delivery of significant savings over the life of the MTFS.

2.22. Given that funding from central government to the Council is unlikely to address the significant pressures the Council is facing, the Council must take the responsible step of ensuring local income is increased and costs reduced to support essential services. Income from service users, customers and local tax payers is particularly important to ensure that we are able to sustain services beyond just the bare minimum.

2.23. Financial performance has been reported regularly to committees throughout 2024/25, with new style financial reporting and all committees receiving financial information for the whole Council, to ensure that decisions are made with full knowledge of total impact on the Council and not just specific areas of responsibilities for each committee. Whilst reporting has been strengthened, further improvements will be made in 2025/26 to ensure there is more clarity on delivery against the transformation programme and including more detailed performance information alongside finance and risk information.

2.24. The single greatest financial risk to the Council remains the substantial and growing deficit on High Needs spending from the Dedicated Schools Grant (DSG). This has been highlighted as the biggest risk for several years with the accumulated deficit forecast to be £115.7m by the end of 2024/25. A statutory override was previously extended by a further two years by the previous Government, which means that DSG deficits do not have to be covered from the General Fund i.e. they are not cash backed up to 31 March 2026.

2.25. The Provisional Settlement and Final Settlement announcement by the current Government has delayed any update on the override until proposed reforms of the SEND system are announced. That may not come until early in the next financial year.

2.26. At this stage it is assumed there will be no draw on Council revenue reserves relating to the DSG High Needs deficit as Government will either, for all local authorities, extend the statutory override, or fund the ongoing and cumulative deficits. If a resolution to this is not forthcoming (in this financial year) then the financial viability of the Council would need to be reconsidered and reported back to Full Council for further consideration at the earliest opportunity in the new financial year.

Robustness of Estimates

2.27. Expenditure on services exceeded budget by £8.5m in 2023/24, despite an overall increase of £25.4m in net budget. In 2024/25 the increase in net budget was £22.6m with a forecast overspend currently at £18.3m as per Third Financial Review. The planned spending increase of 6.4% was not excessive compared to national inflation. This is further explained when local government spending is influenced by increased population, demands and complexity, and not just increased prices. But the pattern of spending in excess of budget must be addressed.

2.28. Net expenditure in 2025/26, net of savings proposals, is forecast to increase by a further £52.0m, however income from increased funding is only forecast to increase by £26.7m, creating a budget deficit of £25.3m. In recognition of this forecast, as reported through the various MTFS updates through 2024/25, the Council in December 2024, submitted a further request for Exceptional Financial Support for 2025/15 and 2026/27 to fund the deficit as part of setting a budget for 2025/26.

2.29. Having identified that the use of one-off monies can no longer be a continued trend, the implementation of sustained change and the right-sizing of those areas that have seen the greatest pressures in recent years has been addressed as part of this proposed budget.

2.30. Where services have been right-sized, estimates for growth are based on the latest available information on actual service delivery. These consider growth trends over the last few years and modelling, where available, for future likely growth. This is an area where future trend modelling is being strengthened, using local and nationally available data, and this will need to continue into the future. The level of Council funding for 2024/25 has therefore been subject to adequate scrutiny and allocations have been approved by members based on appropriate advice.

2.31. The MTFS strategy relies on the closing balances and performance within the 2024/25 financial year. In-year reporting to members has identified the service areas that require the most urgent financial support to create a robust set of estimates for 2025/26 and beyond and committees have had up to date reports throughout the year on the development of the MTFS

2.32. In more detail, the following areas have been considered and addressed:

- Following the ILACS inspection of Children’s Services during 2024, an improvement plan has been developed. This identified the need to invest in our workforce to help drive improvement and ensure we have sufficient levels of staffing. In addition, we needed to right-size placement and other service budgets. Investment has been made in these areas to ensure adequate levels of resources. It should be noted that there is a specific transformation programme running in Children’s social care and the financial implications of these are identified within this area. We are also holding centrally in a contingency budget, some inflationary growth that may be attributable to this area. This will not be distributed to service budgets until fully agreed and identified so this means there is likely to be some additional growth in Children’s budgets during the year.

- The most significant area of growth is in Adults Social Care where significant right-sizing has been required. In previous financial years, a significant amount of one-off funding and use of reserves helped to mitigate pressures in this area. The gross level of expenditure did not increase as much as the budget appears to indicate, but we do need to recognise that ongoing funding is required as it is not appropriate to use one-off funding for ongoing commitments. Just like Children's services there is a specific transformation programme running in this area and the financial implications of these are identified within this area. We are also holding centrally in a contingency budget for inflationary growth that may be attributable to this area and will be distributed in-year.

- Place based services saw significant changes during 2024/25 due to changes in the way some universal services were delivered. The financial implications of these are included in the MTFS, with full year impacts of some of those changes now embedded in the budget. This area includes many universal services, delivery of large-scale regeneration and infrastructure changes. It also has the most significant part of the Capital programme within its remit. A key challenge this year has been to ensure that the profiling of capital expenditure is properly forecast, including the way in which schemes are funded. This has implications in terms of the costs of borrowing on the revenue budget and therefore this has been an important focus this year. Whilst there are some transformation savings directly attributable to this area, there are also "cross-cutting" transformation savings currently held at the Corporate level that will be identified and delivered in this area during 2025/26. There will be a need to ensure these are fully reflected against appropriate service lines during the financial year.

- One area of focus will be for the Council to consider the need to make significant and sustained investment in its own infrastructure to avoid failure, including highways. We currently ensure that we maintain funding to keep the network safe and comply with its statutory duty to do so. We do need to consider how we move to more proactive resurfacing over time. Whilst there is significant capital investment (£29m up to 2030) to keep the network safe, how we can identify ways to move to a more proactive approach will be a focus during 2025.

- Resources and other Corporate services are largely driven by people and contract spend. This area also holds "cross-cutting" transformation savings that will be distributed to appropriate service lines during the year. A significant theme of this relates to digital change, with capital investment required to support revenue savings in the future. Whilst led from this area, the benefits of these will be seen across other council departments and like with other transformation savings these will be moved to the appropriate area as soon as these can be fully categorised.

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2.33. As identified in the main body of the MTFS report, there are a number of assumptions that are made throughout budgets relating to inflation and other drivers. Section 1 of the MTFS details the assumptions that have been used.

2.34. The Capital programme remains ambitious with £0.6bn forecast expenditure in the next four years. If spent evenly this would equal over £150m expenditure in each of the next four years. At the Third Financial Review, the Council was forecasting capital spending of £144.7m in 2024/25, but the final Outturn position is likely to be far less than that figure at £120m based on current spending levels. The Council must refine this profile of spending to ensure it is reduced or delayed to ease the pressure on the capital financing budget and avoid the risk of over-borrowing.

2.35. Net revenue budget gross growth is forecast at £99.1m (+26% on the 2024/25 net budget of £375.7m). £48.6m relates to social care, with £3.4m relating to MRP and interest payments. Additional growth is forecast in Adult Social Care, Children's Social Care, Environmental Services, asset maintenance, highway maintenance, local bus plus as reflected elsewhere in the report, the creation of a Contingency Budget to manage in year risk. This level of growth is consistent with a robust approach to reflecting potential costs, rather than taking a risky approach of simply reflecting affordable growth.

2.36. This level of growth necessitates Council Tax increases in-line with government expectations on Core Spending Power. Continued uncertainty in local government funding structures presents a risk to the forecasts within the MTFS and changes in national policy will all have potentially material implications for the Council's finances and therefore it remains an imperative that the Council remains up-to-date in its understanding of any national change in policy. Financially, the Council must do all it can to strengthen its own funding, especially the Council Tax base, as this remains the main source of funding that we have control over, and unaffected by national funding awards which are subject to significant change in the future.

2.37. Changes to service levels are therefore appropriate to retain local sustainability during this period of national uncertainty. £47.1m of savings and mitigation are planned in 2025/26. Implementing this level of change will be challenging but based on professional judgement they are feasible and achievable. Such changes will rely on appropriate governance, as well as clear and timely decision making and a collective effort to both monitor and manage any actions that are off track for delivery at the earliest opportunity.

2.38. For clarity, the Council must maintain a tight control and grip on the management of its finances given its financial fragility.

2.39. The assumptions within the MTFS are based on appropriate up to date information and have been subject to stakeholder engagement and professional assessment. As such they present a robust set of financial proposals, but the recent track record of over-spending must continue to be addressed. The right-sizing of budgets whilst being able to support this will only work if there is continued focus on strong financial grip.

2.40. It is also important to address the longer-term sustainability of the Council over the medium term. Having right-sized budgets in a number of demand led budgets, the Council will need to address how to become more focused on preventative measures for the future across all service areas and build in the ability to try to move away from reactive spending to better longer term planning.

Adequacy of Reserves

2.41. The issue of having low levels of reserves has to be urgently addressed and so the Reserves Strategy (Annex 8) set out in the MTFS must be adhered to. That means that the building back of reserves has been included in the budget but also there must be an expectation that where underspends are identified, that the building back of reserves be considered as a priority, alongside reducing the need for Exceptional Financial Support.

2.42. The Reserves Strategy sets out the impact of the budget on the Council's reserves. When considering if reserves are adequate, I have reflected on ongoing work by CIPFA to produce a resilience index as well as considering local and national risks.

2.43. Inflation has again been one driver in the overspends across the Council, especially in Adults and Children's services and interest payments have caused further financial pressures on borrowing. The fact that one-off funding had been used to reduce the 2024/25 budget was designed to deal with some inflationary pressures, but not enough, and inflation and interest rates continue to be issues.

2.44. Overspending since 2022/23 has eroded total reserves to an unacceptable level, but this MTFS includes contributions across the life of the MTFS to bring these back to at least minimum levels. Any action that can be taken to identify additional contributions to reserves earlier in the MTFS should be considered at the earliest opportunity.

2.45. Decisions were taken in the last financial year to roll earmarked reserves that mitigated against longer term risks relating to Private Finance Initiative (PFI), Insurance and Flood Management into general reserves to deal with the most urgent pressures. It is important that alongside replenishing the general reserves to a minimum level of £20m, that the building back of these reserves are also built into future modelling. If these risks materialised the general fund would have to be used and that creates additional risk. It is therefore my view that this overall strengthening and mitigating against these risks must be built in from now, but spread over the medium term. Reserves should be reviewed on an annual basis for their suitability and appropriateness.

2.46. Given our low level of reserves, some additional revenue protections have been built into the MTFS. This includes a contingency budget set aside to manage likely in-year pressures from inflation and other contractual change that will have on-ongoing implications. If any of this is unused at the end of the relevant financial year the priority for this should be to consider whether earlier replenishment of reserves would be financially beneficial in the medium-term.

2.47. Additionally, a risk budget to mitigate against non-delivery of any savings or delay in delivery has been included from 2026/27.

2.48. Members must recognise that risks to all proposals within the MTFS must be mitigated. Delays or changes in proposals being implemented will not have adequate financial cover from reserves. In which case such changes would be considered outside of the budgetary framework requiring further decisions to restore the balanced budget that is a legal requirement.

Conclusion and Exceptional Financial Support

2.49. The Council is required to produce a balanced budget and must demonstrate adequate levels of financial management to maintain this position.

2.50. Several councils in England have been subject to Section 114 notices, particularly where financial controls have been inadequate. Such action restricts spending and usually requires government intervention and associated reductions in local decision making. This is an indication of the financial challenges being faced by local authorities. Achieving the proposals within this budget would provide ongoing evidence that the required levels of financial management are in place at Cheshire East Council.

2.51. Based on my engagement and observations of the process to manage in-year spending and determine a balanced budget for 2025/26, I can report that the budget presents a robust set of forecasts, but that the Council must address the current trend of overspending. This requires further engagement of the Committees alongside enhanced controls associated with adherence to the CIPFA Financial Management Code.

2.52. Based on my assessment of the risks that the Council can currently value I am not satisfied that the Reserves Strategy presents an adequate level of reserves to support the MTFS.

2.53. To mitigate the risk of financial failure, and the consequential impact on local services, I have been in regular contact with the Exceptional Financial Support Team at MHCLG, alongside the Council’s Chief Executive. Cheshire East Council is not an isolated case in this regard. In 2024/25 we were able to successfully apply for Exceptional Financial Support in the form of a Capitalistion Direction.

2.54. The MTFS presented clearly demonstrates the ongoing need for that support in the short-term, despite a much improved position in future. The process has required analysis of the causes of financial stress on Cheshire East Council, and a submission of our analysis to support our application.

2.55. Any final decision on Exceptional Financial Support, by the Secretary of State is currently outstanding but for the purposes of this report I have made the assumption that this will be supported. The revenue costs associated with this are built into the MTFS.

2.56. I will monitor the impact of ongoing financial controls and work with the Chief Executive to assess the achievement of in-year financial performance. Achievement of the proposals in the MTFS is crucial to avoid potentially significant future changes to service levels.

Detailed Revenue Services Budgets: Breakdown of Budget Changes

2.57. Budget changes in this document are expressed as **incremental changes** to the Council's Approved Budget for 2024/25.

2.58. Each proposed change is included in a table as described below:

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Committee	**+/- Total change**	**+/- Total change**	**+/- Total change**	**+/- Total change**
X (note 1)	**Title of budget change item** Narrative to describe what the proposal is. (note 2)	+/-x.xxx (note 3)	+/-x.xxx (note 3)	+/-x.xxx (note 3)	+/-x.xxx (note 3)

Note 1 - All proposals are sequentially numbered for ease of reference. Also cross referenced in Annex 2. Any items with a "T" after the number relate to the Transformation programme savings.

Note 2 - Revenue expenditure is incurred on the day-to-day running of the Council. Examples include salaries, energy costs, and consumable supplies and materials. Capital expenditure is incurred on the acquisition of an asset, or expenditure which enhances the value of an asset.

Note 3 - Figures here represent an increase or decrease in spending compared to the 2024/25 Approved Budget. Each subsequent year then represents a change from the previous year. Negative numbers represent a budget saving or additional income. Positive numbers represent budget growth or reduced income.

Adults and Health Committee

Responsibilities of the Committee: Membership: 13 Councillors

2.59. The Adults and Health Committee will be responsible for community welfare, public health and adult social care services with a view to enabling all people to live fulfilling lives and to retain their independence. When discharging its functions the Committee shall recognise the necessity of promoting choice and independence.

2.60. The Committee's responsibilities include:

- Promotion of the health and well-being of residents and others;
- Determination of policies and making decisions in relation to people aged 18 and over (some young people up to the age of 25 may still be within Children's services as care leavers or with a Special Educational Needs and Disability) with eligible social care needs and their carers including:
- Adult safeguarding, adult mental health, physical health, older people and learning disabilities and lifelong learning;
- Determination of policies and making decisions in relation to Public Health in coordination with the Health and Wellbeing Board and the Scrutiny Committee;
- Oversight of the Communities Strategy;
- Provision and commissioning of domestic violence support services and quality assurance; and
- Prevent reporting and Channel Panel counter terrorism oversight.

2.61. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorates of Adult Social Care Operations; Commissioning and Public Health including: Public Health, lifelong learning, health improvement and intelligence, Adult social care and safeguarding, Adult Mental Health and Learning Disability, Adult social care operations, Care4CE and commissioning of support for adults.

(Extract from Cheshire East Council Constitution - Dec 2024)

Overview

2.62. The 2024-28 MTFS report of 27 February 2024, highlighted several extraordinary challenges facing adult social care. These challenges have persisted throughout 2024/25 and will continue into 2025/26. Complexity of need continues to increase both amongst younger adults in need of care or support with autism or a learning disability transitioning from children's services, and amongst older people where there is an increasing demand for dementia services. Price inflation is also a significant driver of cost pressures in adult social care primarily due to the increase in the national living wage over the past three years. Finally, the need to support the NHS with hospital discharge continues to drive higher levels of activity in adult social care.

2.63. Throughout 2024/25 the whole Council has been focused on the urgent action necessary to reduce a significant projected budget overspend. As of November 2024, adult social care is forecast to overspend by £20m, this is the major variance within the Council's overall position. The budget variance in 2024/25 is partially due to a higher level of commitment than originally planned when setting the MTFS in February 2024, this is the consequence of the full year impact of activity levels identified at the 2023/24 year-end outturn and the ceasing of one-off mitigations which alleviated the budget gap in the previous year.

2.64. In the face of these challenges, Cheshire East remains committed to delivering high-quality adult social care services that meet the increasing needs of our residents and recognises the vital role played by both internally and externally commissioned providers. The response to the challenges has been two-fold:

- Enhanced management processes have been introduced to ensure robust oversight and budgetary control. This improvement is enabling expenditure pressures to be managed more effectively, further promoting value for money with the necessity of safeguarding the long-term viability of our services.
- The programme of transformation, which adult social care is focused on:
- Prevent, Reduce, Enable - work to ensure we continue to promote wellbeing, prevention, independence, and self-care for people across Cheshire East.
- Learning Disability service transformation - revision of the housing support model for adults with a learning disability to maximise value for money.
- Preparing for Adulthood - developing new service models for young adults transitioning from children's social care services to adult social care services.
- Brokerage and Commissioning – reforming the approach to purchasing care placements.
- Partnership working – developing alternative approaches to commissioned long-term care and support for people with a learning disability, in partnership with other local authorities and the NHS as appropriate.

2.65. Consolidating the savings made to-date alongside the rollout of the transformation programme form the MTFS proposals for adult social care. They build on the work of the past two years which have included the development and implementation of a new direct payments policy, reduction in the usage of short-term beds to aid hospital discharge and expansion of the reablement services and the occupational therapy service to support greater independence amongst older people. The service has also successfully implemented a new charging policy, and the full-year financial benefit of the policy are also built into the MTFS for 2025/26.

2.66. In preparing the 2025/26 gross budget growth of £33.3m has been provided, being funded through a mix of additional grant income, the increase in the adult social care precept and core Council Tax. This will address the full year impact of projected overspends for 2024/25 on externally commissioned care and staffing. It also includes a provision of £5m for growth arising from demographic changes including an ageing population and increased levels of need for care and support for adults of a working age, during 2025/26. Further work is being undertaken to produce a model of forecast demand through to 2030.

2.67. To support long-term strategic direction of the service and the next stage of transformation the service will be working to produce business cases for the development of and extra care housing and the expansion of supported living, which will require capital investment to stabilise the social care revenue position.

2.68. The risks for adult social care and therefore the overall Council budget are not immaterial. Further inflationary pressures, driven by the National Living Wage and National Insurance changes, are significant whilst there is no indication that demand pressures associated with hospital discharge will abate in 2025. Issues of complexity as described above will also continue.

2.69. Finally, it should be noted that government grants for adult social care are allocated using the Adult Social Care Relative Needs Formula. However, when adjusted for full Council Tax Equalisation, Cheshire East will experience the largest grant reduction in the north of England. Council Tax equalisation is a mechanism that recognises that Council Tax yields different amounts of income in different local authorities and adjusts grant allocations to take account of that difference. We do not yet know the financial consequence of government decisions in respect of grant allocations.

2.70. Full list of change proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Adults and Health	**+21.494**	**-2.204**	**+1.516**	**+1.480**
1	**Client Contributions** Increase in income from client contributions arising from the inflation increase for pensions and benefits paid to individuals, the full-year effect of charging policy changes and the additional income arising from an increase in placement costs. This is offset against expenditure growth proposals.	-5.182	-0.879	-1.654	-1.706
2	**Revenue Grants for Adult Social Care**	-0.220			

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Increase to income budget for the 'Market Sustainability and Investment Funding' grant. To match the value of confirmed allocation.				
3	**Pensions Cost Adjustment** This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.	-0.517	-1.019	-0.171	-0.184
4	**Demand in Adult Social Care** Forecast growth, arising from demographic changes including an ageing population and increasing complexity of need for care and support for adults of a working age.	+5.000	+5.000	+5.000	+5.000
5	**Pay Inflation** The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards. National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).	+2.251	+1.142	+1.171	+1.200
6	**Funding the staffing establishment** Increases in the number of social care staff to maintain safe services and to meet increasing demands.	+3.800			
7	**Fully Funding current care demand levels 2024/25** Growth, recognising the full year effect of current pressures on the externally commissioned care budget.	+24.500			
8	**Remodel extra care housing catering service** Remodelling the catering offer in extra care facilities to remove the funding subsidy.	-0.270			
9T	**Prevent, Reduce, Enable - Older People** Continue the work to promote wellbeing, prevention, independence, and self-care for people across Cheshire East improving outcomes and reducing costs.	-1.500	-2.830	-2.830	-2.830
10T	**Learning Disability service transformation** Revision of the housing support model for adults with a learning disability to maximise value for money.	-2.500	-2.500		
11T	**Commissioning and brokerage transformation** Reforming the approach to purchasing care placements.	-0.500	-0.250		

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
12T	**Preparing for Adulthood** Developing new service models for young adults transitioning from children's social care services to adult social care services.	-0.868	-0.868		
13T	**Health and Social Care Partnership Case Review** Developing alternative approaches to commissioned long-term care and support for people with a learning disability, in partnership with other local authorities and the NHS as appropriate.	-2.500			

*Values represent a +/- variation to the Cheshire East Council approved budget for 2024/25..

Subsequent years are the incremental change from the previous year. Negative numbers represent a budget saving or additional income. Positive numbers represent budget growth or reduced income.

Children and Families

Responsibilities of the Committee: Membership: 13 Councillors

2.71. The Children and Families Committee will be responsible for those services which help keep children and young people safe and enable them to achieve their full potential. The responsibility incorporates matters in relation to schools and attainment, early help and family support and social care for children and families. The Committee will oversee the work of the Cared for Children and Care Leavers Committee (formerly the Corporate Parenting Committee), which focuses on those children who are cared for by the local authority and for whom the Council has corporate parenting responsibility.

2.72. The Committee's responsibilities include:

- Determining policies and making decisions in relation to the delivery of services to children and young people in relation to their care, well-being, education and health;
- Discharging the Council's functions in relation to children in need and child protection including safeguarding and youth justice;
- Discharging the Council's functions and powers in relation to the provision of education and Schools Forum;
- Support to and maintenance of relationships with schools in relation to raising standards of attainment;
- The Council's role as Corporate Parent;
- Discharging the Council's functions in relation to Special Educational Needs and/or Disability (SEND);
- Discharging the Council's functions in relation to early help and family support;
- Provision and commissioning of domestic violence support services and quality assurance.

2.73. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorates of Prevention and Support, Education and 14-19 Skills and Children's Social Care including: Children's mental health, Prevention and early help, Children's transport, Children Service Development and Children's Partnerships, Commissioning of support for children, Cared for Children and Care Leavers, Children in Need and Child Protection, Children with Disabilities and Fostering, Children's Safeguarding, Education Infrastructure and Outcomes, Education Participation and Pupil Support, Inclusion and SEND.

(Extract from Cheshire East Council Constitution - Dec 2024)

Overview

2.74. The Children and Families Directorate is responsible for delivering the Council's statutory duties and responsibilities in respect of children in need of help, support and protection and ensuring that all children have access to high-quality early years' provision, education and learning experience. The directorate is responsible for services and support to children with Special Educational Needs. These duties are spread across two directors for: Family Help and Children's Social Care, and Education, Strong Start and Integration. The directorate brings together the Council's duties in relation to children identified and assessed to need help, support, protection, cared for by the Council and young people with care experience (leaving care service). It includes a range of targeted services to support families and help to avoid the need for children to become 'looked after', together with Youth Justice Services and Adoption services.

2.75. These services are now supported by a third directorate designed to ensure the Quality Assurance functions that ensure plans and assessments are suitably safe and effective across the wider partnership for which the Local Authority is the lead partner.

2.76. Approximately 45% of the overall children's revenue budget is committed to meeting the costs of care for our cared for children linked to the cost of providing homes for these children.

2.77. The Education budget represents the Council's responsibilities for education and learning funded by the Dedicated Schools Grant (DSG) and Council's revenue budget. The Council budget funds services including school admissions, place planning, home to school transport and school improvement.

2.78. Transport services make up 17% of the overall children's revenue budget. The remaining budget is for services such as additional responsibilities including new responsibilities in relation to school attendance and a wider remit for the Virtual School to include all children with a social worker and education psychology. The service also supports inclusion and other groups of vulnerable children.

2.79. Despite growth allocated within the MTFS process, significant in year pressures are evident. These are primarily a result of systemic deficits in the staffing structure unforeseen inflationary impacts and increases in demand in children's placements, and school transport budgets.

2.80. Whilst in-year mitigations and activity to avoid spend and reduce costs are in place, the forecast for the end of year is a deficit position. All indications are that demand, complexity and cost will continue to increase and therefore it has been vital to revisit the MTFS and ensure that the children services budget is right sized.

2.81. The Children's Directorate is committed to increasing the pace of implementing reforms and service improvements to make financial savings by reducing demand for expensive, reactive services by providing high quality support to children young people and their families at the earliest point.

2.82. Implementing the new children policy Keeping Children Safe Helping Families Thrive [Keeping children safe, helping families thrive - GOV.UK] will be embedded with our Improvement and Transformation Plans in the following ways:

- A review of commissioned services - a review of delivery models across SEND, Family Hubs and wider commissioning of services.
- A redesign of our services in line with new legislation and policy will see a wider range of practitioners integrated with multi agency colleagues working closely with our communities at a very local level.
- A refreshed sufficiency strategy for children's homes – led by Right Child, Right Home, an ambitious programme to support children within their families where it is safe to do and to ensure a wider range of family based care locally.
- A refreshed service offer for young people who are care experienced – offering a wider range of expertise and support within the Care Leaver service.

2.83. We will look to create an enhanced service that supports children and young people (from birth to 25 years of age) with complex needs or who are disabled as they grow into adults. This is so that our young people can progress smoothly at key stages of development in their life, rather than those changes being dictated by age.

2.84. In addition to the £93.0m Council revenue budget for the Children's Directorate (2024/25 revised budget as at Third Financial Review) the service also oversees the £389.7m DSG budget of which £203.3m is given to academies and £79.9m is earmarked for Council-maintained schools. £106.5m is used by the Council and settings for education services such as admissions, early years education and special educational needs placements. The Council spend on High Needs does not match the funding received due to the growth in the number of pupils with an Education Health and Care Plan and the costs in particular of Independent Special School places. This has resulted in a significant deficit DSG reserve which is permitted by a temporary accounting override announced by the Department for Levelling Up, Housing and Communities. This override has been extended to 31 March 2026. The DSG deficit is forecast to be £115.7m at the end of 2024/25.

2.85. Full list of change proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Children and Families	**+8.659**	**-0.064**	**-0.201**	**-0.258**
14	**Pension costs adjustment** This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.	-0.537	-0.923	-0.155	-0.167
15	**Growth to deliver statutory Youth Justice service, and meet Safeguarding Partnership duties** Partnerships are reviewed regularly to ensure that partners, including the Council, are contributing at the right levels to ensure service performance and delivery in line with increased need. These increases in budget are to ensure that we are meeting our statutory duties through the partnerships.	+0.203	+0.167	+0.031	+0.034
16	**Growth in School, SEND and Social Care Transport budget** The cost and number of children and young people eligible for free school transport is continuing to increase. The main growth and higher costs relate to transport for those with special educational needs and disabilities (SEND), particularly in rural areas.	+1.501	+1.548	+0.476	
17	**Pay Inflation** The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards. National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).	+2.624	+1.096	+1.124	+1.152
18	**Fully Funding current care demand levels 2024/25** Growth, recognising the full year effect of current pressures on the placements budget.	+3.295			

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
19	**Court Progression Improvement** Improvement is required in this area of work to ensure there are not delays for children and young people when planning for their futures, in the context of court work. This budget growth will allow an increased focus on this important area of work.	+0.023			
20	**Growth for annual contribution to the Regional Adoption Agency** Regional Adoption Agencies bring together adoption professionals from councils across a region, providing expertise and support at every stage of the adoption journey. This increase in budget is to enable us to continue to deliver quality adoption services for vulnerable children.	+0.213	+0.048	+0.048	+0.048
21	**Growth for Unaccompanied Asylum Seeking Children due to emerging pressures** There is an expectation made by central Government that local authorities will care for Unaccompanied Asylum Seeking Children. This growth reflects this duty and the increases in unit costs of placements.	+0.500			
22	**Reversal of a one year policy change for traded services** In 2024/25, Council agreed a 3% levy for traded services in education to ensure that service delivery is not compromised. This growth in net budget is the result of removing that levy. A full review of traded services in education is taking place to ensure the services delivered have a full cost recovery in future years.	+0.120			
23	**Schools Improvement** This growth is to secure the full base funding of staff delivering school improvement functions, within the education department. The roles support schools and identify areas for improvement, support the development of a strategic plan and provide consultation on the school's journey to improving the quality of education in schools.	+0.175			
24	**Funding the staffing establishment** The staffing structure had (over recurrent recent years) been underfunded due to savings being allocated against it and no subsequent restructure plan coming forward. A review of requirements has been undertaken, and this investment sees these deficits eradicated. A full base build of service design will begin in 2025.	+2.739		-1.000	-0.600
25	**Safe Walking Routes to School** Building on 2023/24 MTFS savings proposals, we are identifying a robust portfolio of potential Safe Walking Routes to school and bringing new routes forward for delivery within 2025/26 and future years, (We will adopt a cross-directorate, coordinated approach and access potential grant funding opportunities, if possible, to off-set costs).	-0.250			
26T	**New accommodation with support offer for 16-25 young people**	-1.100	-0.700		

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	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.				
27T	**Birth to Thrive** These savings will result from redesign of the end-to-end pathway for young people transitioning between Children's and Adult's services, co-designed with users and partners and, developing a new transitions function across both Children's and Adult services that will bring changes through Council governance and drive activities and ongoing service improvement.	-0.500			
28T	**Right Child, Right Home** This saving refers to work that actively reviews placements for cared for children and young people and agrees actions that meet the identified needs of children and young people but at a lower unit cost, and also identifies alternatives to being 'in care'.	-1.320	-1.300	-0.725	-0.725
29	**Extended Rights to Free Transport** The 'extended rights' grant, which is a contribution towards the cost of arranging home to school travel for children eligible on the grounds of low-income will be included in the Local Government Finance Settlement in future years. This budget alignment is to receive permanent budget for this area of expenditure.	+0.388			
30	**Children's Social Care Prevention Grant – Expenditure** A new Children's Social Care Prevention Grant was announced by the Government in the 2025/26 financial settlement. This will be used to rollout mandatory Family Group Decision Making.	+0.905			
31	**Children's Social Care Prevention Grant – Grant Income** A new Children's Social Care Prevention Grant was announced by the Government in the 2025/26 financial settlement. This will be used to rollout mandatory Family Group Decision Making.	-0.905			
32	**Foster4** Foster4 is a collaboration between eight Local Authorities in Cheshire and Merseyside which aims to increase the number of foster carers in the region.	+0.114			
33	**Foster Carers uplift of National Minimum Allowance (NMA)** The NMA is routinely uplifted annually, considering changes in inflation and affordability of local government. The NMA has been uplifted for the 2025/26 financial year by 3.55%.	+0.471			

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Corporate Policy Committee

Responsibilities of the Committee: Membership: 13 Councillors

2.86. The Corporate Policy Committee will provide strategic direction to the operation of the Council by developing and recommending the Corporate Plan to full Council and making decisions on policies and practice where such decisions are not reserved to full Council.

2.87. The Committee's responsibilities include:

- Formulation, co-ordination and implementation of the Corporate Plan and;
- corporate policies and strategies, alongside the medium term financial plan (budget) which is the responsibility of the Finance Sub-Committee. In the discharge of those responsibilities the Committee shall determine such matters to the extent that they are not reserved to full Council;
- Human Resources, Organisational Development and Health and Safety matters affecting the Council; including adopting HR policies and practices and assurance in relation to staffing related matters;
- making recommendations to full Council in relation to the annual Pay Policy Statement and any amendments to such statement;
- making recommendations to full Council in relation to decisions affecting the remuneration of any new post where the remuneration is or is proposed to be or would become £100,000 p.a. or more;
- making decisions in relation to proposed severance packages with a value of £95,000 or more as appropriate (excluding contractual and holiday pay), subject to the need to obtain a approval from full Council and central Government if required;
- exercising the functions relating to local government pensions, so far as they relate to Regulations made under sections 7, 12, or 24 of the Superannuation Act 1972 or subsequent equivalent legal provisions;
- determining key cross-cutting policies and key plans that impact on more than one service committee;
- determining policy matters not otherwise allocated to any other Committee;
- determining any matter of dispute or difference between any Committees;
- a coordinating role across all other committees and exercising a corporate view of outcomes, performance, budget monitoring and risk management;
- determining any matter that has a major impact on a number of Council services or the Council as a whole;
- oversight and monitoring of the Councillors' Allowances budget and keeping under review the scheme for the payment of allowances to Councillors through the appointment of an Independent Remuneration Panel (IRP) to advise full Council on the adoption and any proposed amendments to such scheme.
- considering amendments to the Council's Constitution and the recommendation of any changes to full Council for approval except where specifically delegated to the Monitoring Officer;
- considering recommendations and an Annual Report of the Council's involvement in ASDVs;

- appointing representatives to serve on outside bodies and organisations (including education bodies and establishments) and reviewing the process for considering appointments to outside organisations;
- appointing Lay Members (who shall not be Councillors) to serve on the Independent Admissions and Exclusion Appeals Panel as required under the relevant legislation; and
- approving the payment of a reasonable and proper allowances and expenses for the work undertaken by the Council's Independent Persons.

2.88. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorates of Finance and Customer Services; Governance and Compliance Services and Transformation including the following functions: Legal, Governance and Compliance; Audit and Risk; Transactional Services; Transformation; Business Change; B4B/ERP; Human Resources, ICT; together with Strategic Partnerships and shared services.

2.89. The Corporate Policy Committee shall be entitled to exercise: any function of the full Council not otherwise allocated; as well as the functions of all other Committees and Sub-Committees, particularly where plans, strategies or activities straddle a number of Committees.

(Extract from Cheshire East Council Constitution - Dec 2024)

Overview

2.90. The proposals seek to address the underlying financial pressures in Corporate Services. These relate to the impact of pay inflation and increases in demand for enabling support services. The proposed approach seeks to absorb demand pressures where possible and to offset employee costs through vacancy management.

2.91. The Corporate Services area includes the new Resources Directorate as well as the Assistant Chief Executive and the Governance, Compliance and Monitoring Officer areas of responsibility. These are all important to the smooth running of the Council and ensuring that the Council governance is strong and supports sound decision-making.

2.92. This area also encompasses important resident focused areas of the Council including customer services and engagement, our welfare and collections services including Revenues and Benefits and is the place where Council Tax and Business Rates are collected as efficiently as possible to provide the necessary finances to support the rest of the Council. This area also contains the strategic leadership around our staff, and so is fundamental to the smooth running of all our services.

2.93. As was highlighted in the 2024/25 budget setting, the only way this Council will become financially sustainable over the medium term is through transforming the way we work and deliver services, so a transformation plan has been developed and overall leadership of transformation sits within this area too.

2.94. Key proposals include investment in ICT to enable the delivery of cross Council digital savings and recognising unavoidable cost increases where budget changes are required. The project to achieve a new model for ICT shared services remains on track. This project is jointly run with Cheshire West and Chester Council and regularly reviewed by the Shared Services Committee.

2.95. There will be further across the board efficiencies and reductions in non-essential spending. In some cases, pressures will need to be managed in the short term given the Council's financial position.

2.96. Full list of change proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Corporate Policy	**+1.078**	**+4.396**	**+1.890**	**+1.485**
34	**Enforce prompt debt recovery and increase charges for costs** Increase charges to debtors to ensure this reflects actual costs of the debt collection process, thereby further reducing net costs to the Council.	-0.077			
35	**Pension costs adjustment** This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.	-0.396	-0.685	-0.115	-0.124
36	**Pay Inflation** The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards. National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).	+1.494	+1.531	+1.570	+1.609
37	**Shared Services Review - Move to Hybrid Model for ICT** Reversal of temporary resource in 24/25 within the shared ICT service.	-0.733			
38	**The achievement of additional Registration Service income, over and above that which is currently identified as required** Recognising the additional performance of the Registration service income in the budget.	-0.350			
39	**Recognising the annual receipt of £45k of Police and Crime Panel grant income** An adjustment to service income budget for this grant.	-0.045			
40	**Remove unspent element of phones budgets in corporate services** Taking the underspend on phones in corporate services (mobiles and rental) compared to budget.	-0.060			
41T	**Digital Acceleration Revenue Growth** Investment in the acceleration of the Council's digital programme to maximise the use of digital technology to provide end-to-end service improvement and efficiencies through the accelerated use of emerging technologies. This includes the use of Artificial Intelligence and robotics capabilities to enhance on-line offering for		+1.150		

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	customers, automated business processing improved reporting and case management.				
42T	**Digital Blueprint Revenue Growth** Investment in the new business cases identified that will accelerate the Council's digital portfolio through fast-track validation and delivery of 30 plus targeted options. This will provide financial and business improvement opportunities across a diverse range of Cheshire East services. Solutions will be council-wide and maximise the use of digital technology solutions.		+2.400	+0.435	
43	**Transactional Shared Services stabilisation plan** Staffing budget increase to enhance capacity and improve service quality standards, pending review of system and operational service support models.	+0.270			
44	**Additional cost of External Audit Fees** Adjusting budget to reflect the latest estimate of external audit fees in 2025/26.	+0.265			
45	**Reduce Members Allowances budget** Reduce Members Allowances budget for excess budget relating to a previous year's pay award that was not taken.	-0.100			
46	**Additional Cost of Bank Charges from 2025/26** Adjusting budget to reflect the latest estimate of bank charges in 2025/26.	+0.120			
47	**Reverse reduction in leadership and management costs as posts are being retained** Reversal of 2024/25 budget saving, as superseded by senior management structure and future Target Operating Model savings.	+0.540			
48	**Reinstatement of a one-off saving of £150,000 from election budgets, for the 2024/25 year** Planned reversal of a one-off reduction in 2024/25.	+0.150			

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MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Corporate Policy – Council-wide Transformation	**-13.452**	**-20.730**	**-11.030**	**-**
49T	**Digital Customer Enablement Invest to Save** The Digital Enablement Framework is a key enabler for the delivery of the Customer Experience Strategy, putting customer considerations at the centre of service delivery. It also provides transformational capabilities for continuous improvement providing efficiencies and improvement opportunities within the end-to-end service delivery processes. These savings will be validated and allocated to individual service areas based on business cases agreed with each service manager or Transformation Board.	-0.750	-0.750	-0.700	
50T	**Digital Acceleration Invest to Save** Acceleration will maximise the use of emerging Digital technologies to transform ways of working across the entire range of council services. The benefits realised will be council-wide and enabled through the adoption of AI solutions by service operations across the Council including Adults, Health and Integration, Children's Services, Place, Resources (inc Customer Services) directorates, and Chief Executive's Office. These savings will be validated and allocated to individual service areas based on business cases agreed with each service manager or Transformation Board.	-0.600	-6.250	-5.250	
51T	**Digital Blueprint - Invest to Save** The Digital Blueprint initiative will provide financial and quality improvements across Cheshire East services. Benefits realised will be council-wide and enabled through developing priority propositions across several dimensions including: • Improved quality of service outcomes, • Cheshire East operations and customer experience, and • Improved efficiency in service delivery, reducing friction and transactional costs These savings will be validated and allocated to individual service areas based on business cases agreed with each service manager or Transformation Board.	-4.000	-6.000	-4.500	
52T	**Target Operating Model (TOM)** Design and implementation of a new target operating model for the Council, setting a framework and principles for how the Council functions linked to the LGA's Peer Challenge and Decision Making Accountability (DMA) assessment.	-3.000	-7.000		
53T	**Agency Staffing** Decrease reliance on agency workers through recruitment, potential changes to delivery models, in-house resourcing services / external partnership. Decrease overall expenditure on agency workers through on-going review of agency recruitment, hours worked and rates paid (more closely aligned to job evaluated rate for the job role).	-0.352			

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
54T	**Workforce Productivity** Reduction in sickness absence rates and lost opportunity costs. Reduction in staff turn over. Implement improved recruitment and selection processes / practices, enhanced and consistent performance management from start of employment lifecycle. Review of terms and conditions of employment. Review of staffing structures aligning with the target operating model.	-1.000			
55T	**Fees and Charges** As part of the Transformation Programme, a review of service fees and charges will compare our existing prices with those of other councils across the country, to identify opportunities to maximise income and fully recover costs of delivery. As specific areas of additional income are identified, the related service income budget will be increased.	-0.750	-0.040	-0.040	
56T	**Third Party Spend** As part of the Transformation Programme, a review of spend with suppliers will realise savings and drive increased value for money. As specific areas of saving are identified, the related service income budget will be increased.	-3.000	-0.690	-0.540	

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Economy and Growth Committee

Responsibilities of the Committee: Membership: 13 Councillors

2.97. The Economy and Growth Committee will be responsible for developing policies and making decisions on matters relating to delivering inclusive and sustainable economic growth.

2.98. The Committee's responsibilities include:

- Determination of policies and making of decisions in relation to housing management and delivery;
- Determination of policies and making of decisions in relation to economic development, regeneration, skills and growth;
- Development and delivery of the Council's estates, land and physical assets policies;
- Determination of policies and making decisions in relation to the rural and cultural economy; and
- Compulsory purchase of land to support the delivery of schemes and projects promoted by the Committee.

2.99. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorate of Growth and Enterprise including: Facilities Management; Assets; Farms; Economic Development; Housing; Rural and Cultural Management; Tatton Park; Public Rights of Way; Cultural Economy; Countryside; and the Visitor Economy.

(Extract from Cheshire East Council Constitution - Dec 2024)

Overview

2.100. The proposals seek to address the continuing and challenging financial pressures in the Place Directorate.

2.101. These focus on seeking to address and contain increasing prices and cost inflation as much as possible, and by rationalising the property estate, reducing the energy burden and to reduce and control Facilities Management costs including non-essential maintenance throughout the Council's building portfolio.

2.102. In response to the impact of pay inflation and continuing the savings made to offset it, the focus will continue to address existing employee costs through proactive vacancy management, prioritising statutory services and income generating roles.

2.103. Going forward there is a clear opportunity to address through a restructure plan to better align the related services and management across all of Place, as well as further continuing to explore and identify core efficiencies and restricting aspects of non-essential spend and seek to continue to review contracts.

2.104. Following the decision made by Committee around the future of the Westfields office, Sandbach, the Directorate will continue to progress consolidation and reprofiling of the Council's core property portfolio, and to engage opportunities for additional income regeneration.

2.105. Managing capacity with the prioritisation of resources across all of the Growth and Enterprise department will enable existing capacity to be sustained and seek to provide focus to maximise access to external funding options and programmes such as UK Shared Prosperity Funding

2.106. Full list of change proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Economy and Growth	**+0.534**	**+0.695**	**+0.432**	**+0.328**
57	**Office estate rationalisation** This item relates to rationalisation of the Council's office space buildings to reflect increased hybrid working, and to secure reduction of Business Rates and holding costs. Surplus assets will be considered for alternative use to generate income through rental or a capital receipt. Westfields, Sandbach and Municipal Offices, Crewe have been closed in 2024/25. Savings will be generated from reduction of expenditure, and income generated from alternative use.	-0.150			
58	**Pension Costs Adjustment** This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.	-0.164	-0.313	-0.053	-0.057
59	**Tatton Park ticketing and EPOS upgrade** This relates to maintenance and support of the new electronic point of sale (EPOS) system at Tatton Park which was introduced in September 2024. The new system will future proof both revenue collection, management and financial analysis, and provide better customer insight and targeting capabilities. Streamlining customer transactions will better enable us to maximise revenue at all customer interaction points.	+0.001	+0.001	+0.001	+0.001
60	**CEC Archives** This growth represents the ongoing revenue costs of the new Archives facility being developed in Crewe which is expected to open in late 2026.	+0.014	+0.093	+0.004	
61	**Rural and Visitor Economy Electricity costs** This provides additional funding to manage increased costs. This reflects inflation in the price of materials and the staffing required to maintain a statutory standard of upkeep to existing public rights of way, and to maintain heritage buildings within Tatton Park.	-0.021			
62	**Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment** All the Council's leased out properties will be required to meet new / phased Energy Efficiency Legislation from 1 April 2023 up to 1 April 2030. This means that to continue to lease out properties the Estates Service will need to improve the energy performance certificate (EPC) rating in line with the Government recommendations. After assessment, and in order to obtain a certificate, identified improvements will need carrying out prior to properties being leased out. Cost estimates are based on average current improvement costs, the list of identified properties requiring	+0.023		-0.055	-0.047

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	new EPC certificates, and phasing as determined by the legislation.				
63	**Pay Inflation** The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards. National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).	+1.064	+0.429	+0.440	+0.450
64	**Maintenance and operation of new assets in Crewe town centre** New revenue budgets are required to ensure that new facilities / assets / spaces being created in Crewe town centre can be operated and maintained to a reasonable standard to meet user expectations, ensure compliance with statutory requirements and ensure that they are operable for their expected lifespan without the need for closure / removal / replacement.	+0.205	+0.279	+0.118	+0.006
65	**Land Fill Site Assessments Revenue Adjustment - Estates – Review and Risk Assessment of Council owned Landfill sites (53 sites) Review and Risk Assessment completions** The Council must demonstrate safe monitoring and compliance across its property portfolio. The CE Contaminated Land Officer has recommended options following risk assessments on c.53 landfill sites owned by the Council. Essential improvements/ monitoring/management works are essential to understanding and managing risk and demonstrating compliant management.	+0.010			
66	**Tatton Park Estate Dwellings Refurbishment** The current 5-year quinquennial plan for the conservation of Tatton Park covers the upkeep of the residents' dwellings on site but there is no provision for response maintenance issues. Each of the dwellings (8 in total) are in continuing need of attention to rectify problems and additional funding is critical to ensuring these properties meet standards required as part of tenancy agreements and the National Trust lease.	+0.015			
67	**Improving Crewe Rented Housing Standards** To achieve a well-functioning private rented sector that supports the health and wellbeing of Cheshire East residents through improved living standards, it is necessary to carry out targeted activity to inspect homes and carry out enforcement action. This 12-month project will enable us to evidence whether this is sufficient action to avoid the need for a selective licensing scheme.	+0.188	-0.188		
68	**Maximise potential of Countryside Access Management System** Transform the current desk-based system to a digital mobile application and Asset Management database. This will enable cost savings through more efficient planning of works, budget control and Public Rights of Way officer resource. Additional	+0.020	-0.018		

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	environmental benefits will be realised through reduction in officer car usage and printing.				
69	**Assets - building and operational – Energy** A reduction in energy budgets is proposed. A budget increase was requested when energy prices were at peak rates, alongside significantly high inflation rates. The unit price rates for gas and electricity have now stabilised and the Council has been able to mitigate the overall impact, particularly on gas, using green, low carbon technologies energy solutions, as well as an overall reduction in the portfolio as properties are being vacated / sold.	-0.860			
70	**Assets - building and operational – Maintenance** The cost of managing and maintaining the Council's property portfolio continues to rise, with the residual impact of high inflation rates, shortages of skilled labour, availability of key components and material prices, increase the costs of undertaking works. Balancing the condition of premises and overall backlog of maintenance, against available budgets remains a challenge. Cost increases cannot be avoided entirely, and mitigation measures are in place currently to ensure the Council will only spend on maintenance where there is a specific Health and Safety risk that must be mitigated.	+0.465	+0.533		
71	**Tatton Park - Increase Fees and Charges** These planned savings result from income generated through ongoing review and investment in the facilities at Tatton Park, which will improve the visitor experience and reduce the overall subsidy the Council makes to Tatton Park.	-0.126	-0.021	-0.023	-0.025
72T	**Corporate Landlord Model Refresh** A review / refresh of the existing corporate landlord operational model is proposed as one of the Council's transformation projects to deliver additional benefits through efficiency savings on a phased programme approach.	-0.050			
73T	**Asset Strategy Refresh** A review / refresh of the existing approach to strategic asset management of the Council's land and property assets is proposed as one of the Council's transformation projects. An estimated target of revenue savings is proposed based on a list identified as part of the Capital disposals programme and the repurposing of sites for SEN / Housing framework provisions.	-0.100	-0.100		

*Values represent a +/- variation to the Cheshire East Council approved budget for 2024/25..

Subsequent years are the incremental change from the previous year. Negative numbers represent a budget saving or additional income. Positive numbers represent budget growth or reduced income.

Environment and Communities Committee

Responsibilities of the Committee: Membership: 13 Councillors

2.107. The Environment and Communities Committee is responsible for developing policies and making decisions on matters relating to the delivery of inclusive and sustainable growth, improving the quality of the environment and delivering improvement in key front-line services.

2.108. The Committee’s responsibilities include:

- Development and delivery of the Council’s strategic objectives for Environmental Management, sustainability, renewables and climate change;
- The development and delivery of the Council's Environment Strategy and Carbon Neutral Action Plan;
- Development and delivery of the Local Development Framework including the Local Plan, Supplementary Planning Documents, Neighbourhood Plans, the Brownfield Land Register, Conservation Areas, Locally Listed Buildings, the Community Infrastructure Levy, and Statement of Community Involvement;
- Regulatory functions including external health and safety good practice and enforcement including instituting proceedings and prosecutions;
- Determination of policies and making decisions, in relation to waste collection and disposal, recycling, fly tipping, parks and green spaces, community strategy and community hub, leisure, libraries and sports development, bereavement services, trading standards, environmental health, emergency planning, CCTV, nuisance and anti-social behaviour, public space protection orders, community enforcement, animal health and welfare, food safety, licensing, pest control, contaminated land and air quality;
- Compulsory purchase of land to support the delivery of schemes and projects promoted by the Committee.

2.109. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorate of Environment and Neighbourhood, including: the Planning Service; Environmental Services; Regulatory Services; Neighbourhood Services and Emergency Planning.

(Extract from Cheshire East Council Constitution - Dec 2024)

Overview

2.110. The past year has been one of considerable decision and change in Environment and Communities, where significant pressures are further being experienced in a number of areas across the departmental budget.

2.111. Financial pressure continues to be a challenge:

- Waste collection and disposal costs – this is due to inflation across both internal and externally procured prices, uncertainty caused by the lack of clarity around the National Waste Strategy and also the continued high cost of fuel duty which has had a significant impact on fleet running costs.
- Pay inflation – the nationally negotiated pay awards as well as being applicable to Council staff also apply across the wholly owned companies which collectively have large staffing establishments in their own right.

- Planning income – Increased costs of financing development in multiple sectors, has seen an impact on the number of planning applications generating key income. Of applications that are received each year, currently a high percentage of these are not major applications and therefore this impacts through the shortfall of income against target.

2.112. The budget strategy for this area continues to focus on containing prices and cost inflation as much as possible, through amongst other things enhanced financial monitoring, robust procurement activities and alternative ways of working.

2.113. There will be continued alignment to other areas of the Place directorate in providing the response to the impact of pay inflation, the focus will be to seek to offset existing employee costs through proactive vacancy management, prioritising statutory services and ensuring that income generation opportunities are maximised.

2.114. Opportunities through restructuring will continue and seek to address further improvement and alignment of related services and management across all of Place, as well as continuing to explore and identify operational efficiencies in how key frontline services interface.

2.115. The key areas of focus for Environment and Communities will be:

- Continuing to deliver on current MTFS budget commitments such as delivery of stage 2 of the Strategic Leisure Review;
- Development and implementation of a Libraries Strategy;
- Returning existing wholly owned companies;
- Rationalising the increasing costs of waste collection, disposal and treatment and;
- Work to continue to expand commercialisation opportunities to generate additional income for the Council.

2.116. Where appropriate, advance opportunities to work with communities, and specifically Town and Parish Councils to explore options to support, supplement, and contribute to, the delivery of services at a local level.

2.117. Full list of change proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Environment and Communities	**-2.741**	**+3.269**	**+0.982**	**+6.792**
74	**Strategic Leisure Review (Stage 2)** The second stage of the Strategic Leisure Review will focus on the medium-term financial sustainability of the commissioned leisure services. This includes, but is not limited to: reviewing pricing for leisure services across the borough; reduction in corporate landlord costs via asset transfer; exploring potential invest to save capital schemes; removing all current programme allocations that cannot be delivered on an invest to save basis; removal of historical subsidies relating to free car parking; use of public health and other one off grants; and partnership working with Town Councils to secure contributions towards safeguarding provisions in their local area.	+0.403	-0.203	-0.166	

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
75	**Libraries Strategy - Stage 1** The ongoing impact of the stage 1 review. As part of the Strategy approved by E&C Committee 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.	-0.100			
76	**Reduce revenue impact of carbon reduction capital schemes** Capital financing costs of capital schemes to reduce carbon emissions.	+0.171			
77	**Pay Inflation** The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards. National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).	+2.270	+1.380	+1.409	+1.436
78	**Pension Costs Adjustment** This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.	-0.159	-0.315	-0.053	-0.057
79	**Explore a Trust delivery model for Libraries and other services** Reverse of growth item to cover one off costs relating to implementation of alternative delivery model(s) for libraries service. Aligned to development of Libraries Strategy.	-0.150			
80	**Land Charge Income Adjustment** Due to national legislative changes where some land charges services will be delivered by HM Land Registry, there will a reduction in income to the Council.	+0.147			
81	**Local Plan Review** It is a statutory requirement to review the Local Plan within prescribed timescales. This will determine amongst other things the amount and location of future housing and other economic development in the Borough. It is highly complex requiring significant technical evidence, significant public consultation and three stages of formal examination by Government inspectors.	+0.315	-0.090	+0.005	-0.005
82	**Review of CCTV service - service efficiencies and income generation from existing services** Opportunities for additional income generation – the £40,000 saving in 2025/26 is a current estimate subject to additional service improvements / investment.	-0.040			

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
83	**Environmental Services Growth 2025/26 onwards** This line recognises the pressures expected within the service from waste volumes, varying recycling income rates, increased costs of service change relating to weekly food waste collections, increased costs of operating the Environmental Hub, fleet etc.	+3.041	+1.882	+0.690	+0.710
84	**Environmental Services Savings 2025/26 onwards** This growth recognises the savings expected within the service from annual increases in income e.g. green waste, expected transition grants for weekly food waste, efficiencies due to the change of delivery model for currently commissioned services.	-2.366	-2.580	-1.181	-0.549
85	**Environmental Services Growth - Pensions** This item is to bring the service budgets for all staffing up to the same point regarding pension contributions. This has a net nil impact for the Council as a whole.	+0.727	-0.395	-0.066	-0.071
86	**Environmental Services – expected income from Extended Producer Responsibility for packaging** Estimated grant income from the new scheme which tapers out over the life of the MTFS as the scheme is expected to evolve and waste tonnages change. The detail is based on the announcements made at the end of November 2024 and a detailed forecast model of potential future years impacts, to be regularly reviewed. At this stage the allocation of £7.5m has been split between this line and the “Environmental Services Savings 2025/26 onwards” line above.	-7.000	+3.590	+0.344	+5.328

*Values represent a +/- variation to the Cheshire East Council approved budget for 2024/25..

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Highways and Transport Committee

Responsibilities of the Committee: Membership: 13 Councillors

2.118. The Highways and Transport Committee shall be responsible for developing policies and making decisions on matters relating to highways and transport as they affect the area of the Council taking into account regional and national influences.

2.119. The Committee's responsibilities include:

- Formulation, co-ordination and implementation of corporate policies and strategies in connection with all car parking, transport and accessibility matters;
- Determination of any matter affecting the Council's interests in relation to national infrastructure matters, for example HS2, Northern Powerhouse Rail and the National Road Network;
- Discharge of the Council's responsibilities as Highway Authority; local transport authority; parking authority; and lead local flood authority;
- Determination of policies and making decisions in relation to flooding and accessibility, in co-ordination with the Scrutiny Committee;
- Compulsory purchase of land to support the delivery of schemes and projects promoted by the Committee; and
- In respect of public rights of way:
    - discharge all the functions of the Council in relation to public rights of way (except the determination of non-contentious Public Path Order applications which has been delegated to the Executive Director – Place);
    - discharge of Commons and Town and Village Greens functions;
    - being apprised of, approve, and comment on a range of policies, programmes and practices relating to Rights of Way, Commons, Town and Village Greens and countryside matters including:
    - progress reports on implementation of the Rights of Way Improvement Plan (part of the Annual Progress Review for the Local Transport Plan);
    - Statement of Priorities;
    - Enforcement Protocols;
    - Charging Policy for Public Path Order applications.

2.120. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorate of Highways and Infrastructure including: Transport Policy; Transport Commissioning; Carparking; Highways; Infrastructure and HS2.

(Extract from Cheshire East Council Constitution - Dec 2024)

Overview

2.121. The proposals identified in this area provide an ongoing response to seek to address the continuing financial pressures in the Place Directorate.

2.122. The Highways and Transport department has responsibility for a number of key service areas with the overall aim of providing a safe, available, integrated and sustainable transport network across Cheshire East and the wider region. Delivering this meets the

Council's statutory duties to manage and maintain transport infrastructure, supports the economic growth of the borough and contributes to the Council's net zero climate commitment.

2.123. Highway maintenance services are almost entirely either statutory or essential to delivering statutory obligations. The service is significantly affected by the revenue impact of a shortfall in capital investment; reductions to either revenue or capital will have downstream consequences in revenue costs and may risk statutory compliance. The proposed business cases therefore go towards ensuring that those revenue implications are met.

2.124. In response to the impact of pay inflation and continuing the savings made last year to offset it, the focus will continue to address existing employee costs through proactive vacancy management, prioritising statutory services and income generating roles.

2.125. Going forward there is a clear opportunity to address through a restructure plan to better align the related services and management across all of Place, as well as further continuing to explore and identify core efficiencies and restricting aspects of non-essential spend and seek to continue to review contracts.

2.126. To support the Council's underlying financial pressures a number of cost saving proposals are being consulted upon, which aim to provide the financial base to enable the continued support and retention of core local services

2.127. Full list of change proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Highways and Transport	**+1.061**	**+0.152**	**+0.068**	**+0.030**
87	**Increase parking charges** This item relates to the extension of parking charges to formerly free car parks and the adoption of a policy to increase parking tariffs annually in line with inflation.	-0.450	-0.186	-0.191	-0.197
88	**Safe Haven outside schools (Parking)** This items relates to the annual cost of licences for the enforcement of Keep Clear zones at school gates using ANPR cameras.	+0.010			
89	**Parking PDA / Back Office System contract - fall out of one off set up cost** This saving relates to the cost efficiencies arising from procurement of a new system to manage the electronic payments for parking and the processing of Penalty Charge Notices.	-0.030			
90	**Parking - Part-year effect of strategy changes** This item relates to the impact (part year) of recent changes to the arrangements for Pay and Display car parking in formerly "free towns" across the borough.	-0.720			
91	**Parking - Staff and member parking**	-0.250			

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	The Council expects to achieve savings in the costs of staff and member parking permits through changes to the policies on issuing permits to provide better alignment with the Corporate Travel Plan.				
92	**Transport and Infrastructure Strategy Team – Restructure** This item relates to the saving arising from changes to the Strategy Teams, which fill existing staff vacancies and reduce reliance on agency consultancy staff. The approach is intended to improve organisational capacity for transport planning, improving responsiveness and resilience.		-0.150		
93	**Local Bus** This growth relates to the expected changes in the Councils costs of procuring contracts for local supported bus routes, which are expected to be impacted by cost inflation arising from higher operating costs, staff and fuel. The expected pressure is £1.5m above existing budgets of £2.8m.	+1.545			
94	**FlexiLink Service Improvement Plan - invest to save** This item relates to the Council's plans to extend and modernise its demand-responsive transport service – FlexiLink. Investment is needed to adopt a new digital booking system, a dynamic route planning system and modern customer information and publicity. Introduction of fares will lead to the new services generating income in future years.	+0.592	+0.294	-0.003	-0.135
95T	**Advertising Income. Initial project scoping work being undertaken to understand scale/complexity and resourcing needs** Maximise opportunities to sell targeted advertising through use of Council assets, focusing on high value opportunities. This includes Bus Stop advertising.	-0.025	-0.075	-0.050	
96	**Pension Costs Adjustment** This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.	-0.055	-0.108	-0.018	-0.020
97	**Pay Inflation** The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards. National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).	+0.228	+0.111	+0.114	+0.117
98	**Flood and Water Management Act 2010 SuDS and SABs Schedule 3 Implementation**		+0.050	+0.050	+0.100

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	The introduction of Schedule 3 mandates local authorities in England to establish SuDS (Sustainable Drainage Systems) Approval Bodies (SABs) for approving and adopting sustainable drainage systems. To prepare, the Council, as Lead Local Flood Authority (LLFA) needs to grow and train the team and other services staff in preparation for the additional duties, responsibilities and processes this will bring.				
99	**Highways: Revenue Service** 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. Subject to capital investment being available**.**	+0.216	+0.216	+0.216	+0.216
100	**Highways: Depots** The highways depots need investment to reduce the risk that facilities could be unusable for reactive and winter maintenance. Investment will enable some operational efficiencies, providing winter service resilience and a reduction in highways depots from 3 to 2, delivering a capital receipt.			-0.050	-0.051

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Finance Sub Committee (central budgets)

Responsibilities of the Committee: Membership: 8 Councillors

2.128. The Finance Sub-Committee will co-ordinate the management and oversight of the Council's finances, performance and corporate risk management arrangements. The Sub-Committee will make recommendations to the Corporate Policy Committee regarding the development of the Medium-Term Financial Strategy and the setting and monitoring of the Capital and Revenue Budgets in accordance with the Corporate Plan and the Policy Framework.

2.129. The Sub-Committee's responsibilities include:

- Determination of finance issues, including but not limited to Treasury Management, Insurance, Procurement, debt write off, settlement payments and virements in line with the constitution.
- Establishment of a Procurement Forward Plan.
- Oversight of the Investment Strategy.
- Grant awards for sums in excess of £50,000.
- Property transactions including buying selling and appropriation of land and property (including compulsory purchase where required).
- Management of the Council's involvement in ASDVs and overseeing the production of an Annual Report on performance.
- Making decisions as Shareholder or owner, reviewing and approving Business plans, including risk registers and commissioning services.

2.130. Oversight, scrutiny and budgetary review of the following functions: Land and Property; Central Budgets; Pensions; Grants; Council Tax; Business Rates; Reserves; and Other Funding.

(Extract from Cheshire East Council Constitution - Dec 2024)

Overview

2.131. Central budgets and general Council funding are not specifically related to services that residents use but are important in resourcing the overall budget. The following proposals in the next two tables relate to Council borrowing, investments and forecast income from general grants and local taxation.

2.132. Full list of change proposals for this committee are noted in the tables below.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Finance Sub (central budgets)	**+35.294**	**+26.123**	**+17.082**	**+13.104**
101	**Capital Financing - Minimum Revenue Provision** The revenue impact of capital spending also results in annual spending. Inflation, high interest rates on borrowing, including the	+3.387	+3.719	+3.102	+1.388

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	interest that the Council is paying for holding the Dedicated Schools Grant deficit on the balance sheet (£5.6m) and an ambitious capital programme results in increased need for annual revenue.				
102	**Creation of Contingency Budget** The aim is to maintain this annual contingency budget over the medium term at 1.5% of the net revenue budget plus other known risks.	+15.953	+14.908	+11.922	+12.926
103	**Risk of unachievable budget savings or growth demands exceeding estimates** The risk of underachievement of savings targets grows as more and more challenging savings are included in the budget setting. Setting aside a risk budget based on a percentage of the savings identified in any given year is prudent (currently 10%).		+3.800	-1.840	-1.210
104	**Pension adjustment – linked to E&C growth item** This item is to bring the service budgets for all staffing up to the same point regarding pension contributions. This has a net nil impact for the Council as a whole.	-0.727			
105	**Use of Earmarked Reserves (reversal of 2024/25 one off use of central EMRs)** Reversal of the planned one-year use of central earmarked reserves budgeted to be used in 2024/25.	+3.723			
106	**Top up of Earmarked Reserves** Top up of the Insurance and PFI earmarked reserves each year from 2027/28. See **Annex 8** Reserves Strategy for further information.			+3.898	
107	**Use of General Reserves (reversal of one off use in 2024/25)** Reversal of the planned one-year use of General Reserves budgeted to be used in 2024/25.	+11.654			
108	**Top up General Reserves** This is a planned annual contribution to General Reserves to replenish up to a minimum target of £20m by the end of the medium term.	+1.304	+3.696		

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Finance Sub Committee (funding budgets)

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Finance Sub (funding budgets)	**-26.666**	**-15.285**	**-19.391**	**-20.515**
109	**Council Tax increase % growth**. Council Tax currently provides 76% of the net funding for Council services and is paid by occupiers and owners of domestic property within the borough. The MTFS includes increases of 4.99% in every year from 2025/26 to 2028/29.	-14.326	-15.290	-16.204	-17.214
110	**Council Tax increase base growth**. The Council Taxbase is increasing each year due to ongoing housing development. The calculation of additional Council Tax from the growth in the taxbase also reflects any changes in discounts, exemptions, premiums and Council Tax Support. The increase in housing numbers in the MTFS is currently forecast to be 2,000 in 2025/26 and 1,800 each year thereafter to fall back in line with the Local Plan estimates.	-5.852	-3.037	-3.187	-3.301
111	**Business Rates Retention** This value relates to the inflationary increase due to be received as part of the Settlement Funding Assessment (part of the Provisional Local Government Finance Settlement December 2024).	-0.495			
112	**Unringfenced general grants change**. See **Annex 3** for detailed breakdown of all unringfenced general purpose grants.	-3.012	+3.042		
113	**National Insurance increase contribution**. Grant income estimated to help towards the direct costs associated with the increase in employers National Insurance from April 2025. Final allocations will be announced as part of the Final Local Government Settlement in February 2025. Direct costs have been estimated to be c.3.7m.	-2.981			

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Balancing the Budget 2025/26

2.133. An urgent report was received by full Council on 11 December 2024, which was necessitated following a request from the Ministry of Housing, Communities and Local Government (MHCLG) received on 4 December 2024 to submit a formal request and supporting evidence for any Exceptional Finance Support (EFS) for future years by Friday 13 December 2024. At the same time, any revisions to previous in-principle decisions also needed to be submitted for the current year. The ask at that time was £31.4m for 2025/26.

2.134. The revised gap for 2025/26 of £25.3m contained in Table 1 Section 1 now revises the Exceptional Financial Support required for 2025/26 down by £6.1m. The paper also gave delegated permission to the Section 151 Officer to liaise with MHCLG on any changes following the finance settlement and other funding announcements which she will continue to do to advise them of the changes.

2.135. The use of Exception Financial Support is included within this report based on it being in the form of a capitalisation direction.

2.136. However, as well as being in the form of a capitalisation direction, Exceptional Financial Support could also take the form of increased Council Tax above the current referendum limit of 4.99%.

2.137. As part of the recent Policy Statement from central government, it was announced that, where a council is in need of Exceptional Financial Support and views additional Council Tax increases as critical to maintaining their financial sustainability, the government will continue to consider requests for bespoke referendum principles. Local proposals will be considered on a case-by-case basis. In considering any requests, the government will take account of councils' specific circumstances, for example their existing levels of Council Tax relative to the average, the potential impact on local taxpayers, and the strength of plans to protect vulnerable people.

2.138. Cheshire East Council wrote to the Ministry of Housing, Communities and Local Government on 14 January requesting permission to propose the option of increasing Council Tax above the referendum limit set by government.

2.139. The Council is asking for permission, under arrangements for Exceptional Financial Support, to propose an increase of up to 9.99%. This is 5% higher than the 4.99% increase or 'referendum limit', as set out by government in the local government finance policy statement 2025 to 2026.

2.140. This option, if granted, will be considered by full Council at the meeting on 26 February 2025.

2.141. Further balancing options during 2025/26:

- Use of available Capital Receipts – consideration will be given to the available capital receipts, over and above the £1m already included in the budget for 2025/26, and their utilisation to support either Transformational activities (revenue or capital) and/or to fund the costs of Exceptional Financial Support.
- Further identification of savings or generation of income to further reduce the forecast requirement for use of EFS in 2025/26 and 2026/27.

Capital Budget 2025/26

2.142. Summary Capital Programme for 2025/26:

Table 14

CAPITAL PROGRAMME 2025/26			
	Committed Schemes Budget 2025/26 £000	**New Scheme Proposals Budget 2025/26 £000**	**Total Budget 2025/26 £000**
Adults and Health	389	0	389
Children and Families	37,723	0	37,723
Corporate Policy	6,389	6,356	12,745
Economy & Growth	35,627	454	36,081
Environment & Communities	12,177	7,180	19,357
Highways & Transport	58,635	8,147	66,782
	150,940	**22,137**	**173,077**
Indicative Funding Analysis:			
Government Grants	91,728	8224	99,952
External Contributions	14,831	1483	16,314
Revenue Contributions	789	5697	6,486
Capital Receipts	731	0	731
Prudential Borrowing	42,861	6,733	49,594
	150,940	**22,137**	**173,077**

2.143. The spend profile for Carbon Neutral schemes has been updated since Corporate Policy Committee earlier in Febraury to align with the Council's Carbon Neutral target of 2030. In addition, there have been some reductions to the new proposals that were included in the papers at that time following review by Capital Programme Board.

2.144. Table 15 is a summary of growth to existing capital schemes and new scheme proposals. The schemes are included in **Annex 5,** Annex A with details of funding. Items labelled (T) are related to Transformation projects.

Table 15 - Detailed List of Proposed Capital Growth Requests	**2025/26 £m***	**2026/27 £m**	**2027/28 £m**	**2028/29 £m**
Corporate Policy	**+6.356**	**+3.755**	**+3.754**	**+0.600**
Core Business Systems	0.334	0.492	0.800	0.200
Accelerate Digital (T)	1.532	1.350	1.377	0
Digital Blueprint (new scheme) (T)	3.490	1.663	1.377	0
ICT Device Replacement	1.000	.250	.200	.400
Economy & Growth	**+0.454**	**+1.932**	**+3.401**	**+6.197**
Green Structures Investment (Public Rights of Way)	0	0.126	0.195	0.191
Disabled Facilities	0.242	0.106	0.106	2.906

Table 15 - Detailed List of Proposed Capital Growth Requests	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
Septic Tanks	0	0.149	0.400	0.400
Premises Capital * see note 1	0.212	1.551	2.700	2.700
Environment & Communities	**+7.180**	**0**	**0**	**0**
Weekly Food Waste Collections	5.497	0	0	0
Macclesfield Cemetery Second Chapel	0.200	0	0	0
Parks	1.483	0	0	0
Highways & Transport	**+8.147**	**+12.960**	**+13.069**	**+11.502**
Highways Maintenance Capital	7.340	11.502	11.502	11.502
Highways Depot (Macclesfield)	0.411	0.750	1.225	0
Highways Depot (Wardle)	0.146	0.458	0.092	0
Strategic Transport Model	0.250	0.250	0.250	0

*Note 1 Approval for this scheme is for 2025/26 only. Future years will be considered at future Budget Council.

Capital Receipts Forecast

2.145. The table below sets out the latest prudent forecast for future year capital receipts based on the disposal programme. It allows for some slippage /timing differences around actual receipts and adjustments for receipts already included in the currently approved MTFS 2024/25 either within the Capital programme or as part of the Capital Financing Budget. As part of the strategic approach to balancing the 2025/26 budget and MTFS for 2025/26-2028/29, consideration will be given to the available capital receipts and their utilisation to support.

- Investment of transformational activities (e.g. revenue growth)
- Funding Exceptional Financial Support costs – instead of additional borrowing – as set out in the Recommendations in the cover report.
- Invest to save capital projects (e.g. Transformation)

Table 16 Forecast – Prudent View	2025/26 £m	2026/27 £m	2027/28+ £m
Forecast (Prudent view)	9.07	10.94	12.75
Already included in MTFS / Capital Programme	(2.25)	(2.75)	(5.0)
Additional Receipts Forecast	**6.82**	**8.19**	**7.75**

Annex 1 – Cheshire East Plan 2024/25

Vision		
An open, fairer, greener Cheshire East		
Aims		
Aim 1 - An open and enabling organisation	Aim 2 - A council which empowers and cares about people	Aim 3 - A thriving and sustainable place
We will provide strong community leadership and work transparently with our residents, businesses and partners to deliver our ambition in Cheshire East.	We aim to reduce inequalities, promote fairness and opportunity for all and support our most vulnerable residents.	We will lead our communities to protect and enhance our environment, tackle the climate emergency and drive sustainable development.
Priorities		
P1.1) Ensure that there is transparency in all aspects of council decision making P1.2) Listen, learn and respond to our residents, promoting opportunities for a two-way conversation P1.3) Support a sustainable financial future for the council, through service development, improvement and transformation P1.4) Look at opportunities to bring more income into the borough P1.5) Support and develop our workforce to be confident, motivated, innovative, resilient and empowered P1.6) Promote and develop the services of the council through regular communication and engagement with all residents	P2.1) Work together with residents and partners to support people and communities to be strong and resilient P2.2) Reduce health inequalities across the borough P2.3) Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation P2.4) Be the best Corporate Parents to our children in care P2.5) Support all children to have the best start in life P2.6) Increase opportunities for all children and young adults with additional needs P2.7) Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential P2.8) Reduce the reliance on long term care by improving services closer to home and providing more extra care facilities, including dementia services	P3.1) A great place for people to live, work and visit P3.2) Welcoming, safe and clean neighbourhoods P3.3) Reduce impact on the environment P3.4) A transport network that is safe and promotes active travel P3.5) Thriving urban and rural economies with opportunities for all P3.6) Be a carbon neutral council by 2027

Annex 2 – Financial Summary Tables (Revenue)

The 2024/25 Budget, shown as the starting point for the following tables, takes account of any permanent changes made during the 2024/25 financial year to date. There may be differences from the budget position in the 2024/25 Third Financial Review Update which includes both permanent and temporary one year budget changes. The table below summarises these changes. Further details are available on request.

	2024/25 Net Revised Budget £000	Less 2024/25 Temporary Grant Budgets £000	Other Budget Amendments £000	2025/26 Base Budget £000
ADULTS AND HEALTH				
Adult Social Care - Operations	138,260	(14)		138,245
Commissioning	(290)			(290)
Public Health	-			-
	137,969	(14)	-	137,955
CHILDREN AND FAMILIES *				
Directorate	440			440
Children's Social Care	57,197	(8)		57,189
Prevention & Early Help	8,871		(1,593)	7,278
Education & 14-19 Skills	26,539	(324)	(2,491)	23,724
	93,047	(332)	(4,084)	88,631
CORPORATE POLICY *				
Directorate	1,488			1,488
Finance & Customer Services	12,138		(20)	12,118
Governance and Compliance Services	10,866	(39)		10,827
Communications	689			689
HR	2,394			2,394
ICT	12,364		(123)	12,241
Policy and Change	1,952			1,952
	41,891	(39)	(143)	41,708
ECONOMY AND GROWTH				
Directorate	705		(419)	286
Growth & Enterprise	27,575		47	27,621
	28,280	-	(373)	27,908
ENVIRONMENT AND COMMUNITIES				
Environment & Neighbourhood Services	48,401		41	48,443
	48,401	-	41	48,443
HIGHWAYS AND TRANSPORT				
Highways & Infrastructure	16,005		(165)	15,840
	16,005	-	(165)	15,840
TOTAL SERVICE BUDGET	365,593	(386)	(4,723)	360,484

*This table reflects the structure at the Third Financial Review for Children and Families and Corporate Policy Committee. These has now been revised and the budgets have been reallocated over the areas set out in the tables below

	2024/25 Net Revised Budget £000	Less 2024/25 Temporary Grant Budgets £000	Other Budget Amendments £000	2025/26 Base Budget £000
FINANCE SUB CENTRAL BUDGETS				
Capital Financing	31,652			31,652
Capital Receipts	(1,000)			(1,000)
Other Income/Expenditure	(5)		6	1
Credit Losses	(50)			(50)
Contribution to / from Reserves	(17,151)		1,774	(15,377)
	13,446	-	1,780	15,226
TOTAL BUDGET	**379,039**	**(386)**	**(2,944)**	**375,710**
FINANCE SUB CENTRAL BUDGETS FUNDING				
Business Rates Retention Scheme	(64,611)		7,984	(56,627)
Specific Grants	(32,382)	386		(31,997)
Council Tax	(282,046)		(5,040)	(287,086)
TOTAL CENTRAL BUDGETS FUNDING	(379,039)	386	2,944	(375,710)
FUNDING POSITION	-	-	-	-

CHESHIRE EAST COUNCIL - Summary REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Directorate	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Adults and Health Committee	250,877	-91,428	**159,449**	**157,245**	**158,761**	**160,241**
Children and Families Committee	107,383	-10,095	**97,288**	**97,224**	**97,023**	**96,765**
Corporate Policy Committee	108,602	-65,814	**42,788**	**47,184**	**49,074**	**50,559**
Corporate Policy Committee - Council Wide Transformation Savings	-12,702	-750	**-13,452**	**-34,182**	**-45,212**	**-45,212**
Economy and Growth Committee	38,144	-9,703	**28,441**	**29,136**	**29,568**	**29,896**
Environment and Communities Committee	68,964	-23,263	**45,701**	**48,970**	**49,952**	**56,744**
Highways and Transport Committee	28,370	-11,469	**16,901**	**17,053**	**17,121**	**17,151**
Total Service Budgets	**589,638**	**-212,522**	**377,116**	**362,630**	**356,287**	**366,144**
Finance Sub Committee	54,012	-3,492	**50,520**	**76,643**	**93,725**	**106,829**
Total Cost of Service	**643,650**	**-216,014**	**427,636**	**439,273**	**450,012**	**472,973**

	Policy Proposals included above					
Policy Proposals						
Adults and Health Committee	26,896	-5,402	**21,494**	**-2,204**	**1,516**	**1,480**
Children and Families Committee	9,444	-785	**8,659**	**-64**	**-201**	**-258**
Corporate Policy Committee	1,550	-472	**1,078**	**4,396**	**1,890**	**1,485**
Corporate Policy Committee - Council Wide Transformation Savings	-12,702	-750	**-13,452**	**-20,730**	**-11,030**	
Economy and Growth Committee	660	-126	**534**	**695**	**432**	**328**
Environment and Communities Committee	5,978	-8,720	**-2,742**	**3,269**	**982**	**6,792**
Finance Sub Committee	35,294		**35,294**	**26,123**	**17,082**	**13,104**
Highways and Transport Committee	2,496	-1,435	**1,061**	**152**	**68**	**30**
Financial Impact of Policy Proposals	**69,616**	**-17,690**	**51,926**	**11,637**	**10,739**	**22,961**

ADULTS and HEALTH COMMITTEE - Summary — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Directorate	515	-8,379	**-7,864**	**-7,863**	**-7,851**	**-7,839**
Adult Social Care Operations	214,610	-47,056	**167,554**	**165,325**	**166,644**	**167,924**
Commissioning	17,407	-17,648	**-241**	**-217**	**-32**	**156**
Public Health	19,622	-19,622	**0**			
Total Cost of Service	**252,154**	**-92,705**	**159,449**	**157,245**	**158,761**	**160,241**

	Policy Proposals included above					
Policy Proposals						
Directorate	20	-220	**-200**	**1**	**12**	**12**
Adult Social Care Operations	26,827	-5,182	**21,645**	**-2,229**	**1,319**	**1,280**
Commissioning	49		**49**	**24**	**185**	**188**
Public Health			**0**			
Financial Impact of Policy Proposals	**26,896**	**-5,402**	**21,494**	**-2,204**	**1,516**	**1,480**

ADULTS and HEALTH - Directorate — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Directorate	515	-8,379	**-7,864**	**-7,863**	**-7,851**	**-7,839**
Pay Inflation			**0**			
Total Cost of Service	**515**	**-8,379**	**-7,864**	**-7,863**	**-7,851**	**-7,839**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Pay Inflation (5)	26		**26**	**13**	**14**	**14**
Pensions Cost Adjustment (3)	-6		**-6**	**-12**	**-2**	**-2**
Revenue Grants for Adult Social Care (2)		-220	**-220**			
Financial Impact of Policy Proposals	**20**	**-220**	**-200**	**1**	**12**	**12**

ADULTS and HEALTH - Adult Social Care Operations — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Care4CE	22,261	-4,343	**17,918**	**17,970**	**18,399**	**18,836**
Community Care – Locality Teams	118,388	-36,254	**82,134**	**80,714**	**81,229**	**81,715**
Community Care – Short Term Intervention	2,840	-22	**2,818**	**2,826**	**2,894**	**2,963**
Adult Social Care Operations	446	-1,284	**-838**	**-836**	**-825**	**-814**
Mental Health and Learning Disability	69,057	-5,102	**63,955**	**63,080**	**63,346**	**63,593**
Adult Safeguarding	1,618	-51	**1,567**	**1,570**	**1,600**	**1,630**
Pension Costs Adjustment			**0**			
Total Cost of Service	**214,610**	**-47,056**	**167,554**	**165,324**	**166,643**	**167,923**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Funding the staffing establishment (6)	3,800		**3,800**			
Pay Inflation (5)	1,811		**1,811**	**918**	**941**	**965**
Pensions Cost Adjustment (3)	-416		**-416**	**-821**	**-138**	**-149**
Demand in Adult Social Care (4)	5,000		**5,000**	**5,000**	**5,000**	**5,000**
Fully Funding current care demand levels 2024/25 (7)	24,500		**24,500**			
Prevent, Reduce, Enable - Older People (9T)	-1,500		**-1,500**	**-2,830**	**-2,830**	**-2,830**
Learning Disability service transformation (10T)	-2,500		**-2,500**	**-2,500**		
Commissioning and brokerage transformation (11T)	-500		**-500**	**-250**		
Preparing for Adulthood (12T)	-868		**-868**	**-868**		
Health and Social Care Partnership Case Review (13T)	-2,500		**-2,500**			
Client Contributions (1)		-5,182	**-5,182**	**-879**	**-1,654**	**-1,706**
Financial Impact of Policy Proposals	**26,827**	**-5,182**	**21,645**	**-2,230**	**1,319**	**1,280**

ADULTS and HEALTH - Commissioning — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Communities and Integration	3,380	-160	**3,220**	**3,230**	**3,308**	**3,387**
Integrated Commissioning - MH, LD & Families	833		**833**	**836**	**857**	**877**
Integrated Commissioning - Thriving & Prevention	2,897	-1,474	**1,423**	**1,427**	**1,457**	**1,488**
Integrated Urgent Care	10,297	-16,014	**-5,717**	**-5,710**	**-5,654**	**-5,596**
Total Cost of Service	**17,407**	**-17,648**	**-241**	**-217**	**-32**	**156**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Pay Inflation (5)	414		**414**	**210**	**216**	**221**
Pensions Cost Adjustment (3)	-95		**-95**	**-186**	**-31**	**-33**
Remodel extra care housing catering service (8)	-270		**-270**			
Financial Impact of Policy Proposals	**49**	**0**	**49**	**24**	**185**	**188**

ADULTS and HEALTH - Public Health — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Health Improvement	394		**394**	**394**	**394**	**394**
Infection Prevention & Control	354		**354**	**354**	**354**	**354**
Joint Strategic Needs Assessment	246		**246**	**246**	**246**	**246**
Public Health	18,628	-19,622	**-994**	**-994**	**-994**	**-994**
Total Cost of Service	**19,622**	**-19,622**	**0**	**0**	**0**	**0**

	Policy Proposals included above					
Policy Proposals						
Financial Impact of Policy Proposals	**0**	**0**	**0**	**0**	**0**	**0**

CHILDREN and FAMILIES COMMITTEE - Summary — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Directorate	6,391	-1,125	**5,266**	**5,439**	**5,408**	**5,793**
Family Help and Children's Social Care	61,865	-1,448	**60,417**	**58,632**	**57,986**	**57,343**
Education, Strong Start and Integration	36,365	-7,491	**28,874**	**30,422**	**30,898**	**30,898**
Commissioning, QA and Partnerships	2,762	-31	**2,731**	**2,731**	**2,731**	**2,731**
Total Cost of Service	**107,383**	**-10,095**	**97,288**	**97,224**	**97,023**	**96,765**

	Policy Proposals included above					
Policy Proposals						
Directorate	5,731	-905	**4,826**	**173**	**-31**	**385**
Family Help and Children's Social Care	1,894		**1,894**	**-1,785**	**-646**	**-643**
Education, Strong Start and Integration	1,814	120	**1,934**	**1,548**	**476**	
Commissioning, QA and Partnerships	5		**5**			
Financial Impact of Policy Proposals	**9,444**	**-785**	**8,659**	**-64**	**-201**	**-258**

CHILDREN and FAMILIES - Directorate — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Directorate	660	-220	**440**	**440**	**440**	**440**
Children's Social Care Prevention Grant	905	-905	**0**			
Funding the staffing establishment	2,739		**2,739**	**2,739**	**1,739**	**1,139**
Pension Costs Adjustment	-537		**-537**	**-1,460**	**-1,615**	**-1,782**
Pay Inflation (17)	2,624		**2,624**	**3,720**	**4,844**	**5,996**
Total Cost of Service	**6,391**	**-1,125**	**5,266**	**5,439**	**5,408**	**5,793**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Children's Social Care Prevention Grant - Expenditure (30)	905		**905**			
Children's Social Care Prevention Grant - Grant Income (31)		-905	**-905**			
Funding the staffing establishment (24)	2,739		**2,739**		**-1,000**	**-600**
Pension Costs Adjustment (14)	-537		**-537**	**-923**	**-155**	**-167**
Pay Inflation (17)	2,624		**2,624**	**1,096**	**1,124**	**1,152**
Financial Impact of Policy Proposals	**5,731**	**-905**	**4,826**	**173**	**-31**	**385**

CHILDREN and FAMILIES - Family Help and Children's Social Care

REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Cared for Children	9,725	-788	**8,937**	**8,985**	**9,033**	**9,081**
Children in Need, Child Protection and Children with Disabilities	11,621	-633	**10,988**	**10,988**	**10,988**	**10,988**
Children Social Care	2,081		**2,081**	**2,248**	**2,279**	**2,313**
Preventative Services	3,440		**3,440**	**3,440**	**3,440**	**3,440**
Provider Services and Fostering	33,523	-27	**33,496**	**32,796**	**32,796**	**32,796**
Fully Funding current care demand levels 2024/25	3,295		**3,295**	**3,295**	**3,295**	**3,295**
Birth to Thrive	-500		**-500**	**-500**	**-500**	**-500**
Right Child, Right Home	-1,320		**-1,320**	**-2,620**	**-3,345**	**-4,070**
Total Cost of Service	**61,865**	**-1,448**	**60,417**	**58,632**	**57,986**	**57,343**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Growth to deliver statutory Youth Justice service, and meet Safeguarding Partnership duties (15)	198		**198**	**167**	**31**	**34**
Fully Funding current care demand levels 2024/25 (18)	3,295		**3,295**			
Court Progression Improvement (19)	23		**23**			
Growth for annual contribution to the Regional Adoption Agency (20)	213		**213**	**48**	**48**	**48**
Growth for Unaccompanied Asylum Seeking Children due to emerging pressures (21)	500		**500**			
New accommodation with support offer for 16-25 young people (26T)	-1,100		**-1,100**	**-700**		
Birth to Thrive (27T)	-500		**-500**			
Right Child, Right Home (28T)	-1,320		**-1,320**	**-1,300**	**-725**	**-725**
Foster4 (32)	114		**114**			
Foster Carers uplift of National Minimum Allowance (NMA) (33)	471		**471**			
Financial Impact of Policy Proposals	**1,894**	**0**	**1,894**	**-1,785**	**-646**	**-643**

CHILDREN and FAMILIES - Education, Strong Start and Integration

REVENUE BUDGET

Service Area	Expenditure £000 (2025/26)	Income £000 (2025/26)	Net £000 (2025/26)	Net £000 (2026/27)	Net £000 (2027/28)	Net £000 (2028/29)
	Budget including Policy Proposals					
Children Prevention and Support	5,475	-5,300	**175**	**175**	**175**	**175**
Early Start	1,876	-87	**1,789**	**1,789**	**1,789**	**1,789**
Education and 14-19 Skills	3,009	-1,200	**1,809**	**1,809**	**1,809**	**1,809**
Education Infrastructure and Outcomes	1,066	-670	**396**	**396**	**396**	**396**
Education Participation and Pupil Support	19,544	-159	**19,385**	**20,933**	**21,409**	**21,409**
Educational Psychologists	1,766	-75	**1,691**	**1,691**	**1,691**	**1,691**
Special Educational Needs and Disabilities	3,629		**3,629**	**3,629**	**3,629**	**3,629**
Total Cost of Service	**36,365**	**-7,491**	**28,874**	**30,422**	**30,898**	**30,898**

Policy Proposals (Reference relates to Section 2 of MTFS)	Expenditure £000 (2025/26)	Income £000 (2025/26)	Net £000 (2025/26)	Net £000 (2026/27)	Net £000 (2027/28)	Net £000 (2028/29)
	Policy Proposals included above					
Growth in School, SEND and Social Care Transport budget (16)	1,501		**1,501**	**1,548**	**476**	
Reversal of a one year policy change for traded		120	**120**			
Schools Improvement (23)	175		**175**			
Safe Walking Routes to School (25)	-250		**-250**			
Extended Rights to Free Transport (29)	388		**388**			
Financial Impact of Policy Proposals	**1,814**	**120**	**1,934**	**1,548**	**476**	**0**

CHILDREN and FAMILIES - Commissioning, QA and Partnerships

REVENUE BUDGET

Service Area	Expenditure £000 (2025/26)	Income £000 (2025/26)	Net £000 (2025/26)	Net £000 (2026/27)	Net £000 (2027/28)	Net £000 (2028/29)
	Budget including Policy Proposals					
Childrens Improvement and Development	394		**394**	**394**	**394**	**394**
Childrens Social Care - Safeguarding	2,148	-31	**2,117**	**2,117**	**2,117**	**2,117**
Improvement & Quality Assurance	220		**220**	**220**	**220**	**220**
Total Cost of Service	**2,762**	**-31**	**2,731**	**2,731**	**2,731**	**2,731**

Policy Proposals (Reference relates to Section 2 of MTFS)	Expenditure £000 (2025/26)	Income £000 (2025/26)	Net £000 (2025/26)	Net £000 (2026/27)	Net £000 (2027/28)	Net £000 (2028/29)
	Policy Proposals included above					
Growth to deliver statutory Youth Justice service, and meet Safeguarding Partnership duties (15)	5		**5**			
Financial Impact of Policy Proposals	**5**	**0**	**5**	**0**	**0**	**0**

CORPORATE POLICY COMMITTEE - Summary — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Resources (Finance)	58,887	-47,831	**11,056**	**11,296**	**11,680**	**12,074**
Governance and Compliance Services	15,499	-4,155	**11,344**	**11,623**	**12,073**	**12,532**
Resources (People)	6,022	-461	**5,561**	**5,662**	**5,854**	**6,050**
Resources (Digital)	24,414	-12,719	**11,695**	**15,398**	**16,122**	**16,417**
Assistant Chief Executive	3,980	-848	**3,132**	**3,205**	**3,345**	**3,486**
Total Cost of Service	**108,802**	**-66,014**	**42,788**	**47,184**	**49,074**	**50,559**

	Policy Proposals included above					
Policy Proposals						
Resources (Finance)	1,440	-77	**1,363**	**240**	**384**	**394**
Governance and Compliance Services	393	-395	**-2**	**279**	**450**	**459**
Resources (People)	176		**176**	**101**	**192**	**196**
Resources (Digital)	-570		**-570**	**3,703**	**724**	**295**
Assistant Chief Executive	111		**111**	**73**	**140**	**141**
Financial Impact of Policy Proposals	**1,550**	**-472**	**1,078**	**4,396**	**1,890**	**1,485**

CORPORATE POLICY - Resources (Finance) — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Finance	6,927	-707	**6,220**	**6,370**	**6,589**	**6,814**
Financial Management			**0**			
Procurement	649	-42	**607**	**623**	**651**	**680**
Customer Services			**0**			
Revenues and Benefits	51,178	-47,064	**4,114**	**4,183**	**4,314**	**4,447**
Executive Director of Corporate Services	133	-18	**115**	**120**	**126**	**133**
Total Cost of Service	**58,887**	**-47,831**	**11,056**	**11,296**	**11,680**	**12,074**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Revs & Bens - Enforce Prompt Debt Recovery (34)		-77	**-77**			
Finance - Transactional Services Stabilisation Plan (43)	270		**270**			
Finance - Additional Cost of External Audit Fees (44)	265		**265**			
Finance - Additional Bank Charges (46)	120		**120**			
Executive Director - Remove unspent phone budgets (40)	-60		**-60**			
Executive Director - Reverse Reduction in management costs (47)	540		**540**			
Pension Cost Adjustment - Finance (35)	-45		**-45**	**-77**	**-13**	**-14**
Pension Cost Adjustment - Procurement (35)	-9		**-9**	**-15**	**-3**	**-3**
Pension Cost Adjustment - Revenues & Benefits (35)	-40		**-40**	**-70**	**-12**	**-13**
Pension Cost Adjustment - Executive Director (35)	-2		**-2**	**-4**	**-2**	**-1**
Pay Inflation - Finance (36)	201		**201**	**227**	**232**	**239**
Pay Inflation - Procurement (36)	34		**34**	**31**	**31**	**32**
Pay Inflation - Revenues & Benefits (36)	161		**161**	**139**	**143**	**146**
Pay Inflation - Executive Director (36)	5		**5**	**9**	**8**	**8**
Financial Impact of Policy Proposals	**1,440**	**-77**	**1,363**	**240**	**384**	**394**

CORPORATE POLICY - Governance and Compliance Service REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Governance and Democratic Services	6,665	-2,471	**4,194**	**4,353**	**4,576**	**4,803**
Legal Services	4,797	-575	**4,222**	**4,308**	**4,470**	**4,635**
Audit and Risk	4,037	-1,109	**2,928**	**2,962**	**3,027**	**3,094**
Total Cost of Service	**15,499**	**-4,155**	**11,344**	**11,623**	**12,073**	**12,532**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Governance & Democratic Services - Additional Registration Income (38)		-350	**-350**			
Governance & Democratic Services - Police & Crime Commissioner Income (39)		-45	**-45**			
Governance & Democratic Services - Member Allowances Reduction (45)	-100		**-100**			
Governance & Democratic Services - Reinstatement of Elections Saving (48)	150		**150**			
Pension Cost Adjustment - Governance and Democratic Services (35)	-39		**-39**	**-68**	**-11**	**-12**
Pension Cost Adjustment - Legal Services (35)	-50		**-50**	**-86**	**-14**	**-16**
Pension Cost Adjustment - Audit and Risk (35)	-20		**-20**	**-35**	**-6**	**-6**
Pay Inflation - Governance and Democratic Services (36)	216		**216**	**227**	**234**	**239**
Pay Inflation - Legal Services (36)	160		**160**	**172**	**176**	**181**
Pay Inflation - Audit and Risk (36)	76		**76**	**69**	**71**	**73**
Financial Impact of Policy Proposals	**393**	**-395**	**-2**	**279**	**450**	**459**

CORPORATE POLICY - Resources (People) REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Human Resources	3,025	-460	**2,565**	**2,610**	**2,696**	**2,784**
Customer Services	2,997	-1	**2,996**	**3,052**	**3,158**	**3,266**
Total Cost of Service	**6,022**	**-461**	**5,561**	**5,662**	**5,854**	**6,050**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Pension Cost Adjustment - Human Resources (35)	-26		**-26**	**-46**	**-8**	**-8**
Pension Cost Adjustment - Customer Services (35)	-32		**-32**	**-56**	**-9**	**-10**
Pay Inflation - Human Resources (36)	101		**101**	**91**	**94**	**96**
Pay Inflation - Customer Services (36)	133		**133**	**112**	**115**	**118**
Financial Impact of Policy Proposals	**176**	**0**	**176**	**101**	**192**	**196**

CORPORATE POLICY - Resources (Digital) REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	Expenditure £000	Income £000	Net £000	Net £000	Net £000	Net £000
ICT - Strategy	11,355	-201	**11,154**	**14,751**	**15,274**	**15,365**
ICT - Shared Service	12,608	-12,518	**90**	**188**	**373**	**561**
Digital Online Services	451		**451**	**459**	**475**	**491**
Total Cost of Service	**24,414**	**-12,719**	**11,695**	**15,398**	**16,122**	**16,417**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Shared Services Review - Move to Hybrid Model for ICT (37)	-733		**-733**			
Digital Acceleration Revenue Growth (41T)			**0**	**1,150**		
Digital Blueprint Revenue Growth (42T)			**0**	**2,400**	**435**	
Pension Cost Adjustment - ICT Strategy (35)	-27		**-27**	**-47**	**-8**	**-8**
Pension Cost Adjustment - ICT Shared Service (35)	-57		**-57**	**-98**	**-16**	**-18**
Pension Cost Adjustment - Digital Online Services (35)	-5		**-5**	**-8**	**-1**	**-1**
Pay Inflation - ICT Strategy (36)	72		**72**	**94**	**96**	**99**
Pay Inflation - ICT Shared Service (36)	147		**147**	**196**	**201**	**206**
Pay Inflation - Digital Online Services (36)	33		**33**	**16**	**17**	**17**
Financial Impact of Policy Proposals	**-570**	**0**	**-570**	**3,703**	**724**	**295**

CORPORATE POLICY - Assistant Chief Executive REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	Expenditure £000	Income £000	Net £000	Net £000	Net £000	Net £000
Policy & Performance	2,916	-838	**2,078**	**2,132**	**2,235**	**2,339**
Communications	805	-10	**795**	**809**	**837**	**865**
Chief Executive	259		**259**	**264**	**273**	**282**
Total Cost of Service	**3,980**	**-848**	**3,132**	**3,205**	**3,345**	**3,486**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Pension Cost Adjustment - Policy & Performance (35)	-32		**-32**	**-55**	**-9**	**-10**
Pension Cost Adjustment - Communications (35)	-9		**-9**	**-15**	**-2**	**-3**
Pension Cost Adjustment - Chief Executive (35)	-3		**-3**	**-5**	**-1**	**-1**
Pay Inflation - Policy & Performance (36)	118		**118**	**109**	**112**	**114**
Pay Inflation - Communications (36)	31		**31**	**29**	**30**	**31**
Pay Inflation - Chief Executive (36)	6		**6**	**10**	**10**	**10**
Financial Impact of Policy Proposals	**111**	**0**	**111**	**73**	**140**	**141**

CORPORATE POLICY - Council-wide Transformation Savings REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Transformation Programme	-12,702	-750	**-13,452**	**-34,182**	**-45,212**	**-45,212**
Total Cost of Service	**-12,702**	**-750**	**-13,452**	**-34,182**	**-45,212**	**-45,212**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Digital Customer Enablement Invest to Save (49T)	-750		**-750**	**-750**	**-700**	
Digital Acceleration Invest to Save (50T)	-600		**-600**	**-6,250**	**-5,250**	
Digital Blueprint - Invest to Save (51T)	-4,000		**-4,000**	**-6,000**	**-4,500**	
Target Operating Model (TOM) (52T)	-3,000		**-3,000**	**-7,000**		
Agency Staffing (53T)	-352		**-352**			
Workforce Productivity (54T)	-1,000		**-1,000**			
Fees and Charges (55T)		-750	**-750**	**-40**	**-40**	
Third Party Spend (56T)	-3,000		**-3,000**	**-690**	**-540**	
Financial Impact of Policy Proposals	**-12,702**	**-750**	**-13,452**	**-20,730**	**-11,030**	**0**

ECONOMY and GROWTH COMMITTEE - Summary — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Directorate	303		**303**	**301**	**305**	**309**
Growth and Enterprise	37,841	-9,703	**28,138**	**28,835**	**29,263**	**29,587**
Total Cost of Service	**38,144**	**-9,703**	**28,441**	**29,136**	**29,568**	**29,896**

	Policy Proposals included above					
Policy Proposals						
Directorate	17		**17**	**-2**	**4**	**4**
Growth and Enterprise	643	-126	**517**	**697**	**428**	**324**
Financial Impact of Policy Proposals	**660**	**-126**	**534**	**695**	**432**	**328**

ECONOMY and GROWTH - Directorate — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Directorate	625		**625**	**625**	**625**	**625**
Sub Regional	80		**80**	**80**	**80**	**80**
Restructuring	-419		**-419**	**-419**	**-419**	**-419**
Pay Inflation	17		**17**	**15**	**19**	**23**
Total Cost of Service	**303**	**0**	**303**	**301**	**305**	**309**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Pay Inflation (63)	20		**20**	**4**	**5**	**5**
Pension Costs Adjustment (58)	-3		**-3**	**-6**	**-1**	**-1**
Financial Impact of Policy Proposals	**17**	**0**	**17**	**-2**	**4**	**4**

ECONOMY and GROWTH - Growth and Enterprise — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Assets	3,078	-2,587	**491**	**391**	**336**	**289**
Growth and Enterprise Management	147		**147**	**147**	**147**	**147**
Facilities Management	17,702	-270	**17,432**	**17,965**	**17,965**	**17,965**
Farms	437	-785	**-348**	**-348**	**-348**	**-348**
Economic Development	1,985	-551	**1,434**	**1,713**	**1,831**	**1,837**
Housing	3,996	-414	**3,582**	**3,394**	**3,394**	**3,394**
Rural and Cultural Management	165		**165**	**165**	**165**	**165**
Tatton Park	5,653	-4,445	**1,208**	**1,188**	**1,166**	**1,142**
Green Infrastructure	2,124	-302	**1,822**	**1,804**	**1,804**	**1,804**
Cultural Economy	1,113		**1,113**	**1,206**	**1,210**	**1,210**
Visitor Economy	558	-349	**209**	**209**	**209**	**209**
Pay Inflation	883		**883**	**1,001**	**1,384**	**1,773**
Total Cost of Service	**37,841**	**-9,703**	**28,138**	**28,835**	**29,263**	**29,587**

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Office estate rationalisation (57)	-150		**-150**			
Pension Costs Adjustment (58)	-161		**-161**	**-307**	**-52**	**-56**
Tatton Park ticketing and EPOS upgrade (59)	1		**1**	**1**	**1**	**1**
CEC Archives (60)	14		**14**	**93**	**4**	
Rural and Visitor Economy Electricity costs (61)	-21		**-21**			
Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment (62)	23		**23**		**-55**	**-47**
Pay Inflation (63)	1,044		**1,044**	**425**	**435**	**445**
Maintenance and operation of new assets in Crewe town centre (64)	205		**205**	**279**	**118**	**6**
Land Fill Site Assessments Revenue Adjustment - Estates – Review and Risk Assessment of Council owned Landfill sites (53 sites) Review and Risk Assessment completions (65)	10		**10**			
Tatton Park Estate Dwellings Refurbishment (66)	15		**15**			
Improving Crewe Rented Housing Standards (67)	188		**188**	**-188**		
Maximise potential of Countryside Access Management System (68)	20		**20**	**-18**		
Assets - building and operational – Energy (69)	-860		**-860**			
Assets - building and operational – Maintenance (70)	465		**465**	**533**		
Tatton Park - Increase Fees and Charges (71)		-126	**-126**	**-21**	**-23**	**-25**
Corporate Landlord Model Refresh (72T)	-50		**-50**			
Asset Strategy Refresh (73T)	-100		**-100**	**-100**		
Financial Impact of Policy Proposals	**643**	**-126**	**517**	**697**	**428**	**324**

ENVIRONMENT and COMMUNITIES COMMITTEE - Summary REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Environment and Neighbourhood Services	68,964	-23,263	**45,701**	**48,970**	**49,952**	**56,744**
Total Cost of Service	**68,964**	**-23,263**	**45,701**	**48,970**	**49,952**	**56,744**
	Policy Proposals included above					
Policy Proposals						
Environment and Neighbourhood Services	5,978	-8,720	**-2,742**	**3,269**	**982**	**6,792**
Financial Impact of Policy Proposals	**5,978**	**-8,720**	**-2,742**	**3,269**	**982**	**6,792**

ENVIRONMENT and COMMUNITIES - Environment and Neighbourhood Services REVENUE BUDGET

	Budget including Policy Proposals					
	2024/25			2025/26	2026/27	2027/28
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Director of Environmental & Neighbourhood Services	143		**143**	**143**	**143**	**143**
Development Management	4,471	-2,767	**1,704**	**1,704**	**1,704**	**1,704**
Building Control	1,222	-918	**304**	**304**	**304**	**304**
Local Land Charges and Planning Support	748	-407	**341**	**341**	**341**	**341**
Strategic Planning	1,436		**1,436**	**1,346**	**1,351**	**1,346**
Neighbourhood Planning	283	-220	**63**	**63**	**63**	**63**
Environmental - Commissioning ANSA*	45,037	-1,745	**43,292**	**42,651**	**42,291**	**42,588**
Environmental - Commissioning Orbitas*	2,094	-2,927	**-833**	**-890**	**-1,021**	**-1,157**
Environmental - Management Services	2,207	-12,290	**-10,083**	**-6,493**	**-6,149**	**-821**
Regulatory Services	4,050	-1,228	**2,822**	**2,822**	**2,822**	**2,822**
Libraries	3,329	-297	**3,032**	**3,032**	**3,032**	**3,032**
Leisure Commissioning	948	-420	**528**	**325**	**159**	**159**
Emergency Planning	237	-61	**176**	**176**	**176**	**176**
Head of Neighbourhood Services & ASB/CEO	648	17	**665**	**665**	**665**	**665**
Pay Inflation	2,111		**2,111**	**2,781**	**4,071**	**5,379**
Total Cost of Service	**68,964**	**-23,263**	**45,701**	**48,970**	**49,952**	**56,744**

* The companies are coming back in house in 2025/26 therefore the commissioning budgets will be realigned to the correct service areas.

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Strategic Leisure Review (Stage 2) (74)	403		**403**	**-203**	**-166**	
Libraries Strategy - Stage 1 (75)	-100		**-100**			
Reduce revenue impact of carbon reduction capital schemes (76)	171		**171**			
Pay Inflation (77)	2,270		**2,270**	**1,380**	**1,409**	**1,436**
Pension Costs Adjustment (78)	-159		**-159**	**-315**	**-53**	**-57**
Explore a Trust delivery model for Libraries and other services (79)	-150		**-150**			
Land Charge Income Adjustment (80)		147	**147**			
Local Plan Review (81)	315		**315**	**-90**	**5**	**-5**
Review of CCTV service - service efficiencies and income generation from existing services (82)	-40		**-40**			
Environmental Services Growth 2025/26 onwards (83)	3,163	-122	**3,041**	**1,882**	**690**	**710**
Environmental Services Savings 2025/26 onwards (84)	-622	-1,745	**-2,367**	**-2,580**	**-1,181**	**-549**
Environmental Services Growth - Pensions (85)	727		**727**	**-395**	**-66**	**-71**
Environmental Services – expected income from Extended Producer Responsibility for packaging (86)		-7,000	**-7,000**	**3,590**	**344**	**5,328**
Financial Impact of Policy Proposals	**5,978**	**-8,720**	**-2,742**	**3,269**	**982**	**6,792**

HIGHWAYS and TRANSPORT COMMITTEE - Summary — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Highways and Infrastructure	28,370	-11,469	**16,901**	**17,053**	**17,121**	**17,151**
Total Cost of Service	**28,370**	**-11,469**	**16,901**	**17,053**	**17,121**	**17,151**
	Policy Proposals included above					
Policy Proposals						
Highways and Infrastructure	2,496	-1,435	**1,061**	**152**	**68**	**30**
Financial Impact of Policy Proposals	**2,496**	**-1,435**	**1,061**	**152**	**68**	**30**

HIGHWAYS and TRANSPORT - Highways and Infrastructure — REVENUE BUDGET

	Budget including Policy Proposals					
	2025/26			2026/27	2027/28	2028/29
Service Area	**Expenditure £000**	**Income £000**	**Net £000**	**Net £000**	**Net £000**	**Net £000**
Car Parking	2,266	-7,446	**-5,180**	**-5,366**	**-5,557**	**-5,754**
Strategic Transport	8,700	-503	**8,197**	**8,341**	**8,338**	**8,203**
ANSA Transport Commissioning (Management Fee)*	1,235		**1,235**	**1,235**	**1,235**	**1,235**
Highways	14,625	-2,820	**11,805**	**11,996**	**12,162**	**12,427**
Integrated Rail and Transport (formerly HS2)	450		**450**	**450**	**450**	**450**
Highways & Infrastructure Director	145		**145**	**145**	**145**	**145**
Infrastructure	776	-700	**76**	**76**	**76**	**76**
Pay Inflation	173		**173**	**176**	**272**	**369**
Total Cost of Service	**28,370**	**-11,469**	**16,901**	**17,053**	**17,121**	**17,151**

* The companies are coming back in house in 2025/26 therefore the commissioning budgets will be realigned to the correct service areas.

	Policy Proposals included above					
Policy Proposals (Reference relates to Section 2 of MTFS)						
Increase parking charges (87)		-450	**-450**	**-186**	**-191**	**-197**
Safe Haven outside schools (Parking) (88)		10	**10**			
Parking PDA / Back Office System contract - fall out of one off set up cost (89)	-30		**-30**			
Parking - Part-year effect of strategy changes (90)		-720	**-720**			
Parking - Staff and member parking (91)		-250	**-250**			
Transport and Infrastructure Strategy Team Restructure (92)			**0**	**-150**		
Local Bus (93)	1,545		**1,545**			
FlexiLink Service Improvement Plan - invest to save (94)	592		**592**	**294**	**-3**	**-135**
Advertising Income (95T)		-25	**-25**	**-75**	**-50**	
Pension Costs Adjustment (96)	-55		**-55**	**-108**	**-18**	**-20**
Pay Inflation (97)	228		**228**	**111**	**114**	**117**
Flood and Water Management Act 2010 SuDS and SABs Schedule 3 Implementation (98)			**0**	**50**	**50**	**100**
Highways: Revenue Service (99)	216		**216**	**216**	**216**	**216**
Highways: Depots (100)			**0**		**-50**	**-51**
Financial Impact of Policy Proposals	**2,496**	**-1,435**	**1,061**	**152**	**68**	**30**

FINANCE SUB COMMITTEE - Central Items — REVENUE BUDGET

Service Area	Budget including Policy Proposals 2025/26 Expenditure £000	2025/26 Income £000	2025/26 Net £000	2026/27 Net £000	2027/28 Net £000	2028/29 Net £000
Capital Financing	37,531	-2,492	**35,039**	**38,758**	**41,860**	**43,248**
Income from Use of Capital Receipts		-1,000	**-1,000**	**-1,000**	**-1,000**	**-1,000**
Pension Cost adjustment	-727		**-727**	**-727**	**-727**	**-727**
Contingency Budget	15,953		**15,953**	**30,861**	**42,783**	**55,709**
Risk Budget			**0**	**3,800**	**1,960**	**750**
Transfer to/(from) Reserves	1,304		**1,304**	**5,000**	**8,898**	**8,898**
Bad Debt Provision adjustment	-50		**-50**	**-50**	**-50**	**-50**
Other Income / Expenditure	1		**1**	**1**	**1**	**1**
Total Cost of Service	**54,012**	**-3,492**	**50,520**	**76,643**	**93,725**	**106,829**

Policy Proposals included above	Expenditure £000	Income £000	2025/26 Net £000	2026/27 Net £000	2027/28 Net £000	2028/29 Net £000
Policy Proposals (Reference relates to Section 2 of MTFS)						
Capital Financing - Minimum Revenue Provision (101)	3,387		**3,387**	**3,719**	**3,102**	**1,388**
Pension Cost Adjustment (108)	-727		**-727**			
Transfer to/(from) Reserves (102-105)	16,681		**16,681**	**3,696**	**3,898**	
Contingency Budget (106)	15,953		**15,953**	**14,908**	**11,922**	**12,926**
Risk Budget (107)			**0**	**3,800**	**-1,840**	**-1,210**
Financial Impact of Policy Proposals	**35,294**	**0**	**35,294**	**26,123**	**17,082**	**13,104**

Annex 3 – Revenue Grants

Corporate Grants Register 2025-29 Summary	Revised Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000
Specific Use					
Adults and Health Committee	43,400	40,991	39,554	39,554	39,554
Children and Families Committee	207,388	232,461	223,197	223,197	223,197
Corporate Policy Committee	74,107	70,653	67,741	68,645	69,582
Economy and Growth Committee	11,690	4,369	91	71	71
Environment and Communities Committee	1,400	7,500	3,410	3,066	0
Highways and Transport Committee	6,488	3,228	0	0	0
Total Specific Use Grants	**344,474**	**359,202**	**333,993**	**334,534**	**332,405**
General Purpose					
Adults and Health Committee	16,763	19,251	19,251	19,251	19,251
Children and Families Committee	9,746	10,560	10,560	10,560	10,560
Corporate Policy Committee	6,163	8,137	5,135	5,135	5,135
Economy and Growth Committee	0	0	0	0	0
Environment and Communities Committee	0	0	0	0	0
Highways and Transport Committee	0	0	0	0	0
Total General Purpose Grants	**32,672**	**37,948**	**34,946**	**34,946**	**34,946**
Total Grant Funding	**377,147**	**397,149**	**368,939**	**369,480**	**367,351**

Corporate Grants Register 2025-2029	Revised Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000
SPECIFIC PURPOSE (Held within Services)					
Adults and Health Committee					
Additional Better Care (for Adult Social Care)	8,706	8,706	8,706	8,706	8,706
Market Sustainability and Fair Cost of Care Fund	979	979	979	979	979
Market Sustainability and Fair Cost of Care Fund - top-up	4,268	5,368	5,368	5,368	5,368
Market Sustainability and Fair Cost of Care Fund - Workforce Element	1,100				
Discharge Fund	2,034	2,034	2,034	2,034	2,034
Shared Property Fund - Supported Employment	536	566			
Asylum Dispersal Scheme	352	280			
Asylum Dispersal Scheme - brought forward	344				
Afghan - Wrap Around support - brought-forward	431				
Afghan - Resettlement support - brought-forward	404				
Afghan - Resettlement support	144				
Afghan - Integration Support	90				
Homes for Ukraine Scheme - brought-forward	211				
Private Finance Initiative (PFI) credits (Note 1)	4,125	2,846	2,846	2,846	2,846
Supporting Independent through Technology project - Brought forward	65				
Total	**23,789**	**20,779**	**19,933**	**19,933**	**19,933**
Adults and Health Committee - Public Health					
Public Health Grant	18,345	19,622	19,622	19,622	19,622
OHID SSMTR Supplementary Substance Misuse Treatment & Recovery Grant	525				
North West Probation Service funding for SMS rehabilitative and resettlement interventions	123				
CHAMPS Marmot Place Funding - encourage pregnant women to stop smoking - brought-forward	22				
CHAMPS SMS - inpatient detox	159	159			
Reducing cardio-vascular disease in Cheshire East	6				
Local stop smoking services and support	432	432			
Total	**19,612**	**20,212**	**19,622**	**19,622**	**19,622**
GENERAL USE (Held Corporately)					
Adults and Health Committee					
Social Care Support Grant	16,428	18,911	18,911	18,911	18,911
Local Reform & Community Voices	208	207	207	207	207
Social Care in Prisons	68	73	73	73	73
War Pension Scheme Disregard	59	60	60	60	60
Total	**16,763**	**19,251**	**19,251**	**19,251**	**19,251**
Total Adults and Health Committee	**60,163**	**60,241**	**58,805**	**58,805**	**58,805**

(1) In respect of the PFI grant, Cheshire East Council are receiving a reduced value from 2025/26. This is recognising that the Beechmere scheme was destroyed in the fire and that payments to Avantage do not need to be paid for this scheme at the current time. Discussions are continuing with the private sector partner, along with other relevant stakeholders, for example Central Government and the Nationwide Building Society, about the reinstatement of the Beechmere scheme.

Corporate Grants Register 2025-2029	Revised Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000
SPECIFIC PURPOSE (Held within Services)					
Children and Families Committee - Schools					
Dedicated Schools Grant	389,727	437,917	437,917	437,917	437,917
Less Academy Recoupment and High Needs Deductions	213,070	229,093	229,093	229,093	229,093
Dedicated Schools Grant Cheshire East	176,658	208,824	208,824	208,824	208,824
Pupil Premium Grant	4,958	4,958	4,958	4,958	4,958
Pupil Premium Plus - Post 16 Funding	46	46	46	46	46
Sixth Forms Grant	2,815	2,815	2,815	2,815	2,815
Universal Infant Free School Meals (UIFSM)	1,832	1,832	1,832	1,832	1,832
Primary Physical Education Sports Grant	981	981	981	981	981
Teachers Pay Additional Grant	1,645				
Teachers Pension Grant	2,393				
COVID-19 Recovery Premium	245				
School Led Tutoring Grant	221				
School Improvement Monitoring & Brokering Grant 2023/24	364				
Milk Subsidy	21	21	21	21	21
Senior Mental Health Lead Training Grant	2				
Delivering Better Value in SEND	408				
National Professional Qualification Grant	16				
Early Years Supplementary Grant	46				
Total	**192,651**	**219,477**	**219,477**	**219,477**	**219,477**
Children and Families Committee					
Asylum Seekers	2,811	2,810	2,810	2,810	2,810
Asylum Seekers - difference between estimated grant income relating to 2023/24 and actual	112				
Family Help		1,195			
Children and Families Grant - Leaving Care Allowance Uplift Implementation (New Burdens)		72			
Children and Families Grant - Supported Accommodation		620			
Children and Families Grant - Staying Put Implementation		130			
Children and Families Grant - Extended Personal Adviser Duty		57			
Children and Families Grant - Extension of the role of Virtual School Heads		61			
Children's Social Care Prevention Grant		905			
Supporting Families (previously Tackling Troubled Families) Payment By Results (Note 3)	410				
Supporting Families Upfront Grant (Note 3)	785				
Reducing Parental Conflict Grant	30				
Adoption Support Fund	62				
KS2 Moderation & KS1 Phonics	11	10	10	10	10
Independent Support Grant (CEIAS) 2023/24	12				
Skills & Lifelong Learning 2024/25	944	900	900	900	900
Skills & Lifelong Learning 2023/24	1				
Supporting Families; Investing in Practice programme (Mockingbird Family Model)	99				
Remand Grant	120				
Domestic Abuse Safe Accommodation	676	842			
Domestic Abuse Safe Accommodation - brought forward	149				
Holiday Activities & Food Programme Grant	906	900			
S31 Kinship Grant	20				
S31 Extension of the Role of Virtual School Heads to children with a social worker Implementation 2024/25	118				
S31 Extension of the Role of Virtual School Heads to children with a social worker Implementation 2023/24	118				
S31 Extension of the Role of Virtual School Heads to children with a social worker Implementation 2022/23	100				
Household Support Fund	4,400	3,967			
Hong Kong UK Welcome Programme (British Nationals)	7				
Early Years - Delivery Support Fund - Carried forward from 2023/24	90				
Early Years - Delivery Support Fund 2025/26	-90				
Early Years - Wraparound Childcare Programme	580	278			
Early Years - Professional Development Programme	55				
Early Years - Experts and Mentors Programme	5				
Family Hubs Transformation Funding - Carried forward from 2023/24	492				
Family Hubs Transformation Funding 2024/25	90	238			
Leaving Care Allowance Uplift Implementation Grant (Note 3)	72				
Staying Close Award	602				
Supported Accommodation New Burdens Grant (Note 3)	620				
Enhance Programme Funding	330				
Total	**14,738**	**12,984**	**3,720**	**3,720**	**3,720**

Corporate Grants Register 2025-2029	Revised Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000
GENERAL USE (Held Corporately)					
Children and Families Committee					
Social Care Support Grant	9,174	10,560	10,560	10,560	10,560
Staying Put Implementation Grant (Note 3)	130				
Extended Rights to Free Transport (Home to School Transport) (Note 2)	324				
Extended Personal Adviser Duty Implementation (Note 3)	57				
Extension of the role of Virtual School Heads (Note 3)	61				
Total	**9,746**	**10,560**	**10,560**	**10,560**	**10,560**
Total Children and Families Committee	**217,135**	**243,021**	**233,757**	**233,757**	**233,757**
SPECIFIC PURPOSE (Held within Services)					
Corporate Policy Committee					
Housing Benefit Subsidy	49,832	49,726	49,726	49,726	49,726
Discretionary Housing Payments Grant	349	349	349	349	349
Housing Benefit (HB) Award Accuracy Initiative	27	26	25	24	23
LADS - VEP (RTI) funding	8	7	7	7	7
LADS - Internet Protocol Access	0				
New Burdens: Universal Credit, maintenance & natural migration	24	21	18	15	12
Local Authority Data Sharing (LADS)	1				
LADS - New Burdens - Discretionary Housing Payments (DHP)	59	60	60	60	60
LADS - New Burdens - Benefit Cap					
LADS - New Burdens - Welfare Reform Changes (S4/2022)					
LADS - New Burdens - Single Fraud Investigation	1	1			
LADS - New Burdens - Single Housing Benefit Extract Automation	13	10	10	10	
Democratic Services:					
Police and Crime Commissioner's Panel grant	65	65	65	65	65
Finance and Customer Services:					
Redmond Review	51				
Cyber Support Grant	3				
Business Rates Relief Grant	23,674	20,388	17,481	18,389	19,340
Total	**74,107**	**70,653**	**67,741**	**68,645**	**69,582**
GENERAL USE (Held Corporately)					
Corporate Policy Committee					
Housing Benefit Administration Subsidy	707	720	720	720	720
NNDR Administration Allowance	578	587	587	587	587
Revenue Support Grant	414	849	849	849	849
New Homes Bonus	4,085	3,000			
Services Grant	297	2,981	2,979	2,979	2,979
Employers National Insurance Grant					
Electoral Integrity New Burdens (Note 2)	82				
Total	**6,163**	**8,137**	**5,135**	**5,135**	**5,135**
Total Corporate Policy Committee	**80,270**	**78,790**	**72,876**	**73,780**	**74,717**

(2) Grant rolling into Revenue Support Grant from 2025/26

(3) Grants rolling into relevant Children and Families ringfenced grant

Corporate Grants Register 2025-2029	Revised Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000
SPECIFIC PURPOSE (Held within Services)					
Economy and Growth Committee					
Rough Sleeping Initiative - Brought forward	10				
Rough Sleeping Initiative	222	222			
Rough Sleeping Winter Pressure	37				
Homelessness Prevention Grant - Brought Forward	1,029				
Homelessness Prevention Grant	1,054	1,471			
Local Authority Housing Fund	3				
Shared Prosperity Fund - brought-forward	1,065				
Shared Prosperity Fund	5,868	2,524			
Enterprise Cheshire & Warrington (ECW): Core Funding	234				
Enterprise Cheshire & Warrington (ECW): Growth Hub Funding	261				
Enterprise Cheshire & Warrington (ECW): Skills Bootcamp	1,717				
Towns Fund - Ice Cream Van	15				
Natural England - Stewardship scheme	2	2	2	2	2
Natural England - Stewardship scheme	7	6	6	6	6
Apprentice Incentive Scheme	1				
Natural England - Stewardship scheme	64	63	63	63	63
ACE Place Partnership	100	80	20		
Total	**11,690**	**4,369**	**91**	**71**	**71**
Total Economy and Growth Committee	**11,690**	**4,369**	**91**	**71**	**71**
SPECIFIC PURPOSE (Held within Services)					
Environment and Communities Committee					
Extended Producer Responsibility Grant		7,500	3,410	3,066	
Bikeability Grant	264				
Planning Skills Delivery Fund - brought forward	100				
Enforcement Grant (Planning) - brought-forward	30				
Neighbourhood Planning (Referendums)	30				
High Speed 2 (HS2) Ltd	850				
Air Quality Grant (Cycling) - brought-forward	6				
Air Quality - Smoke control areas new burdens funding - brought forward	23				
Offensive weapons	29				
Cosmetic fillers - brought-forward	15				
Food Standards Agency	1				
Section 31 grant - Biodiversity net gain	43				
Mobile Home Fit and Proper Person Test grant - brought forward	1				
XL Bully Ban Implementation Fund	7				
Total	**1,400**	**7,500**	**3,410**	**3,066**	**0**
Total Environment and Communities Committee	**1,400**	**7,500**	**3,410**	**3,066**	**0**
SPECIFIC PURPOSE (Held within Services)					
Highways and Transport Committee					
Bus Capacity Grant - brought-forward	159				
Bus Recovery Grant - brought-forward	150				
Bus Capability Grant - brought-forward	147				
Local Transport Fund	219				
Bus Support Grant	348	348			
Active Travel Capability Fund - brought-forward	196				
Local Electric Vehicle Infrastructure (LEVI) - brought forward	230				
Local Electric Vehicle Infrastructure (LEVI) - 2024/25	159				
Bus Service Improvement Plan+ (BSIP+) - brought forward	1,178				
Bus Service Improvement Plan+ (BSIP+) Phase 2	1,188				
Bus Service Improvement Plan+ (BSIP+) - Phase 3	2,268	2,880			
Bus Fare Cap Grant - brought forward	1				
Bus Fare Cap - Mikro	1				
Bus Fare Cap 2024/25	2				
Rural Mobility Fund - brought-forward	242				
Total	**6,488**	**3,228**	**0**	**0**	**0**
Total Highways and Transport Committee	**6,488**	**3,228**	**0**	**0**	**0**

Annex 4 – Capital Grants

Capital Grants Summary	Expected Receipt 2025/26 £000	Application of Grants in 2025/26 £000	Expected Receipt 2026/27 £000	Application of Grants in 2026/27 £000	Expected Receipt 2027/28 £000	Application of Grants in 2027/28 £000	Expected Receipt 2028/29 £000	Application of Grants in 2028/29 £000
SPECIFIC PURPOSE (Held Corporately)								
ADULTS & HEALTH								
TOTAL ADULTS & HEALTH	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
CHILDREN & FAMILES								
Basic Need Grant	2,442	13,112	2,500	7,391	0	2,050	0	0
Crewe Towns Funding	0	1,559	0	0	0	0	0	0
Childcare Capital Expansion	0	300	0	0	0	0	0	0
Devolved Formula Capital Grant	330	330	310	310	0	0	0	0
Early Years	0	79	0	0	0	0	0	0
Family Hubs Transformation	0	105	0	0	0	0	0	0
High Needs/Special Educational Needs Grant	0	11,607	0	8,248	0	3,000	0	0
School Condition Grant	2,000	2,563	2,000	2,311	0	0	0	0
TOTAL CHILDREN & FAMILIES	**4,772**	**29,655**	**4,810**	**18,260**	**0**	**5,050**	**0**	**0**
ECOMOMY & GROWTH								
Crewe Towns Funding	0	3,106	0	0	0	0	0	0
Connecting Cheshire Digital 2020 - Super Fast Broadband	0	0	0	0	0	0	2,985	2,985
Disabled Facilities Grant	2,906	2,906	2,906	2,906	2,906	2,906	2,906	2,906
Green Homes Grant	0	339	0	339	0	0	0	0
Handforth Heat Network	0	50	0	450	0	1,424	0	0
Homes England Grant - North Cheshire Garden Village	1,369	1,369	13,675	13,675	0	0	0	0
Home Upgrade Grant	1,669	1,669	0	0	0	0	0	0
Local Authority Housing Fund	309	309	0	0	0	0	0	0
Department of Transport - Culture & Tourism	0	29	0	0	0	0	0	0
Public Sector Decarbonisation Fund - 3B - Lot 1	124	124	0	0	0	0	0	0
Public Sector Decarbonisation Fund - 3C	1,159	1,159	0	0	0	0	0	0
Schools Condition Grant - FM	1,044	1,044	0	0	0	0	0	0
UK Shared Prosperity Fund	700	700	0	0	0	0	0	0
Homes England Grant - South Macclesfield Development Area	0	0	0	0	0	0	10,000	10,000
TOTAL ECONOMY & GROWTH	**9,280**	**12,804**	**16,581**	**17,370**	**2,906**	**4,330**	**15,891**	**15,891**
ENVIRONMENT & COMMUNITIES								
Crewe Towns Funding	0	2,857	0	0	0	0	0	0
Simpler Recycling Transitional Funding	2,132	2,132	500	500	0	0	0	0
TOTAL ENVIRONMENT & COMMUNITIES	**2,132**	**4,989**	**500**	**500**	**0**	**0**	**0**	**0**
HIGHWAYS & TRANSPORT								
Department for Transport S31 Grant - A500	950	2,505	0	0	0	0	73,075	73,075
Department of Transport Incentive Fund	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
Department of Transport Integrated Transport Grant	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003
Department of Transport Maintenance Grant	5,799	5,799	5,799	5,799	5,799	5,799	5,799	5,799
Department of Transport Pothole Funding	5,799	5,799	5,799	5,799	5,799	5,799	5,799	5,799
Department of Transport S31 Grant - Middlewich Eastern Bypass	22,140	22,140	21,603	21,603	2,004	2,004	0	0
Department of Transport Highway maintenance allocations-Additional	7,982	7,982	6,597	6,597	6,597	6,597	6,597	6,597
Department of Transport Highway Traffic Signal Maintenance Fund	0	260	0	0	0	0	0	0
Department of Transport Maintenance Grant - Prior Years	0	1,190	0	222	0	0	0	0
Future High Street Funding	0	309	0	0	0	0	0	0
Local Growth Fund - Congleton Link Road	316	316	0	0	0	0	0	0
LEVI Capital Fund 23/24	0	543	0	543	0	543	0	543
National Productivity Investment Fund (NPIF) - Flower Pot Junction, Macclesfield	0	588	0	336	0	337	0	1,926
Active Travel England	0	1,420	0	0	0	0	0	0
Local Growth Fund - Sustainable Travel Access Programme	0	200	0	0	0	0	0	0
TOTAL HIGHWAYS & TRANSPORT	**46,439**	**52,504**	**43,251**	**44,352**	**23,652**	**24,532**	**94,723**	**97,192**
TOTAL SPECIFIC PURPOSE - CAPITAL GRANT FUNDING	**62,623**	**99,952**	**65,141**	**80,481**	**26,558**	**33,912**	**110,614**	**113,083**

Annex 5 – Capital Strategy

Overview and Comment from the Section 151 Officer

4.1. The Capital Strategy forms a key part of the Council's Medium-Term Financial Strategy (MTFS) alongside the Treasury Management and Investment Strategies. Each of these strategies is reviewed each year and supports the opinion on the robustness of the Council's financial plans. This capital strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. It provides an overview of how associated risk is managed alongside future financial sustainability.

4.2. The capital strategy:

- Provides a framework for the management and monitoring of the capital programme.
- Creates the process for bidding for capital resources.
- Sets out the approach to funding capital expenditure.
- Takes account of the significant revenue implications associated with capital investment.

4.3. The Strategy also sets out the Council's processes for:

- Setting the financial parameters for capital expenditure in the medium-term.
- Confirming the flexible use of capital receipts in the medium-term.
- The option appraisal of capital project proposals.
- Deciding on the prioritisation of capital projects.
- Monitoring and evaluating approved schemes.

4.4. The Strategy incorporates confirmation of the Council's Minimum Revenue Provision and gives details of the Prudential Indicators.

4.5. Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report.

4.6. 2024/25 has proven to be a difficult year for Cheshire East Council financially and the continued higher interest rates and the Dedicated Schools Grant (DSG) deficit the Council is carrying has heavily impacted on the Capital Financing Budget.

4.7. Interest costs are anticipated to be in the region of £17.8m in 2025/26 and rising to £18.8m in the following year. With significant borrowing still funding elements of the capital programme during 2024/25 and the associated future Minimum Revenue Provision costs, which start to impact revenue from 2025/26, as well as the interest cost of borrowing, the revised Capital Financing Budget required for 2025/26 is £35.0m, an increase of £6.5m from 2024/25.

4.8. The revenue implications of financing EFS through borrowing also start to impact in 2025/26 and this has been included in the increased budget requirement.

4.9. Continuing to fund capital programmes with large amounts of borrowing is not affordable and not prudent.

4.10. A new Capital Programme Board has been set up and it will be within their remit to develop the overall Capital Strategy and annual programme in accordance with the priorities set out in the Council's corporate plan and with due consideration of financial implications to ensure it is affordable, financially prudent and sustainable.

4.11. The new Capital Programme Board is both streamlined and made up of very senior officers, including Section 151 Officer, Executive Director of Place and the Assistant Chief Executive, to ensure due diligence with regard to finance, policy, and investment in assets.

4.12. The Board will be responsible for appraisal and recommendation of any new schemes to be included within the programme or any amendments to the programme, and to provide a forum for establishing and delivering robust challenge and debate around the Capital Programme.

4.13. It will be for the Capital Programme Board to assess best use of limited Council resources. Given affordability challenges the Board will use prioritisation criteria (detailed under Prioritisation of Capital Expenditure at section 2 below) to inform their considerations and recommendations to Council.

4.14. All schemes in the capital programme will be subject to spending controls to ensure that only essential expenditure is being incurred in 2025/26. Project Managers when procuring contracts should make sure that the Council's resources are being used efficiently and ensuring value for money principles are adopted. Adequate contingency/risk allocations should already be built into the projects to reduce the requirement to request further budget increases during the year that require funding from Cheshire East resources.

Five Principles

4.15. Five Principles underpin the Capital Strategy:

1. Capital expenditure is priority based and is aligned with the Council's Corporate Plan priorities.
2. The financial implications of capital projects are aligned with the Medium-Term Financial Strategy and the longer-term impactions taken account of.
3. Capital projects will be focused on achieving the best return on investment.
4. Decisions will follow a clear framework.
5. There will be a corporate approach to generate and apply capital resources.

4.16. The overarching aim of the Capital Strategy is to provide a framework within which the Council's capital investment plans will be achieved. The plans are driven by the Corporate Plan.

Adele Taylor

Adele Taylor FCPFA

Interim Director of Finance and Customer Services

(Section 151 Officer)

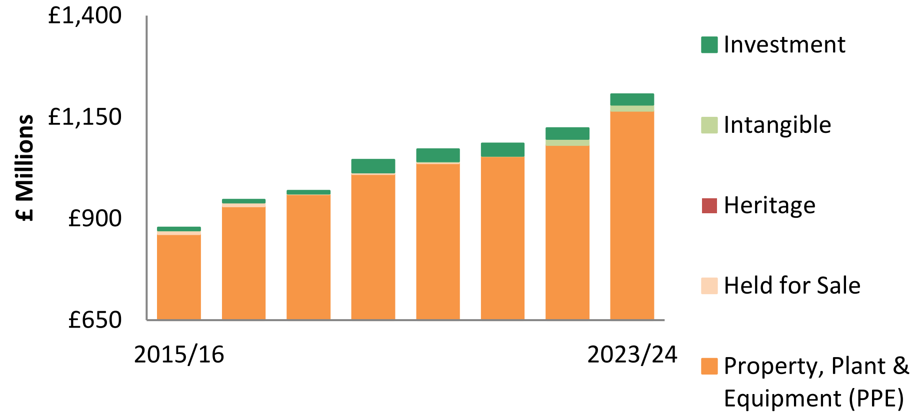
1. Introduction

4.17. As a public sector organisation, with assets valued in excess of £1 billion, Cheshire East Council is committed to maintaining a robust capital strategy that is clearly related to the priorities within the Corporate Plan, is linked with infrastructure and asset planning; and has consistent approaches to investment.

Chart 1: Total Asset Values held by the Council

Property, Plant and Equipment is the most significant category of assets for the Council.

Asset Net Book Value



Source: Cheshire East Council: Statement of Accounts 2014 to 2024.

4.18. The capital programme, which is developed in line with the Strategy, is the list of capital projects that the Council plans to undertake within a given timeframe.

4.19. The programme is approved in line with the Council's Constitution and covers a minimum period of four years and is reviewed annually by Council.

4.20. Any new proposals to be added to the Capital Programme will first be reviewed by the Capital Programme Board who will then make recommendations to Council.

4.21. The Chartered Institute of Public Finance and Accountancy (CIPFA) definition of capital expenditure is:

Definition of Capital Expenditure

"An expenditure on assets that will provide a benefit to the organisation beyond the current financial year including expenditure on purchase of new assets, creation of new assets and enhancing and/or extending the useful life of existing assets."

4.22. A more detailed definition of capital expenditure, as it applies to UK local authorities, is contained in *Practitioners' Guide to Capital Finance in Local Government* (CIPFA, 2019).

4.23. Accounting treatment of capital is compliant with International Accounting Standard 16 Property, Plant and Equipment.

4.24. Capital investment is subject to due process, and assurance is provided that plans are prudent, affordable and sustainable in accordance with the Prudential Framework (the

Prudential Framework being an umbrella term for several statutory provisions and professional requirements that allow authorities largely to determine their own plans).

4.25. Non-capital expenditure normally falls outside the scope of the framework and is charged to revenue in the year that it occurs. If expenditure meets the definition of capital, there may be opportunities to finance the outlay from capital receipts or by spreading the cost over future years' revenues.

4.26. The capital strategy is the foundation of long-term planning of capital investment and how it is to be delivered. Robust processes are relied upon to ensure projects are evaluated and prioritised and approved to the programme along with the resources to fund it. This requires clear parameters to be set at the beginning of the process. Clarity must be supplied via supporting information on the project proposal and clear criteria, related to the organisation's corporate objectives, for prioritising projects.

4.27. In determining how much capital investment to undertake, the Council will consider the long-term impact of borrowing and other forms of capital funding on revenue budgets. The same principle applies to leases, public–private partnerships and outsourcing arrangements to procure public assets.

4.28. Delivering the capital programme requires efficient programme management, project management and procurement, as well as appropriate systems for monitoring, control and scrutiny.

Capital Strategy Principles

4.29. Five Principles underpin the Cheshire East Council Capital Strategy. The principles will be adhered to by Members and employees of the Council and the Section 151 Officer will determine the framework for administering and monitoring the effective application of the principles.

4.30. These principles will be achieved through a process of prioritisation, setting financial parameters, asset management and managing risk as set out in the following chapters.

The Five Principles of the Capital Strategy

1.	Capital expenditure is priority based and is aligned with the Council's priorities.
2.	The financial implications of capital projects are aligned with the Medium-Term Financial Strategy and the Asset Management Plan and the longer term implications are taken account.
3.	Capital projects will be focused on delivering the best return on investment. This will be demonstrated through: - Capital Projects will be externally funded or supported by private sector investment in a way that maximises the Council's financial interest in the asset. - Borrowing will be appropriate based on the lifetime benefits of a scheme and all investments will be subject to strong control arrangements and risk analysis. - The impact of financing capital expenditure will be reviewed annually to ensure it remains appropriate in terms of the expected return on the overall investment.

	- Capital investment will follow an agreed set of prudential limits and indicators in order to demonstrate that plans and borrowing are affordable, prudent and sustainable.
4.	Decisions in relation to the programme will follow a clear framework with an appropriate gateway review and robust management of risk relating to capital projects.
5.	There will be a corporate approach to generating and applying capital resources.

2. Prioritisation of Capital Expenditure

4.31. Capital Projects will be approved for inclusion in the Capital Programme based on how they meet the needs of the Corporate Plan and adherence with the Capital Strategy.

4.32. Capital ambitions may exceed the potential capital resources, particularly given recent funding cuts and demand pressures in the public sector. The Council manages this issue through prioritisation on a variety of factors.

4.33. The Capital Strategy stands above operational strategies that are needed for key services such as housing, transport, education and other spending areas.

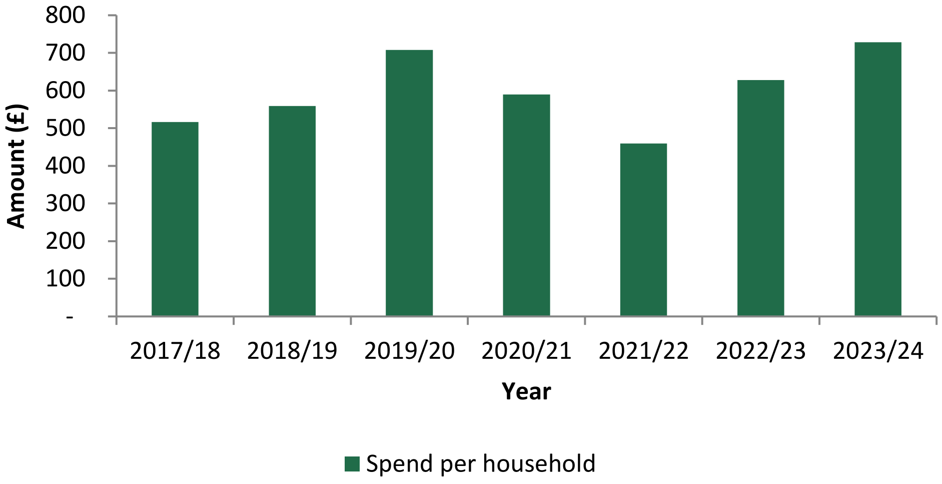
4.34. The first step is to align the capital programme to ensure that we are maximising the capital investment to address the pressures in the revenue budget and remove any projects that do not in the first instance benefit the Medium-Term Financial Strategy.

4.35. The next step is alignment with the Corporate Plan and identification of capital investment that will help to achieve the Council's key vision:

- **Open:** An open and enabling organization.
- **Fair**: A Council which empowers and cares about people.
- **Green**: A thriving and sustainable place.

4.36. The capital programme includes investment in education and children's social care, transport infrastructure, major regeneration activities, environmental, cultural and leisure services; all of which contribute to achieving these priorities.

Chart 2: Capital Spend per Household



4.37. The Council requires the submission of a High-Level Business Case, that assesses all aspects of a scheme and the impact on stakeholders is identified. Therefore, the Council can gain understanding on how a scheme impacts on the overall strategy, the local economy, officers, and resources of the Council.

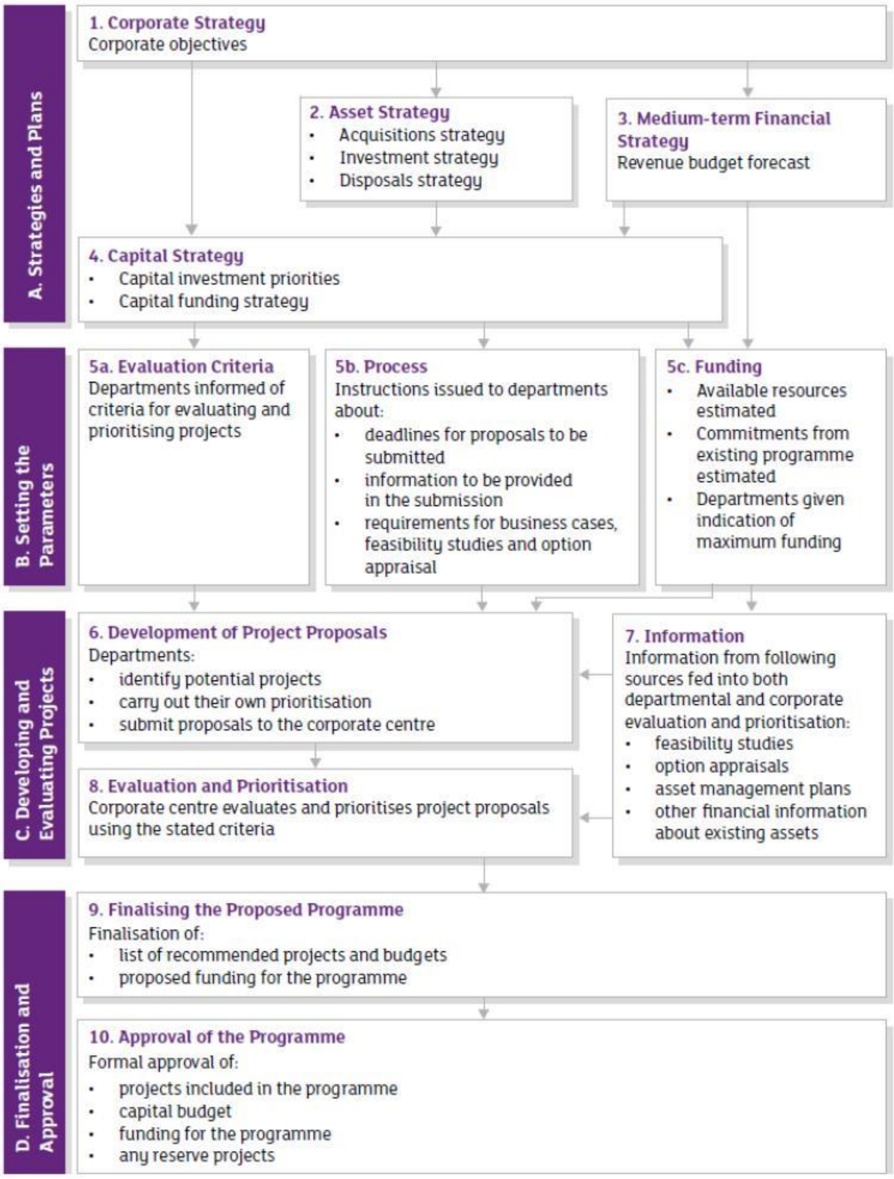
4.38. The 'full' business case model is required for major infrastructure projects. A lighter touch version is sufficient for some projects and the Capital Financing Team will determine the approach as necessary to achieve appropriate approval.

4.39. Business Case annexes provide benefits realisation, risks, constraints and dependencies, contractual arrangements, costs and funding, governance arrangements and key milestones.

4.40. High Level Business Cases are submitted to the Capital Programme Board as part of the Business Planning process. The Capital Programme Board considers each case to grade them as High, Medium or Low in accordance with the following table and will then recommend schemes for inclusion in the programme.

Priority	Description
High likely to be recommended for approval within the capital programme.	Schemes that help reduce the on-going financial pressures and have a positive impact on the MTFS. An agreed service provision within the MTFS. Required compliance and legislative needs. Fully funded by external sources. Self-funding projects with high financial returns and short-term initial outlay. Projects essential to the core operating capability of the Council (e.g. essential ICT and corporate building-related).

Medium recommended only if funding is available within the parameters of the MTFS.	Cost effective replacement and enhancement. Projects with positive financial returns. Part funded projects of strategic importance to Council priorities.
Low unlikely to be recommended for approval, unless specific strategic importance is associated with the project, or public demand is significant.	Unfunded projects without financial returns.



4.41. **Annex A** provides the current Capital Programme for the Council.

3. Financial Controls

Setting Financial Parameters

4.42. The Medium-Term Financial Strategy (MTFS) provides the basis for budget forecasts and annual budget planning for revenue and capital expenditure. This describes the activities to be carried out over the next four years to achieve the corporate priorities alongside the revenue and capital resources which will be needed to deliver those improvements.

4.43. As part of the revenue budget setting process, the estimated financing costs for the capital programme and for existing debt are calculated to update the Capital Financing budget (CFB).

4.44. The Section 151 Officer will invite bids for Capital Expenditure and present a capital programme at each Budget Council meeting. The Capital programme Board will determine the prioritisation (see Section 2) and the financial implications to assess whether bids are affordable and will then report to Members for approval in line with the Constitution.

4.45. Strategic management of the capital programme allows schemes to be added throughout the financial year. These will be reported to Committees on a regular basis.

4.46. If the CFB varies from the strategy the Section 151 Officer will consider options to top-up or draw down from a Financing Earmarked Reserve (if available) and will report this approach to Members.

4.47. Underspends on the CFB due to programme slippage will automatically be transferred to the Financing Reserve.

4.48. Current forecast for 2025/26 is that the CFB is 8.7% of the Net Revenue budget, that is due to the requirement to increase the budget by £6.5m to cover the increase in borrowing to cover the repayments for EFS, the growth in the DSG deficit and the increase in Capital Financing Requirement (CFR) from the capital programme.

4.49. Table 1 below shows Capital Financing budgets which have increased significantly since the 2024-28 MTFS to take account of the increase in the cost of financing. These increases consider not only the capital financing cost of the capital programme but also the capital financing costs of the rising DSG deficit as well as the estimated costs of financing EFS through borrowing. These figures are after taking account of the betterment from the change in accounting policy.

Table 1: Financial Parameters for 2024/25 to 2027/2028

Parameter	Value (£m) 2024/25	Value (£m) 2025/26	Value £m) 2026/27	Value £m) 2027/28
Repayment of Borrowing				
Minimum Revenue Provision*	14.9	18.9	22.5	24.4
External Loan Interest	18.8	20.1	20.9	22.3
Investment Income	(4.0)	(2.3)	(2.1)	(2.1)
Contributions from Services Revenue Budgets	(1.3)	(1.7)	(2.5)	(2.7)
Total Capital Financing Costs	**28.4**	**35.0**	**38.8**	**41.9**
Use of Financing EMR	(2.1)	(0)	(0)	(0)
Total Costs after use of reserve	**26.3**	**35.0**	**38.8**	**41.9**
Actual CFB in MTFS	**(28.5)**	**(35.0)**	**(38.8)**	**(41.9)**
Variance to Budget (Underspend)**	**(2.2)**	**0**	**0**	**0**
***Capital Receipts targets**	**1.0**	**1.0**	**1.0**	**1.0**
Flexible Use of Capital Receipts	**1.0**	**1.0**	**1.0**	**1.0**

* Anticipated MRP based on new accounting policy calculation and achieving capital receipts target

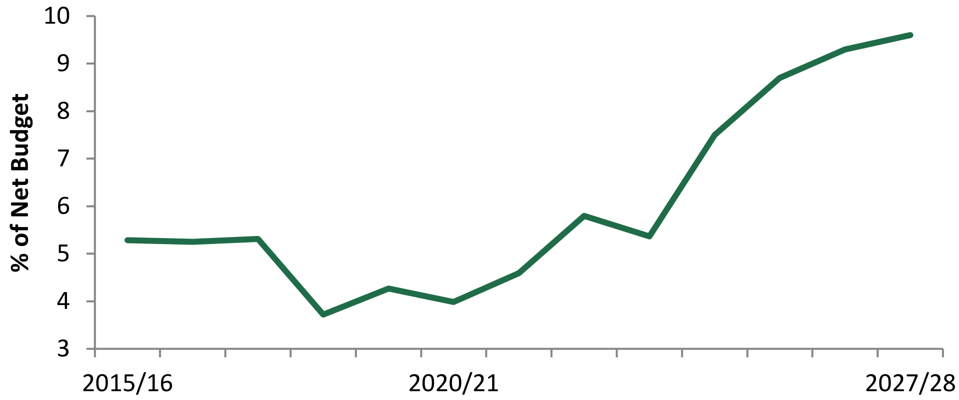
** Underspend has arisen due to the proposed change in the accounting policy for calculation of MRP with effect from 1st April 2024

Repayment of Borrowing

4.50. The use of prudential borrowing allows the Council to spread the cost of funding the asset over its useful economic life. Using prudential borrowing as a funding source increases the Council's capital financing requirement (CFR) and will create revenue costs through interest costs and minimum revenue provision.

4.51. Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, requires local authorities to charge to their revenue account for each financial year a minimum amount to finance the cost of capital expenditure. Commonly referred to as MRP (Minimum Revenue Provision). This ensures that the revenue costs of repaying debt are spread over the life of the asset, similar to depreciation.

Chart 3: Capital Financing as a percentage of Net Budget



Accounting Policy Change for Calculation of MRP

4.52. Since 2017 the MRP calculation has been based upon a 2% Annuity rate. CIPFA Guidance states that "the rate chosen should fairly represent the circumstances as they are likely to apply over the life of a particular project." It is now felt that applying 2% annuity does not accurately reflect the current conditions and it is proposed that this is changed with effect from 1st April 2024.

4.53. The proposed change is to use the opening PLWB Annuity rate each year, from 1st April 2024, and use that to calculate the MRP for expenditure in that year. This will better reflect the actual cost of borrowing at the time the expenditure is incurred. By applying the opening rate greater certainty can be provided for outturn forecasting and longer-term trends will be incorporated with the opening rate changes year on year.

4.54. Using an annuity calculation seeks to charge an overall equivalent amount to revenue year on year for a project. This is partly the interest cost of the borrowing and partly the MRP. In early years when the principal amount of borrowing outstanding is higher the interest cost is higher, but the amount of capital repayment is lower (MRP). In later years, the principal outstanding is lower so the associated interest cost is less and the capital repayment, or MRP, should therefore be higher.

4.55. At present the revenue account is being charged with the higher interest costs (due to increased interest rates over the last couple of years) but the MRP element (on 2% annuity) has not been reduced to match. By moving to more current PWLB annuity rates the higher interest costs in the earlier years of borrowing are better recognised and the MRP reduces. As time progresses the interest cost for that project borrowing will reduce and the MRP will increase. This maintains an overall more even total charge to the revenue for a project year on year

4.56. The impact of this change in accounting policy overall will be to reduce our MRP charges in 2024-25 and throughout the term of the MTFS (and indeed up until 2036/37) on amounts already committed to and in the proposed MTFS 2025-29. The beneficial effect on the 2024/25 position will be reported as part of the 2024/25 outturn report.

4.57. The reduced MRP repayments does mean that the total Capital Financing Requirement remains higher for longer, but will fall more quickly in later years, and there is a greater interest cost than previously forecast across the MTFS but the net effect is an overall reduction to the Capital Financing Budget. See Table 2 below.

Table 2 Impact to CFB of accounting policy change	2024/25	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
MRP Change	(3.83)	(4.36)	(4.42)	(4.00)	(3.57)
Interest rate change	0	0.19	0.36	0.54	0.69
Net Change to Capital Financing Budget required	**(3.83)**	**(4.17)**	**(4.06)**	**(3.46)**	**(2.89)**

4.58. The projection of the Council's Capital Financing Requirement (CFR) and external debt, based on the proposed capital budget and treasury management strategy is shown in **Annex B**. This includes the change to accounting policy and highlights the level to which the Council is internally borrowed (being the difference between the CFR and external debt), and the expected repayment profile of the external debt.

4.59. The nature and scale of the Council's capital programme means that it is a key factor in the Council's treasury management, including the need to borrow to fund capital works.

4.60. The Council's current strategy is to use available cash balances, known as 'internal borrowing' and to borrow short-term loans where possible. As interest rates are expected to fall over the next 12 to 24 months it is likely to be more cost effective over the medium to long term to continue with this strategy through 2025-26.

Investment Income

4.61. The Treasury Management Strategy determines the approach and financial limits associated with providing a financial return on the Council's investment portfolio.

4.62. The Section 151 Officer, with advice from treasury management advisors, is responsible for considering the prudent level of available balances in any year and then assessing risk against potential financial returns to determine a level of income to be achieved from investments.

4.63. The Council's strategy is to utilise the net financial returns from investments to reduce the overall Capital Financing Budget.

Contributions from Services

4.64. All business cases supporting capital expenditure will include full analysis of the financial implications of the scheme alongside a clear indication of how the financial implications will be managed within the Medium-Term Financial Strategy.

4.65. When including any scheme in the Council's Capital Programme the Section 151 Officer and Capital Programme Board will determine the appropriate impact on the Revenue Budget. This impact will require service budgets within the MTFS to fund either all, part, or none of the net capital costs of the scheme.

4.66. In making a determination about funding capital schemes from revenue budgets the level of potential revenue savings or additional revenue income will be considered. If a capital scheme will increase revenue costs within the MTFS, either from the future costs of maintaining the asset or from the costs of financing the capital expenditure, then the approach to funding such costs must be approved as part of the business planning process before the scheme can commence.

4.67. The Council's strategy is to use revenue contributions to the Capital Programme to reduce the overall Capital Financing Budget.

Use of Financing Earmarked Reserve

4.68. To allow a longer-term approach to setting the Financial parameters of the Capital Strategy the Council maintains an earmarked reserve to minimise the financial impact of annual variations to the Capital Financing Budget.

4.69. As the Financing Earmarked Reserve will be fully drawn in 2024/25, any underspend against the Capital Financing Budget will be returned to the Capital Financing Reserve to support future years.

Capital Receipts from Asset Disposals

4.70. The Council has a substantial land and property estate, mainly for operational service requirements and administrative buildings.

4.71. Council Plans, such as the Local Plan, Local Transport Plan, Farms Strategy and Asset Management Plans, set the strategic framework for significant land and property asset disposals and acquisitions associated with these key areas. In each financial year the net impact of these plans will allow the Section 151 Officer, in consultation with the Executive Director for Place, to determine the net impact of disposals and acquisitions on the CFB.

4.72. Capital receipts from asset disposal represent a finite funding source and it is important that a planned and structured manner of disposals is created to support the priorities of the Council. Cash receipts from the disposal of surplus assets are to be used to fund new capital investment or offset future debt or transitional costs, included within the new flexibilities provisions, as and when received.

4.73. The Council will continue to maintain a policy of not ring-fencing the use of capital receipts to fund new investment in specific schemes or service areas unless a suitable business case is made available, but instead subject to any claw back provisions, to allocate resources in accordance with key aims and priorities. Capital receipts have been an important source of finance in previous financial years.

4.74. The Council's current strategy is to realise net receipts of £4.0m for the period 2025/26 to 2028/29 and that these receipts will reduce the overall Capital Financing Budget.

4.75. The Council is looking to rationalise assets over this period with a view to bringing in additional capital receipts. These additional capital receipts will be utilised at the discretion of the Section 151 Officer to best support the Council's revenue position. Options that will be considered include supporting the transformation programme as flexible capital receipts, repayment of EFS to reduce annual borrowing and MRP costs, repayment of borrowing for the capital programme, particularly short-term high-cost items (e.g. ICT).

4.76. Following the current period of transformation the intention is that first use of additional capital receipts will always be to support the capital financing budget to bring the overall capital financing requirement down to a long term affordable and sustainable position.

Flexible use of Capital Receipts

4.77. Following the 2015 Spending Review, in March 2016 DLUHC (formerly MHCLG) published statutory guidance on the flexible use of capital receipts initially for a three-year period covering 2016/17 to 2018/19. The guidance has been updated a number of times since then and most recently in December 2023 which has allowed the flexibility to continue to use Capital Receipts to fund transformational programmes within councils now extends to March 2030.

4.78. The MTFS includes plans to utilise £1.0m of capital receipts to offset the cost of transformational projects each year over the period 2025/26 to 2028/29. The Strategy for 2025/26 is shown at **Annex D**. A wider disposal programme is under way which is forecast to generate larger capital receipts but decisions on use of any additional capital receipts has not yet been taken and will be within the remit of Section 151 Officer to determine best use in managing the Councils finances.

Government Grants

4.79. Government capital grants are generally allocated by specific Government departments to fund projects either as part of a block allocation or following a specific application process. The Council must therefore allocate such funding to support the spending programmes for which they are specifically approved.

4.80. Overall Government funding has reduced in recent years, but the Council still receives Government grants including:

- DfT Local Transport Plan
- Housing Infrastructure Fund
- Disabled Facilities Grants
- DfE Devolved Formula Capital; Schools Condition, Basic Needs and High Needs / SEN Allocations

4.81. The Council's strategy is to ring-fence capital grants to the service that they are allocated to.

Developer Contributions

4.82. Developer contributions will be sought to ensure that the necessary physical, social, public realm, economic and green infrastructure is in place to deliver development. Contributions will be used to mitigate the adverse impacts of development and to help facilitate the infrastructure needed to support sustainable development.

4.83. Development proposals will be expected to provide a contribution to the cost of infrastructure including initial design, capital costs and ongoing revenue such as the maintenance of services and facilities.

4.84. The Council's strategy has been to forward fund anticipated Section 106 contributions for major infrastructure and education schemes. However, given the current financial burden of the capital programme future forward funding for schemes will not be undertaken except in exceptional circumstances.

Community Infrastructure Levy (CIL)

4.85. The Community Infrastructure Levy (CIL) is a planning charge on new development which became operational in Cheshire East on 1 March 2019. The Levy allows the Council to raise financial contributions from certain chargeable development in the borough such as housing (except affordable housing, self-build housing and apartments) and retail development at the Crewe Grand Junction and Handforth Dean retail parks. The CIL regulations require councils to spend the monies raised on the infrastructure needed to support the development of their area. The definition of infrastructure allows a broad range of facilities to be funded such as play areas, open spaces, parks and green spaces, cultural and sports facilities, as well as those relating to transport, health and education. CIL monies can be used in conjunction with S106 contributions and other monies to deliver infrastructure.

4.86. The Council passes on either 15% or 25% of its CIL receipts to the town or parish council where the CIL chargeable development has taken place, with the higher amount being paid to those councils with a Neighbourhood Plan. The Council will use the MTFS process to allocate the remaining CIL receipts and this will be done within the general framework detailed below:

- Up to 5% of the receipts will go towards the costs of administering CIL and the rest will be used to deliver the Council's planned infrastructure priorities;
- The Council's infrastructure priorities will be identified in its annual Infrastructure Funding Statement (IFS) which will be published on the Council's website by the end of December each year. This will also contain details on the amount of CIL receipts received, spent and remaining unspent in the previous financial year;
- CIL monies will only be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of Cheshire East;
- The Capital Programme Board will review requests for spend of receipted CIL monies to ensure that they are in accordance with CIL regulations and for the delivery of infrastructure priorities.

Funding Capital Expenditure

4.87. The inclusion of schemes within the Council's capital budget is intrinsically linked with the way schemes can be financed. This ensures that the affordability of the capital programme reflects the organisation's long-term objectives rather than short-term expedience.

4.88. The Council's strategy is to fund capital expenditure in the first instance from sources other than the Council's Capital Financing Revenue Budget.

4.89. Capital expenditure may be funded directly from revenue, but not vice-versa. Overall financial pressure on the Council makes returns on capital investment a key element of the overall financial stability of the Medium-Term Financial Strategy.

4.90. Capital budgeting differs from revenue budgeting because:

- The need for capital investment tends to fluctuate year on year to a much greater degree than the need for revenue spending.
- There is usually significant discretion over how or when to make use of the capital funding that is potentially available, such as determining the level of borrowing and the use made of capital receipts in a particular period.
- There is usually significant discretion over when particular capital projects take place. Capital budgets, unlike revenue budgets, can usually be carried forward from one year to another.
- Many public sector organisations are able to fund capital expenditure from sources that they are not permitted to use to fund revenue expenditure, such as borrowing.

4.91. The Section 151 Officer will therefore use judgement, as part of the medium-term financial planning process, to determine how schemes can be accommodated within the overall programme, depending on the organisation's overall financial position and its capital investment priorities.

4.92. The Council will ensure every effort is made to provide value for money from capital expenditure, and to maximise the local benefits from capital projects the Council will always target alternative funding sources before committing to contributions from the funding parameters set within the MTFS. All high-level business cases will therefore contain reference to benefits realisation.

4.93. All high-level business cases will include information on how alternative funding sources have been considered. All capital scheme budget managers will also provide regular updates on the status of all funding sources, as required by the Section 151 Officer. Funding sources will be categorised as either 'received', 'contractually committed' or 'in negotiation'.

Contingencies in the Capital Programme

4.94. In the initial stages of development, major capital projects will have significant uncertainties. For example, these may relate to the planning process, the views / interest of stakeholders who must be consulted, ground conditions, or the costs of rectifying or demolishing existing buildings (for example the cost of asbestos removal).

4.95. For this reason, the Council will develop a structured process of identifying and managing risk. In the initial stages of a project these are necessarily broad estimates due to the number of unknown factors. As projects progress the unknown factors will become clearer and project managers will focus on managing these in the most effective way possible, utilising contingencies to do so as needed.

4.96. The process of identifying risk will be two stage, firstly at the project development stage with further refinement at the contract award stage.

4.97. As part of the Capital Programme Review all project contingencies will be assessed to ensure they are appropriate. Approval to access any contingency element must have clear written controls as to when they can be accessed and who has authority to release the contingent funds.

4. Investment and Risk Strategy

4.98. The Council is faced with diminishing capital finance and reduced access to grants and external funding. Spend will need to be monitored effectively against available funds. The Council has seen an increase in costs for a number of its key projects due to inflationary pressures being experienced nationwide. This pressure is likely to continue in the forthcoming years.

4.99. A risk management framework is in place and the core of this framework is set out in the Corporate Risk Management Strategy. Each directorate has its own operational risk register which integrates the relevant directorate Performance Strategy, improvement plans and budgets. In accordance with the HM Treasury Five Case model, a detailed Risk Assessment must be completed for each capital scheme.

4.100. Supporting the Council's budget with adequate reserves is a key element to creating financial resilience and a flexible approach to transferring money from general and earmarked reserves provides protection for Council Taxpayers against year on year fluctuations in expenditure.

4.101. The significant resources applied to capital expenditure require the adopted principles of value for money to be at the heart of this strategy. Effective procurement is therefore essential, and the Council seeks to apply rigorous procurement standards in the selection of suppliers and contractors throughout the life of a project.

4.102. The Capital Programme should be kept under review having regard to the prevailing economic climate, property market and Government policy. Capital receipts estimates should therefore be kept under review with any significant changes reflected in reporting.

5. Governance

4.103. It is important given the risks surrounding Capital Projects that the appropriate governance arrangements are in place:

- The Capital Strategy, including the overall Capital Programme to be approved annually as part of the Medium-Term Financial Strategy at full Council.
- Updates to the capital programme will be reported to the relevant Committee on a regular basis.
- Committees will review progress against the capital programme and monitor levels of slippage against reported profiled spend.
- Management of Committee work programmes provides the opportunity for Members to consider how scrutiny and amendment of the capital programme ensures alignment to the Council's ambitions.
- Proposals for inclusion in the Capital programme can be made throughout the year. All schemes are subject to approval in accordance with the Finance Procedure Rules before inclusion in the programme.
- The Capital Programme Board will have oversight of the Capital Programme and will develop the overall Capital Strategy and annual programme in accordance with the priorities set out in the Council's corporate plan and with due consideration of financial implications to ensure it is affordable, financially prudent and sustainable.
- An officer group, the Assets Board, meets monthly and is chaired by the Director of Growth & Enterprise. The Board has a key role in the development and implementation of the strategy and reviews performance of the programme.
- The board has strategic oversight of land and property assets and reports on acquisition, disposal, development and management strategies.

Knowledge and Skills

4.104. The Capital Strategy and Treasury Management and Investment Strategies are managed by a team of professionally qualified accountants with extensive local government finance experience between them. They all follow a Continuous Professional Development plan (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.

4.105. The Council's Section 151 Officer is the officer with overall responsibility for Capital and Treasury activities. She is a professionally qualified accountant and follows an ongoing CPD programme.

4.106. The Senior Responsible Officers and Project Managers who manage a capital project receive training which provides up to date information on the CIPFA Code of Practice, the Prudential Code, principles of capital accounting including eligible capital expenditure, capital funding and the capital financing budget.

Background Papers

Cheshire East Reports –

- Statement of Accounts
- Medium-Term Financial Strategy
- Quarterly Review of Finance Reports
- Financial Resilience - Value for Money
- Finance Procedure Rules

Arlingclose Ltd, Independent Treasury Management Advisors –

- Capital Strategy Template

Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (CIPFA)

Local Authority Capital Accounting: A Reference Manual for Practitioners (CIPFA, 2019)

The Prudential Code for Capital Finance in Local Authorities (CIPFA, 2019 and 2021)

Annex A: Capital Programme

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2025/26 - 2028/29

	Prior Years £000	Budget 2025/26 £000	Budget 2026/27 £000	Budget 2027/28 £000	Budget 2028/29 £000	Total Budget £000
Committed Schemes - In Progress						
Adults and Health	0	389	0	0	0	**389**
Children and Families	41,260	37,723	24,103	20,749	0	**123,835**
Corporate Policy	68,441	6,389	1,173	0	0	**76,003**
Economy & Growth	135,466	35,627	28,723	38,976	39,563	**278,355**
Environment & Communities	14,545	12,177	2,259	5,497	9,954	**44,432**
Highways & Transport	309,876	58,635	42,500	38,514	112,597	**562,122**
Total Committed Schemes - In Progress	**569,588**	**150,940**	**98,758**	**103,736**	**162,114**	**1,085,135**

CAPITAL PROGRAMME 2025/26 - 2028/29

	Prior Years £000	Budget 2025/26 £000	Budget 2026/27 £000	Budget 2027/28 £000	Budget 2028/29 £000	Total Budget £000
New Schemes						
Adults and Health	0	0	0	0	0	**0**
Children and Families	0	0	0	0	0	**0**
Corporate Policy	0	6,356	3,755	3,754	600	**14,465**
Economy & Growth	0	454	1,933	3,401	6,197	**11,985**
Environment & Communities	0	7,180	0	0	0	**7,180**
Highways & Transport	0	8,147	12,960	13,070	11,502	**45,679**
Total New Schemes	**0**	**22,137**	**18,648**	**20,225**	**18,299**	**79,309**
Total Capital Schemes	**569,588**	**173,077**	**117,406**	**123,961**	**180,413**	**1,164,444**

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2025/26 - 2028/29

Funding Requirement

	Prior Years £000	Budget 2025/26 £000	Budget 2026/27 £000	Budget 2027/28 £000	Budget 2028/29 £000	Total Budget £000
Indicative Funding Analysis:						
Government Grants	235,079	99,952	80,481	33,912	113,083	**562,507**
External Contributions	27,057	16,314	12,705	36,626	29,812	**122,514**
Revenue Contributions	552	6,486	0	0	0	**7,038**
Capital Receipts	1,847	731	1,325	21,853	11,588	**37,344**
Prudential Borrowing (See note 1)	305,053	49,594	22,895	31,570	25,930	**435,041**
Total	**569,588**	**173,077**	**117,406**	**123,961**	**180,413**	**1,164,444**

Note 1:

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

CAPITAL PROGRAMME 2025/26 - 2028/29

Scheme Description	Total Approved Budget	Forecast Expenditure						Forecast Funding					Total Funding
		Prior Years	Forecast Budget 2025/26	Forecast Budget 2026/27	Forecast Budget 2027/28	Forecast Budget 2028/29	Total Forecast Budget 2025-29	Government Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes													
Adult Social Care													
Electronic Call Monitoring System	389	0	389	0	0	0	**389**	0	0	389	0	0	**389**
Total Adults Social Care Schemes	**389**	**0**	**389**	**0**	**0**	**0**	**389**	**0**	**0**	**389**	**0**	**0**	**389**

CAPITAL PROGRAMME 2025/26-2028/29

Scheme Description	Total Approved Budget £000	Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000	Total Forecast Budget 2025-29 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
		Forecast Expenditure						Forecast Funding					
Committed Schemes													
Childrens Social Care													
Children's Home Sufficiency Scheme	1,404	904	500	0	0	0	**500**	0	0	0	0	500	**500**
Crewe Youth Zone	4,826	2,420	2,406	0	0	0	**2,406**	1,559	0	0	0	847	**2,406**
Family Hubs Transformation	236	131	105	0	0	0	**105**	105	0	0	0	0	**105**
Foster Carer Capacity Scheme	534	484	50	0	0	0	**50**	0	0	0	0	50	**50**
Total Children's Social Care	**7,000**	**3,939**	**3,061**	**0**	**0**	**0**	**3,061**	**1,664**	**0**	**0**	**0**	**1,397**	**3,061**
Strong Start, Family Help & Integration													
Childcare Capital Expansion	749	449	300	0	0	0	**300**	300	0	0	0	-	**300**
Early Years Sufficiency Capital Fund	1,036	957	79	0	0	0	**79**	79	0	0	0	-	**79**
Total Strong Start, Family Help & Integration	**1,785**	**1,406**	**379**	**0**	**0**	**0**	**379**	**379**	**0**	**0**	**0**	**0**	**379**
Education and 14-19 Skills													
Adelaide Academy	903	155	748	0	0	0	**748**	578	0	0	0	170	**748**
Basic Need Grant Allocation	7,569	5,127	2,442	0	0	0	**2,442**	2,442	0	0	0	0	**2,442**
Congleton Planning Area - Primary (1)	2,209	179	2,030	0	0	0	**2,030**	764	1,266	0	0	0	**2,030**
Congleton Planning Area - Primary (3)	7,504	54	0	2,200	5,250	0	**7,450**	4,250	3,200	0	0	0	**7,450**
Devolved Formula Grant - Schools	1,533	893	330	310	0	0	**640**	640	0	0	0	0	**640**
Energy Efficiency Grant - Schools	672	672	0	0	0	0	**0**	0	0	0	0	0	**0**
Gainsborough Primary - Flooring	304	50	254	0	0	0	**254**	254	0	0	0	0	**254**
Handforth Planning Area - New School	13,002	103	400	4,000	8,499	0	**12,899**	126	12,773	0	0	0	**12,899**
Macclesfield Planning Area - Secondary New places	730	5	725	0	0	0	**725**	725	0	0	0	0	**725**
Macclesfield Planning Area - New School	4,001	1	0	0	4,000	0	**4,000**	0	4,000	0	0	0	**4,000**

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Children and Families — CAPITAL

CAPITAL PROGRAMME 2025/26-2028/29

Scheme Description	Total Approved Budget £000	Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000	Total Forecast Budget 2025-29 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
		Forecast Expenditure						Forecast Funding					
Committed Schemes													
Mobberley Primary School	1,207	37	609	561	0	0	**1,170**	870	0	0	300	0	**1,170**
Nantwich Planning Area - Kingsbourne Primary Academy (New school)	9,061	1,233	7,328	500	0	0	**7,828**	5,308	2,520	0	0	0	**7,828**
New AP Free School	500	0	500	0	0	0	**500**	500	0	0	0	0	**500**
New Satellite school - 2	9,000	50	950	5,000	3,000	0	**8,950**	8,950	0	0	0	0	**8,950**
New SEN places - Springfields Wilmslow /Dean Row Community Centre	1,089	339	750	0	0	0	**750**	750	0	0	0	0	**750**
New SEN Free School	998	5	745	248	0	0	**993**	993	0	0	0	0	**993**
Poynton Planning Area - Vernon Primary	1,500	113	1,387	0	0	0	**1,387**	584	803	0	0	0	**1,387**
Provision of Sufficient School Places - SEND (Springfield Crewe)	7,183	6,861	322	0	0	0	**322**	0	0	0	0	322	**322**
Schools Condition Capital Grant	7,828	3,828	2,000	2,000	0	0	**4,000**	4,000	0	0	0	0	**4,000**
SEN/High Needs Capital Allocation	4,827	327	2,000	2,500	0	0	**4,500**	4,500	0	0	0	0	**4,500**
Shavington Planning Area - Basford New Primary School	8,040	256	1,000	6,784	0	0	**7,784**	5,449	2,335	0	0	0	**7,784**
Springfield Satellite Site - Middlewich	6,000	500	5,500	0	0	0	**5,500**	5,500	0	0	0	0	**5,500**
Tytherington High School	2,800	272	2,528	0	0	0	**2,528**	2,528	0	0	0	0	**2,528**
Wheelock Primary School	2,411	1,201	1,210	0	0	0	**1,210**	1,210	0	0	0	0	**1,210**
Wilmslow High School BN	14,179	13,654	525	0	0	0	**525**	0	477	0	0	48	**525**
Total Education & 14-19 Skills	**115,050**	**35,915**	**34,283**	**24,103**	**20,749**	**0**	**79,135**	**50,921**	**27,374**	**0**	**300**	**540**	**79,135**
													0
Total Committed Schemes	**123,835**	**41,260**	**37,723**	**24,103**	**20,749**	**0**	**82,575**	**52,964**	**27,374**	**0**	**300**	**1,937**	**82,575**
Total New Schemes	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Children and Families Schemes	**123,835**	**41,260**	**37,723**	**24,103**	**20,749**	**0**	**82,575**	**52,964**	**27,374**	**0**	**300**	**1,937**	**82,575**

CAPITAL PROGRAMME 2025/26 - 2028/29

Scheme Description	Total Approved Budget £000	Prior Years £000	Forecast Expenditure: Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000	Total Forecast Budget 2025-29 £000	Forecast Funding: Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes													
ICT Services													
Accelerate Digital	1,460	760	700	0	0	0	**700**	0	0	0	0	700	**700**
Care Act Phase 2	6,314	5,234	1,080	0	0	0	**1,080**	0	0	0	0	1,080	**1,080**
ICT Device Replacement	1,912	1,412	500	0	0	0	**500**	0	0	0	0	500	**500**
IADM (Information Assurance and Data Management)	19,465	18,065	1,400	0	0	0	**1,400**	0	0	0	0	1,400	**1,400**
Infrastructure Investment Programme (IIP)	34,429	31,796	1,804	830	0	0	**2,634**	0	0	0	0	2,634	**2,634**
Vendor Management	1,006	788	218	0	0	0	**218**	0	0	0	0	218	**218**
Total ICT Services Schemes	**64,586**	**58,054**	**5,702**	**830**	**0**	**0**	**6,532**	**0**	**0**	**0**	**0**	**6,532**	**6,532**
Finance & Customer Services													
Core Financials	11,317	10,362	662	293	0	0	**955**	0	0	0	0	955	**955**
Vendor Management - Phase 2	99	24	25	50	0	0	**75**	0	0	0	0	75	**75**
Total Finance & Customer Services Schemes	**11,417**	**10,386**	**687**	**343**	**0**	**0**	**1,030**	**0**	**0**	**0**	**0**	**1,030**	**1,030**
Total Committed Schemes	**76,003**	**68,440**	**6,389**	**1,173**	**0**	**0**	**7,562**	**0**	**0**	**0**	**0**	**7,562**	**7,562**
New Schemes													
Finance & Customer Services													
Core Business Systems	1,826	0	334	492	800	200	**1,826**	0	0	0	0	1,826	**1,826**
ICT Services													
Accelerate Digital – (Digital efficiencies) Capital	4,259	0	1,532	1,350	1,377	0	**4,259**	0	0	0	0	4,259	**4,259**
Digital Blueprint - Capital	6,530	0	3,490	1,663	1,377	0	**6,530**	0	0	0	0	6,530	**6,530**
ICT Device Replacement		0	1,000	250	200	400	**1,850**	0	0	0	0	1,850	**1,850**
Total New Schemes	**12,615**	**0**	**6,356**	**3,755**	**3,754**	**600**	**14,465**	**0**	**0**	**0**	**0**	**14,465**	**14,465**
Total Corporate Policy	**88,618**	**68,440**	**12,745**	**4,928**	**3,754**	**600**	**22,027**	**0**	**0**	**0**	**0**	**22,027**	**22,027**

CAPITAL PROGRAMME 2025/26 - 2028/29

Scheme Description	Total Approved Budget £000	Prior Years £000	Forecast Expenditure: Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000	Total Forecast Budget 2025-29 £000	Forecast Funding: Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes													
Culture & Tourism													
Countryside Vehicles	1,579	790	355	217	217	0	**789**	0	0	0	0	789	**789**
Culture & Tourism S106 Schemes	509	97	385	5	5	17	**412**	0	412	0	0	0	**412**
Green Infrastructure Structures Investment	384	0	271	113	0	0	**384**	0	0	0	0	384	**384**
New Archives Premises CTC1	7,115	442	6,433	240	0	0	**6,673**	0	0	0	0	6,673	**6,673**
PROW CMM A6 MARR	103	74	29	0	0	0	**29**	29	0	0	0	0	**29**
Tatton Park Investment Phase 2	2,843	1,434	684	725	0	0	**1,409**	0	0	0	0	1,409	**1,409**
Total Culture & Tourism Committed Schemes	**12,533**	**2,837**	**8,157**	**1,300**	**222**	**17**	**9,696**	**29**	**412**	**0**	**0**	**9,255**	**9,696**
Economic Development													
Crewe Towns Fund - Mill Street Corridor	4,027	3,229	798	0	0	0	**798**	798	0	0	0	0	**798**
Crewe Towns Fund - Crewe Youth Zone non-grant costs	351	188	163	0	0	0	**163**	163	0	0	0	0	**163**
Crewe Towns Fund - Repurposing Our High Streets	1,132	625	507	0	0	0	**507**	507	0	0	0	0	**507**
Crewe Town Centre Regeneration	32,293	31,293	1,000	0	0	0	**1,000**	0	0	0	0	1,000	**1,000**
Connecting Cheshire Phase 3	8,000	928	2,000	2,200	2,000	872	**7,072**	0	7,072	0	0	0	**7,072**
Connecting Cheshire 2020	9,250	6,265	0	0	0	2,985	**2,985**	2,985	0	0	0	0	**2,985**
Handforth Heat Network	13,219	680	50	450	12,039	0	**12,539**	1,924	7,428	0	0	3,187	**12,539**
History Centre Public Realm & ICV (Crewe Towns Fund) CTC1	580	210	370	0	0	0	**370**	370	0	0	0	0	**370**
Leighton Green	2,096	1,618	478	0	0	0	**478**	0	0	0	0	478	**478**
South Macclesfield Development Area	34,630	3,359	100	0	0	31,171	**31,271**	10,000	10,000	0	11,271	0	**31,271**
Macclesfield Indoor Market Refurbishment (MIMR)	2,213	1,713	500	0	0	0	**500**	500	0	0	0	0	**500**
Nantwich Town Centre Public Realm Improvements	100	0	100	0	0	0	**100**	0	100	0	0	0	**100**
North Cheshire Garden Village	57,866	12,287	6,588	17,285	21,706	0	**45,579**	15,044	0	0	21,700	8,835	**45,579**
Handforth Garden Village s106 Obligations	6,841	0	0	2,740	0	4,101	**6,841**	0	0	0	0	6,841	**6,841**
UK Shared Prosperity Fund - Core	1,150	950	200	0	0	0	**200**	200	0	0	0	0	**200**
Total Economic Development Committed Schemes	**173,748**	**63,345**	**12,854**	**22,675**	**35,745**	**39,129**	**110,403**	**32,491**	**24,600**	**0**	**32,971**	**20,341**	**110,403**

CAPITAL PROGRAMME 2025/26 - 2028/29

Scheme Description	Total Approved Budget £000	Prior Years £000	Forecast Expenditure: Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000	Total Forecast Budget 2025-29 £000	Forecast Funding: Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Facilities Management													
PSDS - 3B - Lot 1	1,028	904	124	0	0	0	**124**	124	0	0	0	0	**124**
PSDS - 3C	1,672	324	1,348	0	0	0	**1,348**	1,159	0	0	0	189	**1,348**
Septic Tanks	636	310	75	251	0	0	**326**	0	0	0	0	326	**326**
Schools Capital Maintenance	8,315	7,271	1,044	0	0	0	**1,044**	1,044	0	0	0	0	**1,044**
Premises Capital (FM)	39,690	36,053	2,488	1,149	0	0	**3,637**	0	0	0	0	3,637	**3,637**
Poynton Pool Spillway	1,380	744	636	0	0	0	**636**	0	0	0	0	636	**636**
Total Facilities Management Committed Schemes	**52,721**	**45,606**	**5,715**	**1,400**	**0**	**0**	**7,115**	**2,327**	**0**	**0**	**0**	**4,788**	**7,115**
Estates													
Corporate Landlord - Non-Operational	1,336	0	1,336	0	0	0	**1,336**	0	0	0	0	1,336	**1,336**
Malkins Bank Landfill Site	1,360	777	583	0	0	0	**583**	0	0	0	0	583	**583**
Farms Strategy	2,910	1,744	331	209	209	417	**1,166**	0	0	0	1,166	0	**1,166**
Total Estates Committed Schemes	**5,606**	**2,521**	**2,250**	**209**	**209**	**417**	**3,085**	**0**	**0**	**0**	**1,166**	**1,919**	**3,085**
Housing													
Crewe Towns Fund - Warm and Healthy Homes	2,126	858	1,268	0	0	0	**1,268**	1,268	0	0	0	0	**1,268**
Disabled Facilities	22,025	13,761	2,664	2,800	2,800	0	**8,264**	8,264	0	0	0	0	**8,264**
Green Homes Grant	3,105	2,427	339	339	0	0	**678**	678	0	0	0	0	**678**
Home Repairs Vulnerable People	1,338	936	402	0	0	0	**402**	0	0	0	0	402	**402**
Home Upgrade Grant Phase 2	4,409	2,740	1,669	0	0	0	**1,669**	1,669	0	0	0	0	**1,669**
Local Authority Housing Fund	742	433	309	0	0	0	**309**	309	0	0	0	0	**309**
Total Housing Committed Schemes	**33,746**	**21,156**	**6,651**	**3,139**	**2,800**	**0**	**12,590**	**12,188**	**0**	**0**	**0**	**402**	**12,590**
Total Committed Schemes	**278,355**	**135,466**	**35,627**	**28,723**	**38,976**	**39,563**	**142,889**	**47,035**	**25,012**	**0**	**34,137**	**36,705**	**142,889**
New Schemes													
Culture & Tourism													
Green Structures investment (Public Rights of Way)	512	0	0	126	195	191	**512**	0	0	0	0	512	**512**
Housing													
Disabled Facilities	3,360	0	242	106	106	2,906	**3,360**	3,360	0	0	0	0	**3,360**
Facilities Management													
Septic Tanks	949	0	0	149	400	400	**949**	0	0	0	0	949	**949**
Premises Capital * see note 1	7,163	0	212	1,551	2,700	2,700	**7,163**	0	0	0	0	7,163	**7,163**
Total Economic Development New Schemes	**11,984**	**0**	**454**	**1,933**	**3,401**	**6,197**	**11,984**	**3,360**	**0**	**0**	**0**	**8,624**	**11,984**
Total Economy and Growth Schemes	**290,339**	**135,466**	**36,081**	**30,656**	**42,377**	**45,760**	**154,873**	**50,395**	**25,012**	**0**	**34,137**	**45,329**	**154,873**

Note 1 : Approval for this scheme is for 2025-26 only. Future years to be considered for approval in 2026-30 MTFS

CAPITAL PROGRAMME 2025/26 - 2028/29

Scheme Description	Total Approved Budget £000	Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000	Total Forecast Budget 2025-29 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
		Forecast Expenditure						Forecast Funding					
Committed Schemes													
Environment Services													
Booth Bed Lane, Goostrey	140	40	100	0	0	0	**100**	0	100	0	0	0	**100**
Bosley Village Play Area	20	10	10	0	0	0	**10**	0	10	0	0	0	**10**
Carbon Offset Investment	568	268	75	75	75	75	**300**	0	0	0	0	300	**300**
Carnival Fields	42	0	42	0	0	0	**42**	0	42	0	0	0	**42**
Closed Cemeteries	152	50	102	0	0	0	**102**	0	0	0	0	102	**102**
Fleet EV Transition	6,897	1,596	2,974	327	1,000	1,000	**5,301**	0	0	0	0	5,301	**5,301**
Fleet Vehicle Electric Charging	585	305	140	140	0	0	**280**	0	0	0	0	280	**280**
Green Investment Scheme (Solar Farm)	4,150	3,944	51	155	0	0	**206**	0	0	0	0	206	**206**
Household Waste Recycling Centres	860	270	590	0	0	0	**590**	0	0	0	0	590	**590**
Jim Evison Playing Fields	161	0	161	0	0	0	**161**	0	161	0	0	0	**161**
Litter and Recycling Bins	208	136	25	25	22	0	**72**	0	0	0	0	72	**72**
Macclesfield Chapel Refurbishment	429	29	400	0	0	0	**400**	0	0	400	0	0	**400**
Park Development Fund	846	723	36	87	0	0	**123**	0	0	0	0	123	**123**
Review of Household Waste Recycling Centres	1,000	100	900	0	0	0	**900**	0	0	0	0	900	**900**
Carbon Neutral 2030 Investments	13,980	101	300	300	4,400	8,879	**13,879**	0	0	0	0	13,879	**13,879**
The Carrs Improvement Project	61	15	46	0	0	0	**46**	0	46	0	0	0	**46**
Weekly Food Waste Collections	2,712	80	2,132	500	0	0	**2,632**	2,632	0	0	0	0	**2,632**
Woodland South of Coppice Way, Handforth	89	73	16	0	0	0	**16**	0	16	0	0	0	**16**
Wybunbury St Chad's Closed Cemetery	219	0	219	0	0	0	**219**	0	0	0	0	219	**219**
Total Environment Services Schemes	**33,119**	**7,740**	**8,319**	**1,609**	**5,497**	**9,954**	**25,379**	**2,632**	**375**	**400**	**0**	**21,972**	**25,379**
Neighbourhood Services											0		
Crewe Towns Fund - Valley Brook Green Corridor	3,339	1,699	1,640	0	0	0	**1,640**	1,640	0	0	0	0	**1,640**
Crewe Towns Fund - Cumberland Arena	3,093	2,268	825	0	0	0	**825**	825	0	0	0	0	**825**
Crewe Towns Fund - Pocket Parks	1,481	1,088	393	0	0	0	**393**	393	0	0	0	0	**393**
Strategic Leisure Review	3,400	1,750	1,000	650	0	0	**1,650**	0	0	0	0	1,650	**1,650**
Total Neighbourhood Services	**11,313**	**6,805**	**3,858**	**650**	**0**	**0**	**4,508**	**2,858**	**0**	**0**	**0**	**1,650**	**4,508**
Total Committed Schemes	**44,432**	**14,545**	**12,177**	**2,259**	**5,497**	**9,954**	**29,887**	**5,490**	**375**	**400**	**0**	**23,622**	**29,887**
New Schemes													
Environment Services													
Weekly Food Waste Collections - Additional Capital Requirement	5,497	0	5,497	0	0	0	**5,497**	0	0	5,497	0	0	**5,497**
Macclesfield Cemetery Second Chapel - Additional requirement	200	0	200	0	0	0	**200**	0	0	200	0	0	**200**
Parks	1,483	0	1,483	0	0	0	**1,483**	0	1,483	0	0	0	**1,483**
Total New Schemes	**7,180**	**0**	**7,180**	**0**	**0**	**0**	**7,180**	**0**	**1,483**	**5,697**	**0**	**0**	**7,180**
Total Environment and Communities Schemes	**51,612**	**14,545**	**19,357**	**2,259**	**5,497**	**9,954**	**37,067**	**5,490**	**1,858**	**6,097**	**0**	**23,622**	**37,067**

CAPITAL PROGRAMME 2025/26- 2028/29

Scheme Description	Total Approved Budget £000	Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000	Total Forecast Budget 2025-29 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
		Forecast Expenditure						Forecast Funding					
Committed Schemes													
Strategic Infrastructure													
A500 Dualling scheme	89,456	11,131	950	0	0	77,375	**78,325**	74,025	4,300	0	0	0	**78,325**
A500 Corridor OBC Update	1,705	150	1,555	0	0	0	**1,555**	1,555	0	0	0	0	**1,555**
A50 / A54 Holmes Chapel	603	100	0	0	0	503	**503**	0	503	0	0	0	**503**
A54 / A533 Leadsmithy Street, Middlewich	563	176	0	0	0	387	**387**	0	387	0	0	0	**387**
A6 MARR Technical Design	473	279	194	0	0	0	**194**	70	124	0	0	0	**194**
A556 Knutsford to Bowdon	504	417	87	0	0	0	**87**	0	87	0	0	0	**87**
Peacock Roundabout Junction	750	52	500	0	0	198	**698**	0	698	0	0	0	**698**
Congleton Link Road	83,991	72,837	1,254	1,279	1,000	7,621	**11,154**	316	10,838	0	0	0	**11,154**
Crewe Green Roundabout	7,500	7,057	443	0	0	0	**443**	0	443	0	0	0	**443**
Flowerpot Phs 1 & Pinchpoint	5,519	1,609	588	336	337	2,649	**3,910**	3,187	723	0	0	0	**3,910**
Future High Street Funding - Flag Lane Link	1,558	1,249	309	0	0	0	**309**	309	0	0	0	0	**309**
Highways & Infrastructure S106 Funded Schemes	4,701	1,790	1,179	494	0	1,238	**2,911**	107	2,804	0	0	0	**2,911**
Transport & Infrastructure Development Studies	350	60	290	0	0	0	**290**	290	0	0	0	0	**290**
Middlewich Eastern Bypass	96,599	27,268	22,140	22,876	19,848	4,467	**69,331**	45,747	14,611	0	0	8,973	**69,331**
Mill Street Corridor - Station Link Project	1,534	992	542	0	0	0	**542**	0	242	0	0	300	**542**
North-West Crewe Package	51,367	50,167	300	300	300	300	**1,200**	0	1,200	0	0	0	**1,200**
Old Mill Road / The Hill Junction	1,324	187	1,137	0	0	0	**1,137**	0	1,137	0	0	0	**1,137**
Poynton Relief Road	54,848	48,906	1,096	1,146	1,435	2,265	**5,942**	0	2,751	0	1,000	2,191	**5,942**
Sydney Road Bridge	10,502	10,137	200	165	0	0	**365**	0	365	0	0	0	**365**
Total Strategic Infrastructure Schemes	**413,847**	**234,564**	**32,764**	**26,596**	**22,920**	**97,003**	**179,283**	**125,606**	**41,213**	**0**	**1,000**	**11,464**	**179,283**
Highways													
Alderley Edge Bypass Scheme Implementation	60,611	60,384	227	0	0	0	**227**	0	0	0	0	227	**227**
Integrated Block - LTP	8,012	0	2,003	2,003	2,003	2,003	**8,012**	8,012	0	0	0	0	**8,012**
Incentive Fund - LTP	5,800	0	1,450	1,450	1,450	1,450	**5,800**	5,800	0	0	0	0	**5,800**
Maintenance Block - LTP	25,275	0	7,878	5,799	5,799	5,799	**25,275**	23,196	0	0	0	2,079	**25,275**
Managing and Maintaining Highways	4,712	0	4,712	0	0	0	**4,712**	0	0	0	0	4,712	**4,712**
Pothole Funding	23,196	0	5,799	5,799	5,799	5,799	**23,196**	23,196	0	0	0	0	**23,196**
Programme Management	1,548	1,515	33	0	0	0	**33**	33	0	0	0	0	**33**
Road Safety Schemes Minor Wks	6,423	6,323	100	0	0	0	**100**	0	0	0	0	100	**100**
Traffic Signal Maintenance	1,095	835	260	0	0	0	**260**	260	0	0	0	0	**260**
Ward Members Local Highway Measures	872	357	515	0	0	0	**515**	139	0	0	0	376	**515**
Winter Service Facility	958	772	97	89	0	0	**186**	0	0	0	0	186	**186**
Total Highways Schemes	**138,502**	**70,186**	**23,074**	**15,140**	**15,051**	**15,051**	**68,316**	**60,636**	**0**	**0**	**0**	**7,680**	**68,316**

Highways and Transport CAPITAL

CAPITAL PROGRAMME 2025/26- 2028/29													
		Forecast Expenditure						Forecast Funding					
Scheme Description	Total Approved Budget £000	Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000	Total Forecast Budget 2025-29 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes													
Strategic Transport & Parking Services													
Active Travel Fund	3,100	1,680	1,420	0	0	0	**1,420**	1,420	0	0	0	0	**1,420**
LEVI Capital Fund 23/24	2,172	0	543	543	543	543	**2,172**	2,172	0	0	0	0	**2,172**
Sustainable Travel Access Prog	2,438	2,238	200	0	0	0	**200**	200	0	0	0	0	**200**
Local Access - Crewe Transport Access Studies	400	188	212	0	0	0	**212**	212	0	0	0	0	**212**
Local Access - Macclesfield Transport Access Studies	300	161	139	0	0	0	**139**	139	0	0	0	0	**139**
LTP Development & Monitoring Studies	901	480	200	221	0	0	**421**	421	0	0	0	0	**421**
Digital Car Parking Solutions	140	113	27	0	0	0	**27**	0	0	0	0	27	**27**
Car Parking Improvements (including residents parking)	322	266	56	0	0	0	**56**	0	0	0	0	56	**56**
Total Strategic Transport & Parking Services Schemes	**9,773**	**5,126**	**2,797**	**764**	**543**	**543**	**4,647**	**4,564**	**0**	**0**	**0**	**83**	**4,647**
Total Committed Schemes	**562,122**	**309,876**	**58,635**	**42,500**	**38,514**	**112,597**	**252,246**	**190,806**	**41,213**	**0**	**1,000**	**19,227**	**252,246**
New Schemes													
Highways													
Highways Maintenance Capital	41,846	0	7,340	11,502	11,502	11,502	**41,846**	27,773	0	0	0	14,073	**41,846**
Highways: Depots (Macclesfield)	2,386	0	411	750	1,225	0	**2,386**	0	0	0	0	2,386	**2,386**
Highways: Depots (Wardle)	696	0	146	458	92	0	**696**	0	0	0	60	636	**696**
Strategic Transport & Parking Services													
Strategic Transport Model	750	0	250	250	250	0	**750**	0	0	0	0	750	**750**
Total New Schemes	**45,678**	**0**	**8,147**	**12,960**	**13,070**	**11,502**	**45,679**	**27,773**	**0**	**0**	**60**	**17,845**	**45,679**
Total Highways & Transport Schemes	**607,800**	**309,876**	**66,782**	**55,460**	**51,584**	**124,099**	**297,925**	**218,579**	**41,213**	**0**	**1,060**	**37,072**	**297,925**

Annex B: Prudential Indicators revisions to: 2024/25 and 2025/26 – 2028/29

Background

4.107. There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. There is a requirement to monitor and report the performance of the indictors on a quarterly basis during the financial year.

4.108. The following indicators have been prepared based on the assumption that the accounting policy change to the calculation of MRP, effective from 1st April 2024, is adopted.

Estimates of Capital Expenditure

4.109. In 2025/26, the Council is planning capital expenditure of £180.4m as summarised below:

Capital Expenditure	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
	144.7	173.0	117.4	124.0	180.4

Capital Financing

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

Capital Financing	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Capital Receipts	0.1	0.7	1.3	21.9	11.6
Government Grants	88.8	99.9	80.5	33.9	113.1
External Contributions	14.3	16.3	12.7	36.6	29.8
Revenue Contributions	0.5	6.5	0.0	0.0	0.0
Total Financing	**103.7**	**123.4**	**94.5**	**92.4**	**154.5**
Prudential Borrowing	41.0	49.6	22.9	31.6	25.9
Total Funding	**41.0**	**49.6**	**22.9**	**31.6**	**25.9**

Capital Financing	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Total Funding and Financing	**144.7**	**173.0**	**117.4**	**124.0**	**180.4**

Replacement of debt finance

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

Replacement of debt finance	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Total	**14.9**	**18.9**	**22.5**	**24.4**	**25.9**

4.112. The Council's full MRP Statement is available in **Annex C**.

Estimates of Capital Financing Requirement

4.113. The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP repayments and capital receipts used to replace debt. The CFR is expected to increase by £27m during 2024/25. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Capital Financing Requirement	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Total	**488**	**501**	**568**	**598**	**613**

Asset disposals

4.114. When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt for example. The Council is currently also permitted to spend capital receipts on service transformation project until 2024/25. Repayments of capital grants, loans and investments also generate capital receipts. The MTFS includes plans for the Council to receive £4.8m of capital receipts in the coming financial years as follows.

4.115. In addition to this £4.8m there is further work being carried out to achieve a greater level of capital receipts. The best use of those receipts to support the financial position of the Council will be at the discretion of the Section 151 Officer.

Capital Receipts	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Asset Sales	1.5	1.0	1.0	1.0	1.0
Loans Repaid	0.2	0.2	0.2	0.2	0.2
Total	**1.7**	**1.2**	**1.2**	**1.2**	**1.2**

Gross Debt and the Capital Financing Requirement

4.116. The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting and the Council therefore seeks to strike a balance between short-term loans (currently available at around 5.0% but expected to fall over next 12 to 18 months) and long-term fixed rate loans where the future cost is known (currently 4.7% – 4.8%).

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

Gross Debt and the Capital Financing Requirement	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Borrowing	337	368	465	527	565
PFI Liabilities	17	17	15	14	14
Total Debt	**354**	**385**	**480**	**541**	**579**
Capital Financing Requirement	**488**	**501**	**568**	**598**	**613**

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

Liability Benchmark

4.119. To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £20m at each year-end. This benchmark is currently £331m and is forecast to rise to £479m over the next four years.

Borrowing and the Liability Benchmark	2023/24 Forecast £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Outstanding Debt	337	368	465	527	565
Liability Benchmark	331	351	424	466	479

4.120. The table shows that the Council currently expects borrowing to exceed its liability benchmark over the period of the MTFS and therefore strategies that will reduce our total borrowing level in future years should be a priority.

Affordable borrowing limit

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

	2023/24 Limit £m	2024/25 Limit £m	2025/26 Limit £m	2026/27 Limit £m	2027/28 Limit £m
Authorised Limit for Borrowing	570	590	590	590	590
Authorised Limit for Other Long-Term Liabilities	17	18	15	14	14
Authorised Limit for External Debt	**587**	**607**	**605**	**604**	**604**
Operational Boundary for Borrowing	560	580	580	580	580
Operational Boundary for Other Long-Term Liabilities	17	17	15	14	14
Operational Boundary for External Debt	**577**	**597**	**595**	**594**	**594**

Investment Strategy

4.122. Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

4.123. The Council's policy on treasury investments is to prioritise security and liquidity over yield; that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with money market funds, other local authorities or selected high quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in shares and property, to balance the risk of loss against the risk of returns below inflation.

Treasury Management Investments	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Short-term	20	20	20	20	20
Long-term	20	20	20	20	20
Total Investments	**40**	**40**	**40**	**40**	**40**

4.124. Further details on treasury investments are in the Treasury Management Strategy, **Annex 7**.

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

4.126. Further details on investments for service purposes and commercial activities are in the Investment Strategy, **Annex 6**.

Revenue budget implications

4.127. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by an investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream, or in other words, the amount funded from Council Tax, Business Rates and general Government grants.

Ratio of Financing Costs to Net Revenue Stream	2024/25 Forecast	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Financing Costs (£m)	28.4	35.0	38.8	41.9	43.2
Proportion of net revenue stream (%)	7.5%	8.7%	9.3%	9.6%	9.5%

4.128. Further details on the revenue implications of capital expenditure are included within Section 2 of this report.

4.129. Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Council must refine this profile of capital spending to ensure it is reduced or delayed to ease the pressure on the capital financing budget and avoid the risk of over-borrowing.

Annex C: Minimum Revenue Provision

4.130. Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Levelling Up, Housing and Communities' *Guidance on Minimum Revenue Provision* (the DLUHC Guidance) most recently issued in 2018.

4.131. The broad aim of the DLUHC Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

4.132. The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year for calculating a prudent amount of MRP.

4.133. Following a Balance Sheet review undertaken by our Treasury Advisors, Arlingclose Ltd, a recommendation is being made to Council that the accounting policy for the calculation of MRP is updated with effect from 1st April 2024 to bring the Council more in line with current CIPFA guidance and to better recognise the actual cost of borrowing over the useful life of an asset (see **Annex 5**, 3. Financial Controls)

4.134. The following statement incorporates the changes to the accounting policy.

- For capital expenditure incurred before 31st March 2024, MRP will be charged at the PWLB annuity rate at 1st April 2024 on the remaining CFR outstanding over the remaining useful life of the asset.
- For supported capital expenditure incurred before 31st March 2008, MRP will be charged at the PWLB annuity rate at 1st April 2024 for the remaining CFR outstanding over the remainder of the original 50-year period.
- For capital expenditure incurred after 1 April 2024 MRP will be determined by charging the expenditure over the expected useful life of the relevant assets, as the principal repayment on an annuity rate equivalent to the opening PWLB annuity rate for the year expenditure incurred, and charged after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
- For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

4.135. Capital expenditure incurred during 2025/26 will not be subject to an MRP charge until 2026/27.

Annex D: Flexible Capital Receipts Strategy

4.136. The proposals within this Flexible use of Capital Receipts Strategy have been prepared based on a capitalisation direction issued by the Secretary of State under Sections 16(2)(b) and 20 of the Local Government Act 2003: Treatment of Costs as Capital Expenditure.

4.137. The Spending Review in 2015 included a relaxation to the capital regulations by allowing councils to use their capital receipts (income from the sale of assets) for a limited period initially from 2016/17 to 2018/19 to fund revenue expenditure that is designed to transform service delivery and reduce revenue costs. This announcement was implemented by the issuing of regulations in March 2016. The period over which these amended regulations apply have now been extended to the financial year 2030.

4.138. The guidance states that qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and / or transform service delivery to reduce costs and / or transform service delivery in a way that reduces costs or demand for services in future years for any of the public.

4.139. Local authorities cannot borrow to finance the revenue costs of the service reforms.

4.140. The type of expenditure that will be allowed under the flexibility are the up-front set up and implementation costs that will generate the future ongoing revenue savings and / or service transformation to reduce revenue costs and improve service delivery.

4.141. In allowing the Council to use this flexibility, the Council must have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of practice.

4.142. There are a wide range of projects that could generate qualifying expenditure, and the list below is not prescriptive. Examples of projects include:

- Sharing back-office and administrative services with one or more other council or public sector bodies.
- Investment in service reform feasibility work, e.g. setting up pilot schemes.
- Collaboration between local authorities and central government departments to free up land for economic use.
- Funding the cost of service reconfiguration, restructuring or rationalisation where this leads to ongoing efficiency savings or service transformation.
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible.
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations.
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training.
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others), and
- Integrating public facing services across two or more public sector bodies (for example children's social care or trading standards) to generate savings or to transform service delivery.

4.143. The Council has a number of projects that have been identified in 2025/26 that fit the criteria prescribed in the current guidance for transforming and or improving service delivery that will reduce revenue costs by producing efficiency savings for the Council. The table below details the lists of projects and the value of capital receipt to be utilised.

Table 1: List of projects funded by flexible capital receipts

Project Name	Project Description	Expenditure Prior Years £000s	Expenditure 2025/26 £000s
ICT Hybrid Model	This project is to update the delivery of the ICT Shared Service Model which should make efficiency savings and improve service delivery for both Councils.	802	440
Cheshire East Service Transformation Programme	This programme is a group of projects across the Council's four Directorates to deliver improved service delivery through efficiency and revenue savings.	716	560
Total		**1,518**	**1,000**

4.144. As it is the Council's policy not to rely on capital receipts until they are realised, these capital receipts have not been factored into the Councils Capital Financing Requirement (CFR) by way of reducing debt or financing capital expenditure. Consequently, the use of the receipts under this flexibility will have no effect on the Council's Prudential Indicators.

Annex 6 – Investment Strategy

1. Purpose

5.1. The purpose of the Investment Strategy is to:

- set out the Council's approach to managing investments,
- establish financial limits for various classifications of investment,
- recognise the role and responsibilities of the Finance Sub-Committee and its position as the main conduit through which investment opportunities should be considered.

5.2. The definition of an investment covers all the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

5.3. The Authority invests its money for three broad purposes, and these are reflected in the revised Prudential Code:

1. because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
2. to support local public services by lending to or buying shares in other organisations (**service investments**), and
3. to earn investment income (known as **commercial investments** where this is the main purpose).

5.4. Often there may be a crossover of purposes for investments within the Authority. Whilst a return may be a by-product of an investment this is rarely the overriding reason for making or retaining an investment. It will normally be linked to other long term strategic or regeneration factors.

5.5. The Council has a Capital Strategy (prepared in line with the requirements of the Prudential Code); and a Treasury Management Strategy (prepared in line with the requirements of the Treasury Management Code) – relevant disclosures are made within each document.

5.6. Consequently, this Investment Strategy is part of a suite of related documents and focuses predominantly on matters not covered by the Capital Strategy and Treasury Management Strategy.

2. Investment Indicators

5.7. The Authority has set the following quantitative indicators to allow elected Members and the public to assess the Authority's total risk exposure arising from its investment decisions.

5.8. **Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third-party loans.

Table 1 Total investment exposure	31/03/24 Actual	31/03/25 Forecast	31/03/26 Forecast
Treasury management investments	41,940	40,000	40,000
Service investments: Loans	26,722	26,637	26,567
Service investments: Shares	3,270	3,270	3,270
Commercial investments: Property	22,295	21,815	21,815
Commercial Investments: Loans	3,491	3,147	3,106
TOTAL INVESTMENTS	**97,718**	**94,869**	**94,758**
Commitments to lend	6,013	6,013	6,013
TOTAL EXPOSURE	**103,731**	**100,882**	**100,771**

5.9. The Council has total investments exposure estimated at £101m by March 2025 (£61m excluding treasury management), of which £22m relates to property investment backed by physical assets with an income stream and alternative use. Other investments are loans for economic development purposes; and due to their nature, they are not a material element of our budgeting for interest income within the MTFS.

5.10. **How investments are funded:** Currently the Authority's investments are largely funded by usable reserves and income received in advance of expenditure. Prudential borrowing is being used in limited circumstances and performance is closely monitored.

Table 2 Investments funded by borrowing	31/03/24 Actual	31/03/25 Forecast	31/03/26 Forecast
Treasury management investments	0	0	0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	20,089	19,353	18,602
Commercial Investments: Loans	3,491	3,147	3,106
TOTAL FUNDED BY BORROWING	**23,580**	**22,500**	**21,708**

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

Table 3 Investments net rate of return	2023/24 Actual	2024/25 Forecast	2025/26 Forecast
Treasury management investments	5.21%	5.00%	4.30%
Service investments: Loans	-2.40%	0.05%	0.00%
Service investments: Shares	NIL	NIL	NIL
Commercial investments: Property	3.20%	3.30%	3.50%
Commercial Investments: Loans	3.13%	3.13%	3.13%

5.12. The return for Service Investments: Loans is not a true return but is instead based largely on the % fluctuation in the underlying value of the new assets within the Life Science Fund. As such they do not reflect actual cashflows. In addition there are a number of non-interest bearing loans.

5.13. Typically, a return on a share would be based upon the dividend yield and there have been no dividends paid. Therefore, this has been shown as Nil. There has been a downward revaluation of property assets at Alderley Park which has impacted the underlying asset value that we show in Table 5 below. We will continue to monitor for signs of recovery, but the underlying asset value remains more than the Authority paid for the shares.

5.14. The major assets included within Commercial Investments: Properties, representing over 90% of the value in that classification, are two commercial retail properties. Whilst we will see fluctuations year-on-year given the pressures on ‘bricks and mortar retail’, the Council will only experience an impact on its Revenue Account if a site becomes vacant for a prolonged period or is subject to a (lower) rent review.

5.15. From the perspective of the Council one of the tenants affected is a home improvements retailer and the second is a national supermarket retailer. Both tenants have thus far weathered the local economic effects of recent years though we have experienced further reductions in asset value in the last financial year. As the lease term reduces this may continue until the leases are renewed.

5.16. Much of the investment returns for Commercial Investments relates to rent on these two assets. Rental income on both has held up during the year. Overall returns are affected by the need to offset prudential borrowing costs against the income. However, as this is the major income bearing category of investment more attention needs to be diverted to ensure that occupancy and income are maximised and secured for the long term.

5.17. The Commercial investments: Loans are at the expected level of return given the rates in place when they were established.

3. Treasury Management Investments

5.18. The Authority typically receives its income, such as taxes and grants, before it pays for expenditure such as through payroll and invoices. It also holds reserves for future expenditure and collects local taxes on behalf of Central Government. These activities, plus the timing of borrowing decisions, can lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy.

5.19. The Constitution of the Authority delegates the power to manage and make Treasury Management Investments to the Section 151 Officer via the Treasury Management Strategy.

5.20. **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

5.21. **Further details:** Full details of the Authority's policies and plans for 2025/26 for treasury management investments are covered in the separate Treasury Management Strategy (**Annex 7**).

4. Service Investments: Loans

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

5.23. The Council has participated in a European Regional Development Fund project and has received £20m in grant funding which has been provided to Cheshire and Warrington Development Partnership in the form of a loan to allow development lending across the sub region. This is led by ECW and is non-interest bearing for the Council.

5.24. Interest bearing loans have been provided to Everybody Health & Leisure Trust (Everybody) for the purpose of investing in new equipment, with the aim of increasing the usage of leisure facilities and improving the health of residents. These are included within the Local Charities category. These are accrued at a rate of Bank of England base rate plus 4%.

5.25. The Council has invested in Alderley Park Holdings Ltd by way of equity investment and interest free loan. The loan was an integral component of the 10% equity stake and therefore needs to be viewed in conjunction with the equity investment (Section 5).

5.26. In addition, the Council has invested £5m in the Greater Manchester & Cheshire Life Science Fund, a venture capital fund investing in a range of life science businesses. Partners in the Fund include the Greater Manchester Combined Authority, Cheshire & Warrington Local Enterprise Partnership (now ECW) and Alderley Park Holdings Ltd. The Fund has a regional focus and seeks to target companies looking to re-locate a material part of their business within the Greater Manchester and Cheshire & Warrington areas, which includes Alderley Park where the Fund is based.

5.27. The loan does not attract an interest rate and returns are dependent upon the success of individual investments made by the Fund. The GM Life Science Fund is "revalued" on an annual basis based upon the net asset valuation of the Fund and this can lead to short term fluctuations in the notional returns of this loan category. It should be noted that whilst the investment in the Life Science Fund is high risk it is also long-term in nature, so year-by-year fluctuations are to be expected but gains or losses will only crystallise when funds are extracted.

5.28. The Council may consider making further Service Investment Loans in 2025/26, subject to business cases and where the balance of security, liquidity and yield have been considered as part of robust risk assessment. None are currently envisaged.

5.29. **Security**: The main risk when making service loans is that the borrower will be unable to repay the principal lent and / or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as per Table 4.

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

5.30. Accounting standards require the Authority to set aside loss allowances for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's Statement of Accounts are shown net of this loss allowance. The loss allowance figure does not necessarily reflect our anticipation or expectation that loans will need to be written down. Rather, the allowance represents a prudent accounting treatment required by CIPFA guidance. The Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

5.31. **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding service loans. Each application for a loan requires completion of a business case. This is followed by a process of due diligence taking into account creditworthiness and financial standing and the Council's corporate objectives. External advisors are used where appropriate, dependent on materiality and scope of the loan arrangement. Each application is considered on a case-by-case basis.

5.32. As Accountable Body for Enterprise Cheshire & Warrington Ltd (ECW), the Council is also contracting party to loans provided to organisations from the Growing Places Fund. This £12m Fund was established with Government grants and is effectively “owned” by the ECW; consequently, these investments are not made using Cheshire East's resources and are not reflected in the table above, as regards investments made, or affecting upper limits of lending.

5. Service Investments: Shares

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

5.34. As noted above, the Authority has invested in Alderley Park Holdings Limited to maintain and stimulate this key strategic site within the borough. Cheshire East is a 10% shareholder in Alderley Park and has invested in the development of the site along with Bruntwood (51% shareholder) and Manchester Science Partnerships (39% shareholder).

5.35. This should be seen as a long-term strategic investment. There have been no dividend returns and any changes in % returns have been based upon the change in value of our share of the underlying assets which will fluctuate as the site continues its transition from a single user to a multi-user campus. There is a lag between the forecasts used for the Investment Strategy and finalisation of the Council's accounts. Consequently, the value fell from a forecast of £4,460K to an actual of £3,270K, a fall in value of £1,190K, or 26%.This fall, followed a rise which was predated by several years of falls. This highlights the fluctuating nature of this valuation and suggests the longer term trend since Covid-19 is downward. However, there is a significant plan in place for investment in the site that should improve the valuation though this will be monitored.

5.36. Thus, the valuation (see Table 5) remains greater than the purchase price and the underlying assets at Alderley Park remain strong, with a pipeline of future investments in place. We expect valuations to improve in the future.

5.37. The movement in value largely arises from accounting transactions / re-valuations. A gain or loss to the Council's Revenue and Capital Receipts accounts would only crystallise in the event of divesting our equity stake. As it is a long-term strategic asset there is ample time for the sector to grow.

5.38. The Council also has shares in its subsidiary, wholly owned companies. However, they are of nominal value, and the share values are not considered material in the context of this Investment Strategy.

5.39. As reflected in this strategy a key objective of future investments will be to generate a return to benefit the Council's Revenue Account. However, the Council may consider acquiring shares in companies if there is a compelling business case demonstrating strong potential for growth in capital value.

5.40. **Security:** One of the risks of investing in shares is that they fall in value, meaning that the initial outlay may not be recovered. To limit this risk, upper limits on the sum invested in each category of shares have been set.

Table 5 Shares held for service purposes **Category of company**	**31/03/24 actual** **£000**	**31/03/25 actual** **£000**	**31/03/25 forecast** **£000**	**31/03/25 forecast** **£000**	**2025/26** **£000**
	Value in accounts	**Amounts invested**	**Total Gains/ (Losses)**	**Value in accounts**	**Approved Limit** **(at cost)**
Local businesses	3,270	1,070	2,200	3,270	10,000
TOTAL	**3,270**	**1,070**	**2,200**	**3,270**	**10,000**

5.41. **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding shares by: assessing the proposition, taking into consideration the market (the nature and level of competition, how the market / customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements); using external advisors, where specialist knowledge / intelligence is required in each case; and being part of the entities' governance arrangements, having a seat on the Board, and receiving and analysing information on financial and operational performance against plan, and updated business plans, on a regular basis.

5.42. **Liquidity:** With regard to the existing equity stake in Alderley Park, it was deemed to be a long-term investment, supporting a long term business and site development plan. As described above, regular monitoring and receipt of updated business plans will help to inform considerations with regards to the selling of shares; and it is important to note, as a minority shareholder in Alderley Park, that shares must first be offered to other shareholders in those private enterprises (and consequently the prospects for disposing of shares should be seen as good, as evidenced by the sale of shares in Manchester Science Partnerships in 2019).

5.43. In the event of considering whether to make further service investments via shares, the Council will consider maximum investment periods on a case-by-case basis, taking into consideration the prospects for funds being accessible when required (e.g. to repay borrowing; or for other capital financing purposes) by making an assessment of liquidity, given the nature of the proposed investment (e.g. the type of organisation and / or the market in which it operates).

5.44. **Non-specified Investments:** Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the Government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

6. Commercial Investments: Property

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

5.46. Central government continues to express concern over the level of commercial investments held by local authorities and the risk that this presents if an authority becomes over exposed. Real world examples are now emerging where this eventuality has come to pass. Changes to the Prudential Code have reinforced opposition to investment in commercial property.

5.47. The government has effectively regulated against the purchase of commercial assets primarily for generating yield. Consequently, there have been no new commercial properties acquired in the year and any future investments will be aligned to normal Council service provision. Whilst this limits the Authority's ability to invest in commercial property for investment purposes, it is recognised that regeneration is a necessary factor which could result in legitimate purchases of such property. Careful attention will need to ensure that yield is an incidental factor in any future decision to invest in a commercial property investment.

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

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

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

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

5.51. **Security:** In accordance with Government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. At the present time one class of property is valued at less than the historic cost.

5.52. **Where value in accounts is at or above purchase cost:** The ideal scenario is that a fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying asset values provide security for capital investment. This has not yet happened for the 2024/25 year and so the figures above have been based upon the 2024 figures with no gains or losses reflected.

5.53. **Where value in accounts is below purchase cost:** The fair value of the Authority's investment property portfolio is no longer sufficient to provide security against loss, and mitigating actions are required to protect the capital invested. These actions include annually reviewing the Commercial Properties portfolio; and where the fair value is below the original purchase price alternative actions are considered (e.g., changing the use of the asset to earn additional investment income; refurbishing the asset to make it more attractive to the market; or re-purposing the asset for use by the Council as an operational property where services to the public will be provided from). If no alternative service uses are considered viable it will be classed as surplus to requirements and steps will be taken to market the asset for sale to realise a capital receipt. However, it should be noted that these are not liquid assets. It would take time to process a disposal. It is the Authority's view that the asset that has seen a significant reduction in value remains a strong, core asset in a prime location with scope to recover. The rental income received continues to fund borrowing costs and MRP provisions but further mitigations are required to arrest the fall in value. This will be reviewed again once the 2024/25 valuation has been undertaken.

5.54. **Risk assessment:** The Authority assesses the risk of loss before acquiring and whilst holding property investments by:

- Before entering into any commercial property investment, the Authority assesses the local market conditions, by establishing the supply and demand of the need for a certain type of commercial property investment, what competition currently exists locally, nationally and globally dependent on the type of activity that will take place in the asset (for example retail units, industrial units or residential properties). These decisions are made alongside the expertise, knowledge and market evidence collected from our Economic Development Service.
- The Authority also ensures that when setting rental income on the assets a cost of use and sensitivity analysis is completed, to future proof the running and maintenance costs of the assets so that rents are set at a level where they are competitive in the local market but will also ensure that the income will provide that additional financial security.
- Whilst holding the commercial properties we continually review market prices, look out for changes in the market, and assess the competition.
- The Authority constantly monitors any changes in the political environments, locally, nationally and globally to assess any potential impact on the local rental markets.

5.55. Future investments would be considered in the first instance by the Section 151 Officer supported by other officers. Any final decision would be made by Council under the advice of the Finance Sub-Committee. Should any investments be identified then the Section 151 Officer can initiate steps to move funds into the main Capital Programme.

5.56. This Investment Strategy acknowledges that with the introduction of the committee system the Finance Sub-Committee is the body that has the role to consider future investments and make recommendations to Council for ultimate approval of individual investments.

5.57. No new investments are currently anticipated. However, given that significant commercial retail property has been purchased more emphasis will need to be given towards the category of any future investment to ensure that the portfolio is diversified and not overly reliant upon a single sector.

5.58. **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Authority constantly monitors the use of all assets and where there is a market for a particular asset or asset type will look into realising the capital receipt on those assets if it outweighs the long-term benefits of holding the asset for a potential rental stream.

7. Commercial Investments: Loans

5.59. **Contribution:** The Authority has worked alongside Cheshire West and Chester Council and Warrington Borough Council to each provide Enterprise Cheshire & Warrington Ltd with a £10m loan facility to be used to invest in economic development schemes across the Enterprise Zones in the sub-region.

5.60. There is currently one loan in place and has been used to fund development of Alderley Park. The purpose is to stimulate economic development, and payback of the loans will be achieved from Business Rates retained by the LEP under Enterprise Zone regulations. Whilst the balance of the facility is still available there are no imminent plans to draw down further amounts.

Table 7 Loans for commercial purposes Category of borrower	31/03/24 Actual	As at 31/03/25 Forecast Balance owing	As at 31/03/25 Forecast Loss allowance	As at 31/03/25 Forecast Net figure in accounts	2025/26 Approved Limit
Partner Organisations	3,351	3,147	145	3,002	10,000
TOTAL	**3,351**	**3,147**	**145**	**3,002**	**10,000**

5.61. When considering making commercial investment loans, there will always be a Council policy-related objective (e.g., regeneration or economic development) in addition to the objective of financial benefit (yield) to the Council's Revenue Account (i.e., interest received) being greater than the costs to the Revenue Account (e.g. debt financing).

5.62. In considering commercial loan investment opportunities, the Council will adopt a prudent approach, with two underlying objectives:

- **Security** – protecting the capital sum invested from loss.
- **Liquidity** – ensuring the funds invested are available when needed.

5.63. **Risk assessment:** The Authority assesses the risk of loss before entering into commercial loans thorough a due diligence process by: assessing the proposition; taking into consideration the market (the nature and level of competition; how the market / customer needs will evolve over time; barriers to entry and exit and any ongoing investment requirements); using external advisors, where specialist knowledge / intelligence is required in each case; and receiving and analysing information on financial and operational performance against plan, and updated business plans, on a regular basis.

5.64. Each loan application is considered on a case-by-case basis and requires a detailed business case. No further loans are currently envisaged.

8. Loan Commitments and Financial Guarantees

5.65. As Accountable Body for Enterprise Cheshire & Warrington, the Council is acting as Entrusted Entity to a £20m European Regional Development Fund supported 'Evergreen' Development Fund, which has issued loans to third parties. The Council, as contracting party, provides guarantees in respect of the amounts provided through ERDF.

5.66. The Fund is designed to provide loan finance to specific projects across Cheshire and will not generate a return for the Authority. The balances are included this year within Service Investments: Loans (see Table 4 above). The workings of the fund are subject to detailed scrutiny and are managed by a firm of experienced fund managers with a strong track record of providing loans that minimise the risk of default. The Council, as contracting party, will provide guarantees in respect of the amounts provided through ERDF though this will be offset by the professional indemnity insurance held by the fund manager.

9. Proportionality

5.67. A major concern for external governing bodies is the extent to which Authorities are dependent upon investment income to fund services. Proportionality forms a key component of the Prudential Code.

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

10. Borrowing in Advance of Need

5.69. Government guidance is that local authorities must not borrow more than, or in advance of their needs purely to profit from the investment of the extra sums borrowed. The Authority follows this guidance. Investments are made to meet the strategic needs of the Authority, its residents and local businesses.

11. Capacity, Skills and Culture

5.70. **Elected Members and Statutory Officers:** Adequate steps are taken to ensure that those elected Members and statutory officers involved in the investment decision making process have appropriate capacity, skills and information to enable them to: 1. take informed decisions as to whether to enter into a specific investment; 2. to consider individual assessments in the context of the strategic objectives and risk profile of the local authority; and 3. to enable them to understand how the quantum of these decisions have changed the overall risk exposure of the local authority.

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

5.72. The Authority continues to identify best practice from across the sector and will incorporate this into the evolving Investment Strategy.

5.73. It is recognised that in order to support decision making there will be a need to engage external advisors from time to time. The Authority has appointed Arlingclose Ltd as treasury management advisors and receives specific advice on investment, debt and capital finance issues. Other consultants, such as property consultants, are engaged as required.

5.74. **Commercial deals:** Steps have been taken to ensure that those negotiating and reporting commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate. A team of officers from Place, Finance, Legal, and Procurement are responsible for ensuring that the framework is followed. Where appropriate staff are provided with additional training and up to date skills via CIPFA and other providers.

5.75. **Corporate governance:** Corporate governance arrangements have been put in place to ensure accountability, responsibility and authority for decision making on investment activities within the context of the Council's corporate values and Constitution.

5.76. The MHCLG requirement to produce an Investment Strategy, approved annually by Full Council is a key component of the corporate governance framework.

12. Glossary of Terms

Investment covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly owned companies or associates, to a joint venture, or to a third party. The term does not include *pension funds* or *trust fund investments,* which are subject to separate regulatory regimes and therefore are not covered by this guidance.

A **credit rating agency** is one of the following three companies: Standard and Poor's, Moody's Investors Service Ltd and Fitch Ratings Ltd.

A **loan** is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.

Specified Investments

An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long-term investment (the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option).
- The making of the investment is not defined as capital expenditure by virtue of Regulation 25(1)(d) of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended].*
- The investment is made with a body or in an investment scheme described as high quality; or with one of the following bodies:

  i. The United Kingdom Government;

  ii. A local authority in England or Wales (as defined in section 23 of *the 2003 Act*) or a similar body in Scotland or Northern Ireland; or

iii. A parish council or community council. • Should define high credit quality (definition incorporates ratings provided by credit rating agencies).
The **Treasury Management Code** means the statutory code of practice issued by CIPFA: *"Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, 2017 Edition".*
The **Prudential Code** means the statutory code of practice, issued by CIPFA: *"The Prudential Code for Capital Finance in Local Authorities, 2021 Edition".*
The **Capital Strategy** is the strategy required by the updates to the Prudential Code and Treasury Management Code.

Annex 7 – Treasury Management Strategy

1. Background

6.1. Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

6.2. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

6.3. In preparing this strategy the Council has had regard to the advice received from its appointed Treasury Management advisors, Arlingclose Ltd who have helped shape the content of this strategy. The current contract for advice is for four years expiring on 31 December 2025.

6.4. Investments held for service purposes or for commercial profit are considered in the Investment Strategy (see **Annex 6**).

2. External Context

6.5. **Economic background:** The impact on the UK from the government's Autumn Budget, slower interest rate cuts, modestly weaker economic growth over the medium term, together with the impact from President Trump's second term in office and uncertainties around US domestic and foreign policy, will be major influences on the Authority's treasury management strategy for 2025/26.

6.6. The Bank of England's (BoE) Monetary Policy Committee (MPC) reduced Bank Rate to 4.75% at its meeting in November 2024, having previously cut by 25bp from the 5.25% peak at the August MPC meeting.

6.7. The November quarterly Monetary Policy Report (MPR) is forecasting Gross Domestic Product (GDP) growth to pick up to around 1.75% (four-quarter GDP) in the early period of the BoE's forecast horizon before falling back. The impact from the Budget pushes GDP higher in 2025 than was expected in the previous MPR, before becoming weaker. Current GDP growth was shown to be 0.5% between April and June 2024, a downward revision from the 0.6% rate previously reported by the Office for National Statistics (ONS)

6.8. Office for National Statistics (ONS) figures reported the annual Consumer Price Index (CPI) inflation rate at 1.7% in September 2024, down from 2.2% in the previous month and lower than the 1.9% expected. Core CPI also declined further than expected to 3.2% against a forecast of 3.4% and the previous month's 3.6%. The outlook for CPI inflation in the November MPR showed it rising above the MPC's 2% target from 2024 into 2025 and reaching around 2.75% by the middle of calendar 2025. This represents a modest near-term increase due to the ongoing impacts from higher interest rates, the Autumn Budget, and a projected margin of economic slack. Over the medium-term, once these pressures ease, inflation is expected to stabilise around the 2% target.

6.9. The labour market appears to be easing slowly. However, the data still requires treating with some caution. The latest figures reported that unemployment increased slightly to 4.3% in the three months to September 2024. Pay growth for the same period was reported at 4.8% for regular earnings (excluding bonuses) and 4.3% for total earnings. Looking ahead, the BoE MPR showed the unemployment rate is expected to increase modestly, rising to around 4.5%, the assumed medium-term equilibrium unemployment rate, by the end of the forecast horizon.

6.10. The US Federal Reserve has also been cutting interest rates, bringing down the Fed Funds Rate by 0.25% at its November 2024 monetary policy meeting to a range of 4.5%-4.75%. Further interest rate cuts are expected, but uncertainties around the potential inflationary impact of incoming President Trump’s policies may muddy the waters in terms of the pace and magnitude of further rate reductions. Moreover, the US economy continues to expand at a decent pace, rising at an annual rate of 2.8% in the third quarter of 2024, and inflation remains elevated suggesting that monetary policy may need to remain more restrictive in the coming months than had previously been anticipated.

6.11. Eurozone inflation fell below the European Central Bank (ECB) 2% target in September 2024, the first time in over three years. This allowed the ECB to continue its rate cutting cycle and reduce its three key policy rates by 0.25% in October. Inflation is expected to rise again in the short term, but then fall back towards the 2% target during 2025, with the ECB remaining committed to maintaining rates at levels consistent with bringing inflation to target, but without suggesting a specific path.

6.12. **Credit outlook:** Credit default swap (CDS) prices have typically followed a general trend downwards during 2024, reflecting a relatively more stable financial period compared to the previous year. Improved credit conditions in 2024 have also led to greater convergence in CDS prices between ringfenced (retail) and non-ringfenced (investment) banking entities again.

6.13. Higher interest rates can lead to a deterioration in banks’ asset quality through increased loan defaults and volatility in the value of capital investments. Fortunately, the rapid interest rate hikes during this monetary tightening cycle, while putting some strain on households and corporate borrowers, has not caused a rise in defaults, and banks have fared better than expected to date, buoyed by strong capital positions. Low unemployment and robust wage growth have also limited the number of problem loans, all of which are positive in terms of creditworthiness.

6.14. Overall, the institutions on our adviser Arlingclose’s counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

6.15. **Interest rate forecast:** The Authority’s treasury management adviser Arlingclose forecasts that The Bank of England’s Monetary Policy Committee will continue reducing rates during 2024 and through 2025, taking Bank Rate to around 3.75% by the end of the 2025/26 financial year. The effect from the Autumn Budget on economic growth and inflation has reduced previous expectations in terms of the pace of rate cuts as well as pushing up the rate at the end of the loosening cycle.

6.16. Arlingclose expects long-term gilt yields to remain broadly at current levels on average (amid continued volatility), but to end the forecast period modestly lower compared to now. Yields will continue remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will be short-term volatility due to economic and (geo)political uncertainty and events.

6.17. A more detailed economic and interest rate forecast provided by Arlingclose Ltd is attached at **Annex A** to this strategy.

6.18. For the purpose of setting the budget, it has been assumed that new treasury management investments will be made at an average rate of 4.30%, which takes into account strategic fund investments, and that new borrowing in the form of short-term loans will be borrowed at an average of 4.10%.

3. Local Context

6.19. As at 30 November 2024 the Authority has borrowings of £370m and treasury investments of £50m. This is set out in further detail at **Annex B.** Forecast changes in these sums are shown in the balance sheet analysis in **Table 1**.

Table 1: Balance Sheet Summary and Forecast	31/03/25 Estimate £m	31/03/26 Estimate £m	31/03/27 Estimate £m	31/03/28 Estimate £m	31/03/29 Estimate £m
General Fund CFR	518	585	613	627	614
Less: Other long-term liabilities *	(17)	(17)	(15)	(14)	(14)
Loans CFR	**501**	**568**	**598**	**613**	**600**
Less: External borrowing **	(303)	(128)	(123)	(119)	(111)
Internal (over) borrowing	**198**	**440**	**475**	**494**	**489**
Less: Usable reserves	(122)	(113)	(103)	(103)	(114)
Less: Working capital	(47)	(50)	(50)	(51)	(52)
(Treasury Investments) or New borrowing	**29**	**277**	**322**	**340**	**323**

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

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

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

6.21. The Authority has an increasing CFR due to the capital programme and EFS and will therefore be required to borrow up to an additional £99m over the forecast period.

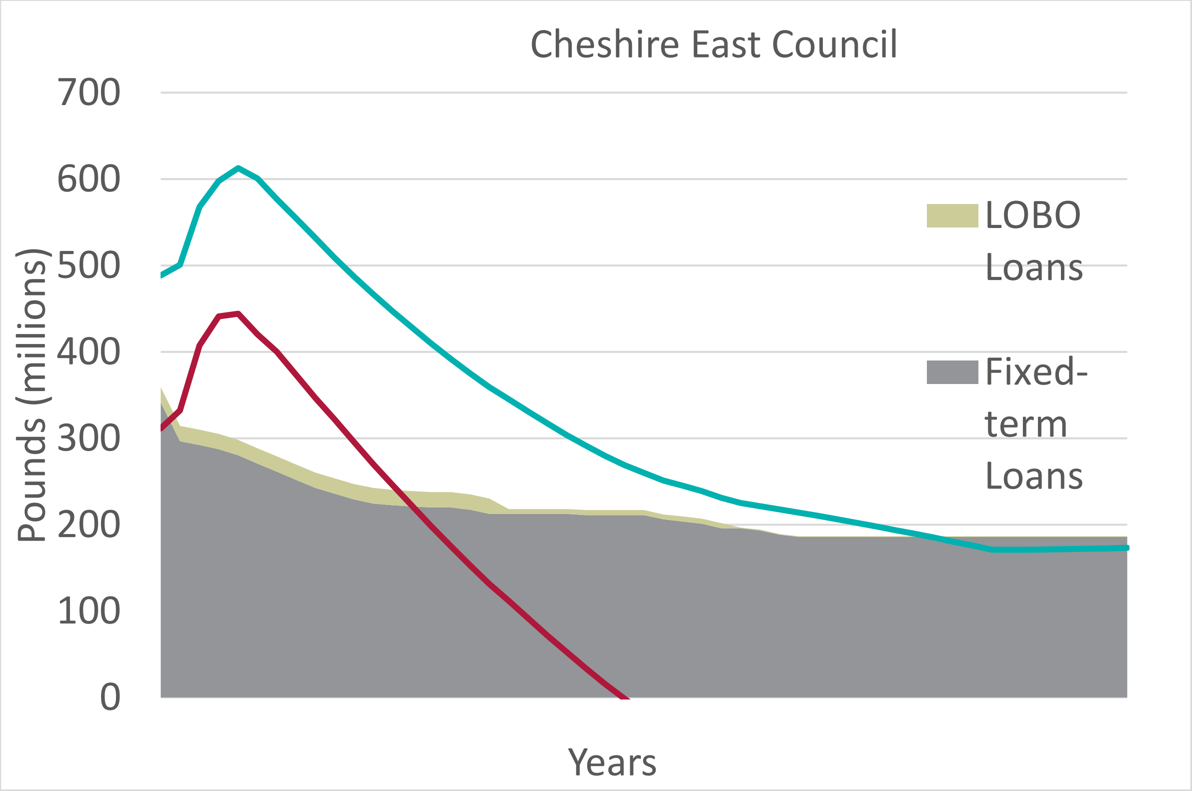
6.22. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. **Table 1** shows that the Authority expects to comply with this recommendation during 2025/26.

6.23. **Liability Benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as **Table 1** above, but that cash and investment balances are kept to a minimum level of £20m at each year-end to maintain a core strategic investment.

Table 2: Liability Benchmark	31/03/25 Estimate £m	31/03/26 Estimate £m	31/03/27 Estimate £m	31/03/28 Estimate £m	31/03/29 Estimate £m
Loans CFR	500	568	598	613	601
Less: Usable reserves	(123)	(114)	(102)	(103)	(114)
Less: Working capital	(47)	(50)	(50)	(51)	(52)
Plus: Minimum investments	20	20	20	20	20
Liability Benchmark	**351**	**424**	**466**	**479**	**455**

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

Chart 1: Liability Benchmark Chart



4. Borrowing Strategy

6.25. The Authority currently holds loans of £370m. Cash flow shortfalls arising from past debt repayments and capital spending are currently being funded through short-term borrowing. The Authority may also borrow additional sums to pre-fund future years' requirements providing this does not exceed the authorised limit for borrowing although at the present time we are not expecting to do this.

6.26. The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

6.27. Given the significant shortfalls in Local Government funding compared to the cost of service provision, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently higher than in the recent past, but are expected to fall in the coming year and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead. The risks of this approach are chiefly around liquidity so a blend of short-term and medium-term borrowing is likely to be adopted to create a balance between interest rate and liquidity risks.

6.28. By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates could rise modestly. Our treasury advisors will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2025/26 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

6.29. The Authority will consider sources other than PWLB when raising long-term loans including banks, pension funds and local authorities and will investigate the possibility of issuing bonds and similar instruments in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

6.30. Alternatively, the Authority may arrange forward starting loans during 2025/26, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

6.31. In addition, the Authority may borrow further short-term loans to cover unexpected or planned temporary cash flow shortages.

6.32. The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB Lending facility (formerly the Public Works Loan Board).
- National Wealth Fund (formerly UK Infrastructure Bank).
- Any UK public sector body.
- Any institution approved for investments (see below).
- Any other bank or building society authorised to operate in the UK.
- UK public and private sector pension funds (except Cheshire Pension Fund).
- Capital market bond investors.

- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.
- Salix Finance Ltd energy efficiency loans.

6.33. In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback
- similar asset based finance

6.34. **Municipal Bond Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report.

6.35. **LOBO's:** The Authority holds £17m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBO's have options during 2025/26, and with interest rates having risen recently, there is now a reasonable chance that the lender will exercise their option. If they do, the Authority will take the option to repay the LOBO loans to reduce refinancing risk in future years.

6.36. **Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

6.37. **Debt Rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or reduction in risk.

5. Treasury Investment Strategy

6.38. The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £24m and £108m with peaks in cash associated with receipts of grants in advance of expenditure and earlier borrowing decisions based on anticipated levels of expenditure which did not materialise. Levels of around £40m are expected to be maintained in the forthcoming year.

6.39. The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

6.40. As demonstrated by the liability benchmark above, the Authority expects to be a long-term borrower and new treasury investments will, therefore, be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of £20m strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.

6.41. The CIPFA code does not permit local authorities to both borrow and invest long-term for cash flow management. However, the Authority may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.

6.42. **ESG Policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and, therefore, the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

6.43. **Business Models:** Under the IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

6.44. The Authority may invest its surplus funds with any of the counterparties in **Table 3** below, subject to the cash limits (per counterparty) and time limits shown.

Table 3: Treasury Investment Counterparties and Limits Sector	Time Limit	Counterparty Limit	Sector Limit
UK Government	3 years	Unlimited	n/a
Local Authorities and other Government Entities	3 years	£12m	Unlimited
Secured Investments*	3 years	£12m	Unlimited
Banks (unsecured)*	13 months	£6m	Unlimited
Building Societies (unsecured)*	13 months	£6m	£12m
Registered Providers (unsecured)*	3 years	£6m	£25m
Money Market Funds*	n/a	£12m	Unlimited
Strategic Pooled Funds	n/a	£12m	£50m
Real Estate Investment Trusts	n/a	£12m	£25m
Other investments*	3 years	£6m	£12m

This table must be read in conjunction with the notes below.

6.45. ***Minimum Credit Rating:** Treasury Investments in sectors marked with an Asterix will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account. For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

6.46. **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts.

6.47. **Local Authorities and Other Government Entities:** Loans to, and bonds and bills issued or guaranteed by, other national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk.

6.48. **Secured Investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds, secured deposits and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

6.49. **Banks and Building Societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

6.50. **Registered Providers (unsecured):** Loans to, and bonds issued or guaranteed by registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing and, as providers of public services, they retain the likelihood of receiving Government support if needed.

6.51. **Money Market Funds:** Pooled funds that offer same day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risk, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

6.52. **Strategic Pooled Funds:** Bond, equity and property funds, including exchange traded funds, that offer enhanced returns over the longer term but are more volatile in the short-term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

6.53. **Real estate investment trusts (REITs):** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

6.54. **Other Investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and unsecured loans to companies and universities. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

6.55. **Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept to the lowest practical levels per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

6.56. **Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,

- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

6.57. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

6.58. **Other Information on the Security of Investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential Government support, reports in the quality financial press and analysis and advice from the Authority’s treasury management advisor. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

6.59. **Reputational Aspects:** The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

6.60. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This may cause investment returns to fall but will protect the principal sum invested.

6.61. **Investment Limits:** The Authority’s revenue reserves available to cover investment losses are forecast to be £123m on 31 March 2025. In order that no more than 5% of available reserves will be put at risk in the case of a single default, the maximum that will be lent unsecured to any one organisation (other than the UK Government) will be £6m. Secured investments will have a higher limit of £12m per organisation. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Additional Investment Limits Type of Counterparty	Cash Limit
Any group of pooled funds under the same management	£25m per manager
Investments held in a broker's nominee account	£25m per broker
Foreign countries	£12m per country

6.62. **Liquidity management:** The Authority maintains a cash flow forecasting model to determine the maximum period for which funds may prudently be committed. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

6. Treasury Management Indicators

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

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

Table 5 Interest Rate Risk Indicator	Limit
Upper limit on one-year revenue impact of a 1% **rise** in interest rates	£2,786,000
Upper limit on one-year revenue impact of a 1% **fall** in interest rates	£0

6.65. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates. The Council is expected to remain a net borrower in 2025/26 so a fall in rates would lead to savings rather than incurring additional cost.

6.66. **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Table 6 Refinancing rate risk indicator	Upper	Lower
Under 12 months	75%	0%
12 months and within 24 months	75%	0%

Table 6 Refinancing rate risk indicator	Upper	Lower
24 months and within 5 years	75%	0%
5 years and within 10 years	75%	0%
10 years and within 20 years	100%	0%
20 years and above	100%	0%

6.67. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. The upper limit for loans maturing in the shorter periods is relatively high as there is no shortage of liquidity in the market and short-term funding remains cheaper than alternatives. This will enable the Council to finance temporary cashflow shortfalls at year-end more economically. This will be kept under review as it does increase the risk of higher financing costs in the future.

6.68. **Long-Term Treasury Management Investments:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Table 7 Price Risk Indicator	2025/26	2026/27	2027/28	No Fixed Date
Limit on principal invested beyond year-end	£25m	£15m	£10m	£30m

6.69. Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

7. Other Items

6.70. The CIPFA code requires the Authority to include the following in its treasury management strategy.

6.71. **Policy on Use of Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (for example, interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (such as LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (meaning those that are not embedded into a loan or investment).

6.72. The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

6.73. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

6.74. In line with the CIPFA code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

6.75. **External Funds:** The Authority acts as the accountable body for Enterprise Cheshire & Warrington (ECW) and for the Cheshire & Warrington Development Ltd Partnership (Evergreen Fund). The Council holds significant cash balances on their behalf prior to expenditure which is either invested short-term or has reduced the need for external borrowing. For ECW, the Authority shares the interest benefit based on an agreed method for each fund which is either the average rate achieved on the Council's in-house (non-strategic) investments or an agreed market indicator rate. Surplus Evergreen Fund balances are required to be invested by the fund so the Council acts as a borrower with an agreed variable interest rate based on the average rate achieved on the Council's in-house (non-strategic) investments.

6.76. **Markets in Financial Instruments Directive:** The Authority has opted up to professional client status with its providers of financial services including advisers, banks, brokers and fund managers, allowing it to access a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, this seems to be the most appropriate status.

Annex A: Economic and Interest Rate Forecast

Underlying assumptions:

- As expected, the Bank of England Monetary Policy Committee (MPC) cut Bank Rate to 4.75% in November in an 8-1 vote. However, the outlook for monetary policy has changed following the new government's fiscal plans, as delivered in the recent Budget.
- The Budget contained measures that will boost demand, in a constrained supply environment, while pushing up direct costs for employers. The short to medium-term inflationary effects of the Budget require a change to our Interest Rate Forecast.
- UK GDP recovered well in H1 2024 from technical recession, but underlying growth appears relatively subdued. However, the Budget will significantly boost government spending over the short-term, with few offsetting measures to subdue household demand, so GDP growth is likely to rise relatively steeply.
- Private sector wage growth has eased to 4.8% yet remains high, while services inflation continues to hold above pre-pandemic levels. The increase in employers' NICs, minimum and public sector wage levels could have wide ranging impacts on private sector employment demand and costs, but the near-term impact will likely be inflationary as these additional costs get passed to consumers.
- CPI inflation was below the 2% target in September but will rise a little by year-end as energy price declines from the previous year fall out of the annual comparison. The Bank of England (BoE) estimates the Budget impact will see the CPI rate at 2.7% by year end 2025 and remain over target in 2026, as opposed to the prior projection of inflation easing back to and then below target by this point.
- The MPC re-emphasised the gradual move to easing monetary policy, and we now believe the Budget measures have both reduced the pace of Bank Rate cuts and increased the low for this loosening cycle (although downside risks remain in the medium term).
- The increase in borrowing, rise in inflation and shallower path for Bank Rate projected by the Office for Budget Responsibility (OBR) raised gilt yields. The material change in rate expectations means that yields will be generally higher in the post-Budget world.
- US government yields have risen following Donald Trump's and Republican victories in the US elections. Trump has run on a platform of policies that appear inflationary, calling into question the extent of policy loosening required from the Federal Reserve (which was already uncertain given continued solid US growth data). Higher US yields could also support higher UK yields.

Forecast:

- In line with the Arlingclose forecast, Bank Rate was cut to 4.75% in November 2024.
- The MPC will continue to lower Bank Rate to reduce the restrictiveness of monetary policy, but more slowly and to a higher level. We see another rate cut in February 2025, followed by one cut per quarter, in line with Monetary Policy Report publication, to a low of 3.75%.

- Long-term gilt yields have to reflect both UK and US economic, monetary and fiscal policy expectations, and increases in bond supply. Volatility is likely to remain elevated as the market digests incoming data for clues around the impact of policy changes.
- This uncertainty may lead to Arlingclose making more frequent changes to their forecast than has been the case in the past.
- Upside risks to inflation over the next 12 months could limit the extent of monetary easing, but we see the risks as broadly balanced over the medium term.

Treasury Advisor, Arlingclose Ltd, 3 Year Interest Rate Forecast

	Current	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.75	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Downside risk	0.00	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.95	4.80	4.60	4.35	4.10	3.90	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
5yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.30	4.20	4.10	4.05	3.95	3.90	3.90	3.90	3.95	4.00	4.05	4.05	4.05
Downside risk	0.00	-0.40	-0.50	-0.60	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65
10yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.41	4.40	4.35	4.35	4.35	4.30	4.30	4.30	4.35	4.35	4.35	4.35	4.35
Downside risk	0.00	-0.40	-0.50	-0.60	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65
20yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.84	4.80	4.75	4.70	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65
Downside risk	0.00	-0.40	-0.50	-0.60	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65
50yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.35	4.50	4.45	4.40	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Downside risk	0.00	-0.40	-0.50	-0.60	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65

PWLB certainty rate = relevant gilt yield + 0.80%

Annex B: Existing Investment and Debt Portfolio Position

	30/11/2024 Actual Portfolio £m	30/11/2024 Average Rate
External Borrowing:		
Local Authorities	174	5.38%
PWLB - Fixed Rate	157	4.79%
LOBO Loans	17	4.63%
Other	4	4.92%
Total External Borrowing	**352**	**5.03%**
Other Long-Term Liabilities:		
PFI	18	-
Total Gross External Debt	**370**	**-**
Treasury Investments:		
Managed in-house		
Short-term investments		
Instant Access	10	4.78%
Fixed Term Deposits	20	4.95%
Managed externally		
Property Fund	8	5.06%
Multi Asset Fund	5	5.82%
Equity Fund	2	6.80%
Global Income Fund	4	5.95%
Corporate Bond Fund	1	4.11%
Total Investments	**50**	**5.17%**
Net Debt	**320**	**-**

Annex 8 – Reserves Strategy

1. Introduction

Types of Reserves

7.1. When reviewing medium-term financial plans and preparing annual budgets the Council considers the management of reserves. Three types of Reserves will be held:

General Reserves

7.2. This represents the non-ring-fenced balance of funds. There are two main purposes of General Reserves: to operate as a working balance to manage the impact of uneven cash flows and avoid unnecessary temporary borrowing; and to provide a contingency against emerging events or emergencies.

7.3. Increasing General Reserves

- Planned repayment as set out in the Medium-Term Financial Strategy, usually to recover to an adequate level in relation to a detailed risk assessment, or to prepare in advance for future risks or investment.
- Allocation of an operating surplus at the close of the financial year, or movement from Earmarked Reserves based on priorities.

7.4. Decreasing General Reserves

- Planned draw-down of reserves to create investment, and to counteract the possibility of over-taxing in any financial year.
- Allocation of an operating deficit at the close of the financial year, or movement to Earmarked Reserves based on priorities.

Earmarked Reserves

7.5. These provide a means of building up funds, for use in a later financial year, to meet known or predicted policy initiatives. Discipline is required around setting up and maintaining earmarked reserves and this Strategy sets out the Council's approach to this. Earmarked reserves will increase through decisions of the Council and will decrease as they are spent on specific intended purposes

Unusable Reserves

7.6. These arise out of a requirement under legislation and proper accounting practice either to accumulate revaluation gains, or as adjustment accounts to comply with statutory accounting requirements. These reserves are not backed by resources and therefore cannot be used for any other purpose. Hence, these reserves are not available to fund expenditure. These will generally be excluded from any discussion where the Council talks about its level of reserves.

Assessing the Adequacy of Reserves

7.7. To assess the adequacy of General Reserves, the Section 151 Officer will take account of the strategic, operational and financial risks facing the Authority. The Council therefore adopts formal risk management processes. The Audit Commission Codes of Audit Practice make it clear that it is the responsibility of the audited body to identify and address its operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. The financial risks are assessed against the Authority's overall approach to risk management.

7.8. There is a requirement for local authorities to include an Annual Statement of Governance with the Statement of Accounts. The Section 151 Officer ensures that the Authority has put in place effective arrangements for internal audit of the control environment and systems of internal control, as required by professional standards.

7.9. Setting the level of General Reserves is just one of several related decisions in the formulation of the Medium-Term Financial Strategy and the budget for a particular year. Account will also be taken of the key financial assumptions underpinning the budget alongside a consideration of the Authority's financial management arrangements.

7.10. **Table 1** sets out the significant budget assumptions that are relevant when considering the adequacy of reserves, in addition to the issue of cashflow.

7.11. These factors can only be assessed properly at a local level. A considerable degree of professional judgement is required. The Section 151 Officer can express advice on the level of balances in cash and / or as a percentage of budget, so long as that advice is tailored to the circumstances of the Authority for that particular year. A general assumption for many local authorities over the years has been to allow for 5% of Net Revenue Expenditure.

7.12. Advice will be set in the context of the Authority's process to manage medium-term financial stability and not focus on short-term considerations, although balancing the annual budget by drawing on General Reserves may be a legitimate short-term option. However, where reserves are to be deployed to finance recurrent expenditure, this should be made explicit and will occur only to pump prime investment and not to regularly support such costs. Advice will be given on the adequacy of reserves over the lifetime of the Medium-Term Financial Strategy.

7.13. The current guidance requires the purpose, usage and the basis of transactions of earmarked reserves to be identified clearly. A review of the levels of earmarked reserves is undertaken as part of annual budget preparation.

Table 1: **Holding adequate reserves will depend on key Budget Assumptions**
• The treatment of inflation and interest rates • Estimates of the level and timing of capital receipts • The treatment of demand led pressures • The treatment of planned efficiency savings / productivity gains • The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments • The availability of other funds to deal with major contingencies and the adequacy of provisions

Financial Standing and management
• The overall financial standing of the Authority (including: level of borrowing, debt outstanding and Council Tax collection rates) • The Authority's track record in budget and financial management including the robustness of the medium-term plans • The Authority's capacity to manage in-year budget pressures • The strength of the financial information and reporting arrangements • The Authority's virement and end of year procedures in relation to budget under / overspends at authority and service level • The adequacy of the Authority's insurance arrangements to cover major unforeseen risks

Source: CIPFA – LAAP Bulletin 55, 2003

2. General Fund Reserves (Revenue)

Purposes

7.14. The purpose of General Reserves is to manage the possible financial impacts to the Authority from:

- Emergencies.
- In-year emerging financial issues.
- Reacting to investment opportunities.

7.15. The Finance Procedure Rules set the parameters for the use of General Reserves.

7.16. The in-year use of General Reserves requires approval in accordance with the Constitution parameters set by Council. Any use of General Reserves must consider the medium-term impact of the decision and how this will align to the robustness of the MTFS, and to the Reserves Strategy.

7.17. In all cases the use of reserves should be approved by the Section 151 Officer.

7.18. During 2019 CIPFA published a financial management code designed to support the Local Government sector as it faces continued financial challenge, the Code recognises 'that using the financial reserves to finance a deficit or to avoid difficult decisions around spending cuts provides temporary relief, but is not sustainable in the long-term.'

7.19. This guidance from CIPFA follows the National Audit Office (NAO) report on financial sustainability in local authorities. This indicated that there is a heightened risk of more Council's over the coming years falling into special measures as a result of not reconciling the pressure on budgets.

Opening Balances

7.20. The Council held General Reserves as at 1 April 2024 of £5.6m.

Estimated Movement in Reserves

7.21. When the 2024/25 budget was set, in February 2024, it was balanced by the use of £11.6m of General Reserves. This usage is not sustainable in the medium term. Net spending therefore needed to be contained within the estimates of expenditure that form the budget.

7.22. The in-year forecast overspend for 2024/25 is £18.3m (as at Third Financial Review), which cannot be drawn down from General Reserves and will be funded by the use of £17.6m of conditional Exceptional Financial Support.

7.23. At 1 April 2025, it is anticipated that the Council will hold a General Reserves balance of £3.7m, as shown below.

7.24. It was also agreed as part of the previous MTFS to transfer all earmarked reserves which have not been identified for use in 2024/25 into the General Fund Reserve. The value of un-ringfenced reserves to be transferred in 2024/25 totals £3.1m.

Table 2 General Fund Reserve	£000
General Fund Reserve Opening Balance at 1 April 2024	**5,580**
<u>2024/25 In-year Movements</u>	
Transfers from un-ringfenced Earmarked Reserves - MTFS 24-28	**10,603**
To support 2024/25 projected budget deficit - MTFS 24-28	**(11,654)**
2024/25 Transformation Costs	**(4,066)**
Top-up General Fund Reserve	**100**
Transfers from un-ringfenced Earmarked Reserves Feb 2025	**3,133**
General Fund Reserve Closing Balance at 31 March 2025	**3,696**
<u>2025/26 In-year Movements</u>	
Top-up General Fund Reserve	**1,304**
General Fund Reserve Closing Balance at 31 March 2026	**5,000**

7.25. There is currently an insufficient balance available in the General Fund Reserve to adequately protect the Council against current and future risks.

7.26. The current balance in the General Fund Reserve does not align to the Cheshire East Plan target of £20m by 2025. For this reason, the Council now plans to increase the General

Fund reserve by £5m per annum over the medium term, plus any beneficial financial performance or additional income to reserves in the first instance over the medium-term as an approach to complying with the Plan.

7.27. The risks facing each local area will vary. In the case of Cheshire East, the impact of rising demand for services, the economic climate including very high inflation and interest rate levels, emerging and delayed Government policies (particularly in relation to Business Rates and fair funding), and pressure on public services to reduce overall expenditure are relevant, and these present the potential for significant emerging risk.

7.28. Where specific financial liability has not been established, or where outcomes from emerging pressures cannot be detailed, the Council will assume an appropriate level of risk. This reduces the possibility that the Council will be exposed to excessive financial pressure in a single year, thereby smoothing the impact on residents.

7.29. As referred to in the MTFS Section 1. The Council has set out some key principles that it needs to continue to follow in the short and medium term to manage the financial uncertainty that it faces.

7.30. **Principle 7 – to create and maintain a central contingency and risk of undelivered savings budgets.** This recognises the aspiration of the Finance Sub Committee as reported in June 2024, to set aside a central contingency fund and risk against undeliverable savings budget to protect against the risk of underachievement of planned transformation savings and / or unforeseen growth in service budgets.

7.31. **Contingency Budget** - The aim is to maintain this annual contingency budget over the medium term at 1.5% of the net revenue budget plus other known risks, for example, around National Living Wage on care costs.

7.32. **Risk Budget** - The risk of underachievement of savings targets grows as more and more challenging savings are included in the budget setting. Setting aside a risk budget based on a percentage of the savings identified in any given year is prudent (currently 10%). A Risk Budget of £3.8m has been introduced from 2026/27 to align with the increased impact of the full year Transformation Savings reflected through the MTFS. Whilst acknowledging that there are also £47.1m of savings reflected through 2025/26 budget, due to the forecast overall affordability of the 2025/26 budget any risks arising from the 2025/26 in year position will need to be mitigated where possible or considered against the Contingency budget and/or General Fund Reserves.

7.33. Any proposed use of these two Strategic Budgets in-year will require the approval from both the Chief Executive and Section 151 Officer and will be determined against the criteria when creating the budgets as set out above.

7.34. Any unapplied funds in any given financial year from either budget is to be transferred into General Fund Reserves or other agreed Specific Strategic Reserves (see below) at outturn to help bolster the financial resilience of the Council.

7.35. In addition, the following Strategic Earmarked Reserves are proposed to be protected and, in some cases, replenished over the 4-year MTFS as part of the Council's approach to improving the robustness of the MTFS and adequacy of Reserves:

- PFI Equalisation Reserve - Extra Care Housing – to meet future payments on the existing PFI contract.
- Public Health unallocated ring-fenced grant – to be invested in areas to improve performance against key targets (subject to annual assurance sign off).
- Insurance Reserve – To settle insurance claims and manage excess costs.
- Transformation Reserve – To fund the Council's transformation programme costs.

- Collection Fund Reserve - To manage cash flow implications as part of the Business Rates Retention Scheme.
- Elections Reserve – To provide funds for Election costs every 4 years.
- Flood Risk and Adverse Weather Events Reserve - To help the service manage risks such as the impact of adverse weather, specifically flooding or extensive periods where winter maintenance is required.

7.36. Risks are considered and managed using the following basic principles:

- The risk may impact within the medium-term.
- Risks are potential one-off events.
- The risk will have genuine financial consequences.
- Mitigating actions will be in place to minimise the potential requirement for financial support.
- If a risk becomes 100% likely it will be allocated to earmarked reserves or included within appropriate revenue budget estimates – as reflected in the MTFS with the creation of a specific Contingency and Risk budget (as per para 8.31-8.32 above).
- Emerging risks will be addressed from in-year surplus or virement before any request to allocate from the Risk Budget or General Reserves.

7.37. As covered earlier in the Reserves Strategy, financial risks are managed, for example, through estimating variations, demand led budgets, provisions in the Capital Strategy, limits within the Treasury Management Strategy. In terms of Financial Reporting and Management, financial and budgetary matters are reported regularly to the Corporate Policy Committee, with the Audit and Governance Committee providing strategic oversight.

7.38. Through a combination of a target General Fund Reserve balance over the medium term of £20m, together with identified specific Contingency and Risk Budgets, plus the protection and replenishment of other Strategic Earmarked Reserves, it should be noted that these are proposed to reflect the net effect of issues relating to sustainable performance against the 2025/26 revenue budget and MTFS 2025/26 – 2028/29 which are:

- The capacity of the organisation to deliver proposed Transformation proposals plus other growth or achieve the proposed level of savings entirely.
- Potential underachievement of cost reduction targets following approval and any necessary consultation processes.
- Demand for services a risk rising above estimated trends.
- Inflation staying at current levels or increasing further.
- Changes to Government settlements.

Adequacy of General Reserves

7.39. The Local Government Finance Act 1988 and 1992 and the Local Government Act 2003 emphasise the importance of sound and effective financial management in England and Wales by the statutory duty of the Section 151 Officer to report to the Authority, at the time the budget is considered and the Council Tax set, on the robustness of the budget estimates and the adequacy of financial reserves.

7.40. CIPFA and the Local Authority Accounting Panel consider that local authorities should establish reserves including the level of those reserves based on the advice of their Section

151 Officer. There is no statutory or recommended minimum level of reserves as they are established by the Section 151 Officer making judgements on such matters taking into account all the relevant known and expected local circumstances. Imposing a statutory minimum would therefore be against the promotion of local autonomy and would conflict with the financial freedoms offered to local authorities.

7.41. The Secretary of State in England has reserve powers to specify in regulations a statutory minimum level of reserves that will be used if authorities fail to remedy deficiencies or run down reserves against the advice of the Section 151 Officer. The Government has undertaken to apply this only to individual authorities in the circumstances where an authority does not act prudently and disregards the advice of its Section 151 Officer.

3. Earmarked Reserves (Revenue)

Purpose

7.42. The purpose of an earmarked reserve is:

- To prevent an uneven impact from policy options, by allowing balances to be set aside for future year expenditure.
- To set aside amounts for projects which extend beyond one year.

7.43. Once earmarked reserves have been established by Cheshire East Council, it is the responsibility of Chief Officers, in consultation with the Section 151 Officer, to ensure balances are spent in line with their purpose.

7.44. **Table 2** identifies the most commonly established earmarked reserves and the rationale behind why such reserves are created and maintained.

7.45. For each earmarked reserve held by Cheshire East Council there will be a clear protocol setting out:

- the purpose of the reserve,
- how and when the reserve can be used,
- procedures for the reserve's management and control,
- a process and timescale for review of the reserve to ensure continuing relevance and adequacy,
- clear indication of payback periods and approach (if applicable).

Table 3 Category of Earmarked Reserve	Rationale
Sums set aside for major schemes, such as capital developments or asset purchases, or to fund major reorganisations	Where expenditure is planned in future accounting periods, it is prudent to build up resources in advance.
Insurance reserves	An Insurance Fund has been established to meet the potential costs of insurance excesses arising from claims in respect of fire and consequential loss, public and employer liability, and vehicles relating to both Cheshire East Council and the former Cheshire County Council.
Reserves of trading and business units	Surpluses arising from in-house trading may be retained or may have to be retained by statute to cover potential losses in future years, or to finance capital expenditure.
Reserves retained for service departmental use	Increasingly, authorities have internal protocols that permit year-end surpluses at departmental level to be carried forward.
School Balances	These are unspent balances of budgets delegated to individual schools.

Source: CIPFA – LAAP Bulletin 55, 2

7.46. When establishing reserves, Cheshire East Council will ensure that it complies with the Code of Practice on Local Authority Accounting in the United Kingdom and in particular the need to distinguish between reserves and provisions.

7.47. The protocol for Cheshire East Council earmarked reserves is set out below. The Section 151 Officer will monitor adherence to these protocols. Details of each reserve will be held to demonstrate compliance with the protocols.

7.48. Earmarked Reserves will be:

- Set up by Full Council, on recommendation by the Section 151 Officer,
- Supported by a business case,
- Normally held for a maximum of 3 years, except where the business case justifies a longer retention,
- Be reviewed at least annually.

7.49. Services may also carry forward balances in accordance with Financial Procedure Rules.

7.50. Earmarked reserves have the effect of transferring the tax burden across financial years as current taxpayers' funds are being used to support future years' spending. It is therefore recommended that Cheshire East Council's earmarked reserves are subject to annual review, at least as part of the budget setting process, to ensure that they are still appropriate, relevant and adequate for the intended purpose.

7.51. As part of the previous budget setting in February 2024, £10.6m of earmarked reserves that had not been identified for use in 2024/25 have been drawdown to the General Fund Reserve to balance the budget.

7.52. Net movements of earmarked reserves totaling £7.0m has been drawdown to support service expenditure in 2024/25, as shown in Section 4.

7.53. It was also agreed as part of the previous MTFS to transfer all earmarked reserves which have not been identified for use in 2024/25 into the General Fund Reserve. The value of un-ringfenced reserves to be transferred in 2024/25 totals £3.1m as noted in Section 2.

7.54. Other service proposals within this MTFS will utilise earmarked reserves where necessary and will be noted accordingly (see Section 1 of the MTFS report).

7.55. At 1 April 2025, it is anticipated that the remaining balances on Earmarked Reserves will be £11,5m, of which, £2.4m is ring-fenced for specific use.

7.56. By 1 April 2026, the balance on Earmarked Reserves is anticipated to reduce further to £9.4m, of which, £1.4m is ring-fenced for specific use.

4. Earmarked Reserve Balances at 31 March 2026

Table 4 Adults and Health Committee Reserve Account	Opening Balance 01 April 2024	Transfers to General Fund - MTFS Feb 2024	24/25 Net Movement on Reserve	Transfers to General Fund Feb 2025	Closing Balance Forecast 31 March 2025	25/26 Net Movement on Reserve	Closing Balance Forecast 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
PFI Equalisation - Extra Care Housing	**2,857**	(2,795)	0	(62)	**0**	46	**46**
Public Health Reserve	**2,369**	0	9	0	**2,378**	(1,025)	**1,353**
Adults and Health Reserves Total	**5,226**	**(2,795)**	**9**	**(62)**	**2,378**	**(979)**	**1,399**

Table 5 Children and Families Committee Reserve Account	Opening Balance 01 April 2024	Transfers to General Fund - MTFS Feb 2024	24/25 Net Movement on Reserve	Transfers to General Fund Feb 2025	Closing Balance Forecast 31 March 2025	25/26 Net Movement on Reserve	Closing Balance Forecast 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Domestic Abuse Partnership	**131**	0	(131)	0	**0**	0	**0**
Troubled Families Initiative	**1,593**	0	(1,593)	0	**0**	0	**0**
Children and Families Reserves Total	**1,724**	**0**	**(1,724)**	**0**	**0**	**0**	**0**

Table 6 Corporate Policy Committee and Central Reserves Reserve Account	Opening Balance 01 April 2024	Transfers to General Fund - MTFS Feb 2024	24/25 Net Movement on Reserve	Transfers to General Fund Feb 2025	Closing Balance Forecast 31 March 2025	25/26 Net Movement on Reserve	Closing Balance Forecast 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Corporate Directorate Reserve	**1,164**	(935)	0	(229)	**0**	0	**0**
Collection Fund Management	**8,154**	(1,235)	(2,933)	0	**3,986**	3,469	**7,455**
Capital Financing Reserve	**4,530**	0	(4,530)	0	**0**	0	**0**
MTFS Reserve	**2,914**	(741)	255	(2,428)	**0**	0	**0**
2025/26 Transformation	**0**	0	3,500	0	**3,500**	(3,500)	**0**
Brighter Futures Transformation Programme	**490**	(470)	(20)	0	**0**	0	**0**
Section 31 Revenue Grants	**14**	0	0	(14)	**0**	0	**0**
Insurance Reserve	**3,098**	(3,098)	0	0	**0**	0	**0**
Elections General	**132**	0	0	0	**132**	0	**132**
Brexit Funding	**13**	(13)	0	0	**0**	0	**0**
HR	**59**	(59)	0	0	**0**	0	**0**
Pay Structure	**54**	0	0	(54)	**0**	0	**0**
Digital Solutions Architect	**150**	0	(150)	0	**0**	0	**0**
Corporate Policy and Central Reserves Total	**20,772**	**(6,551)**	**(3,878)**	**(2,725)**	**7,618**	**(31)**	**7,587**

Table 7 Economy and Growth Committee Reserve Account	Opening Balance 01 April 2024	Transfers to General Fund - MTFS Feb 2024	24/25 Net Movement on Reserve	Transfers to General Fund Feb 2025	Closing Balance Forecast 31 March 2025	25/26 Net Movement on Reserve	Closing Balance Forecast 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Place Directorate Reserve	**1,164**	0	(612)	(306)	**246**	(246)	**0**
Investment (Sustainability)	**610**	0	(21)	(40)	**549**	(549)	**0**
Legal Proceedings	**212**	0	(104)	0	**108**	(108)	**0**
Investment Portfolio	**534**	(534)	0	0	**0**	0	**0**
Homelessness & Housing Options - Revenue Grants	**129**	0	(129)	0	**0**	0	**0**
Tatton Park Trading Reserve	**128**	(128)	0	0	**0**	0	**0**
Economy and Growth Reserves Total	**2,777**	**(662)**	**(866)**	**(346)**	**903**	**(903)**	**0**

Table 8 Environment and Communities Committee Reserve Account	Opening Balance 01 April 2024	Transfers to General Fund - MTFS Feb 2024	24/25 Net Movement on Reserve	Transfers to General Fund Feb 2025	Closing Balance Forecast 31 March 2025	25/26 Net Movement on Reserve	Closing Balance Forecast 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Strategic Planning	**568**	(281)	(287)	0	**0**	0	**0**
Trees / Structures Risk Management	**139**	(55)	(30)	0	**54**	(54)	**0**
Air Quality	**36**	0	(5)	0	**31**	(31)	**0**
Licensing Enforcement	**8**	0	0	0	**8**	(8)	**0**
Flood Water Management (Emergency Planning)	**2**	0	(2)	0	**0**	0	**0**
Neighbourhood Planning	**82**	(41)	0	0	**41**	(41)	**0**
Spatial Planning - revenue grant	**13**	(13)	0	0	**0**	0	**0**
Street Cleansing	**22**	0	(4)	0	**18**	(18)	**0**
Environment and Communities Reserve Total	**870**	**(390)**	**(328)**	**(0)**	**152**	**(152)**	**0**

Table 9 Highways and Transport Committee Reserve Account	Opening Balance 01 April 2024	Transfers to General Fund - MTFS Feb 2024	24/25 Net Movement on Reserve	Transfers to General Fund Feb 2025	Closing Balance Forecast 31 March 2025	25/26 Net Movement on Reserve	Closing Balance Forecast 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Rail and Transport Integration	**385**	(185)	(200)	0	**0**	0	**0**
Flood Risk and Adverse Weather Events	**400**	0	0	0	**400**	0	**400**
Highways Procurement Project	**104**	(20)	(15)	0	**69**	(69)	**0**
LEP-Local Transport Body	**19**	0	0	0	**19**	(19)	**0**
Highways and Transport Reserve Total	**908**	**(205)**	**(215)**	**0**	**488**	**(88)**	**400**

5. Capital Reserves

7.57. Capital receipts received in-year are ordinarily applied to finance the capital programme. As set in **Section 2** – *Balancing the Budget*, based on the latest disposal forecast for future years as part of the strategic approach to balancing the 2025/26 budget and MTFS for 2025/26-2028/29, as supported by the Capitalisation Direction, consideration will be given to the available capital receipts and their utilisation to support funding Exceptional Financial Support borrowing costs and transformation spend, subject to Recommendations as set out in the covering report. Any excess small amount of capital receipts are otherwise held in reserve to cover future commitments where receipts are to be used flexibly to fund transformational projects.

7.58. Where revenue contributions are used to finance capital expenditure these will be held in reserve until such time as the expenditure is incurred.

7.59. As per the Capital Strategy (**Annex 5,** Section 3 Financial Controls), if the Capital Financing Budget (CFB) varies from the strategy, the Section 151 Officer will consider options to top-up or draw down from a Financing Earmarked Reserve (if available) and will report this approach to Members. Underspends on the CFB due to programme slippage will automatically be transferred to the Financing Reserve.

6. Reserves Strategy Conclusion

7.60. Overall, by the close of 2025/26, Cheshire East Council will not have an adequate level of reserves to protect the Council from future overspending or potential financial risks.

7.61. The full report setting out the work being undertaken to address the reserve levels and future financial security of the authority is set out in the Section 25 statement in Section 2, of the MTFS.

Background Papers

CIPFA Local Authority Accounting Panel: Bulletin 55, Local Authority Reserves and Balances (2003).

CIPFA Financial Management Code 2019.

Cheshire East Draft Statement of Accounts 2023/24.

Annex 9 – Financial Authorisation Limits

9.1. Financial control is achieved through the mechanism of the Financial Procedures Rules (Chapter 3, Part 3 and Part 4 of the Constitution) and the Financial Schemes of Delegation.

9.2. This Annex provides details of the financial authorisation limits for the year 2025/26 to be approved at Budget Council. The financial limits ensure decisions are made at the right level, are formally delegated and involve appropriate consultations with Senior Management, Statutory Officers and Members.

9.3. It is appropriate to review these limits on an annual basis to reflect the most up to date financial framework, following a review this Annex confirms the current levels are appropriate for 2025/26.

9.4. These limits are in line with the approved Constitution and for 2025/26 apply for the net revenue budget of £402.4m and the capital budget of £173.0m.

1. Scheme of Virement

9.5. Approval limits for virements are as follows:

Virements between budget heads

(Excluding Reserves / Contingencies)

Virement Amount	Approval Level
Up to and including £100,000	Relevant Heads of Service
In excess of £100,000 up to and including £500,000	Chief Finance Office in consultation with the Relevant Member(s) of CLT
In excess of £500,000 up to and Including: • £1,000,000 revenue; or • £5,000,000 capital	Relevant Member(s) of CLT and Chief Finance Officer in consultation with Chair of the relevant Committee and the Chair of Finance Sub-Committee
Over • £1,000,000 revenue; or • £5,000,000 capital (where virement is within budget and policy framework)	Finance Sub-Committee

Virements from Reserves or Contingencies

Virement Amount	Approval Level
Up to and including £250,000	Chief Finance Officer
In excess of £250,000 up to and including £500,000	Chief Finance Officer in consultation with the Relevant Member of CLT
In excess of £500,000 up to and including £1,000,000	Finance Sub-Committee
Over £1,000,000	Council with recommendation from Finance Sub-Committee

9.6. Council may approve that specific earmarked reserves for contingencies are allocated within the Budget Control Total of a committee. The committee may vire such funds only in consultation with the Chief Finance Officer.

2. Supplementary Estimates

9.7. Approval limits for fully funded revenue and capital supplementary estimates are as follows:

Supplementary Estimate Amount	Approval Level
Up to and including £250,000	Relevant Member of CLT
In excess of £250,000 up to and including £500,000	Relevant Member of CLT in consultation with the Chair of the relevant committee, Chair of Finance Sub-Committee and Chief Finance Officer
In excess of £500,000 up to and including £1,000,000	Committee
Over £1,000,000	Council

3. Asset Disposal / Write-off

9.8. The Chief Finance Officer may authorise the write-off of losses up to £25,000, or disposals, of obsolete or surplus equipment, materials, vehicles or stores up to a disposal value of £25,000. Where the value exceeds £25,000, but is less than or equal to £100,000 this should be done in consultation with the Finance Sub-Committee Chair. Write-offs over £100,000 will be the responsibility of the Finance Sub-Committee or Corporate Policy Committee.

9.9. Any write-off which arises as a result of theft or fraud must be notified to the Head of Audit and Risk immediately.

4. Early Retirement / Severance

9.10. The Chief Executive or Executive Director (Corporate Services) in consultation with the Chair of the Corporate Policy Committee must approve all requests up to £95,000 (excluding pay in lieu of notice and accrued holiday pay). All such requests in excess of £95,000 must be approved by the Corporate Policy Committee or a waiver sought from full Council and Central Government.

5. Grants and Donations

9.11. Grants, donations and contributions will be paid by the Council in accordance with the policies determined under paragraph 6.26 of the Financial Procedure Rules, subject to there being adequate provision in service budgets and the appropriate approvals being sought.

Approval level	Amount
Officers	Up to and including £50,000 (where grant is within approved grant policy and fully funded)
Relevant Corporate Leadership Team member in consultation with the Chair of the relevant committee and Chair of Finance Sub-Committee	Between £50,000 and £100,000 (where grant is within approved grant policy and fully funded)
Committee	All Grants of £100,000 or more. All grants which do not fall within existing approved grant policy require Corporate Policy Committee approval

6. Bad Debts

9.12. Bad Debts may be written off as follows:

Approval level	Amount
Chief Finance Officer	Up to and including £5,000
Chief Finance Officer in consultation with the Monitoring Officer	Over £5,000

9.13. The Corporate Leadership Team is responsible for ensuring that an adequate provision for bad debt is made in the Council's accounts at year-end and that contributions to this provision are included in budgetary projections and outturn.

9.14. A record must be maintained for all debts written off. The appropriate accounting adjustments must be made following approval to write-off a debt. The Chief Finance Officer may provide written delegation to other officers to approve the write-off of debt up to and including £5,000.

Annex 10 – Whole Budget Equality Impact Assessment

Cumulative Equalities Impact Assessment

Purpose of assessment

10.1. This cumulative equality impact assessment of the proposals set out in the Council's Budget for 2025/26 and Medium-Term Financial Strategy 2025-29, provides an assessment of the potential impacts upon residents, stakeholders and employees; who share one or more protected characteristics, as defined by the Equality Act 2010.

<u>Our commitment to fairness and equality</u>

10.2. The current Cheshire East Council vision is to create a Borough that is Open, Fair and Green. The Council provides many essential services to its residents and stakeholders, such as Social Care, Education, Highways, Economic Development and Waste. Council services are funded mostly from Council Tax, with additional contributions from Business Rates and government grants and managing these resources appropriately will enable our plans to be sustainable over the medium term.

10.3. The vision can be achieved by being a transparent organisation, that cares for the people who need our support, as we develop a locally sustainable place. The Cheshire East Plan 2024/25, that articulates the vision and how we will make it a local reality, was developed through consultation and evidences our strategic direction until 2025. A new plan for 2025-29 aligned to the MTFS reflects a commitment to being an effective and enabling Council.

10.4. Equality Impact Assessments (or EIA) are an important part of ensuring our services are responsive to the needs of our diverse communities and help tackle inequalities, creating a fairer borough for all.

10.5. Each of the proposals set out in the budget will be considered through an equalities lens and, where there is a potential or perceived negative impact, a full Equalities Impact Assessment will be undertaken, prior to implementation, and actions will be identified to mitigate any impacts.

10.6. These individual assessments will be undertaken to establish the impact of our budget savings proposals on residents, stakeholders and employees who share one or more protected characteristic.

Our principles

10.7. The principles that the Council is using to shape its budget and financial strategy are:

- Resizing and reshaping the budget to protect services and support for Cheshire East residents who are most in need.
- Investing in children's service.

- Investing in adult social care to ensure our budgets reflect the anticipated growth in demand and increasing complexity of need for those who require the most help.
- Delivering transformation projects.
- Addressing new external costs, such as the increase in National Living Wage which can mean that the services the Council commissions from external providers, including many adult social care services, cost more.
- Looking for other ways to change services to reduce costs, avoid costs, or increase income.

Our legal duties

10.8. Under Section 149 of the Equalities Act, the Council has a legal duty to have “due regard” to the need to:

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity and
- foster good relations between different groups.

10.9. We are required to demonstrate fulfilment of our duty to pay ‘due regard’ in the decision-making process and, as such, we need to understand the effect our policies and practices have on equality. Although the Council is not legally obligated to reject savings or growth proposals that could have negative impacts on any particular groups, it must carefully and with rigour consider the impact of its proposals on the PSED, take a reasonable and proportionate view about the overall impact on particular groups, and seek to mitigate negative impacts where possible.

Our diverse population

10.10. Our borough is home to almost 400,000 (406,500) residents and 190,000 households. It contains the major towns of Crewe, Macclesfield, Congleton and Wilmslow (with populations above 20,000). There are also a number of other significant centres of population (over 10,000) in Sandbach, Poynton, Nantwich, Middlewich, Knutsford and Alsager.

10.11. Whilst the population is predominantly White British (94.5%), Cheshire East is becoming an increasingly diverse borough due to its proximity and continually improving transport links to Manchester, Birmingham and London. It is also the home of choice for many migrant communities from across the world:

10.12. **Population**: The total population of Cheshire East is 406,500. Residents aged under 25 represent 25% of this total population, which is significantly lower than figures for both the North West (29%) and England (28%). There are more residents over the age of 65 in Cheshire East (23%) compared to both the North West (19%) and England (18%). There is little difference in gender between the age groups shown, with the exception of residents aged over 65 where the female population (54%) is notably higher than the male population (46%) partly reflecting differences in life expectancy between females and males.

10.13. **Race**: The proportion of the population in Cheshire East that were born outside the UK is 8.3%, significantly lower than the figure for both the North West (11.7%) and

England overall (17.4%). The highest proportion of residents born outside the UK was in the Crewe Central South (34.7%) followed by Crewe Central (30.9%).

10.14. **Ethnicity**: The most reliable source for data on ethnicity remains the 2021 Census. This is an 18 category self-report measure with an 'any other' write in option. Cheshire East has a high proportion of 'White' residents at 98% of the population, higher than the national (87%) and regional average (89%). The figure for 'White: other' population is included above as this represents the largest minority group population in Cheshire East (3.9%) but is hidden due to the way 'White' is considered a single homogenous group when reported.

10.15. **Disability**: The term 'disability' is used to refer to a limiting long term illness, health problem or disability (LLTI) which limits a person's day-to-day activities. This is usually captured using the decennial Census. In Cheshire East, in 2021, a smaller proportion but larger number of people were disabled (17.0%, 67,819), compared with 2011 (17.5%, 64,831). A further 7.8% of usual residents (31,165) had a long term physical or mental health condition but day-to-day activities were not limited by it. The five LSOA's with the highest disability rate (more than 25% of all usuals residents) were: Crewe (E01018476), Nantwich (E01018451), Alsager (E01018388), and Macclesfield (E01018645 and E01018620).

10.16. **Religion**: The religion question in the 2021 Census is voluntary; 94.5% (376,955) of usual residents answered the question in 2021, in line with the national average of 94.0% and an increase from 93.3% (345,486) in 2011. Just over half of the population in Cheshire East described themselves as "Christian" at 54.3% of usual residents (216,629), however this has fallen 14.6% from the figure in 2011 in which 68.9% (254,940) of usual residents described themselves as "Christian." While the proportion of residents describing themselves as "Christian" in Cheshire East is higher than the national average (46.2%) the decrease between census years was larger than the national decline (13.1%). "No religion" was the second most common response, increasing by 15.0% percentage points to 37.7% (150,257) from 22.7% (83,973) in 2011. There were small increases (0.1%) in the proportion of usual residents in Cheshire East responding as "Buddhist" (0.3%, 1314), "Hindu" (0.5%, 2046) and "Muslim" (1.0%, 4140).

10.17. **Sexual Orientation**: Sexual orientation is an umbrella concept, which includes sexual identity, behaviour and attraction. The 2021 Census question on sexual orientation was a voluntary question asked of those aged 16 years and over. In total, 309,493 (93.9% of the population aged 16 years and over) answered the question. Around 301,391 (91.5%) identified as straight or heterosexual. Around 8102 (2.5%) identified with an LGB+ orientation ("Gay or Lesbian", "Bisexual" or "Other sexual orientation"). The remaining 19,981 (6.1%) did not answer the question.

10.18. **Pregnancy and maternity**: In 2021 there were 4,798 conceptions to women in Cheshire East. This equates to conception rate of 71.9 per 1,000.

10.19. **Marriage and Civil Partnership**: At the time of the 2011 Census, 49.5% of adult residents were married and a further 0.2% were registered in a civil partnership.

10.20. **Gender Reassignment**: The Census 2021 question on gender identity was a voluntary question asked of those aged 16 years and over. The question asked "Is the gender you identify with the same as your sex registered at birth?". Overall, 329,474 (95.0% of the population aged 16 years and over) answered the question.

In total, 312,882 (95.0%) answered “Yes” and 1,387 (0.4%) answered “No”. The remaining 15,205 (4.6%) did not answer the question.

The scale of the challenge

10.21. The Council is dealing with an increasing demand for services, at a time of ongoing uncertainty around the future of Local Government funding from Central Government beyond the 2025/26 financial year. We have therefore updated the Medium-Term Financial Strategy to focus on locally predictable resources funding locally provided services that are sustainable.

10.22. This year, as in previous years, we have made every endeavour to protect those in greatest need and at most risk. Where possible, savings focus on optimising efficiencies in service delivery. However, some reductions in services have been unavoidable. Where this is the case, we will assess the potential impact on groups with protected characteristics.

10.23. Consultation on the overall budget proposals is not a substitute for consultation or undertaking an EIA before implementing individual elements of the proposed budget. Having set the budget, this will not preclude making changes following detailed consultation as long as changes are in accordance with the Council’s Constitution and Financial Regulations.

10.24. Inevitably the budget is a plan and there will be variations arising during the year. These variations are reported through the in-year budget monitoring.

10.25. Budget planning for the medium term continues being set against the most uncertain economic and fiscal context. Our services continue to be impacted by rising inflation and the need to address the deficit between spending to support children with Special Educational Needs and Disabilities (SEND) and the funding available within the High Needs Block of the Dedicated Schools Grant (DSG). This uncertainty affects both spending plans and income sources.

10.26. Feedback received during consultation and during implementation will continue to inform our medium-term planning. Working with residents and our partners, we will explore and monitor the cumulative impacts that emerge as our proposals are implemented. This information will be used to help us develop and shape mitigation initiatives and to inform future decisions going forward.

Equalities Impacts: overall cumulative impact

10.27. Given the significant financial challenges the Council faces it is likely the budget will have some proposals which will have a high or medium negative impact on some protected groups – at this stage it is too early to say who will be impacted and what the impact might be, however, the principles used in setting the budget are intended to protect services and support for Cheshire East residents who are most in need.

10.28. The proposals will also include some transformation savings. These are where we aim to provide services in a different and improved way at less overall cost to the Council. It is possible that some of these will have a positive impact on service users although it’s far too early to provide any detail.

Impacts on all residents

10.29. There are likely to be a small number of changes to universal services and charges, and these have the potential to affect all residents.

10.30. Residents can expect to see an increase in their Council Tax and some may also be impacted by increases in other charges made by the Council. However, the most vulnerable residents will continue to be protected where possible. The Council provides a Council Tax Support Scheme, which can provide a reduction on Council Tax bills for those on a low income.

Impacts on specific service users

10.31. Proposals which relate to changes in services, which support specific groups of residents and their families, including services for vulnerable adults, disabled people, and those with learning disabilities or mental health problems, and children and young people, are expected to be new providers where services are being recommissioned to achieve savings, or reviews of support packages to focus more upon a person's strengths, resources and ability to access help in their community (strengths-based approach), rather than automatically assigning the highest level of care, regardless of needs or abilities.

10.32. Efforts will be made to ensure that there are no negative impacts on vulnerable groups and services which support residents assessed and to receive the level of support required to meet their needs. Indeed, there may be a positive impact as people are empowered and supported to access help in their community and retain their independence for longer.

10.33. However, there is a risk that service users, families and carers could be unsettled by any change in the normal support arrangements and feel worried that the revised offer will not meet their needs. It will therefore be essential for services to ensure that service users and their families and carers are involved in any review of the support offer, and that the offer is reviewed on a regular basis to identify and respond to any change in needs and tailor the offer accordingly.

Impacts on staff

10.34. As part of the Transformation Plan, a new target operating model for the Council has been developed through engagement with staff across the Council at all levels. The principles within the operating model will be used to help inform changes to the way the Council works including the way teams and roles are organised in the future.

10.35. Some staff savings and efficiencies are likely to come from deleting / not recruiting to vacant posts, so there will be no or limited direct impact on staff or specific protected characteristics.

10.36. Any proposals relating to reconfiguring or consolidating teams or bringing common functions together to achieve staff efficiencies, will be considered and assessed using an equality impact assessment. It is not possible at this stage to assess the overall impacts on any specific protected characteristics but as numbers are low and spread across a number of services / types of roles there are unlikely to be any groups disproportionately impacted.

10.37. Any restructures will be subject to staff and staff union consultation, in accordance with the Council's reorganisation policy and procedures. Where redundancies are necessary, affected staff will be offered support and prioritised for any new jobs being advertised within the Council.

10.38. The impacts of proposals on staff with protected characteristics cannot yet be fully determined, but as numbers are expected to be low and spread across a number of services / types of roles, there are unlikely to be any protected groups disproportionately impacted. Any changes to staffing structure will require consultation with staff unions in accordance with the Council's reorganisation policy and procedures.

10.39. Our established organisational change process ensures we support all of our staff through this change. Where restructures are proposed we carry out an assessment that identifies the implications for those with protected characteristics and finds ways to mitigate accordingly.

10.40. Where a redundancy situation is possible, we will take a number of steps including:

- not filling vacancies in advance of a restructure so as many opportunities as possible are available to our existing staff
- using our redeployment process to help staff at risk find suitable alternative employment within the Council
- considering alternative options to redundancy such as early retirement, flexible working or other 'working differently' options.
- stress management support and counselling services will be offered to staff through the Employee Assistance Programme to help them cope with the additional pressures that structural change may bring.

10.41. We have an ongoing commitment to making Cheshire East Council an employer of choice and are supporting flexible working opportunities available where possible, including condensed hours, flexible start and end times and part time working.

10.42. The Council is committed to a workforce that is representative of the borough at all levels and will continue to look for new ways to improve progression routes for staff and equip them to be senior managers of the future. We will continue to promote our staff equality forums as a way of engaging with, and listening to, staff and working together to continually improve their experience of working in Cheshire East.

Human Rights

<u>Human Rights</u>

10.43. It is unlawful for the Council to act in a way that is incompatible with a European Convention right (unless the Council could not have acted differently as a result of a statutory provision).

10.44. An interference with a qualified right (e.g. the right to respect for private and family life) is not unlawful if the Council acts in accordance with the law and the interference is necessary in a democratic society.

10.45. In deciding whether the interference is necessary, the law applies a proportionality test, including whether a fair balance has been struck between the rights of the individual and the interests of the community.

Safeguarding

Implications for safeguarding in Adult Social Care

10.46. Proposals outlined in this document aim to build upon the Council's work on Making Safeguarding Personal (MSP). MSP is enshrined in the Care Act (2014) and our Local Safeguarding Adults Policies and Procedures.

10.47. MSP puts the person at risk of harm or abuse at the centre of decisions and actions about them. MSP respects that adults often bring ideas and solutions which will work best for them and the outcomes they need support in achieving.

10.48. This means that safeguarding adults continues to be integral in the work we are undertaking to really embed strengths-based practice. Ensuring vulnerable adults are safe and focusing on wellbeing is a core element of strengths-based practice and ensures there is consistency in approach whether we are working with a vulnerable person on a support plan or a safeguarding plan.

Implications for safeguarding in Children's Services

10.49. Safeguarding children is about protecting them from maltreatment, preventing their health and development being impaired, ensuring that they grow up in environments which provide safe and effective care and taking action to enable all children to have the best outcomes.

10.50. The mitigation identified for each proposal reduces very significantly the risk of poor safeguarding practice. The Council's mitigation should include not adopting any policy where safeguarding practice is adversely affected.

10.51. The proposals put forward have been tested against effective safeguarding practice. A broad range of quality assurance measures are already in place and will continue to be monitored and responded to robustly.

Monitoring

10.52. This is an overall indicative assessment and there is a need to continue to monitor this. Each individual proposal will continue to be reviewed and updated as required. Consultation will be carried out where required to seek the views of residents and service users. The lead officer for each proposal will be responsible for ensuring that equality considerations remain at the forefront of decision making as each of these proposals are progressed.

Appendix A: Public Sector Equality Duty

Section 149 of the Equality Act 2010 provides that:

(1) A public authority must, in the exercise of its functions, have due regard to the need to —

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

(2) A person who is not a public authority but who exercises public functions must, in the exercise of those functions, have due regard to the matters mentioned in subsection (1).

(3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to —

(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic

(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it

(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to —

(a) tackle prejudice, and

(b) promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

(7) The relevant protected characteristics are —

Age	Disability
Gender reassignment	Marriage and civil partnership
Pregnancy and maternity	Race
Religion or Belief	Sex
Sexual Orientation	

Annex 11 – Abbreviations

This Annex provides details of the abbreviations used in the Report in alphabetical order.

Term	Meaning
ASC	Adult Social Care
ASDV	Alternative Service Delivery Vehicles – part of the Council's commissioning approach to funding services
BCF	Better Care Fund
BRRS	Business Rates Retention Scheme – the system of local authority funding introduced on 1 April 2013
CAG	Corporate Assurance Group
CDRP	Crime and Disorder Reduction Partnership
CDS	Credit Default Swap
CEC	Cheshire East Council
CEFS	Cheshire East Family Support
CERF	Cheshire East Residents First
CFB	Capital Financing Budget
CFR	Capital Financing Requirement
CIL	Community Infrastructure Levy
CIPFA	Chartered Institute of Public Finance and Accountancy
CPI	Consumer Price Index
CSC	Children's Social Care
CTS	Council Tax Support
DfE	Department for Education
DSG	Dedicated Schools Grant – grant received from Government to fund schools
EqIA	Equality Impact Assessment
EIP	Early Intervention and Prevention
ERP	Enterprise Resource Platform
ESG	Education Support Grant
FTE	Full Time Equivalent
FR	Financial Review – in-year financial monitoring report estimating the projected end of year spend
GDP	Gross Domestic Product
GP	General Practitioner
GVA	Gross Value Added
HLBC	High Level Business Case

Term	Meaning
HM	His Majesty's
HR	Human Resources – one of the Council's corporate service areas
ICT	Information and Communication Technology – the service responsible for computers, networks, software, hardware and phones
IFS	Infrastructure Funding Statement
LA	Local Authority
LED	Light Emitting Diode
LGA	Local Government Association
LOBO	Lenders Option Borrows Option
LSCB	Local Safeguarding Children's Board
LUF	Levelling Up Fund
MARS	Mutually Agreed Resignation Scheme
MHCLG	Ministry of Housing, Communities and Local Government – formerly Department for Levelling Up, Housing and Communities (DLUHC)
MPC	Monetary Policy Committee
MRP	Minimum Revenue Provision
MTFS	Medium-Term Financial Strategy
NEETs	Not in Education, Employment or Training
NFF	National Funding Formula
NHB	New Homes Bonus Grant
NHS	National Health Service
NJC	National Joint Council
NNDR	National Non-Domestic Rates – the contribution to general local authority costs by businesses. The rate is set by Central Government
PHE	Public Health England
PiP	Partners in Practice
PMI	Purchasing Managers Index
PWLB	Public Works Loan Board – a Government agency providing loans to public bodies for capital works
RPI	Retail Price Index
RSG	Revenue Support Grant
RV	Rateable Value
S151	Section 151 (Officer)
SBRR	Small Business Rate Relief
SCIES	Safeguarding Children in Education Settings
SEN	Special Educational Needs

Term	Meaning
SEND	Special Educational Needs and Disabilities
SLA	Service Level Agreement
SLE	Separate Legal Entity – a delivery model for delivering services in a different way
SOS	Signs of Safety
SSB	Supporting Small Business
TC	Town Centre
TUPE	Transfer of Undertakings (Protection of Employment) regulations
VIC	Visitor Information Centres
VCFSE	Voluntary, Community, Faith and Social Enterprise
WOC	Wholly Owned Company

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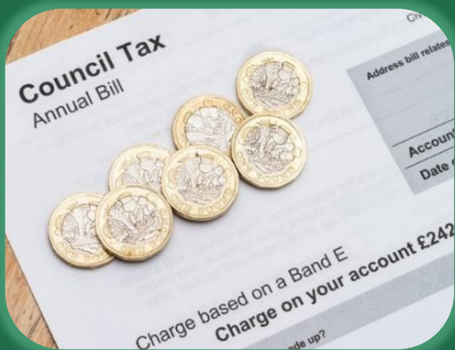
Item	Updates made to Appendix A post Corporate Policy Committee meeting	Page number
Increased Childrens Social Care Prevention grant (ringfenced) by £70k to match Local Government Final Settlement announcements	Updated Core Spending Power table	19
	Updated Specific Grants (ringfenced) figure in para 1.123	23
	Added sentence to note change in final settlement national allocation	23
	Updated figure in para 1.129	24
	Updated figure in para 1.169	29
	Updated figures in table para 1.203	34
	Updated figures in table para 2.4	41
	Updated policy proposal rows 30 and 31 (inc and exp)	59
	Updated C&F Directorate table with revised proposal totals (opened C&F Summary and CEC summary tables at same time so change rippled through). Repasted all three tables back in	86, 90
	Updated Annex 3 for grant change. Pasted back in the detail and summary tables	102,104
Increased NIC grant by £2k	Updated policy proposal row 113 and summary total	80
	Updated figures in table para 2.4	41
	Updated Annex 3 for grant change. Pasted back in detail and summary tables	102,105
Public Health grant increased by £1.3m	Updated figure in para 1.123	23
	Updated text referring to the grant in para 1.165	28
	Updated Public Health table with revised grant total (A&H Summary table amended also). Repasted both tables back in	87,89
	Updated Annex 3 for grant change. Pasted back in detail and summary tables	102,103
PFI grant reduced by 1.3m	Updated figure in para 1.123	23
	Updated Annex 3 for grant change. Pasted back in detail and summary tables	102,103
	Note under grants table updated	103
Capital changes	Updated para on new capital schemes 1.88	18
	Updated capital grants figure in para 1.123	23
	Updated figure in para 1.205 and Table 10	35
	Updated Table 13	42
	Updated para 2.30 (bullet 4)	46
	Updated Table 14 and para 2.141	82
	Added para 2.142 and added new Table 15	82
	Renumbered table from 15 to 16	83
	Updated Annex 4 Capital Grants table	107
	Updated Annex A Capital Programme tables	126-135
	Updated Annex B Prudential indicator tables	136-137
	Updated figure in Annex 9, para 9.4	187
Minor adjustments to update for accessibility errors	Various	Various

Corrected CPC figures and summary row in Table 12 for errors found when matching to Statutory Resolution report	Updated figures in table para 2.4	41
Updated para referencing	Section 2 para refs	50-83
Updated proposal referencing and tables in Annex 2	Added a “T” to the sequential numbering to denote the proposal relates to the Transformation programme. Added a note to the table which explains how to read the proposal tables.	50-80 88-100 50

A summary of responses to Cheshire East Council's

Budget Engagement for 2025 to 2029



Contents

Introduction

Purpose of the engagement

The Budget Engagement for 2024 to 2025 was conducted between 19 December 2024 and 19 January 2025.

The engagement invited respondents to share their views on six principles that the council proposed to use to shape its budget and financial strategy for 2025 to 2029.

Promotion

The consultation was widely promoted, most notably though:

- Media releases
- Emails to key stakeholders including all local Town and Parish Councils
- Members Briefings
- Social media
- Promotion to council staff

Responses

For the Budget Engagement for 2025 to 2029 there were a total of 304 responses, including 295 online survey completions, 8 email responses and 1 budget webpage comment.

The main sections of this report contain an analysis of the survey responses received during the consultation. Feedback received via other means is summarised in the appendices.

Summary of feedback on the six principles

The six principles that the council proposed to use to shape its budget and financial strategy for 2025 to 2029 were set out in the survey, with feedback on each of the principles sought through written comment feedback.

Principle 1 feedback

Feedback for principle 1 is summarised below. (Please note – similar responses have been summarised into a single comment, or an example comment has been included, with the number of comments shown in the right-hand column).

Principle 1: Resizing and reshaping the budget to protect services and support for Cheshire East residents who are most in need.

Comments on Principle 1	No. of comments
General support. Most people would support helping those who need it most if that's in the right circumstances.	52
Throwing money at this at the expense of all other services isn't the answer. Whilst the council concentrates on helping a small minority of the population, using 85% of its income, it is rapidly approaching the point where it will have no other services left to cut. Essential services have disappeared to accommodate this including the closure of local HWRCs; not keeping the borough tidy and presentable; not clearing gullies and drains which has increased the flooding threat; not repairing the roads; reductions in leisure centres; not maintaining the status quo on bin collections; and reductions in library opening hours. You will have to make cuts to Social Services at some point, so why not start doing it now and preserve some of these much-needed services before they disappear completely. There have been huge increases in Council Tax and charges and Cheshire East has never been in such a diabolical state.	40

Comments on Principle 1	No. of comments
Reshape services to meet the needs of the many not the few. Stop positive discrimination and focus on delivering services equally to all residents – All residents should be considered equally. Protecting those most in need is always important but it must be done reasonably and proportionally, we cannot abandon the needs of the whole to concentrate all resources on a minority. We cannot do everything we would like to do. Don't lose sight of the fact that the majority of the public don't use these services most of the time but are affected by the general decline of all the other services. The budget needs to help the wider community with the average working family being helped, the cost of living for general people at the moment is excruciating. If the majority paying Council Tax see little spent on services they use, they will get annoyed. It's honourable to prioritise the most vulnerable minority, but the majority also need to see some benefit from paying their taxes too. Remove the reference to those who are most in need. Principle 1 should read "Resizing and reshaping the budget to protect services and support for Cheshire East residents"	33
Council staff salaries are too high. Too much money is spent on recruitment and on paying management that are not performing or delivering. Cut council waste, bureaucracy and excessive executive salaries.	28

Comments on Principle 1	No. of comments
More information needed before meaningful comments can be made. This is meaningless dribble, it’s impossible to comment in any meaningful way without more detail of how you will achieve this. • It is not clear what money is spent on currently. Paragraph 6 of the latest Cheshire East Council (CEC) budget documents states that the council provides “in the region of 500 services a day.” For residents to provide comprehensive and informed feedback, it is essential that a detailed list of these services is made available • "Most in need" needs to be defined clearly • The word “resizing” often refers to an actual reduction? "Resizing and reshaping" are meaningless words without more precise definitions. What does "resizing and reshaping " the budget mean? Borrowing more? Putting up charges? Looking for savings? What exactly does this mean? • What are the specific proposals? Which services will be protected, and which will not be? • What figures are available to support this proposals? • In terms of ‘support’ what does this entail, what services are provided, what is the overhead of the service provided, and how many staff are running this service? Please write policies in plain English & to the point. Only with clear, detailed financial data can residents offer meaningful feedback on the council’s budget and services. I urge CEC to prioritise transparency and ensure that this information is shared promptly.	23
The council has wasted too much money on “vanity” projects that have not proceeded or failed e.g. the new and unused car park in Crewe; lobbying for HS2 etc. Where necessary halt existing projects if they are unlikely to provide future value for money to prevent good money being thrown after bad.	23

Comments on Principle 1	No. of comments
Opposed to any 9.99% increase in Council Tax. Any increase above 4.99% would be counterproductive as more people would require help to pay. A Council Tax hike of 9.99% is scandalous at this time of financial hardship for most people. A rise of 9.99%, without any referendum on the proposal, is not on, and certainly not without major reform of council spending. Cheshire East Council needs to rein in SEND and other associated welfare/childcare/social care spending before it even considers any increase in Council Tax. The peer-to-peer LGA review recommendations must be implemented. The councils record on wasting money, taking decisions in virtual secrecy and not involving residents is appalling. Resizing and restoring the budget makes sense but the increase in tax you've requested from residents is a joke! The council has bankrupt itself and will now systematically bankrupt the businesses and residents that live here.	19
How is it decided who is most in need? There needs to be a prioritised classification of 'most in need' – this all depends on whether the council can accurately identify those that are most in need. Council policies are creating more and more people who are "most in need", and this may be subjective. If there are residents who are fit and healthy but refuse to work they should not have access to support. Too many people drifting around Crewe who clearly aren't looking for work and expect those of us who are to subsidise their lifestyle choice.	14
Support for help of victims of Domestic Violence and their children. It is essential that charities such as Cheshire Without Abuse (My CWA) can continue working with and protecting survivors of domestic abuse. Keep My CWA!	13
General opposition. I can't imagine anyone agreeing with such a rise but it won't stop the increase, so what's the point in the council asking? How have we got in this position?	11
Too much money is spent on staff. I fail to see once again any reference to improvement in managing the workforce, there are no KPIs or targets for contractors or for your own staff. You need to re-shape your workforce, that will free up vital funds. Stop paying people for "long-term sickness". Stop paying people to "skive" at home. You are short of funds, you've made many cutbacks and still you are short of cash, the reason for that is your wage bill and excessive pension contributions. Have a pay freeze for all staff.	10

Comments on Principle 1	No. of comments
You ask for feedback and generally ignore it, be it good or bad, so this is an utterly pointless exercise and worthless. It's a complete waste of time filling in anything. The council takes decisions in virtual secrecy and does not involve residents. You need to listen to what the residents want, not what corporate services think they want. Why is the 9.99% Council Tax rise not mentioned in the consultation?	8
Too much money is wasted on commissioners, contractors, consultants and agency staff.	6
Major budget rethink required. How has the council got in this debt? The council is clearly not budgeting correctly or is wasting money on social care, you cannot prop up society to such a level that it leaves residents without any money themselves. A radical rethink is required and I mean radical! Reality needs to be faced. The council should get some new auditors in and spell the situation out clearly.	5
The council has no long-term strategy, you should be utilising your own management team including the executives to develop a strategy that satisfies your legal compliance. Tackle the root causes of issues where possible, don't just put a short-term sticking plaster to save money in the long run.	4
Stop raising Council Tax.	3
Those who do pay Council Tax appear to receive very little in return. Without the majority of residents paying Council Tax you would have no budget. "Residents who are most in need" are not likely to pay Council Tax – The majority are paying into a system that they no longer benefit from.	3
Social care should be funded by Central Government, not Council Taxpayers. Sue central government for the £11m spent on the lie that was HS2, or tell the public their government is spending £4bn a year funding a pointless war in Ukraine whilst Cheshire East residents suffer.	3
People need to be resilient and enabled to change their life situation to better support themselves where possible rather than relying on the council. Help those in need to help themselves / signpost to other community organisations.	2
Support for Space4Autism. Return funding for this organisation to its previous level. Space4autism only receive £19k per year from the council, which is a hugely insufficient amount when it supports over 9,000 people living in Cheshire East alone at a cost of around £600,000.	3
Vulnerable clients who are legally entitled to support should receive their entitlement in line with the law and not in line with council budgets! The law is there to protect these vulnerable people who desperately need the support.	1

Comments on Principle 1	No. of comments
I have confidence in this council's approach to this. Re-sizing and reshaping is necessary to redress a national issue.	1
Stop procuring in-house adult social care services as these provide costly on costs to the council when there are plenty of providers who can provide these services much more cost effectively.	1
Looking after the elderly should be a main priority. Those who have paid into the system should now be looked after in their old age.	1
Housing for the Homeless needs to be addressed.	1
The budget can't possibly be balanced with the extortionate amounts that are paid out for Adult and Childrens services.	1
CEC is being driven by finance, rather than finance being geared to supporting CEC's strategic and business plans.	1
An **independent panel** should assess and approve plans.	1
There are numerous companies and executives in Cheshire East who could assist in helping you with your development and therefore it maybe worthwhile exploring setting up a Cheshire residents development team to review how you currently operate and allow them to offer solutions.	1
The council is extremely out of touch with its constituency.	1

Principle 2 feedback

Feedback for principle 2 is summarised below. (Please note –similar responses have been summarised into a single comment, or an example comment has been included, with the number of comments shown in the right-hand column).

Principle 2: Investing in children's services – for example recruiting to additional posts to deliver the children's services improvement plan.

Comments on Principle 2	No. of comments
General support. Children's services can never be good enough until we can provide stability and permanence for children. Early intervention is vitally important to prevent further escalation. More help is needed in schools for those with special needs. Target support to children as soon as they're born and continue until 18 years old. Children's services are currently underfunded, and their needs are not being met. The societal changes we are seeing, children need to be better served. As an adoptive parent, child services need to be protected at all costs, they need to be able to have a future, free from harm and have choices in their lives.	48
Opposed to further recruitment of staff until current inefficiencies have been addressed. Do not create additional posts, there are already too many very highly paid staff, don't recruit more without first seeking internal best practice effectiveness. The council cannot afford to increase costs and must start living in the real world, in the real world where your residents exist, if you cannot afford something new then you simply cannot have it. How can you invest by putting in further debt? Try using the money to improve services rather than creating another level of management, just deliver the improvement plan. who is responsible for evaluating these roles and ensuring value for money, as it seems current oversight is severely lacking. Cancel the Working from Home policy, have no bonuses, freeze pay for all staff. Recruit people who will deliver.	33

Comments on Principle 2	No. of comments
Increase support for front line social workers that are already working for the authority, to boost morale and prevent skilled workers leaving, and to prevent high sickness due to lack of support and unreasonable caseloads. Social workers are leaving because of the stress and some of the supply social workers are unfit for the role. Staff turnover rates in children's services are astronomical – This is due to lack of staff and support in the role, and with more support the pressures may ease, therefore benefiting your staff retention. Paying your staff a wage which suits their responsibilities and stresses. The wages that support staff are paid needs to be looked at – It costs much less to offer an attractive wage and retain staff than it does to continually have recruitment happening. The question is where will you obtain these recruits from as the labour market is poor. You are not setting up any training schools or collages to entice people to work in the profession.	23
More information needed before meaningful comments can be made. What are these posts? Would these posts be commissioners? Would additional posts just be in place temporarily or as permanent roles? Will there be opportunities for CE staff to progress within children's services to these positions? It would be good to see the proposed impact of recruiting to additional posts. What services are provided for children? Which services are to be improved? Have we seen the children's service improvement plan – what does it do? What does "improvement" mean exactly? What is the assessment process to judge success? What will follow if the set goals aren't met?	19
Childrens Services has a massive budget already that needs to be kept to. How much more are you going to throw at these services? They are a money pit. These services have been ineffective for over 10 years. If it is unworkable financially to improve services, why are you even considering them at this time?	14

Page 265

Comments on Principle 2	No. of comments
The whole service needs to be totally overhauled. This service needs huge reform – Children's services are in chaos, something terrible will happen if the state of the service continues to go downhill. Cheshire East already has some of the most expensive children's services in the country. Its SEND debt is bigger than its eight surrounding neighbouring authorities put together, despite the fact that those eight local authorities have ten times more children than Cheshire East. It is five times higher per head of children's population than Surrey County Council and four times higher than Kent County Council. Cheshire East also has some of the worst children's services in the country. Money is not the problem – the problem is the way in which services are delivered. You need to transform your children's services, this will cost money in the short term, but you need to get out of the terrible situation you are in and plan for long term savings from upfront investment. £12.5k per week for one child is extortionate. Too many bosses, not enough ground level staff. SEND isn't working and it should be. I live near a SEND school and can't believe the amount of taxis that are used for transporting children to school.	11
Opposed to the council spending Council Tax on these services. It's a complete waste of my money. Council Tax should be spent on everyone not just children, funds should be spread equally. We have too many children's services. Opposed to any 9.99% increase in Council Tax.	7
Stop raising Council Tax. Opposed to a 9.99% rise in Council Tax.	6
Invest in SEND services and increase SEND capacity in approximate settings for children. Increase spaces within local state schools. More should be spent on early intervention and prevention (the walk-in centre at Monks Coppenhall is good). Less should be spent on high-cost placements which often deliver poor outcomes and low quality of life for the children involved. We need to be able to house and educate the children of CE in county, not sending them out of county at huge cost.	6
Parents should be looking after their children, not Council Tax payers. Children services should be schools, parents have a responsibility to care for their children correctly. Children services should be paid for by the parents who chose to have children. The most important thing you could do for kids to help in learning how to think critically and independently.	5
Support for Space4Autism. [Repetition of comments made for principle 1].	4
Delivering children's services are a statutory responsibility of this Local Authority, and so delivering these services is not an option. If you need to improve Childrens services (and your Ofsted Report and SEN provision suggest you do), employing essential staff to do so is not an option and consultation is a moot point.	4

Comments on Principle 2	No. of comments
Improve performance management – Additional resources should be provided but they must be provided with clear objectives and performance must be measured against the achievement of these objectives. Supportive if this is sustainable with long term goals and not requiring external funding not available. Use technology to make processes smarter.	4
Internal recruitment is welcomed if this lowers costs overall. Recruiting is fine if this strategically sets the council up to meet its requirements, as long as costs remain affordable.	3
Support for My CWA. [Repetition of comments made for principle 1].	3
General opposition.	3
Stop wasting money.	3
Solve the underlying causes. Why is there an increase in children services when birth rates are falling? Why do so many children now require SEND support? These are basic questions that need to be asked before the trend of rising costs can be reversed. Is more support in early years and parenting required to prevent rising costs in later years? What is being done to resolve the underlying issues? Is it down to poverty and joblessness? Cheshire is a wealthy area – many accessing these services should be able to self-fund so means testing is a must.	3
Principles 1 and 2 contradict each other – If you are "resizing and reshaping" the budget, how will you be able to invest in an improved children's service?	2
Stay away from agency workers. To many posts are being covered by agency staff at a huge expense.	2
Stop cutting funding for schools, such as school meals, after school clubs, short break funding and EHIPs to parents. Who is going to keep these services afloat for the most vulnerable children and young people? If the council recruits to deliver yet again it would cost so much more, just fund the services you have already correctly, that would be a start.	2
Give the cash to an NGO to do the job	1
Listen to parents. Reduce the need for parents having to go to tribunals.	1
This should be **applied equally** across the borough.	1
The **Children's Improvement Plan** is essential.	1
The Children's Improvement Plan mirrors a similar plan that was implemented in Cheshire West and is now being unwound. How much money is going to be wasted on recruiting management to implement a plan that has already failed in Cheshire West?	1

Comments on Principle 2	No. of comments
This service should be funded by central government.	1
School transport should be means tested.	1
Why the resistance to proper commissioning? The Children’s Commissioning Team is so small and don’t have control of Children’s Service budgets so you’ve no chance of saving money or making the right improvements without embracing modern commissioning practices.	1
Recruit those on benefits to reduce the burden of the welfare system.	1
Cheshire East needs to ensure that monies that are allocated to schools for SEND provision is spent to ensure those needs are met rather than being classed as additional funding.	1
Be open about council plans, after all this time there should be no surprises! It's poor budgeting or poor awareness.	1
Children's services received an inadequate CQC rating, not recruiting to an improvement plan is not an option if you want this to improve.	1
Undertake **competitive tendering** for external support services.	1
An **independent panel** should assess and approve plans.	1
CAMHS is vitally important but there are long waiting lists and some children are unable to access services in a timely manner.	1
The budget for SEND is hit hard by the LEA not sticking to statutory deadlines for admissions procedures causing parents to go to tribunal with the unnecessary extra costs and hardship this entails.	1
There is a need for more places in small special schools within Cheshire East for autistic pupils.	1
As long as it’s remembered that children go up to the age of 18. 16 – 18 year olds tend to get forgotten about.	1
Childrens Services Improvement Plan. Right in principle if it is actually the right strategic approach otherwise it’s investing in yet more chaos and poor management / services.	1
Consultation – I recommend building working groups to regularly provide feedback on your proposals.	1

Principle 3 feedback

Feedback for principle 3 is summarised below. (Please note –similar responses have been summarised into a single comment, with the of comments listed in the right-hand column).

Principle 3: Investing in adult social care to ensure our budgets reflect the anticipated growth in demand and increasing complexity of need for those who require the most help – including ensuring that growing demands and staffing costs are fully funded in the budget.

Comments on Principle 3	No. of comments
General support. This is an area of underfunding, it is essential this problem is addressed, central government have abdicated responsibility for social care services. These people have generally worked all their lives and should not be left to struggle in their old age. Why do old people suffer whilst central government squanders cash on pointless wars? More money is needed for this service, rather than putting up individual's charges, prioritise by cutting back on non-essential services.	56

Comments on Principle 3	No. of comments
Current adult social care service is not fit for purpose and is unsustainable. The demographic pressures will not change, and society will only keep aging. There is a nationwide social care crisis. The council cannot keep raising the costs indefinitely, someone in the council has to have the backbone to say we offer a, b and c and that is it. The council should try to think more transformatively about how this is delivered. You need to reevaluate how you provide social care services in the most efficient way whilst still providing high levels of care. How do you sustain this? There is literally no money there to support this, this is a money pit. How can you justify allocating additional funding without a clear understanding of the scale of the issue? This lack of data and foresight shows that you have no clear strategy or understanding of what you are doing, making it irresponsible to commit more resources without proper evidence or planning. The council will never have enough money to do this whilst the private sector continues to cash in. They can't continue to reap rewards under everyone else's pain for the next generation. Stop relying on private companies to provide care and become a care provider yourselves. The social care levy should have come into existence and this would have helped the pressures. This requires investment across a number of areas including NHS and care homes and support workers to fully implement meaningful change and cost savings.	18
General opposition. Opposed to increasing this investment. All departments need money including highways, recreation libraries, parks etc. Stop this discrimination and deliver services to all equally. Cutting basic services for the many to benefit the few is not a solution. The problem is hardworking people are penalised in the current system, they have to pay out of a potential inheritance. Hence the "investing in social care" is often at the expense of those already bearing the heaviest taxpayer cost. Cut these services to bare minimum.	17
Stop wasting money on unnecessary projects, the woke agenda, overpaid managers and absent staff. Have a pay freeze for all staff. Put money into services rather than management, have less directors and more workers.	13

Comments on Principle 3	No. of comments
More information needed before meaningful comments can be made. It’s impossible to comment on such a vague statement, in any meaningful way. What does adult social care actually involves? Where is the money going? What exactly are you accountable for that central government isn't through the NHS? How will the extra money be spent? What is the criteria for success? How do you categorise those in most need? What does "fully funded" mean? How does rising adult social care costs impact on budget setting? More transparent information should be released for constructive comments. Accurate forecasting requires the right data, & for that data to be current. Do you have it?	13
Reshape services to meet the needs of the many not the few. Concentrate on delivering core services instead. Funding this cannot mean other residents are left without adequate services. It seems as though the council has become completely focused on adult social care and SEN provision while all other services are being left to rot. People are paying more and more but are actually receiving less in terms of services. You are demonstrating that you favour inequitable policies.	10
Stop raising Council Tax. Council Tax is too high, taxpayers get nothing for it.	8
This service should be funded by central government.	7
A disproportionate amount is already spent on adult social care. Tough decisions need to be made. The system needs remodelling and Cheshire East could lead the way. Concern about the amount of money from our Council Tax that goes into Adult Social Care.	6
Is there also action being taken to reduce this growth in demand? You have to look at the underlying reasons instead of servicing the end product of said reasons. You need to look at why you expect an increased growth. Medical centres could help to reduce demand by ensuring that help is more quickly available before it becomes an emergency situation. Access to such services needs to be means tested.	6
The service is close to crisis. Adult services have been neglected for far too long. It’s pretty impossible to access this for anyone who isn’t highly complex and even then it’s a battle. This requires a whole system approach, with robust procurement of services, governance and audit. Acute services are being brought to a standstill due to bottlenecks within acute wards.	5
In-house services are far too costly and should be reduced for a cash strapped local authority. Outsourcing is the most cost efficient especially as we move towards more care at home services. Giving care providers a realistic rate is absolutely vital to ensure they can remain in business.	5

Comments on Principle 3	**No. of comments**
How will the council find the workforce to fulfil these services? A lot of staff do not speak the level of English required to understand the needs of these adults, policies need to be looked at to ensure language skills are up to standard.	4
Support for My CWA. [Repetition of comments made for principle 1].	4
Adults need to take accountability!! There are people in this world going through real hardship/wars. We should not have to support alcoholics nor drug users. While some can't work there are a large amount that don't want to work. The best way to support adults who are genuinely in need is by giving them the tools and education to lift themselves, not by giving them benefits so there is no incentive to lift themselves.	4
Means testing is key. Too many people hide assets to get access to funded care, especially where property is involved. Need to ensure the more affluent are not squirreling away their money to avoid paying for care when they can see poorer residents get the same level of care paid for by the council. We need to ensure our adult social care is given to those in need, not those who simply do not wish to work.	4
This principle contradicts other principles. This principle overlaps with Principle 1, and sits badly with Principle 4. How does this principle fit in with principles 2 and 3?	4
This sector is massively important and underfunded. Staffing is an issue, as it is across the sector. The salary that support staff are paid needs to be looked at – It costs much less to offer an attractive wage and retain staff than it does to continually have recruitment happening. Staff need appropriate training. Many of the bodies who provide services are at risk of failure.	3
Support for Space4Autism. [Repetition of comments made for principle 1].	2
Do not create additional posts. There are already too many very highly paid staff, improve the efficiency of those already employed. When a company cannot afford more staff it does not hire them.	2
National government increases in the minimum wage for carers and the new NIC charges have exacerbated the financial situation enormously. Providers need significant increases to cope with additional employment costs and rising costs of care.	2
There needs to be a focus on preventing and delaying age-related loss of independence. Research suggests that around 30,000 older people across Cheshire East want to downsize but cannot do so, largely because of the lack of suitable properties in their neighbourhood. An older people's housing strategy, with clear links to the Local Plan, is desperately needed. Use technology to smarten processes & keep older people in their own homes for longer.	2

Comments on Principle 3	No. of comments
Central Government should fund this. The council should be leading a campaign to get this looked at centrally from government, just expecting a tax increase locally is not the answer. Get together with all the other councils.	1
Use less agency workers and employ more permanent staff.	1
Invest in adult care but not by putting it on the service user. Asking them to contribute over £100 a week means Cheshire East is failing as people cannot afford this.	1
Work with the 3rd sector / charity sector to deliver these services.	1
Delivering Services to meet rising demand and complexity of need is again a statutory responsibility of the LA. Why are you asking this in a public consultation? This is not an option in which the public have a voice.	1
Adult social care is a massive area and perhaps should be broken down into component parts so that funding can be more specifically directed.	1
An **independent panel** should assess and approve plans.	1
Senior managers need to properly set and manage the budget. Just because the service is statutory doesn't mean it should be spent without consideration of the impact.	1
Current residents with SEND in Children's Services will over the next 10 years move into adults services. SEND and Adult Services need joining up, and improvements at children's services levels are needed which result in reducing the impact and costs when some enter adults services.	1
Ensure more value for money from contractors.	1
The way society is going with IT and no human face to face interaction will create more mental health issues in future.	1

Principle 4 feedback

Feedback for principle 4 is summarised below. (Please note – similar responses have been summarised into a single comment, or an example comment has been included, with the number of comments shown in the right-hand column).

Principle 4: Delivering transformation projects – doing things differently, including better management of grants, fees and charges for services, and focusing on helping people with additional needs to live more independently for longer, helping to put the council on a more sustainable financial footing for the long-term.

Comments on Principle 4	No. of comments
General support. Supportive, as long as it is value for money. This has to be achieved within current budgets. Doing things differently, and therefore with less budget, is key. This should be done as a matter of course, rather than to need to spend lots of money on transformation experts or consultants. Why have such transformations not taken place already?	40

Comments on Principle 4	No. of comments
Agreed the council must do things differently and become more efficient. Reduce senior management costs, improve staff productivity, stop conducting vanity projects; ensure value for money from contractors. Manage better with the resources you have, do the tasks which add value and not the ‘nice to have’ ones. Look at staff performance management. The council seems to have wasted so much money over the years on projects that are quite frankly embarrassing, such as the multi-storey car park in Crewe, HS2, the cycle path schemes. Long term cost reduction is good. As long as processes are clear, transparent and realistically costed. The spend for services need to be cost effective. Find ways to generate revenue. Do more to drive economic growth. Get investment here. Grow the revenue base to fund the social care. Set up your own services – It must be cheaper for the council to make a small profit on services rather than private providers make very large profits. Examine all departments and working practices to seek efficiencies and better management of all expenditure. The council takes decisions in virtual secrecy and does not involve residents.	38
Transformation is needed, as long as it is done properly. Just sort yourselves out! The council definitely needs to look at how budgets are managed. CEC has a reputation of failing to deliver and for going above budget. Better management is needed full stop, wastage is criminal in this council. Transformative projects need to be low cost no cost – there are ample efficiencies that the council can take without it impacting on budgets. You need to radically change the way you work and deliver – it is clear the council is incapable of continuing to deliver the range of services it is currently trying to deliver. Where something is lower priority stop the service and offer it to parish/town councils to deliver if they feel it is important. Reality must be addressed. You must change the mindset and do things better for less. Thinking outside box is useful.	19

Comments on Principle 4	No. of comments
Transformation cynicism. Transformation projects always cost a hefty upfront fee to save in future, and then that saving never materialises. The problem with transformation projects is they always cost more than budgeted. How long this will take and how much wasted money will it take? Just get on with delivering what you have got. We've heard all this before, why should we believe it now? Without fundamentally changing the financial governance and financial controls of the council, this principle is largely meaningless. This is wishful thinking. Without proper oversight, transparency, and a fair process, this initiative is doomed to fail and will only deepen inequalities rather than provide sustainable financial solutions. I would like the council to be on a more sustainable footing but I think the transformation plans are not going to support that. Who is leading the change – beware of “snake oil salesmen” who promise the world but are never around when it comes to picking up the pieces. Doing things differently means taking a more capitalist view of running the council and that will never happen in a local authority.	15
More information needed before meaningful comments can be made. How long will this take, how much will it cost? There is too much information listed to be able to comment. This principle is too vague and all-encompassing to be a single principle. This principle needs rewriting in plain English – it reads as 2 separate things: delivering transformation projects; and focusing on helping people. Say what you mean. We need clarity, sizing and priority of the problems that need resolving first and hard benefits of doing so, to ensure focus. "Transformation projects" feels like yet another buzz term which means nothing in reality. "Delivery" is the key term - Can the council do that? What is a “transformation project “? This sounds like jargon and is meaningless.	13
Reshape services to meet the needs of the many not the few. [Repetition of comments made for principles 1 and 3].	12
Stop raising Council Tax. Don't raise it above 4.99%. You should be able to manage these costs without having to ask for extra funding above the 4.99% limit. People cannot survive with taxes always going up.	10
Supporting independent living is an obviously good choice for those with additional needs and the local authority. Services which keep those who can more independent is a must. It is pleasing that independent living for people with additional needs is to be an area for focus.	8
General opposition. The council has had long enough to do things differently and constantly fail.	7

Comments on Principle 4	No. of comments
Consultation comments: Proper consultation is needed. Have co-production with families at an early stage to share ideas, focus on needs and formulate plans. Open plans to public opinion at all stages of a project to ensure you are heading in the right direction. Things like this survey are great. Ask the residents and respect their opinions. Not like the refuse collection poll! Front line staff should be consulted to understand where real life changes can be made which improve front line work rather than a top-down approach. Previous changes are now being undone as they didn't work, despite front line staff advising of this from the start and experienced staff left the authority leading to increased use of agency staff. True engagement with staff is needed as previous consultations with staff and residents has been disingenuous which has led to a lack of engagement. Stop wasting money on consultations in which you ignore any views of the residents. There are too many consultations which cost money.	6
Commissioning: Have qualified tender writers who are paid on achievement of targets to get as much money in through grants etc. to benefit as many as possible. Get a proper team of managers who know how to negotiate contracts for a proper price instead of rolling over and being ripped off wasting our money. Too many care companies are jumping on this to make a profit.	3
Town Centre transformation is needed.	3
The council has to **invest in staff**.	3
The phrase "better management" suggests the council is aware of unsatisfactory management, and if so those responsible should be named, shamed and sacked. This statement implies that grants have been badly managed in the past. What have you been doing up to now and why should taxpayers have any confidence that your "Eureka" moment will lead to change?	3
Why are you trying to reinvent the wheel all the time? How many times can you transform, into what this time, butterflies? You continue to fail with this – how many times!	3
Social care should be central government and NHS funded.	3
Charges for fees and services should vary according to the availability of facilities such as Waste and Leisure services. Some towns have both of those facilities which are of high quality whereas a few others have none or have facilities of lower quality which is very unfair and discriminatory.	2
Support for My CWA. [Repetition of comments made for principle 1].	2

Comments on Principle 4	No. of comments
"**Living more independently**" must not be used as a smoke screen for reducing or ceasing to deliver care. Do not set vulnerable adults up to fail and then tell them they were not eligible for the services or support they may need.	2
Transformation is never easy, in other sectors it is called "Insolvency Practitioner". Transformation almost always demands cost increases in years 1 and 2. This is a challenge, but the solution is redundancies in these years to free up the funds to invest in improvements to systems.	2
Merge back with Cheshire West and Chester Council to reduce duplication.	1
Go for a Mayor deal and get more devolved funding.	1
Transforming the way we travel would make a difference.	1
Support for the use of AI to reduce costs.	1
Adults need to take responsibility for their own care, councils must stop molly-coddling people.	1
It is wrong that the elderly who have paid into the system all their life should pay for social care as opposed to adults who choose to have children getting free SEN support. Parents should be made to contribute to SEN.	1
Concern that the top jobs are advertised as silly salaries, if these are being paid out then the results need to be outstanding. Some of the titles are questionable.	1
Better management by who? The same people who have repeatedly demonstrated they can’t manage budgets effectively?	1
You have no real understanding of who the residents in genuine need are, meaning that once again, it will be those who play the system who benefit the most.	1
Is it really effective to bring services back in house when appropriate staff cannot be recruited and better results and outcomes can be achieved by commissioning appropriate specialist 3rd party suppliers?	1
Your aspirations outstrip the actual finances. You have to go back to basics and then build from there. You cannot tax your way out of problems that just kills growth and it is that growth that will allow (in time) some services to return. You can't afford projects unless they deliver a financial return in year 1.	1
What are councils throughout the country doing as this is a UK wide issue?	1
The transformation projects should have independent expert ethics and compliance review.	1
Transformation changes must be embedded in the organisation at all levels.	1
Cooperative working with Town and Parish Councils must become a reality and not a vague aspiration voiced by leaders.	1

Comments on Principle 4	**No. of comments**
Use the newly announced government funding to help people stay in their own homes.	1

Principle 5 feedback

Feedback for principle 5 is summarised below. (Please note – similar responses have been summarised into a single comment, or an example comment has been included, with the number of comments shown in the right-hand column).

Principle 5: Addressing new external costs, such as the increase in National Living Wage which can mean that the services the council commissions from external providers, including many adult social care services, cost more.

Comments on Principle 5	No. of comments
Opposed to the council using external providers. Don't use external providers. The problem with external provision of services is the council can become hostage to providers who charge what they want because there is no alternative council run provision, external contractors are renowned for 'ripping off' public bodies. Care home owners pay poor wages to staff and cream off the profits. Many providers can charge what they want, we need more rigorous scrutiny to make sure we get value for money. The way services are procured means whole system doesn't get the right services to the right people. The ridiculous use of outside contractors to do the work of employees on "long-term sickness" needs to stop. Why not bring some 'in-house', refuse to pay exorbitant costs, or reduce dependence upon them. There should be careful consideration of inhouse provision if appropriate. Cutting council run social care services can be a false economy, how much has really been saved by closing Hollins View and The Stanley Centre?	36
Stop wasting money, on unnecessary projects, be more efficient. Reduce the size of administrative staff. Have a review on just how many staff you actually need given nearly all services are cut. Have a pay freeze on all staff. Look into reducing the number of staff & managers you have & work smarter/ more efficiently. Cut wages of the highest earners. Productivity, efficiency and accountability are the watchwords of any service. Make jobs more accountable for their actions there is currently no accountability in any job role in Cheshire East. I do not support using external factors, such as the increase in the National Living Wage, as justification for higher costs without proper scrutiny of how funds are being managed. Fully cost projects before starting and be held accountable if they are not completed and tax payers money wasted. Reduce your bureaucracy.	29

Comments on Principle 5	No. of comments
The council has no choice but to pay the National Living Wage if it wishes to comply with the law. National Government sets the NLW. This question doesn't make sense because the council has no choice but to follow the law about NLW. The National Living Wage is essential for low-income households, it's a bitter pill we must swallow for the greater good. People need to be paid for the work they do at the right rates. This should have been anticipated and budgeted for.	19
The current national government has put this in place with no additional budgets. Labour's National Insurance tax raid and increases in the National Minimum Wage are going to have a devastating effect on the local care economy, as it will simply become impossible for many care organisations to continue providing care. Cheshire East already pays well below the average cost per hour for many adult social care services. The extra costs will just mean many care providers giving up or being unable to recruit. Government generating income from local government. It's a joke. Central Government agreed this, why should local communities have to pay? This should be funded by national government, CEC is broke. CEC and other LAs must lobby Government to meet the costs and impacts of their October budget decisions on council services - unless they want LAs to fall over.	18
General support for this principle, as long as it is clear and transparent.	13
This is the same situation in all sectors. All businesses should plan for changes to external costs as part of good business practice and financial planning, I'd hope the council were doing this anyway as part of their day to day? The council has to manage within its means. Literally every employer in the country has the same challenge. A business would have to balance the books, you consistently raise Council Tax and have done so to the maximum allowable amount.	12
Stop raising Council Tax. Cap Council Tax at 4.99%. We already pay a lot for poor quality services. We do not get anywhere near the pay-rises required to sustain the Council Tax & other stealth tax increases. We cannot continue sustaining these year on year additional council costs, for less and less services.	10
More information needed before meaningful comments can be made. What does this mean? Are you going to try and not pay the National Living Wage to staff? How can anyone answer this without proper information? This is typical council waffle - "addressing new external costs"? What do you mean by "address"? Doing less? How can you deliver this within existing budgets? I would clarify this principle & state "identifying all potential cost increases and opportunities to reduce the impacts, incorporating both into budget planning process".	9
General opposition. We need to focus on the services that are used by all residents. The council is delusional.	9

Comments on Principle 5	**No. of comments**
Improve the performance management of contracts with external providers to ensure quality standards are being met, that user satisfaction is high, that they are efficient and effective and provide value for money. Ensure tender processes are transparent, thorough and offer value for money. It feels like we are still in a process of giving tender awards to people who are "known" to the council, not those who offer the best value for money.	6
Budget reform: Any budget should work on a worst case scenario to ensure adequate funding. The council appears to be continually over optimistic regarding raising money, saving money and spending which ultimately increases levels of uncertainty. Reduce what you do to focus on priority services, let Town and Parish Councils step up to deliver the discretionary services their areas want/wish to fund. If your basic overheads go up you need to shed your overhead elsewhere. Town and Parish councils should be allowed to commission local services for which CEC has responsibility.	4
Cut wastage. The council needs to look at how poorly it has managed the budget for the last few years. The residents have absolutely no confidence that the council will correctly use any money to deliver any meaningful improvement. Residents do not support this approach until the council has reallocated existing funds more appropriately. The council should not be increasing bills to recoup money spent unwisely or on projects the local community haven't approved. The council needs to be more open and transparent about how this will be funded.	3
High earners in the council (£50k and above) to have no increase in salary for 2025, and those very high earners >£80k should have no increase for multiple years. Pay executives less which would mean more for those on minimum wage.	2
You expect miracles out of your staff.	2
You cannot look after everyone and everything it is unrealistic and not fair on everyone else's sky rocketing Council Tax payments. You have to be realistic you cut staff or service altogether.	2
This isn't a principle but is standard budget planning.	2
We need to absorb these costs without pushing external providers to the brink. An extra burden on these providers will only lead to poorer services.	1
Learn from others who are already handling these rises.	1
Increase taxes if necessary to cover these increased costs.	1
No uplift on grant funding to the suppliers? We will just have to cut staff once again.	1
An **independent panel** should assess and approve plans.	1

Comments on Principle 5	No. of comments
Concern that the increase in wages and National Insurance costs are going to have a detrimental effect on the services that the council provide when you are short of money before these increases.	1
Savings can be made by reduction of in-house services with costly on costs such as enhancements for weekends and pensions, absence etc.	1
Opposed to constant increases in National Living Wage.	1
Encourage families to use Direct payments to employ PAs rather than using agencies.	1
Tighten up on the concept of more complex needs. Needs are not more complex than 50 years ago. It's an excuse.	1
Help people to help themselves. Impersonalisation creates apathy, the lack of care, and detachment. Adult social care is mirroring the breakdown in society. As you know taxpayers are funding young male immigrants to live in grand hotels, let them do something to help adults in social care in exchange.	1
Support for My CWA. [Repetition of comments made for principle 1].	1

Principle 6 feedback

Feedback for principle 6 is summarised below. (Please note – similar responses have been summarised into a single comment, or an example comment has been included, with the number of comments shown in the right-hand column).

Principle 6: Looking for other ways to change services to reduce costs, avoid costs, or increase income.

Ideas for reducing costs, avoiding costs, or increasing income	No. of comments
Reduce staff wages / improve staff productivity. Reduce senior management and Councillor costs. Lose 20% of the administrative headcount. Start by not having so many people on more than £100k, and big bosses not taking the 2.5% increases. The council appoints someone on high salary then they leave soon after with a nice full bank account having achieved little. Anybody earning above £50,000 per annum needs to take a pay cut, regardless of job title. Reduce the management layers, re invest the savings into front line. Get rid of all DEI positions. Have a management restructure. Stop working from home with immediate effect; Cancel free car parking for employees; Cancel reimbursement of professional fees for employees; Make employees attend office 80-100% to manage workload; Reduce working day to 35 hours - lowers salaries therefore saving; Reduce holiday entitlement to 28 days aligning with other authorities; Reduce flexitime allocation; Reduce staff turnover ratios; Reduce use of agency staff.	41
Improve council efficiency. Stop wasting money, stop spending money on vanity projects; learn from past mistakes; cut red tape and unnecessary waste; focus on key priorities; rein in spending on SEND services; Stop wasting my council tax on events and grants e.g. free childrens face painting at Sandbach market; 30k on the bowlers composting toilet; Christmas lights switch on ceremony with DJ and fire eaters; paying the cheshire mascots to prance around Sandbach; £10k spent on queens jubilee screen at the rugby club.	32
General support for this principle.	24
Reshape services to meet the needs of the many not the few. All of the principles focus solely on the vulnerable, there is no mention of any improvements that would benefit all residents. The range and quality of services currently provided is already very poor, and so these should not be further reduced, you have already cut essential services so they are useless. Taxpayers want to see all services we all use to function, before looking at non-essential services for the few.	24

Ideas for reducing costs, avoiding costs, or increasing income	No. of comments
This principle is a “no brainer”. Why are you asking whether you should do this, are you not doing this every day? If you're in a management position, this is what you should be doing all the time, this is a non-negotiable item. “Reducing costs” and “avoiding costs” is not really something you need to consult on. If this is the level of leadership at the council; it is not surprising that the budget is strained. It is an insult to anyone who has ever run a business, or managed a budget. Business is ever evolving....when a business stands still it fails. It is a staggering admission that "looking for other ways to change services to reduce costs, avoid costs, or increase income" has not been ingrained into your organisation and the way it is run. As “principles”, these six items are pretty poor.	20
Stop raising Council Tax. The council needs to work within the budget it has, increasing income has been exhausted. Council Tax is too high just for having our bins collected. The solution should not be that the taxpayer just ends up being charged more! Avoid all unnecessary costs, and keep any increase to council payers to the minimum possible, council tax is already extremely high.	15
Random money savings ideas: Speeding fines can bring revenue; Bad driving from tail gators should be charged; Poor parking can be fined; Look at people on benefits who are unable to get jobs support immediately to find work do not rely on them to do so; Stop support for these until working again; Support Crewe businesses to help shops relocate back to Crewe town centre; Allow garden waste charge to be collected by direct debit monthly to increase uptake and make more affordable for residents; Chase and enforce council tax avoidance and non payment; Make car parking free; Reduce costs for Crewe Hall and Tatton Park; Offer the parents of SEN children a minimum wage plus fuel costs to transport their own children to school thus would free up quite a lot of money; Increase delivery of services with Town and Parish Councils to reduce costs; recruit volunteers to help maintain parks and green spaces; sell all assets that are not being used; make all car parks pay and display; stop transferring highly valuable commercial property/assets to local town councils for free, sell these properties on the commercial market;	11
Stop conducting vanity projects. Stop any project which does not have a measurable (£) improvement; stop any/all art projects; stop annual celebrations which are council funded; stop wasting money on multi-storey car parks which lose money every day; stop wasting money on things like Edsential; stop investing in local playgrounds when there’s already one there; stop the completely unnecessary work done on Mill Street in Crewe where the road was closed for months; stop the new Cheshire Archive building in the same town that no-one actually asked for.	10

Ideas for reducing costs, avoiding costs, or increasing income	No. of comments
Improve medium to long term strategic planning. Think outside the box. Change is most likely come from a substantial reorganisation, painful in the short term and likely to affect some services but resource can always be added again in 2-3 years once the budget has been balanced. Adopt the 5S, continuous improvement, six sigma approaches on how you make improvements. Work smarter not just ring fencing and doing the same thing but reducing budgets elsewhere. The council appears risk adverse, multiple layers of accountability ultimately leads to delays in accessing and providing services and increased costs long term. Short term spending for long term gain needs to be considered rather than reactive short-term savings but long term negative impacts both financially and in terms of staff turnover.	7
Stop use of consultants.	7
Bring more services back in house, outsourcing went too far. Reduce the extortionate cost of contractors such as Ringway Jacobs for tidying up verges and green spaces which could be done by town wardens, town rangers, volunteers or just minimised. Ditch "Everybody", take leisure service back in house. Ensure value for money from contractors.	7
Start listening to residents. There are so many complaints about the council and nobody listens. As the council doesn't listen to anybody it will do what it wants. Charging for green bin collection and introducing food bins and fewer waste collections is universally unpopular, 80% of residents against it but went ahead anyway, so why waste time filling this in!	5
More information needed before meaningful comments can be made. What does this principle mean?	4
General opposition to this principle. The council currently see this as the one and only principle – cutting services left right and centre to provide the absolute lowest possible service that can be delivered. Please stop cutting services.	4
Stop development in Cheshire East. Freeze all new build planning applications, you have already demonstrated that you cannot support the current level of residents and infrastructure, it is poor management to allow any other project which will increase demands on all services in the future. With so much housing being built in the county, the developers should be held to account to contribute to the infrastructure including funding and building schools, dentist, doctors, flood defences etc.	4
Reduce costs generally.	3
Reduce future care costs. Focus on prevention otherwise the council will have an even bigger statutory services cost moving forward. Reduce care costs, better assess individuals claiming social care needs.	3

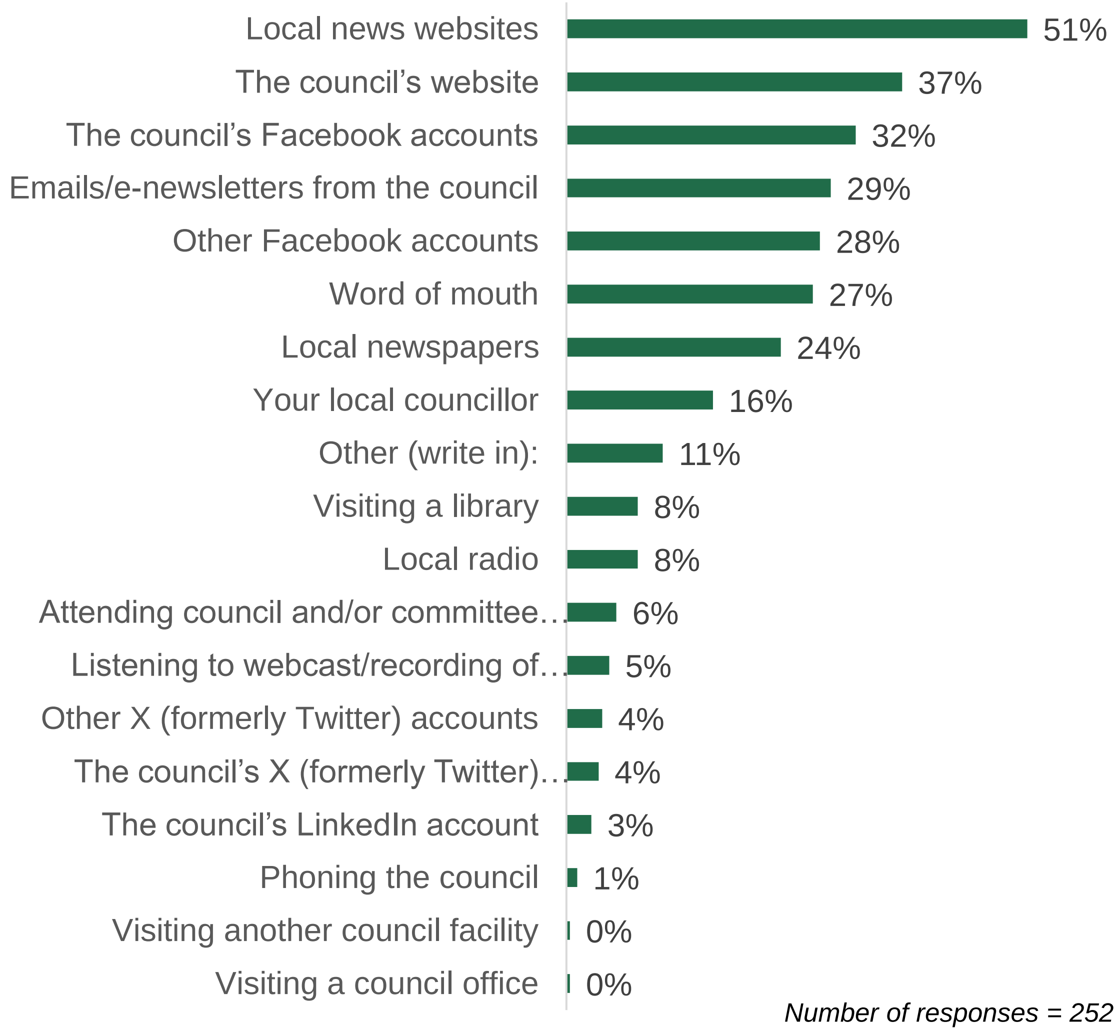
Ideas for reducing costs, avoiding costs, or increasing income	No. of comments
Bring in better council financial control and checks and balances on the budget. All spending should be scrutinised and this should have the involvement of residents along with board or panel. Call in local government specialists.	3
Review what other councils are doing and do the same.	2
Support for My CWA. [Repetition of comments made for principle 1].	2
Combine CE & CW&C to reduce costs. Give towns back to Town Councils.	2
Stop paying for hotels for illegal immigrants.	2
Abandon all net zero overheads including all staff and policies.	1
Charge residents in those towns with better services more.	1
Reduce what you do to focus on priority services, let Town and Parish Councils step up to deliver the discretionary services their areas want/wish to fund.	1
Elected representatives have become over involved. The elected representatives should set objectives and budgets and then withdraw. The officers should be left to implement and deliver the plans, and the officers must be fully accountable for the delivery. The officers should make the decisions without needing to refer to Council and Committees.	1
Pensions should be changed in line with the private sector to money purchase schemes.	1
There is overlap here with principle 4. This principle seems to be the same thing.	1
Do not borrow money to cover funding shortfalls.	1
File a section 114 notice. I see nothing for my Council Tax other than a bin collection, and even under emergency measures I'm sure that would remain. If I'm really lucky might even stay at a black bin collection every two weeks.	1
What a joke CEC is! Please **start operating like a proper council that is interested in the local community** rather than finding more and more ways to cut services and increase costs. Sort yourselves out please CEC before the local residents decide enough is enough!	1

Keeping informed and getting involved

Receiving information about council services now

The most common ways respondents currently get information about council services include: local news websites (51%), the council's website (37%), and the council's Facebook accounts (32%).

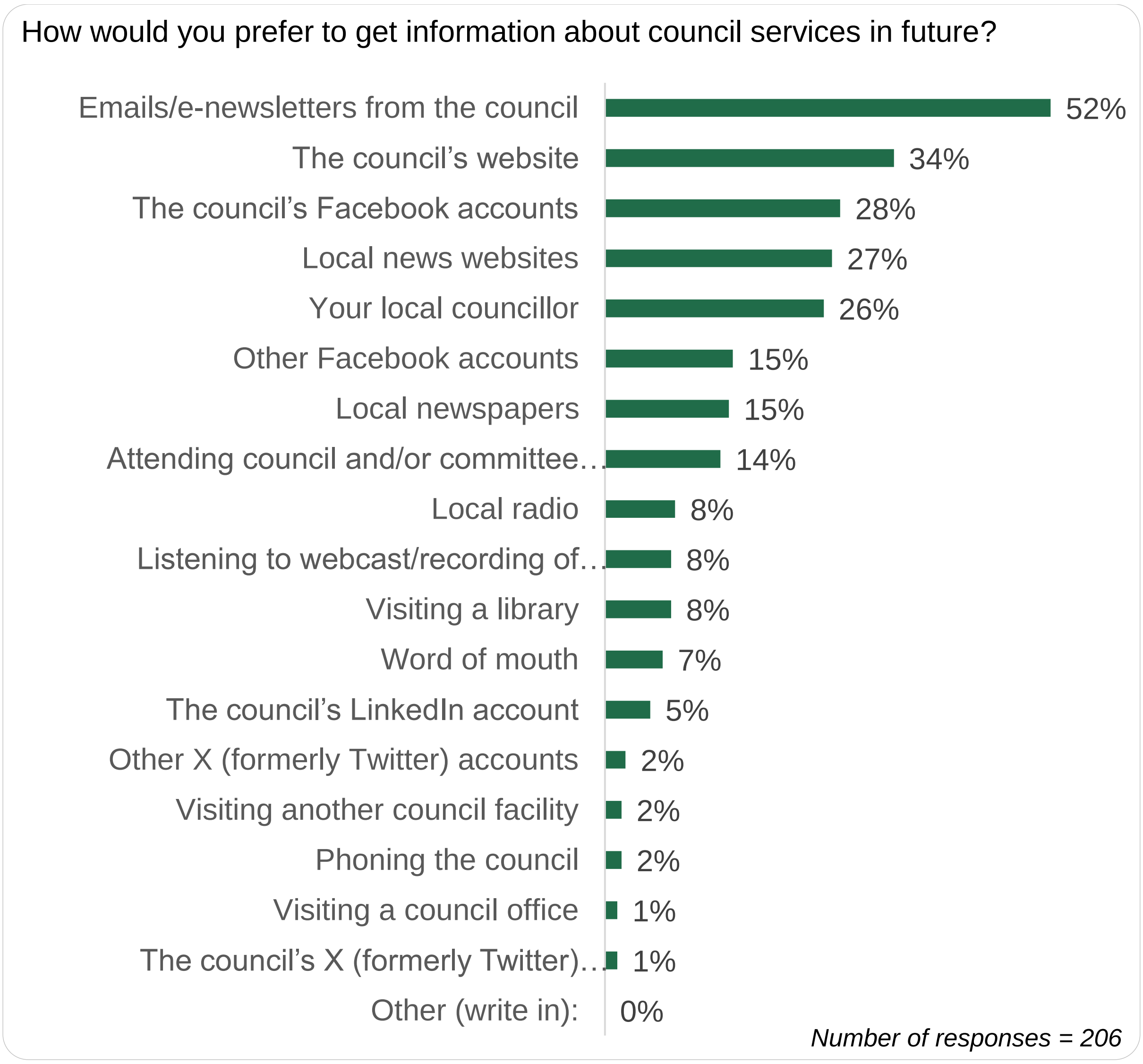
How do you currently get information about council services?



Number of responses = 252

Receiving information about council services in future

The most common ways respondents would prefer to get information about council services in future include: emails/newsletters from the council (52%), the council's website (34%), and the council's Facebook accounts (28%).



Getting involved

Just over half of respondents, 52%, would be interested in joining a community panel to discuss and inform the council's services, policies and priorities.

This includes 25% who would definitely be interested, and 25% who would like to find out more before deciding.

Would you be interested in joining a community panel to discuss and inform the council's services, policies and priorities?

Email and public comment feedback

In total 9 emails and public comments were received as part of this engagement.

The contents of the emails and public comments are summarised in the table below, with all 9 responses published verbatim further down. Responses have been redacted where necessary to protect the anonymity of the respondent.

Summary of content	No. of comments
Extremely detailed budget savings suggestions	Email 1
Opposition to increases in Council Tax	Emails 2, 3, 4 & 5
Opposition to the instalment of dishwashers in council offices	Email 4
Opposition to cuts to My CWA funding	Emails 6, 7 & 8
Suggestion to bring highways maintenance in-house	Public comment 1

Email response #1

Please find attached and below, my suggestions for the upcoming financial review and allocation of funds for your consideration.

Based on my review, here's a high-end breakdown of the estimated total savings and revenue increases:

* Total Estimated Savings: Approximately £31.3 million per year.

* Total Estimated Revenue Increases: Approximately £32 million per year.

Please note: These are high-end estimates, and the actual savings and revenue generated may vary, depending on the successful implementation of the proposed strategies and the specific circumstances of Cheshire East Council, and your ability to implement.

Kind regards

Key Areas for Budget Consideration

1. Enhancing Service Delivery

Focus on High-Impact Social Services:

Current Situation: Significant allocations for Adult and Children's Services (£96.9m-£115.4m and £159.1m-£161.1m respectively).

Recommendations:

- Invest in early intervention programs to reduce demand for high-cost, reactive services.
- Utilize technology to improve social worker case management efficiency (estimated savings: £1m/year).
- Target Savings: £3m/year from reduced demand and improved efficiency.

Transformation Projects:

Current Status: Included in the Transformation Plan with limited detail.

Recommendations:

- Expand digital services to automate processes (e.g., customer service). (Estimated setup cost: £2m, annual savings: £0.5m from year 2).
- Establish clear Key Performance Indicators (KPIs) for all transformation projects to ensure they deliver expected benefits.

Capital Projects:

Current Borrowing: £375.2m (2025/26) to £449.6m (2028/29).

Recommendations:

- Defer or cancel non-essential projects to reduce debt servicing costs (e.g. £10m less borrowing = £1m/year savings).
- Prioritize revenue-generating projects like renewable energy installations (estimated setup cost: £5m, annual revenue: £0.7m).

2. Cost-Saving Measures

Contract and Procurement Review:

Current Challenges: Contractual inflation significantly impacts operational costs.

Recommendations:

- Centralize procurement to leverage bulk discounts (potential savings: £2m/year).
- Renegotiate contracts to reflect efficiency expectations (target savings: 5% of Children's Services budget = £4.8m).

Service Rationalization:

Current Data Limitations: Lack of detailed spending data for discretionary services.

Recommendations:

- Review and potentially reduce or eliminate services with low usage or minimal impact (target savings: £2m/year).
- Conduct cost-benefit analyses to justify the retention of all discretionary services.

Capital Financing and Borrowing:

Current Costs: £15.6m-£16.4m in borrowing costs.

Recommendations:

- Maximize the use of capital receipts (£6.8m in 2025/26) to fund projects, reducing borrowing needs.
- Prioritize grant-funded projects to replace £5m of annual borrowing.

Workforce Optimization:

Current Challenges: Rising National Living Wage and reliance on agency staff.

Recommendations:

- Limit the use of agency staff to critical roles (target reduction: £2m/year).
- Upskill existing employees to fill vacancies, reducing the need for external hires.

3. Revenue Generation Opportunities

Fee and Charge Review:

Current Situation: Fees and charges contribute significantly but may be below market rates.

Recommendations:

- Adjust fees to market rates for non-essential services (e.g., leisure facilities, parking) (target increase: £3m/year).
- Implement dynamic pricing (e.g., weekend parking fees) for high-demand periods (target increase: £1m/year).

Asset Capitalization:

Current Forecast: £6.8m in capital receipts.

Recommendations:

- Lease underutilized council-owned properties (target revenue: £2m/year).
- Sell non-strategic assets (target receipts: £10m over four years).

Improved Tax Collection:

Current Challenges: Uncollected taxes not fully quantified.

Recommendations:

- Invest in advanced analytics to identify and recover overdue council tax and business rates (estimated investment: £0.5m, potential additional revenue: £3m/year).

Partnerships and Grants:

Current Status: Unclear allocation for partnerships and grants.

Recommendations:

- Seek national grants for renewable energy and social care initiatives (potential grant revenue: £5m over three years).

4. Process Improvements

Enhanced Monitoring:

Recommendation: Utilize detailed dashboards for real-time budget monitoring to identify variances early (cost: £0.2m, potential savings: £2m/year).

Stakeholder Engagement:

- Recommendation: Involve local businesses in revenue generation planning (e.g. sponsorships for council-run events) (estimated additional revenue: £0.5m/year).

5. Additional Savings Areas

Resizing Demand-Led Budgets:

Current Situation: Significant allocations for Adult and Children's Services due to rising demand.

Recommendations:

- Invest in preventative care programs to reduce the need for high-cost placements (estimated savings: £3m/year).
- Introduce tighter eligibility criteria for certain non-mandated social care services (potential savings: £2m/year).

Streamlining the Capital Program:

Current Pressure: £375.2m borrowing in 2025/26, rising to £449.6m.

Recommendations:

- Defer or cancel non-essential capital projects (estimated savings: £5m/year in borrowing costs).
- Increase scrutiny on new capital requests (£55m over the medium term).

Corporate and Administrative Costs:

Current Budget: £28.9m in 2025/26.

Recommendations:

- Audit back-office operations to identify redundancies and outsourcing opportunities (potential savings: £1.5m/year).
- Explore shared services with neighboring councils (potential savings: £2m/year).

Energy Efficiency and Carbon Reduction:

Current Status: No specific allocations for energy-related improvements.

Recommendations:

- Invest in energy-efficient retrofits for council buildings (initial cost: £1m, annual savings: £0.5m).
- Implement renewable energy projects on council-owned land (estimated revenue: £1m/year).

Use of Reserves:

Current Reserves: £10m, insufficient for projected shortfalls.

Recommendations:

- Explore exceptional financial support options (e.g., capitalizing transformation costs).
- Increase efforts to replenish reserves through targeted asset sales (target: £5m over two years).

6. Additional Revenue Generation Areas

Maximizing Business Rates:

Current Revenue: £57.1m/year.

Recommendations:

- Develop incentives for new businesses to expand the tax base (potential increase: £2m/year).
- Review business rate exemptions to ensure alignment with policy objectives (potential recovery: £1m/year).

Tourism and Cultural Events:

Current Funding: Not detailed in the budget.

Recommendations:

- Partner with businesses to host large-scale events (potential sponsorship revenue: £1m/year).
- Introduce tourism-specific taxes (e.g., short-term accommodation fees) (potential revenue: £0.5m/year).

Public-Private Partnerships:

Recommendations:

- Establish partnerships for co-developing infrastructure projects (e.g., leisure facilities).
- Monetize council expertise by offering consultancy services to other councils (potential revenue: £0.5m/year).

Community Crowdfunding:

Recommendations:

- Introduce crowdfunding for community-based projects (estimated annual contribution: £0.5m).

Partnering with Electric Charger Companies:

Recommendations:

- Collaborate with EV charger providers to install charging stations in council-owned car parks.
- Explore revenue-sharing models, increased parking revenue, and government grants.
- Potential Revenue: £25,000-£50,000 annually from 50 chargers.

7. Risk Mitigation and Forward Planning

Addressing the DSG Deficit:

Recommendations:

- Address the growing Dedicated Schools Grant (DSG) deficit (£120.1m forecast for 2025/26).
- Engage with government for statutory override extensions or debt restructuring.

Transformation Plan Review:

Recommendations:

- Ensure transformation initiatives remain on track and deliver promised savings.
- Shift underperforming projects to alternative funding models.

Long-Term Financial Sustainability:

Recommendations:

- Ensure revenue-raising initiatives align with broader council objectives.
- Develop a 10-year financial roadmap incorporating projected demographic and economic changes.

Email response #2

How deep do you think our pockets are, I like many others are struggling with paying our bills as it is.

CEC is a beast that is out of control and we cannot be continually be asked to feed it, let's go back MBC [redacted]) I thought the idea of going to CEC was to be more competitive with services, I for one have not seen this.

I hope you do realise the impact this price increase is going to do to working class people. I for one is at my wits end.

Email response #3

I disagree with the proposed amount of increase in Council Tax for the next financial year. Staff pay was increased quite recently and I wonder whether this could have been afforded. With the loss of Winter Fuel Allowance for all except those on benefits many people are currently struggling. As a former Councillor, I am aware that this has had a serious effect on many just above the threshold. So whilst accepting the need for an increase, the proposal should stay within the Government guidelines and not be increased further.

The budget should be set and adhered to. I understand that this year this was not the case. One of the problems with the newish unitary Council, a disproportionate amount is going to Crewe rather than balanced between the three old Boroughs.

Similarly far too much has been wasted on HS2 which may never happen. This sort of extravagance causes the shortfall which would probably be far less without those payments.

Therefore I believe any increase should be no more than inflation, a budget set and adhered to.

Email response #4

CEC cannot expect their residents to pay the is increase or support the loan request. CEC are not truthful and do not listen to its residents.

Can you confirm if rumours that Delamere house is to have dishwashers installed on every level for the staff to wash their cups in are true? Whilst rumours like this are heard, CEC credibility score will never rise.

Having moved to CE 25 years ago, I have seen a huge decline in Crewe particularly and the erection of the multi-story carpark is one of the most stupid things I have ever witnessed and the lady who keeps trying to defend this on TV needs removing.

The state of the refuse collection in some areas of Crewe is diabolical.

In addition, the sudden introduction of making CE part of a Devolution area is farcical and a 12 month consultation is not long enough but when we know that the outcome is already decided by our Labour MP and his pals is again contempt for your payees.

No, 9.99% is not acceptable. No to any further loans.

Do what your residents have to do.

Cut your expenditure.

Stop wasting money.

Stop bowing to Government and look after your residents.

No dishwashers in Delamere.

Email response #5

NO NO NO TO MORE THAN 5% AND THATS TOO MUCH.

HOW DO YOU EXPECT YOUR HARD WORKING OR RETIRED CITIZENS TO CONTINUE TO PAY FOR LESS SERVICES?

YOU WASTE OUR MONEY. PLEASE EXPLAIN WHERE ALL THE EXTRA COUNCIL TAX IS GOING FROM THE THOUSANDS OF NEW HOMES YOU HAVE BUILT IN CHESHIRE EAST.

YOU CANNOT FIX THE ROADS. YOU HAVE BUILT A MULTI MILLION POUND CAR PARK - FOR WHOM? FOR WHAT?

CREWE TOWN CENTRE IS LITTERED WITH FOREIGNERS USING OUR MONEY TO BUY ALCOHOL, CIGARETTES, DRUGS.

YOU SPEND MONEY ON FANCY CHRISTMAS LIGHTS - WHO FOR? NO ONE WE KNOW NOW VISITS THE TOWN CENTRE UNLESS ABSOLUTELY ENTIRELY NECESSARY.

YOU CHARGE FOR GARDEN BINS, BUT DO NOT COLLECT FOR THE FULL YEAR, YET WE HAVE GARDEN WASTE AND FOOD WASTE FOR THE FULL YEAR!?!? AT YHE SAME TIME YOU ARE CLOSING TIPS.

WE SCORN CIVIL SERVANTS YET YOU DON'T UNDERSTAND WHY. THIS IS A SAD FACT, AND IF YOU DON'T YET UNDERSTAND WHY WE ALSO SCORN INCLUSION AND DIVERSITY PROGRAMMES THEN YOU REALLY ARE COMPLETELY OUT OF TOUCH WITH YOUR COUNCIL TAX PAYING CITIZENS.

Email response #6

Please do not cut the My CWA funding. Its a vital service that has helped me no end. I am a healthcare professional and see how valuable the service is to my patients. Please do not cut funding to this vital lifeline.

Email response #7

Please do not stop funding the essential life saving work Cheshire Without Abuse do. Women and children will die as a result of your decision. Every week two women are killed as a result of domestic violence. We need this vital support offered by CWA.

CWA support with accommodation, trauma, counselling, advocacy, court and custody issues and so much more, also providing a safe space for women to tell their heart breaking stories. We are a family who respect and support each other through the terrifying and life changing experience of domestic abuse.

Without CWA we have nowhere to go, no support, no understanding of what we are experiencing and no idea of what services can help us heal, keep us safe and educated on what we have lived. We are alone with no hope.

Email response #8

Good afternoon,

Although I like many others understand the budget cuts, I genuinely think that you have made a very poor choice by cutting the Cheshire without Abuse funding. As somebody who has used there service for both myself and my child and as somebody who has found myself in a position where I need to use their service again I am beyond shocked and absolutely appalled that somebody has made the decision to cut funding for domestic abuse. This really does need to be re-evaluated.

Engagement webpage public comment #1

The Council needs to seriously consider bringing highway maintenance in-house repair service very poor. Income generation by private companies for the council usually very poor. The Lane rental proposal was not understood and the funds generated were until recently going to a central fund hence council may lose money but the private company get paid. Usually council pays over the odds for services and the private company spends often waste millions in capital expenditures and drain the council of funds which should have been used on preventative maintenance schemes which extend life I can't remember the last surface dressing programme.

Council Committee feedback

Throughout January and February 2025 all council Committees debated agenda items on the Medium Term Financial Strategy Consultation 2025/26 - 2028/29.

Details of each of these Committees are provided below, with links included to listen to the items or to view the meeting minutes.

Committee links	Date
Corporate Policy Committee	6 February 2025 (Item 49)
Finance Sub-Committee	9 January 2025 (Item 39)
Children and Families Committee	13 January 2025 (Item 69)
Economy and Growth Committee	14 January 2025 (Item 43)
Adults and Health Committee	20 January 2025 (Item 44)
Highways and Transport Committee	23 January 2025 (Item 6)
Environment and Communities Committee	30 January 2025 (Item 6)

Cheshire East Council

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OPEN

Council

26 February 2025

Council Tax 2025/26 - Statutory Resolution

Report of: Adele Taylor – Interim Executive Director of Resources (Section 151 Officer)

Report Reference No: C/18/24-25

Ward(s) Affected: All Wards

Purpose of Report

1 The Council is required by legislation to disclose its calculations of its Budget Requirement and Council Tax for 2025/26 under statutory resolutions and to approve the formal Council Tax Resolution for 2025/26.

Executive Summary

2 Cheshire East Council, as a billing authority, is responsible for the billing and collection of Council Tax due from local taxpayers and must therefore make a resolution to set the overall Council Tax level. This means that the Authority also collects Council Tax income to cover not only its own services but also precepts set by other authorities.

3 The Council Tax levied is therefore made up of four elements:

- Cheshire East Borough Council element
- Town & Parish Council precepts
- Police & Crime Commissioner for Cheshire precept
- Cheshire Fire Authority precept.

RECOMMENDATIONS

That Council:

1. Approves a Council Tax for Cheshire East Council for the financial year 2025/26, at £307,263,921 in accordance with the formal resolutions as shown in paragraphs 20-24 of the report.

2. Notes that the council tax precept of Cheshire Fire Authority, Police Crime and Commissioner for Cheshire, and each Town and Parish Council have been approved and notified to the Council in accordance with the Local Government Finance Act 1992, as amended by sections 72 to 79 of the Localism Act 2011.

3. Notes the average Council Tax for the Cheshire East Borough is £2,332.61 in accordance with the Local Government Finance Act 1992, as amended by sections 72 to 79 of the Localism Act 2011.

Background

4 The Council Tax levied is made up of four elements as follows:

5 The Council Tax Base for 2025/26 - Appendix A.

6 The statutory calculation required to arrive at the amount of Council Tax for each area in respect of Borough Council, Town and Parish Council requirements - Appendices B and C.

7 The precepts issued by Police & Crime Commissioner for Cheshire and Cheshire Fire Authority under Section 40 of the Act – paragraphs 17 and 18 of the report.

8 The statutory calculation of the aggregate of the Borough Council, Parish Councils, Police & Crime Commissioner and Cheshire Fire Authority amount of Council Tax for each of the categories of the dwelling for each Council Tax area - Appendix D.

Council Tax Base

9 The Council Tax base was agreed at the Cheshire East Council meeting of 11 December 2024 as 163,261.10 for the year 2025/26. A breakdown of the calculation by Parish is attached at Appendix A.

General Fund Budget

10 On 6 February 2025 Corporate Policy Committee recommended a General Fund Budget of £402,375,101. The calculation reflects the detailed Medium-Term Financial Strategy prepared through consultation, which included all service Committees.

Cheshire East Borough Council Tax

11 The Council Tax Requirement for the Borough Council is £307,263,921.

12 The Band D Council Tax is therefore £1,882.04 (the requirement of £307,263,921 divided by the tax base of 163,261.10).

13 Growth in the local taxbase supports the ambition in the Cheshire East Plan of creating economic independence from government grant. In 2025/26, there continues to be minimal general government grant support to the revenue budget of Cheshire East Council (£0.8m). When increases in demand related to protecting vulnerable people and inflation in costs are taken into account, this creates a requirement to continue to increase Council Tax levels in-line with government expectations.

14 The ability to raise additional Council Tax for use solely on Adult Social Care (ASC) was accepted in each of the years 2017/18 (3%), 2018/19 (3%), 2020/21 (2%), 2021/22 (3%), 2022/23 (1%), 2023/24 (2%) and 2024/25 (2%). The Provisional Finance Settlement in December 2024 confirmed a further 2% ASC precept could be levied in 2025/26 to help alleviate the continuing growth pressure.

15 The provisional local government finance settlement also announced the referendum limit on base increases was to be maintained at to 3%, as such, it is proposed that Council Tax is increased by 4.99% (including 2% ringfenced for Adult Social Care pressures) for 2025/26 to give a Band D charge of £1,882.04 for 2025/26.

Parish Council Precepts

16 Each Parish Council has notified the Council with its precept requirement for the year. The total amount of these special items is £12,821,834 which produces an average Band D Council Tax of £78.54.

Police & Crime Commissioner for Cheshire precept

17 The precept demand issued by Police & Crime Commissioner is £45,213,529 which produces a Band D Council Tax of £276.94. This represents a 5.3% (£14) increase on the 2024/25 Band D Council Tax level. The Police & Crime Commissioner has stated the following amounts in precepts issued to the Council, in accordance with Section 40

of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:

Valuation Bands							
A	B	C	D	E	F	G	H
184.63	215.40	246.17	276.94	338.48	400.02	461.57	553.88

Fire Authority Precept

18 The precept demand issued by Cheshire Fire Authority is £15,524,498 which produces a Band D Council Tax of £95.09. This represents a 5.6% (£5) increase on the 2024/25 Band D Council tax level. Cheshire Fire Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:

Valuation Bands							
A	B	C	D	E	F	G	H
63.39	73.96	84.52	95.09	116.22	137.35	158.48	190.18

Total Council Tax

19 The average Council Tax to be charged to taxpayers in Band D can be summarised as follows:

Element	Charge
	£
Cheshire East Borough Council	1,882.04
Average for Parish Councils	78.54
Average Local Council Tax	**1,960.58**
Police & Crime Commissioner	276.94
Cheshire Fire Authority	95.09
Total Council Tax	**2,332.61**

Formal Resolution

20 That it be noted that on 11 December 2024 the Council calculated the Council Tax base 2025/26.

(a) for the whole Council area as 163,261.10 (item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")).

(b) for individual parishes, as in Appendix A.

21 Calculated that the Council Tax requirement for the Council's own purposes for 2025/26 (excluding Parish precepts) is £307,263,921.

22 That the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Act:

a. £895,825,778 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.

b. £575,740,023 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

c. £320,085,755 being the amount by which the aggregate at 14.3(a) above exceeds the aggregate at 14.3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act).

d. £1,960.58 being the amount at 14.3(c) above divided by the amount at 14.1(a) above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).

e. £12,821,834 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act

f. £1,882.04 being the amount at 14.3(d) above less the result given by dividing the amount at 14.3(e) above by the amount at 14.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

g. **Appendix A** being the amounts calculated by the Council, in accordance with regulations 3 and 6 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its total council tax base for the year and council tax base for dwellings in those parts of its area to which one or more special items relate.

h. **Appendix B** being the amounts given by adding to the amount at (f) above, the amounts of special items relating to dwellings in those parts of the Council's area mentioned above divided by in each case the appropriate tax base from Appendix A, calculated by the Council in accordance with Section 34(3) of the 1992 Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which one or more special items relate. (Band D charges for each Parish area).

i. **Appendix C** being the amounts given by multiplying the amount at (h) above by the number which, in the proportion set out in Section 5(1) of the 1992 Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the 1992 Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands (Local charges for all Bands).

j. **Appendix D** being the aggregate of the local charges in (i) above and the amounts levied by major precepting authorities, calculated in accordance with Section 30(2) of the 1992 Act (The total Council Tax charge for each band in each Parish area).

23 To note that the Police & Crime Commissioner and the Fire Authority have issued precepts to Cheshire East Council in accordance with section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as shown in paragraphs 17 and 18.

24 Determine whether Cheshire East Council's basic amount of Council tax for 2025/26 is excessive in accordance with principles approved under Section 52ZB and 52ZC of the Local Government Finance Act 1992.

Consultation and Engagement

25 The recommendation in this report reflects the results of the 2025/26 budget engagement process.

Reasons for Recommendations

26 In accordance with the Local Government Finance Act 1992, as amended by sections 72 to 79 of the Localism Act 2011 the Council is required to set the amounts of the Council Tax for 2025/26 for each of the categories of dwelling in the Council Tax area. This requirement is achieved by approving the statutory resolution shown in this report.

Other Options Considered

27 As the local billing authority the Council has a duty to set the Council Tax for the Cheshire East Council area. The recommendations in this report reflect the results of a comprehensive consultation process to support the decision making process and ensure it is compliant with relevant legislation. No further options are therefore being considered as part of this report.

Implications and Comments

Monitoring Officer/Legal

28 As covered in the report.

Section 151 Officer/Finance

29 As covered in the report.

Policy

30 None.

Equality, Diversity and Inclusion

31 None.

Human Resources

32 None.

Risk Management

33 The steps outlined in this report will address the main legal and financial risk to the Council's financial management in the setting of a legal Council Tax level for 2025/26.

Rural Communities

34 None.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

35 None.

Public Health

36 None.

Climate Change

37 None.

Access to Information	
Contact Officer:	Adele Taylor Interim Executive Director of Resources (Section 151 Officer) Adele.taylor@cheshireeast.gov.uk
Appendices:	Appendix A - Council Tax Base 2025/26 Appendix B – Council Tax - Band D per Parish 2025/26 Appendix C – Local Council Tax per Band 2025/26 (Borough Council and Town and Parish Council) Appendix D – Total Council Tax per Band 2025/26 (including Police and Fire)
Background Papers:	Council Taxbase 2025/26

Appendix A

COUNCIL TAX - TAX BASE 2025/26 - by Parish

	Tax Base
Adlington	638.93
Alderley Edge	2,778.58
Alpraham, Calveley	414.52
Alsager	5,794.91
Arclid	195.62
Ashley	176.77
Aston-by-Budworth	202.16
Audlem	1,054.29
Barthomley	103.30
Betchton	297.79
Bickerton, Egerton	166.88
Bollington	3,204.96
Bosley	227.71
Bradwall	94.97
Brereton	857.83
Brindley, Faddiley	152.69
Buerton	250.89
Bulkeley, Ridley	239.71
Bunbury	721.57
Burland, Acton, Edleston, Henhull	537.20
Chelford	828.26
Cholmondeley, Chorley	159.89
Cholmondeston, Wettenhall	206.33
Chorley	281.63
Church Lawton	882.05
Church Minshull	218.18
Congleton	11,355.29
Cranage	679.76
Crewe	14,814.13
Disley	2,073.39
Dodcott-cum-Wilkesley	210.99
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	320.02
Eaton	191.32
Gawsworth	832.08
Goostrey	1,097.27
Great Warford	469.04
Handforth	2,592.24
Hankelow	181.20
Haslington	2,825.53
Hassall	112.86
Hatherton, Walgherton	259.59
Haughton	104.06
Henbury	438.40
High Legh	898.42
Higher Hurdsfield	329.00
Holmes Chapel	2,958.98
Hough, Chorlton	1,020.88
Hulme Walfield & Somerford Booths	475.11
Kettleshulme, Lyme Handley	247.34
Knutsford	6,144.16
Leighton, Minshull Vernon, Woolstanwood	2,375.61
Little Bollington, Agden	219.66
Little Warford	39.10
Lower Peover	75.49
Lower Withington	329.45
Macclesfield	19,436.66
Macclesfield Forest, Wildboarclough	132.63
Marbury-cum-Quoisley, Norbury, Wirswall	293.01

	Tax Base
Marton	120.02
Mere	476.54
Middlewich	5,138.85
Millington, Rostherne, Tatton	185.00
Mobberley	1,495.01
Moston	187.05
Mottram St Andrew	423.29
Nantwich	6,755.54
Nether Alderley	670.54
Newbold Astbury-cum-Moreton	359.48
Newhall	476.57
North Rode	136.56
Odd Rode	2,028.22
Ollerton, Marthall	361.57
Over Alderley	299.78
Peckforton	77.15
Peover Superior, Snelson	506.27
Pickmere	397.26
Plumley with Toft and Bexton	429.17
Pott Shrigley	162.17
Poynton with Worth	6,336.22
Prestbury	2,252.57
Rainow	615.99
Rope	804.36
Sandbach	8,969.31
Shavington-cum-Gresty	2,632.61
Siddington	183.41
Smallwood	332.40
Somerford	1,040.00
Sound, Austerson, Baddiley, Baddington, Broomhall, Coole Pilate	455.08
Spurstow	208.43
Stapeley, Batherton	1,729.99
Stoke, Hurleston	153.12
Styal	387.42
Sutton	1,332.62
Swettenham	187.60
Tabley	261.71
Twemlow	125.02
Wardle	77.88
Warmingham	118.52
Weston, Basford, Crewe Green	1,207.97
Willaston	1,589.29
Wilmslow	12,215.90
Wincle	95.24
Wistaston	3,364.67
Worleston, Poole, Aston Juxta Mondrum	298.13
Wrenbury-cum-Frith	535.34
Wybunbury	843.97
TOTAL TAX BASE	**163,261.10**

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Appendix B

COUNCIL TAX - BAND D PER PARISH 2025/26

	£
Adlington	1,913.34
Alderley Edge	1,941.42
Alpraham, Calveley	1,943.56
Alsager	2,000.75
Arclid	1,904.40
Ashley	1,916.55
Aston-by-Budworth	1,896.88
Audlem	1,967.29
Barthomley	1,920.76
Betchton	1,901.32
Bickerton, Egerton	1,897.02
Bollington	2,018.70
Bosley	1,903.02
Bradwall	1,913.63
Brereton	1,913.05
Brindley, Faddiley	1,905.62
Buerton	1,921.79
Bulkeley, Ridley	1,904.98
Bunbury	1,942.44
Burland, Acton, Edleston, Henhull	1,915.39
Chelford	1,946.74
Cholmondeley, Chorley	1,902.68
Cholmondeston, Wettenhall	1,906.27
Chorley	1,899.78
Church Lawton	1,929.66
Church Minshull	1,914.12
Congleton	1,999.45
Cranage	1,916.61
Crewe	1,979.30
Disley	1,980.76
Dodcott-cum-Wilkesley	1,916.40
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	1,897.66
Eaton	1,911.31
Gawsworth	1,934.04
Goostrey	1,933.27
Great Warford	1,906.01
Handforth	1,947.62
Hankelow	1,891.74
Haslington	1,914.82
Hassall	1,923.91
Hatherton, Walgherton	1,905.85
Haughton	1,890.45
Henbury	1,952.75
High Legh	1,895.95
Higher Hurdsfield	1,904.84
Holmes Chapel	1,976.66
Hough, Chorlton	1,907.51
Hulme Walfield & Somerford Booths	1,914.24
Kettleshulme, Lyme Handley	1,933.39
Knutsford	2,014.96
Leighton, Minshull Vernon, Woolstanwood	1,904.04
Little Bollington, Agden	1,900.25
Little Warford	1,882.04
Lower Peover	1,922.12
Lower Withington	1,916.94
Macclesfield	1,949.83
Macclesfield Forest, Wildboarclough	1,882.04
Marbury-cum-Quoisley, Norbury, Wirswall	1,912.76

	£
Marton	1,915.37
Mere	1,900.93
Middlewich	2,009.54
Millington, Rostherne, Tatton	1,921.54
Mobberley	1,915.48
Moston	1,924.92
Mottram St Andrew	1,901.02
Nantwich	2,042.94
Nether Alderley	1,986.12
Newbold Astbury-cum-Moreton	1,943.24
Newhall	1,892.01
North Rode	1,898.55
Odd Rode	1,933.88
Ollerton, Marthall	1,913.81
Over Alderley	1,904.82
Peckforton	1,924.81
Peover Superior, Snelson	1,947.04
Pickmere	1,931.48
Plumley with Toft and Bexton	1,934.51
Pott Shrigley	1,909.79
Poynton with Worth	1,986.06
Prestbury	1,948.63
Rainow	1,906.39
Rope	1,889.63
Sandbach	1,972.91
Shavington-cum-Gresty	1,975.19
Siddington	1,906.58
Smallwood	1,894.07
Somerford	1,933.20
Sound, Austerson, Baddiley, Baddington, Broomhall, Coo	1,893.03
Spurstow	1,907.53
Stapeley, Batherton	1,893.60
Stoke, Hurleston	1,927.26
Styal	1,915.43
Sutton	1,904.18
Swettenham	1,924.08
Tabley	1,896.97
Twemlow	1,919.43
Wardle	1,920.91
Warmingham	1,918.67
Weston, Basford, Crewe Green	1,931.45
Willaston	1,917.64
Wilmslow	1,937.97
Wincle	1,883.09
Wistaston	1,904.68
Worleston, Poole, Aston Juxta Mondrum	1,897.99
Wrenbury-cum-Frith	1,920.33
Wybunbury	1,932.52

Appendix C

LOCAL COUNCIL TAX (BOROUGH + PARISH)

	VALUATION BAND							
	BAND A £	BAND B £	BAND C £	BAND D £	BAND E £	BAND F £	BAND G £	BAND H £
Adlington	1,275.56	1,488.15	1,700.74	1,913.34	2,338.53	2,763.71	3,188.90	3,826.68
Alderley Edge	1,294.28	1,509.99	1,725.70	1,941.42	2,372.85	2,804.27	3,235.70	3,882.84
Alpraham, Calveley	1,295.70	1,511.66	1,727.60	1,943.56	2,375.46	2,807.36	3,239.26	3,887.12
Alsager	1,333.83	1,556.14	1,778.44	2,000.75	2,445.36	2,889.97	3,334.58	4,001.50
Arclid	1,269.60	1,481.20	1,692.80	1,904.40	2,327.60	2,750.80	3,174.00	3,808.80
Ashley	1,277.70	1,490.65	1,703.60	1,916.55	2,342.45	2,768.35	3,194.25	3,833.10
Aston-by-Budworth	1,264.58	1,475.35	1,686.11	1,896.88	2,318.41	2,739.94	3,161.46	3,793.76
Audlem	1,311.52	1,530.12	1,748.70	1,967.29	2,404.46	2,841.64	3,278.81	3,934.58
Barthomley	1,280.50	1,493.93	1,707.34	1,920.76	2,347.59	2,774.43	3,201.26	3,841.52
Betchton	1,267.54	1,478.81	1,690.06	1,901.32	2,323.83	2,746.35	3,168.86	3,802.64
Bickerton, Egerton	1,264.68	1,475.46	1,686.24	1,897.02	2,318.58	2,740.14	3,161.70	3,794.04
Bollington	1,345.80	1,570.10	1,794.40	2,018.70	2,467.30	2,915.90	3,364.50	4,037.40
Bosley	1,268.68	1,480.13	1,691.57	1,903.02	2,325.91	2,748.80	3,171.70	3,806.04
Bradwall	1,275.75	1,488.38	1,701.00	1,913.63	2,338.88	2,764.13	3,189.38	3,827.26
Brereton	1,275.36	1,487.93	1,700.48	1,913.05	2,338.17	2,763.29	3,188.41	3,826.10
Brindley, Faddiley	1,270.41	1,482.15	1,693.88	1,905.62	2,329.09	2,752.56	3,176.03	3,811.24
Buerton	1,281.19	1,494.73	1,708.25	1,921.79	2,348.85	2,775.92	3,202.98	3,843.58
Bulkeley, Ridley	1,269.98	1,481.65	1,693.31	1,904.98	2,328.31	2,751.64	3,174.96	3,809.96
Bunbury	1,294.96	1,510.79	1,726.61	1,942.44	2,374.09	2,805.74	3,237.40	3,884.88
Burland, Acton, Edleston, Henhull	1,276.92	1,489.75	1,702.56	1,915.39	2,341.03	2,766.67	3,192.31	3,830.78
Chelford	1,297.82	1,514.13	1,730.43	1,946.74	2,379.35	2,811.96	3,244.56	3,893.48
Cholmondeley, Chorley	1,268.45	1,479.86	1,691.27	1,902.68	2,325.50	2,748.31	3,171.13	3,805.36
Cholmondeston, Wettenhall	1,270.84	1,482.66	1,694.46	1,906.27	2,329.88	2,753.50	3,177.11	3,812.54
Chorley	1,266.52	1,477.61	1,688.69	1,899.78	2,321.95	2,744.12	3,166.30	3,799.56
Church Lawton	1,286.44	1,500.85	1,715.25	1,929.66	2,358.47	2,787.28	3,216.10	3,859.32
Church Minshull	1,276.08	1,488.76	1,701.44	1,914.12	2,339.48	2,764.84	3,190.20	3,828.24
Congleton	1,332.96	1,555.13	1,777.28	1,999.45	2,443.77	2,888.09	3,332.41	3,998.90
Cranage	1,277.74	1,490.70	1,703.65	1,916.61	2,342.52	2,768.43	3,194.35	3,833.22
Crewe	1,319.53	1,539.46	1,759.37	1,979.30	2,419.14	2,858.99	3,298.83	3,958.60
Disley	1,320.50	1,540.59	1,760.67	1,980.76	2,420.93	2,861.10	3,301.26	3,961.52
Dodcott-cum-Wilkesley	1,277.60	1,490.53	1,703.46	1,916.40	2,342.27	2,768.13	3,194.00	3,832.80
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	1,265.10	1,475.96	1,686.80	1,897.66	2,319.36	2,741.06	3,162.76	3,795.32
Eaton	1,274.20	1,486.58	1,698.94	1,911.31	2,336.04	2,760.78	3,185.51	3,822.62
Gawsworth	1,289.36	1,504.25	1,719.14	1,934.04	2,363.83	2,793.61	3,223.40	3,868.08
Goostrey	1,288.84	1,503.66	1,718.46	1,933.27	2,362.88	2,792.50	3,222.11	3,866.54
Great Warford	1,270.67	1,482.45	1,694.23	1,906.01	2,329.57	2,753.12	3,176.68	3,812.02
Handforth	1,298.41	1,514.82	1,731.21	1,947.62	2,380.42	2,813.23	3,246.03	3,895.24
Hankelow	1,261.16	1,471.35	1,681.54	1,891.74	2,312.13	2,732.51	3,152.90	3,783.48
Haslington	1,276.54	1,489.31	1,702.06	1,914.82	2,340.33	2,765.85	3,191.36	3,829.64
Hassall	1,282.60	1,496.38	1,710.14	1,923.91	2,351.44	2,778.98	3,206.51	3,847.82
Hatherton, Walgherton	1,270.56	1,482.33	1,694.08	1,905.85	2,329.37	2,752.89	3,176.41	3,811.70
Haughton	1,260.30	1,470.35	1,680.40	1,890.45	2,310.55	2,730.65	3,150.75	3,780.90
Henbury	1,301.83	1,518.81	1,735.77	1,952.75	2,386.69	2,820.64	3,254.58	3,905.50
High Legh	1,263.96	1,474.63	1,685.28	1,895.95	2,317.27	2,738.59	3,159.91	3,791.90
Higher Hurdsfield	1,269.89	1,481.54	1,693.19	1,904.84	2,328.14	2,751.43	3,174.73	3,809.68
Holmes Chapel	1,317.77	1,537.40	1,757.03	1,976.66	2,415.92	2,855.17	3,294.43	3,953.32
Hough, Chorlton	1,271.67	1,483.62	1,695.56	1,907.51	2,331.40	2,755.29	3,179.18	3,815.02
Hulme Walfield, Somerford Booths	1,276.16	1,488.85	1,701.54	1,914.24	2,339.63	2,765.01	3,190.40	3,828.48
Kettleshulme, Lyme Handley	1,288.92	1,503.75	1,718.56	1,933.39	2,363.03	2,792.67	3,222.31	3,866.78
Knutsford	1,343.30	1,567.19	1,791.07	2,014.96	2,462.73	2,910.50	3,358.26	4,029.92
Leighton, Minshull Vernon, Woolstanwood	1,269.36	1,480.92	1,692.48	1,904.04	2,327.16	2,750.28	3,173.40	3,808.08
Little Bollington, Agden	1,266.83	1,477.97	1,689.11	1,900.25	2,322.53	2,744.80	3,167.08	3,800.50
Little Warford	1,254.69	1,463.81	1,672.92	1,882.04	2,300.27	2,718.50	3,136.73	3,764.08
Lower Peover	1,281.41	1,494.98	1,708.55	1,922.12	2,349.26	2,776.39	3,203.53	3,844.24
Lower Withington	1,277.96	1,490.95	1,703.94	1,916.94	2,342.93	2,768.91	3,194.90	3,833.88
Macclesfield	1,299.88	1,516.54	1,733.18	1,949.83	2,383.12	2,816.42	3,249.71	3,899.66
Macclesfield Forest, Wildboarclough	1,254.69	1,463.81	1,672.92	1,882.04	2,300.27	2,718.50	3,136.73	3,764.08
Marbury-cum-Quoisley, Norbury, Wirswall	1,275.17	1,487.70	1,700.23	1,912.76	2,337.82	2,762.87	3,187.93	3,825.52
Marton	1,276.91	1,489.73	1,702.55	1,915.37	2,341.01	2,766.64	3,192.28	3,830.74
Mere	1,267.28	1,478.50	1,689.71	1,900.93	2,323.36	2,745.79	3,168.21	3,801.86

Appendix C

LOCAL COUNCIL TAX (BOROUGH + PARISH)

	VALUATION BAND							
	BAND A	**BAND B**	**BAND C**	**BAND D**	**BAND E**	**BAND F**	**BAND G**	**BAND H**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Middlewich	1,339.69	1,562.98	1,786.25	2,009.54	2,456.10	2,902.67	3,349.23	4,019.08
Millington, Rostherne, Tatton	1,281.02	1,494.53	1,708.03	1,921.54	2,348.55	2,775.56	3,202.56	3,843.08
Mobberley	1,276.98	1,489.82	1,702.64	1,915.48	2,341.14	2,766.80	3,192.46	3,830.96
Moston	1,283.28	1,497.16	1,711.04	1,924.92	2,352.68	2,780.44	3,208.20	3,849.84
Mottram St Andrew	1,267.34	1,478.57	1,689.79	1,901.02	2,323.47	2,745.92	3,168.36	3,802.04
Nantwich	1,361.96	1,588.95	1,815.94	2,042.94	2,496.93	2,950.91	3,404.90	4,085.88
Nether Alderley	1,324.08	1,544.76	1,765.44	1,986.12	2,427.48	2,868.84	3,310.20	3,972.24
Newbold Astbury-cum-Moreton	1,295.49	1,511.41	1,727.32	1,943.24	2,375.07	2,806.90	3,238.73	3,886.48
Newhall	1,261.34	1,471.56	1,681.78	1,892.01	2,312.46	2,732.90	3,153.35	3,784.02
North Rode	1,265.70	1,476.65	1,687.60	1,898.55	2,320.45	2,742.35	3,164.25	3,797.10
Odd Rode	1,289.25	1,504.13	1,719.00	1,933.88	2,363.63	2,793.38	3,223.13	3,867.76
Ollerton, Marthall	1,275.87	1,488.52	1,701.16	1,913.81	2,339.10	2,764.39	3,189.68	3,827.62
Over Alderley	1,269.88	1,481.53	1,693.17	1,904.82	2,328.11	2,751.40	3,174.70	3,809.64
Peckforton	1,283.20	1,497.08	1,710.94	1,924.81	2,352.54	2,780.28	3,208.01	3,849.62
Peover Superior, Snelson	1,298.02	1,514.37	1,730.70	1,947.04	2,379.71	2,812.39	3,245.06	3,894.08
Pickmere	1,287.65	1,502.26	1,716.87	1,931.48	2,360.70	2,789.91	3,219.13	3,862.96
Plumley with Toft and Bexton	1,289.67	1,504.62	1,719.56	1,934.51	2,364.40	2,794.29	3,224.18	3,869.02
Pott Shrigley	1,273.19	1,485.39	1,697.59	1,909.79	2,334.19	2,758.58	3,182.98	3,819.58
Poynton with Worth	1,324.04	1,544.71	1,765.38	1,986.06	2,427.41	2,868.75	3,310.10	3,972.12
Prestbury	1,299.08	1,515.60	1,732.11	1,948.63	2,381.66	2,814.69	3,247.71	3,897.26
Rainow	1,270.92	1,482.75	1,694.56	1,906.39	2,330.03	2,753.67	3,177.31	3,812.78
Rope	1,259.75	1,469.71	1,679.67	1,889.63	2,309.55	2,729.46	3,149.38	3,779.26
Sandbach	1,315.27	1,534.49	1,753.69	1,972.91	2,411.33	2,849.76	3,288.18	3,945.82
Shavington-cum-Gresty	1,316.79	1,536.26	1,755.72	1,975.19	2,414.12	2,853.05	3,291.98	3,950.38
Siddington	1,271.05	1,482.90	1,694.73	1,906.58	2,330.26	2,753.95	3,177.63	3,813.16
Smallwood	1,262.71	1,473.17	1,683.61	1,894.07	2,314.97	2,735.88	3,156.78	3,788.14
Somerford	1,288.80	1,503.60	1,718.40	1,933.20	2,362.80	2,792.40	3,222.00	3,866.40
Sound, Austerson, Baddiley, Baddington, Broomhall, Coole Pilate	1,262.02	1,472.36	1,682.69	1,893.03	2,313.70	2,734.37	3,155.05	3,786.06
Spurstow	1,271.68	1,483.64	1,695.58	1,907.53	2,331.42	2,755.32	3,179.21	3,815.06
Stapeley, Batherton	1,262.40	1,472.80	1,683.20	1,893.60	2,314.40	2,735.20	3,156.00	3,787.20
Stoke, Hurleston	1,284.84	1,498.98	1,713.12	1,927.26	2,355.54	2,783.82	3,212.10	3,854.52
Styal	1,276.95	1,489.78	1,702.60	1,915.43	2,341.08	2,766.73	3,192.38	3,830.86
Sutton	1,269.45	1,481.03	1,692.60	1,904.18	2,327.33	2,750.48	3,173.63	3,808.36
Swettenham	1,282.72	1,496.51	1,710.29	1,924.08	2,351.65	2,779.22	3,206.80	3,848.16
Tabley	1,264.64	1,475.42	1,686.19	1,896.97	2,318.52	2,740.07	3,161.61	3,793.94
Twemlow	1,279.62	1,492.89	1,706.16	1,919.43	2,345.97	2,772.51	3,199.05	3,838.86
Wardle	1,280.60	1,494.04	1,707.47	1,920.91	2,347.78	2,774.65	3,201.51	3,841.82
Warmingham	1,279.11	1,492.30	1,705.48	1,918.67	2,345.04	2,771.41	3,197.78	3,837.34
Weston, Basford, Crewe Green	1,287.63	1,502.24	1,716.84	1,931.45	2,360.66	2,789.87	3,219.08	3,862.90
Willaston	1,278.42	1,491.50	1,704.56	1,917.64	2,343.78	2,769.92	3,196.06	3,835.28
Wilmslow	1,291.98	1,507.31	1,722.64	1,937.97	2,368.63	2,799.29	3,229.95	3,875.94
Wincle	1,255.39	1,464.63	1,673.85	1,883.09	2,301.55	2,720.02	3,138.48	3,766.18
Wistaston	1,269.78	1,481.42	1,693.04	1,904.68	2,327.94	2,751.20	3,174.46	3,809.36
Worleston, Poole, Aston Juxta Mondrum	1,265.32	1,476.22	1,687.10	1,897.99	2,319.76	2,741.54	3,163.31	3,795.98
Wrenbury-cum-Frith	1,280.22	1,493.59	1,706.96	1,920.33	2,347.07	2,773.81	3,200.55	3,840.66
Wybunbury	1,288.34	1,503.07	1,717.79	1,932.52	2,361.97	2,791.42	3,220.86	3,865.04

Appendix D

TOTAL COUNCIL TAX

	VALUATION BAND							
	BAND A £	BAND B £	BAND C £	BAND D £	BAND E £	BAND F £	BAND G £	BAND H £
Adlington	1,523.58	1,777.51	2,031.43	2,285.37	2,793.23	3,301.08	3,808.95	4,570.74
Alderley Edge	1,542.30	1,799.35	2,056.39	2,313.45	2,827.55	3,341.64	3,855.75	4,626.90
Alpraham, Calveley	1,543.72	1,801.02	2,058.29	2,315.59	2,830.16	3,344.73	3,859.31	4,631.18
Alsager	1,581.85	1,845.50	2,109.13	2,372.78	2,900.06	3,427.34	3,954.63	4,745.56
Arclid	1,517.62	1,770.56	2,023.49	2,276.43	2,782.30	3,288.17	3,794.05	4,552.86
Ashley	1,525.72	1,780.01	2,034.29	2,288.58	2,797.15	3,305.72	3,814.30	4,577.16
Aston-by-Budworth	1,512.60	1,764.71	2,016.80	2,268.91	2,773.11	3,277.31	3,781.51	4,537.82
Audlem	1,559.54	1,819.48	2,079.39	2,339.32	2,859.16	3,379.01	3,898.86	4,678.64
Barthomley	1,528.52	1,783.29	2,038.03	2,292.79	2,802.29	3,311.80	3,821.31	4,585.58
Betchton	1,515.56	1,768.17	2,020.75	2,273.35	2,778.53	3,283.72	3,788.91	4,546.70
Bickerton, Egerton	1,512.70	1,764.82	2,016.93	2,269.05	2,773.28	3,277.51	3,781.75	4,538.10
Bollington	1,593.82	1,859.46	2,125.09	2,390.73	2,922.00	3,453.27	3,984.55	4,781.46
Bosley	1,516.70	1,769.49	2,022.26	2,275.05	2,780.61	3,286.17	3,791.75	4,550.10
Bradwall	1,523.77	1,777.74	2,031.69	2,285.66	2,793.58	3,301.50	3,809.43	4,571.32
Brereton	1,523.38	1,777.29	2,031.17	2,285.08	2,792.87	3,300.66	3,808.46	4,570.16
Brindley, Faddiley	1,518.43	1,771.51	2,024.57	2,277.65	2,783.79	3,289.93	3,796.08	4,555.30
Buerton	1,529.21	1,784.09	2,038.94	2,293.82	2,803.55	3,313.29	3,823.03	4,587.64
Bulkeley, Ridley	1,518.00	1,771.01	2,024.00	2,277.01	2,783.01	3,289.01	3,795.01	4,554.02
Bunbury	1,542.98	1,800.15	2,057.30	2,314.47	2,828.79	3,343.11	3,857.45	4,628.94
Burland, Acton, Edleston, Henhull	1,524.94	1,779.11	2,033.25	2,287.42	2,795.73	3,304.04	3,812.36	4,574.84
Chelford	1,545.84	1,803.49	2,061.12	2,318.77	2,834.05	3,349.33	3,864.61	4,637.54
Cholmondeley, Chorley	1,516.47	1,769.22	2,021.96	2,274.71	2,780.20	3,285.68	3,791.18	4,549.42
Cholmondeston, Wettenhall	1,518.86	1,772.02	2,025.15	2,278.30	2,784.58	3,290.87	3,797.16	4,556.60
Chorley	1,514.54	1,766.97	2,019.38	2,271.81	2,776.65	3,281.49	3,786.35	4,543.62
Church Lawton	1,534.46	1,790.21	2,045.94	2,301.69	2,813.17	3,324.65	3,836.15	4,603.38
Church Minshull	1,524.10	1,778.12	2,032.13	2,286.15	2,794.18	3,302.21	3,810.25	4,572.30
Congleton	1,580.98	1,844.49	2,107.97	2,371.48	2,898.47	3,425.46	3,952.46	4,742.96
Cranage	1,525.76	1,780.06	2,034.34	2,288.64	2,797.22	3,305.80	3,814.40	4,577.28
Crewe	1,567.55	1,828.82	2,090.06	2,351.33	2,873.84	3,396.36	3,918.88	4,702.66
Disley	1,568.52	1,829.95	2,091.36	2,352.79	2,875.63	3,398.47	3,921.31	4,705.58
Dodcott-cum-Wilkesley	1,525.62	1,779.89	2,034.15	2,288.43	2,796.97	3,305.50	3,814.05	4,576.86
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	1,513.12	1,765.32	2,017.49	2,269.69	2,774.06	3,278.43	3,782.81	4,539.38
Eaton	1,522.22	1,775.94	2,029.63	2,283.34	2,790.74	3,298.15	3,805.56	4,566.68
Gawsworth	1,537.38	1,793.61	2,049.83	2,306.07	2,818.53	3,330.98	3,843.45	4,612.14
Goostrey	1,536.86	1,793.02	2,049.15	2,305.30	2,817.58	3,329.87	3,842.16	4,610.60
Great Warford	1,518.69	1,771.81	2,024.92	2,278.04	2,784.27	3,290.49	3,796.73	4,556.08
Handforth	1,546.43	1,804.18	2,061.90	2,319.65	2,835.12	3,350.60	3,866.08	4,639.30
Hankelow	1,509.18	1,760.71	2,012.23	2,263.77	2,766.83	3,269.88	3,772.95	4,527.54
Haslington	1,524.56	1,778.67	2,032.75	2,286.85	2,795.03	3,303.22	3,811.41	4,573.70
Hassall	1,530.62	1,785.74	2,040.83	2,295.94	2,806.14	3,316.35	3,826.56	4,591.88
Hatherton, Walgherton	1,518.58	1,771.69	2,024.77	2,277.88	2,784.07	3,290.26	3,796.46	4,555.76
Haughton	1,508.32	1,759.71	2,011.09	2,262.48	2,765.25	3,268.02	3,770.80	4,524.96
Henbury	1,549.85	1,808.17	2,066.46	2,324.78	2,841.39	3,358.01	3,874.63	4,649.56
High Legh	1,511.98	1,763.99	2,015.97	2,267.98	2,771.97	3,275.96	3,779.96	4,535.96
Higher Hurdsfield	1,517.91	1,770.90	2,023.88	2,276.87	2,782.84	3,288.80	3,794.78	4,553.74
Holmes Chapel	1,565.79	1,826.76	2,087.72	2,348.69	2,870.62	3,392.54	3,914.48	4,697.38
Hough, Chorlton	1,519.69	1,772.98	2,026.25	2,279.54	2,786.10	3,292.66	3,799.23	4,559.08
Hulme Walfield, Somerford Booths	1,524.18	1,778.21	2,032.23	2,286.27	2,794.33	3,302.38	3,810.45	4,572.54
Kettleshulme, Lyme Handley	1,536.94	1,793.11	2,049.25	2,305.42	2,817.73	3,330.04	3,842.36	4,610.84
Knutsford	1,591.32	1,856.55	2,121.76	2,386.99	2,917.43	3,447.87	3,978.31	4,773.98
Leighton, Minshull Vernon, Woolstanwood	1,517.38	1,770.28	2,023.17	2,276.07	2,781.86	3,287.65	3,793.45	4,552.14
Little Bollington, Agden	1,514.85	1,767.33	2,019.80	2,272.28	2,777.23	3,282.17	3,787.13	4,544.56
Little Warford	1,502.71	1,753.17	2,003.61	2,254.07	2,754.97	3,255.87	3,756.78	4,508.14
Lower Peover	1,529.43	1,784.34	2,039.24	2,294.15	2,803.96	3,313.76	3,823.58	4,588.30
Lower Withington	1,525.98	1,780.31	2,034.63	2,288.97	2,797.63	3,306.28	3,814.95	4,577.94
Macclesfield	1,547.90	1,805.90	2,063.87	2,321.86	2,837.82	3,353.79	3,869.76	4,643.72
Macclesfield Forest, Wildboarclough	1,502.71	1,753.17	2,003.61	2,254.07	2,754.97	3,255.87	3,756.78	4,508.14
Marbury-cum-Quoisley, Norbury, Wirswall	1,523.19	1,777.06	2,030.92	2,284.79	2,792.52	3,300.24	3,807.98	4,569.58
Marton	1,524.93	1,779.09	2,033.24	2,287.40	2,795.71	3,304.01	3,812.33	4,574.80
Mere	1,515.30	1,767.86	2,020.40	2,272.96	2,778.06	3,283.16	3,788.26	4,545.92

Appendix D

TOTAL COUNCIL TAX

	VALUATION BAND							
	BAND A £	**BAND B** £	**BAND C** £	**BAND D** £	**BAND E** £	**BAND F** £	**BAND G** £	**BAND H** £
Middlewich	1,587.71	1,852.34	2,116.94	2,381.57	2,910.80	3,440.04	3,969.28	4,763.14
Millington, Rostherne, Tatton	1,529.04	1,783.89	2,038.72	2,293.57	2,803.25	3,312.93	3,822.61	4,587.14
Mobberley	1,525.00	1,779.18	2,033.33	2,287.51	2,795.84	3,304.17	3,812.51	4,575.02
Moston	1,531.30	1,786.52	2,041.73	2,296.95	2,807.38	3,317.81	3,828.25	4,593.90
Mottram St Andrew	1,515.36	1,767.93	2,020.48	2,273.05	2,778.17	3,283.29	3,788.41	4,546.10
Nantwich	1,609.98	1,878.31	2,146.63	2,414.97	2,951.63	3,488.28	4,024.95	4,829.94
Nether Alderley	1,572.10	1,834.12	2,096.13	2,358.15	2,882.18	3,406.21	3,930.25	4,716.30
Newbold Astbury-cum-Moreton	1,543.51	1,800.77	2,058.01	2,315.27	2,829.77	3,344.27	3,858.78	4,630.54
Newhall	1,509.36	1,760.92	2,012.47	2,264.04	2,767.16	3,270.27	3,773.40	4,528.08
North Rode	1,513.72	1,766.01	2,018.29	2,270.58	2,775.15	3,279.72	3,784.30	4,541.16
Odd Rode	1,537.27	1,793.49	2,049.69	2,305.91	2,818.33	3,330.75	3,843.18	4,611.82
Ollerton, Marthall	1,523.89	1,777.88	2,031.85	2,285.84	2,793.80	3,301.76	3,809.73	4,571.68
Over Alderley	1,517.90	1,770.89	2,023.86	2,276.85	2,782.81	3,288.77	3,794.75	4,553.70
Peckforton	1,531.22	1,786.44	2,041.63	2,296.84	2,807.24	3,317.65	3,828.06	4,593.68
Peover Superior, Snelson	1,546.04	1,803.73	2,061.39	2,319.07	2,834.41	3,349.76	3,865.11	4,638.14
Pickmere	1,535.67	1,791.62	2,047.56	2,303.51	2,815.40	3,327.28	3,839.18	4,607.02
Plumley with Toft and Bexton	1,537.69	1,793.98	2,050.25	2,306.54	2,819.10	3,331.66	3,844.23	4,613.08
Pott Shrigley	1,521.21	1,774.75	2,028.28	2,281.82	2,788.89	3,295.95	3,803.03	4,563.64
Poynton with Worth	1,572.06	1,834.07	2,096.07	2,358.09	2,882.11	3,406.12	3,930.15	4,716.18
Prestbury	1,547.10	1,804.96	2,062.80	2,320.66	2,836.36	3,352.06	3,867.76	4,641.32
Rainow	1,518.94	1,772.11	2,025.25	2,278.42	2,784.73	3,291.04	3,797.36	4,556.84
Rope	1,507.77	1,759.07	2,010.36	2,261.66	2,764.25	3,266.83	3,769.43	4,523.32
Sandbach	1,563.29	1,823.85	2,084.38	2,344.94	2,866.03	3,387.13	3,908.23	4,689.88
Shavington-cum-Gresty	1,564.81	1,825.62	2,086.41	2,347.22	2,868.82	3,390.42	3,912.03	4,694.44
Siddington	1,519.07	1,772.26	2,025.42	2,278.61	2,784.96	3,291.32	3,797.68	4,557.22
Smallwood	1,510.73	1,762.53	2,014.30	2,266.10	2,769.67	3,273.25	3,776.83	4,532.20
Somerford	1,536.82	1,792.96	2,049.09	2,305.23	2,817.50	3,329.77	3,842.05	4,610.46
Sound, Austerson, Baddiley, Baddington, Broomhall, Coole Pilate	1,510.04	1,761.72	2,013.38	2,265.06	2,768.40	3,271.74	3,775.10	4,530.12
Spurstow	1,519.70	1,773.00	2,026.27	2,279.56	2,786.12	3,292.69	3,799.26	4,559.12
Stapeley, Batherton	1,510.42	1,762.16	2,013.89	2,265.63	2,769.10	3,272.57	3,776.05	4,531.26
Stoke, Hurleston	1,532.86	1,788.34	2,043.81	2,299.29	2,810.24	3,321.19	3,832.15	4,598.58
Styal	1,524.97	1,779.14	2,033.29	2,287.46	2,795.78	3,304.10	3,812.43	4,574.92
Sutton	1,517.47	1,770.39	2,023.29	2,276.21	2,782.03	3,287.85	3,793.68	4,552.42
Swettenham	1,530.74	1,785.87	2,040.98	2,296.11	2,806.35	3,316.59	3,826.85	4,592.22
Tabley	1,512.66	1,764.78	2,016.88	2,269.00	2,773.22	3,277.44	3,781.66	4,538.00
Twemlow	1,527.64	1,782.25	2,036.85	2,291.46	2,800.67	3,309.88	3,819.10	4,582.92
Wardle	1,528.62	1,783.40	2,038.16	2,292.94	2,802.48	3,312.02	3,821.56	4,585.88
Warmingham	1,527.13	1,781.66	2,036.17	2,290.70	2,799.74	3,308.78	3,817.83	4,581.40
Weston, Basford, Crewe Green	1,535.65	1,791.60	2,047.53	2,303.48	2,815.36	3,327.24	3,839.13	4,606.96
Willaston	1,526.44	1,780.86	2,035.25	2,289.67	2,798.48	3,307.29	3,816.11	4,579.34
Wilmslow	1,540.00	1,796.67	2,053.33	2,310.00	2,823.33	3,336.66	3,850.00	4,620.00
Wincle	1,503.41	1,753.99	2,004.54	2,255.12	2,756.25	3,257.39	3,758.53	4,510.24
Wistaston	1,517.80	1,770.78	2,023.73	2,276.71	2,782.64	3,288.57	3,794.51	4,553.42
Worleston, Poole, Aston Juxta Mondrum	1,513.34	1,765.58	2,017.79	2,270.02	2,774.46	3,278.91	3,783.36	4,540.04
Wrenbury-cum-Frith	1,528.24	1,782.95	2,037.65	2,292.36	2,801.77	3,311.18	3,820.60	4,584.72
Wybunbury	1,536.36	1,792.43	2,048.48	2,304.55	2,816.67	3,328.79	3,840.91	4,609.10

COUNCIL MEETING – 26 February 2025

RECOMMENDATION FROM CORPORATE POLICY COMMITTEE: CHESHIRE EAST PLAN 2025-29

RECOMMENDATIONS

That Full Council

1. Approve the Cheshire East Plan 2025-29, as at Appendix 1 to the report.

[Note - the draft Cheshire East Plan 2025-2029, as appended to the report, has been amended to include the final amendments by the Interim Assistant Chief Executive, as per recommendation 2 of the Corporate Policy Committee on 6 February 2025]

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66 CHESHIRE EAST CORPORATE PLAN 2025-29

The committee considered the report on the Cheshire East Corporate Plan 2025- 29. The Plan set out the council's overall vision and commitments for the borough and provided clarity of purpose and strategic direction for the organisation, residents and partners and aligned to the Medium-Term Financial Strategy.

The committee welcomed the draft plan and its aspiration to ensure effective and responsive governance, compliance and evidence-based decision-making across the council. It was highlighted that Page 4 of the draft Plan referenced 500 plus services and it was suggested that this be removed until such a time a full list of services provided by council could be composed. It was confirmed that this page on the plan would be further developed. It was agreed that this page should also include reference to the Rail Industry in Crewe.

A friendly amendment in relation to recommendation 2 was proposed and accepted by the committee, as set out below.

'That the Corporate Policy Committee delegates authority to make any final amendments to the Interim Assistant Chief Executive in consultation with the council's Group Leaders prior to submission to Full Council'.

RESOLVED (unanimously):

That the Corporate Policy Committee

1. Agree the draft Cheshire East Plan 2025-29 at Appendix 1.
2. Delegate authority to make any final amendments to the interim Assistant Chief Executive in consultation with the Council's Group Leaders prior to submission to Full Council.
3. Support the development of an annual delivery plan as part of a new corporate performance management framework.

4. Agree that the committee receives at least quarterly updates on progress with the Cheshire East Plan 2025-29 and delivery plan.
5. Recommends to Full Council the Cheshire East Plan 2025-29 as amended in accordance with the delegation set out in recommendation 2.

OPEN

Corporate Policy Committee

6 February 2025

Cheshire East Plan 2025-29

Report of: Karen Wheeler – Interim Assistant Chief Executive

Report Reference No: CPC/53/24-25

Ward(s) Affected: All

For Decision

Purpose of Report

1 This report presents the draft new Cheshire East Plan 2025-29 for approval and recommendation to full Council.

2 The Cheshire East Plan 2025-29 sets out the council's overall vision and commitments for the borough and provides clarity of purpose and strategic direction for the organisation, residents and partners, aligned to the Medium-Term Financial Strategy (MTFS).

3 Corporate Policy Committee provides strategic direction to the operation of the council and is responsible for the formulation, co-ordination and implementation of the Cheshire East (Corporate) Plan. The Committee has a responsibility to recommend the Cheshire East Plan to full Council for approval in line with the Budget and Policy Framework set out in the Constitution.

Executive Summary

4 This report presents the draft new Cheshire East Plan 2025-29 for approval and recommendation to full Council.

5 The Cheshire East Plan 2025-29 sets out the council's overall vision and commitments for the borough and provides clarity of purpose and strategic direction for the organisation, residents and partners.

6 The plan is at the heart of the council's strategic framework and golden thread running through its policies, people, processes and practice, and is aligned to the new operating model developed as part of the Transformation Plan. The aspirations which form part of the model for how the council will work are included in the draft Cheshire East Plan 2025-29. This will help us improve our culture and processes, systems and structures underpinning the delivery of the plan.

7 It is also aligned to the Medium-Term Financial Strategy 2025-29 which is the resource and financial plan of the Cheshire East Plan.

8 The proposed vision and commitments for 2025-29 as set out in the draft plan are:

Enabling prosperity and wellbeing for all in Cheshire East

Commitment 1: Unlocking prosperity for all

Commitment 2: Improving health and wellbeing

Commitment 3: An effective and enabling council

9 The commitments reflect both the short-term challenges the council is addressing and long-term ambitions for the people and place of Cheshire East.

10 This is an overarching document reflecting key existing strategies and plans including the council's approach to delivering transformation and improvement. The plan does not include all the detailed projects and actions required to implement it but recognises that working in strong partnerships will be key to successful delivery. Once the Cheshire East Plan is agreed, a delivery plan will be created to set out the specific activity the council will prioritise and lead, to work towards achievement of the commitments. This will involve collaboration and co-production with Members, staff, partners and residents, as well as effective engagement. The delivery plan will be agreed by Corporate Policy Committee and progress reported regularly with an annual review.

11 A cross-party Member task and finish group was set up to support the development of the plan and has provided constructive input into the commitments and approach overall including that the tone should be positive and forward looking, and the language used easy for residents to understand. The Members are Councillors Braithwaite, Goldsmith, Gorman and Posnett. Staff engagement has taken place throughout the process.

12 Corporate Policy Committee provides strategic direction to the operation of the council and is responsible for the formulation, co-ordination and

implementation of the Cheshire East (Corporate) Plan. The Committee has a responsibility to recommend the Cheshire East Plan to full Council for approval in line with the Budget and Policy Framework set out in the Constitution. If supported by Corporate Policy Committee, the draft plan will be recommended to full Council for approval in February 2025 alongside the MTFS.

RECOMMENDATION

The Corporate Policy Committee is recommended to:

1. Agree the draft Cheshire East Plan 2025-29 at Appendix 1

2. Delegate authority to make any final amendments to the interim Assistant Chief Executive in consultation with the Leader and Deputy Leader prior to submission to Full Council

3. Support the development of an annual delivery plan as part of a new corporate performance management framework

4. Agree that the committee receives at least quarterly updates on progress with the Cheshire East Plan 2025-29 and delivery plan.

The Corporate Policy Committee recommends to Full Council:

5. The Cheshire East Plan 2025-29 as amended in accordance with the above delegation.

Background

13 The current Cheshire East Plan 2021-25 was approved in February 2021 and covers the period April 2021 to March 2025. The Plan was refreshed for 2024/25 to better reflect the council's financial position and was agreed at full Council in July 2024. In recommending the refreshed plan to full Council, Corporate Policy Committee also agreed to the development of a new strategic plan for Cheshire East Council to follow the current plan.

14 A new plan for 2025 onwards is now essential to provide residents, partners and the organisation with clarity of purpose and strategic direction aligned to a new operating model and MTFS. Although not a statutory requirement, a corporate plan is best practice and by setting out a clear set of strategic commitments, the Cheshire East Plan 2025-29 will allow everyone to see the council's vision for the borough.

15 The LGA's Corporate Peer Challenge report published in July 2024 includes a recommendation for the council to *Develop and agree a new multi-year Council Plan.* The report states that:

"…the opportunity exists for the Council to refresh its Council Plan to provide a consistent and clear narrative regarding its priorities and the difference it is seeking to make to the life of residents. This process will support staff, partners, and residents to be able to articulate and understand the ambitions of the organisation and will also support the Council to coordinate and corral organisational and individual contributions towards these goals."

16 This is an overarching document reflecting key existing strategies and plans including the council's approach to delivering transformation and improvement. It is recognised that other plans have necessarily been created before this to respond to external feedback and timelines including the Transformation Plan, Corporate Peer Challenge Action Plan and Children's Services Improvement Plan. Other critical and cross-cutting strategies such as the Health and Wellbeing Strategy 2023-28, have also been used to inform the Cheshire East Plan. Important aims from these strategies and plans are embedded within the overall commitments.

17 The plan does not include all the detailed projects and actions required to implement it but recognises that working in partnership will be key to successful delivery. Once the Cheshire East Plan is agreed, a delivery plan will be created to set out the specific activity the council will prioritise and lead, to work towards achievement of the commitments. This will involve collaboration and co-production with Members, staff, partners and residents, as well as effective engagement. It will also enable residents to hold the council to account for its performance in delivering against the commitments in the plan.

Annual Delivery Plan

18 The delivery plan will be created in the coming months to be agreed by Corporate Policy Committee in June 2025. Progress will be reported regularly with an annual review.

19 The Cheshire East Plan and its delivery plan are a core element of developing a new council-wide Performance Management Framework based on best practice. The framework will provide insight to inform decision-making, ensure accountability, transparency and enable robust internal and external scrutiny. It will set out a hierarchy of strategies, policies, service plans, key performance indicators and inform personal development plans (PDRs) for all staff – a golden thread.

20 The principles of the framework include:

- Alignment, management and reporting of all aspects of performance and assurance including finance and risk
- Include SMART (specific, measurable, achievable, relevant, timebound) indicators and targets covering strategic, demand and organisational measures
- Be underpinned by robust data quality assurance
- Be sustainable using automation and digital technology where possible e.g. PowerBI
- Ensure openness and transparency, facilitating continuous improvement
- Ensure clarity of roles, responsibilities and accountability
- Create one version of the truth

21 Corporate Policy Committee currently receive a quarterly update on the delivery of the Cheshire East Plan 2021-25 only and service committees receive performance information on a regular basis specific to the subject of the committee. The new framework will improve strategic corporate oversight and consistency of approach, complementing the detailed performance and service specific dashboards that are considered at service committees.

Communication Plan

22 A Communication Plan will be developed to support the launch of the new Cheshire East Plan 2025-29 and ensure the vision and commitments are widely communicated, embedding them in everything that the council does.

23 The Communications Plan will include an updated look, feel and tone to the council’s communication channels and materials ensuring a modern and engaging approach to reflect Commitment 3 to be an effective and enabling council and underpin the approach to collaboration.

24 If agreed, the plan will be launched at a series of all staff events taking place in March 2025.

Consultation and Engagement

25 Engagement with a wide range of staff has taken place throughout the development of the draft Cheshire East Plan 2025-29 including at in person staff events involving over 400 staff from across the council at all levels, Wider Leadership Community, Management Boards and Corporate Leadership Team.

26 A cross-party Member task and finish group was set up to support the development of the plan and has provided constructive input into the commitments and approach overall including that the tone should be positive and forward looking, and the language used easy for residents to understand. The Members are Councillors Braithwaite, Goldsmith, Gorman and Posnett.

27 Member groups were engaged in the overall approach and timescales - ‘a plan for a plan’ - in November 2024 and a briefing was delivered to the Town & Parish Councils Network.

28 Residents and partners have been consulted and engaged in a variety of ways in the development of the strategies and plan that have informed and underpin the draft plan. An annual delivery plan will be developed to set out the specific activity the council will prioritise and lead to work towards achievement of the commitments. This will involve collaboration and co-production as well as effective engagement with Members, staff, partners and residents.

29 Previous resident engagement activity in Macclesfield and Crewe in late 2023 was reported to Corporate Policy Committee on 13 February 2024 along with the outcomes of the ‘shaping our future’ survey. This public consultation has also informed the draft plan.

Reasons for Recommendations

30 Corporate Policy Committee provides strategic direction to the operation of the council and is responsible for the formulation, co-ordination and implementation of the Cheshire East (Corporate) Plan. The Committee has a responsibility to recommend the Cheshire East Plan to full Council for approval in line with the Budget and Policy Framework set out in the Constitution.

31 The draft new Cheshire East Plan 2025-29 is presented with this report for approval and recommendation to full Council in February 2025, together with any amendments required following input from Corporate Policy Committee and any other necessary amendments required.

Other Options Considered

Option	Impact	Risk
Do nothing	No Cheshire East (Corporate) Plan from April 2025 – lack of clarity of overall purpose, ambition and priorities for Members, staff, partners and residents	No overall golden thread impacting direction for staff and golden thread through other strategies and service plans Lack of clarity leads to competing demands for resources and risk to deliverability of the MTFS

Option	Impact	Risk
		LGA Corporate Peer Challenge recommendation is not met
Develop a one-year/short-term plan	Only short-term clarity of ambition and priorities for the council	Lack of strategic direction, multi-year longer-term vision and ambition as recommended by the LGA
Develop a long-term/five-to-ten-year plan	Lack of immediate pace and clarity for delivery addressing short-term challenges and opportunities	External factors such as the national policy landscape more likely to change during the period

Implications and Comments

Monitoring Officer/Legal

32 There are no direct legal implications arising from this report. Corporate Policy Committee provides strategic direction to the operation of the council and is responsible for the formulation, co-ordination and implementation of the Cheshire East (Corporate) Plan. The Committee has a responsibility to recommend the Cheshire East Plan to full Council for approval in line with the Budget and Policy Framework set out in the Constitution.

Section 151 Officer/Finance

33 There are no direct financial implications arising from this report. The draft plan has been developed alongside the MTFS 2025-29. The MTFS is the resource and financial plan for delivery of the Corporate Plan. The council will use its resources to deliver the commitments.

34 If there are any material changes that impact on the MTFS identified through the development of the delivery plan, they would need to be brought back for amendment through Corporate Policy Committee and full Council.

Policy

35 This report proposes a new Cheshire East (Corporate) Plan 2025-29 setting the overarching policy framework and priorities for the council. Quarterly reporting on the current plan will continue, demonstrating progress against the existing priorities open, fair and green for 2024/25.

Equality, Diversity and Inclusion

36 The commitments in the draft plan will support the council to meet the Public Sector Equality Duty and obligations under the Equality Act 2010. Embedding a new approach to engagement and collaboration will be essential including listening to and working with individuals and partners representing seldom-heard populations and those with protected characteristics. The operating model developed as part of the Transformation Plan includes the principles to be inclusive and equitable.

37 Conversations with staff have shaped our aspirations for the council we want to be and how we work and are included in the plan. This will help us improve our culture and processes, systems and structures underpinning the delivery of the Cheshire East Plan 2025-29.

Human Resources

38 There are no direct human resources implications arising from this report. The draft Cheshire East Plan provides clarity on the overall strategic direction for the organisation and will be reflected in service plans and personal development reviews (PDRs) as part of the golden thread.

Risk Management

39 Budget, risk and performance are fundamental elements of a good Performance Management Framework and are intrinsically linked. The new plan helps to inform the identification and management of corporate risks with risk assessments taking place for individual activities and projects where appropriate. All elements of budget, risk and performance reporting and management will be reflected in the Performance Management Framework and risks identified as part of the delivery plan.

Rural Communities

40 The plan recognises the need for greater inclusion for rural communities. A Rural Action Plan 2022-26 was approved by the Economy and Growth Committee, which includes priorities around digital connectivity, access, housing, visitor economy and support for rural based businesses.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

41 Priorities relating to children, young people and cared for children are reflected in the draft Cheshire East Plan. The plan has been informed by the Children’s Services Improvement Plan and other key strategies.

Public Health

42 The draft Cheshire East Plan 2025-29 supports the council's Public Health priorities using the Joint Strategic Needs Assessment (JSNA) and 'tartan rug' to ensure that work with partners continues to address issues of health inequality, poor housing, poverty, employment and education across urban and rural communities across the borough.

Climate Change

43 The council's existing commitment to be carbon neutral with minimal offset by 2030 is reflected in the draft Cheshire East Plan 2025-29 and ambitions to influence becoming a carbon neutral borough by 2045.

Access to Information	
Contact Officer:	Karen Wheeler – Interim Assistant Chief Executive karen.wheeler@cheshireeast.gov.uk Michael Moore – Head of Engagement and Communications michael.moore@cheshireeast.gov.uk
Appendices:	Appendix 1 – Draft Cheshire East Plan 2025-29
Background Papers:	Cheshire East Plan 2024/25 Agenda for Corporate Policy Committee on Tuesday, 13th February, 2024, 2.00 pm | Cheshire East Council

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Cheshire East Council

Enabling prosperity and wellbeing for all

Cheshire East Plan 2025-29

FOREWORD

Enabling prosperity and wellbeing for all in Cheshire East

Cheshire East is a great place to live, work and visit for many, and has so much potential to be a brilliant place for everyone. We are ambitious for our communities and places and know we need to get the basics right to help unlock the opportunities at our fingertips.

We have a shared vision and commitments for the borough short and longer-term. We have created an ambitious and robust set of plans to deal with financial, organisational and service challenges. This will improve the culture, governance and performance of the council and includes an emphasis on outcomes for children and young people. By including these in an overarching plan for Cheshire East, for the next four years, we are providing a clear purpose and strategic direction for the council. as well as showing residents and partners where we are heading. The plan is aligned to our Transformation Plan and the Medium-Term Financial Strategy (MTFS) having worked hard this year to reshape and resize the council's budget. We will use our resources to deliver our commitments.

We can be proud of the plans we have put in place and progress we have made. We need a continued focus on the priorities to deliver value for money, continuous improvement and better outcomes for Cheshire East to meet residents' high expectations of the council.

We cannot promise to deliver everything for everybody everywhere. We must work harder and smarter with our partners, businesses, residents, rural communities, and town & parish councils to find innovative and lasting solutions to unlock prosperity and improve wellbeing. We are committed to improving the way we communicate and connect with all our communities to enable this to happen. Our relationship with community and voluntary organisations is critical – they play a key role, and we need to support and enable them to deliver for Cheshire East.

Our staff are our greatest asset. They are empowered to work with each other and partners. We want to be an employer of choice in Cheshire East where people are proud to work and serve our communities with a resident and outcome focus.

We are determined to tackle disadvantage and inequality, whether that is working towards reducing the overall gap in life expectancy in different parts of the borough with our health partners or improving access to public transport and digital connectivity in rural communities working with government, businesses and residents themselves.

We are committed to being an enabling council, building strong partnerships that unlocks the health and wealth potential of one of the UK's most prosperous boroughs ensuring wellbeing for all our adults, families and children.

Rob Polkinghorne	**Councillor Nick Mannion**	**Councillor Michael Gorman**
Chief Executive	**Leader of the Council**	**Deputy Leader of the Council**

PLAN ON A PAGE – VISION AND COMMITMENTS

Enabling prosperity and wellbeing for all in Cheshire East

An effective and enabling council, committed to building strong partnerships, unlocking the health and wealth potential of Cheshire East, and ensuring wellbeing for all adults, families and children.

Commitment 1: Unlocking prosperity for all	
1.1	Opportunities created for all communities across the borough working with our world-leading industries and local businesses
1.2	Child, family and adult poverty is reduced through a coordinated approach with partners
1.3	Education, skills and life-long learning leads to employment and roles in the community
1.4	Shared vision for Crewe delivers a masterplan for jobs, affordable homes and regeneration for the benefit of the whole borough
1.5	Communities connected through an improved, accessible rural and urban transport network including active travel
1.6	Carbon neutral council with minimum offset by 2030, influencing carbon reduction and green energy production across the borough by 2045
Commitment 2: Improving health and wellbeing	
2.1	Health outcomes are improved across our diverse borough through a targeted approach that reduces health inequalities
2.2	Improved independence, quality of life, health and wellbeing through early intervention and prevention
2.3	Everyone feels safe and secure, difference is celebrated, and abuse and exploitation not tolerated
2.4	Children and young people thrive and reach their potential with targeted support when and where they need it
2.5	Communities build their capacity, with support to access information, guidance and funding
2.6	Lasting solutions are delivered through strong and committed partnerships
Commitment 3: An effective and enabling council	
3.1	Financially sustainable council, enabled by council-wide service transformation and improvement
3.2	Effective and responsive governance, compliance and evidence-based decision-making
3.3	Innovative solutions are developed through a culture of collaboration across the council and with residents, businesses and partners
3.4	Service delivery and new ideas are shaped by effective communication, consultation and active engagement with all our communities
3.5	Contact with the council and access to services is consistent and easy
3.6	Service delivery, communication and ways of working are improved through a digital first approach, while supporting residents who need it

About Cheshire East

TO BE FURTHER DEVELOPED - PAGE OF INFOGRAPHICS/IMAGES BY COMMITMENT

COMMITMENT 1: UNLOCKING PROSPERITY FOR ALL

Population of 412,500 (mid-year estimate 2023)

191,000 households

12 towns with populations over 10,000

Covers an area of 1,100km2 - 40,100 hectares of designated green belt (34% of land)

22 sites of Special Scientific Interest (SSI) (planning.gov data)

Carbon emissions reduced by 15% / 60% of carbon neutral target achieved

19,275 businesses

5% of neighbourhoods are among England's 20% most income-deprived areas

14% of households are in England's most deprived for child poverty

KS4 (GCSE) 47.3% achieved grades 5-9 in English and Maths - above the 42.5% North West and 46.2% England average

89.8% achieving 2 or more A levels compared to 85.2% in the North West

Over 93% of children received their first choice preference for primary and secondary schools in 2024

School absence rates are below the North West and England average

COMMITMENT 2: IMPROVING HEALTH AND WELLBEING

92,800 of adults (22%) are over 65 (mid-year estimate of 2023, above North West and England average of 19%)

72,500 children (18%) aged 0-15 years (mid-year estimate of 2023, in line with North West and England average)

12,826 residents (4.1%) aged 16 and above are veterans

Difference in life expectancy from most deprived area to least deprived is 8.8 years for men and 7.8 years for women

62.5% of adults and 32.1% of Year 6 children (10-11 years old) in Cheshire East are estimated to be overweight or obese (2021/22), below the England averages of 63.8% and 36.6% respectively

Cheshire East has seen higher rates of children under 18 years admitted to hospital for mental health conditions than the England average

8 Care Communities providing health and care in partnership

Family Hubs supporting children, young people and families

COMMITMENT 3: AN EFFECTIVE AND ENABLING COUNCIL

82 Councillors representing 52 wards

12 town councils, 90 parish or community councils and 4 parish meetings

3,194 members of staff

Net budget of £375.7m (2024/25)

315,000 calls to the customer contact centre a year

In line with UK estimations, almost 80,000 residents in Cheshire East are unable to connect to the internet or lack the government's defined essential digital skills (Digital Inclusion Plan 2023)

ENABLING PROSPERITY AND WELLBEING FOR ALL IN CHESHIRE EAST

An effective and enabling council, committed to building strong partnerships, unlocking the health and wealth potential of Cheshire East, and ensuring wellbeing for all adults, families and children.

COMMITMENT 1: UNLOCKING PROSPERITY FOR ALL

We want to build on our strengths and maximise the opportunities of our location and connectivity; our industry, commerce, agriculture and heritage; and work with our local businesses, education providers and communities to unlock the benefits for all, tackle disadvantage and drive improvements in health and wellbeing.

We need affordable and convenient transport for residents in our rural areas and towns; affordable homes in the right places, close to employment and services; and a workforce with the skills our businesses need. Devolution in Cheshire & Warrington, could bring further investment that would benefit residents and communities in all parts of our borough.

1.1 Opportunities created for all communities across the borough working with our world-leading industries and local businesses

1.2 Child, family and adult poverty is reduced through a coordinated approach with partners

1.3 Education, skills and life-long learning leads to employment and roles in the community

1.4 Shared vision for Crewe delivers a masterplan for jobs, affordable homes and regeneration for the benefit of the whole borough

1.5 Communities connected through an improved, accessible rural and urban transport network including active travel

1.6 Carbon neutral council with minimum offset by 2030, influencing carbon reduction and green energy production across the borough by 2045

Strategies and plans that support this commitment:

- Local Plan
- Cheshire East Rural Action Plan 2022-26
- Carbon Neutrality Action Plan
- Local Transport Plan (in development)
- Economic Growth Strategy (in development)
- Living Well in Crewe Report
- Housing Strategy 2025-28 (in development)

COMMITMENT 2: IMPROVING HEALTH AND WELLBEING

Cheshire East is a great place for children, young people and adults. We want it to be an even better one, enabling people to live a healthier, longer life; with good mental, physical and financial wellbeing; living independently; feeling safe and enjoying the place where they live.

We want children to flourish within their family environment, achieving their goals, and for the children and young people we care for to reach their full potential. Being a good partner will be critical to deliver long-lasting solutions and better outcomes.

2.1 Health outcomes are improved across our diverse borough through a targeted approach that reduces health inequalities

2.2 Improved independence, quality of life, health and wellbeing through early intervention and prevention

2.3 Everyone feels safe and secure, difference is celebrated, and abuse and exploitation not tolerated

2.4 Children and young people thrive and reach their potential with targeted support when and where they need it

2.5 Communities build their capacity, with support to access information, guidance and funding

2.6 Lasting solutions are delivered through strong and committed partnerships

Strategies and plans that support this commitment:

- The Joint Local Health and Wellbeing Strategy for the population of Cheshire East 2023-2028
- Cheshire East Council Live Well for Longer Plan 2022-2027
- All Together Fairer | Champs Public Health Collaborative
- Our Health and Care Partnership Plan 2024-29
- SEND Strategy 2021-2025
- DSG Management Plan 2023-24 to 2027-28
- Cared for Children and Care Leavers Strategy 2022-2026
- Together for Children and Young People
- Early Help Strategy 2024-26 (in development)
- Children's Services Improvement Plan
- Enforcement Policy
- Safer Cheshire East Partnership Plan 2022-25

COMMITMENT 3: AN EFFECTIVE AND ENABLING COUNCIL

We are addressing our challenges with a focus on delivering value for money, continuous improvement and better outcomes for Cheshire East's residents. We recognise that communicating effectively and acting with integrity builds trust, enabling collaboration to deliver our shared ambitions.

We need to become a smaller, more focused organisation that ensures every pound we spend delivers value for our communities. We will actively engage and design services with our residents, communities, businesses, visitors and partners to deliver more joined-up, efficient and impactful solutions, and a consistent experience no matter what service or support you need from us.

3.1 Financially sustainable council, enabled by council-wide service transformation and improvement

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

3.3 Innovative solutions are developed through a culture of collaboration across the council and with residents, businesses and partners

3.4 Service delivery and new ideas are shaped by effective communication, consultation and active engagement will all our communities

3.5 Contact with the council and access to services is consistent and easy

3.6 Service delivery, communication and ways of working are improved through a digital first approach, while supporting residents who need it

Strategies and plans that support this commitment:

- Medium Term Financial Strategy 2025-29
- Transformation Plan
- Corporate Peer Challenge Action Plan
- Children's Services Improvement Plan
- Equality, Diversity and Inclusion Strategy 2021-25
- Digital Inclusion Plan 2023 – 2026
- People Strategy (in development)
- Customer Experience Strategy (in development)

HOW WE WORK

As part of the Transformation Plan, conversations with staff and Members have shaped our aspirations for the council we want to be and how we work. This will help us improve our culture and processes, systems and structures, underpinning the delivery of the Cheshire East Plan 2025-29.

How we work - our aspirations		
Collaborate and Enable Success	**Innovate with Evidence-Based Decisions**	**Uphold Professionalism and Build Trust**
We **collaborate** with our residents, businesses, partners and each other to develop solutions that align with the needs and aspirations of our residents and communities. Together, we foster impactful partnerships. We are an **enabling** organisation, working alongside our partners to deliver services that achieve the best possible outcomes.	We stay at the forefront of **innovation** by using research and data-driven insights. We apply evidence-based solutions. We encourage creative thinking and leverage new technologies to tackle emerging challenges. We focus on **outcomes**, continuously improving to ensure that our solutions and decisions deliver positive, tangible results.	We act with **integrity**, professionalism, and transparency in everything we do, building trust by delivering services that meet the expectations of our stakeholders. We **empower** our staff through professional development and recognition, fostering a values-driven environment for success.

HOW WE WILL REPORT ON PROGRESS

A delivery plan will be created for the Cheshire East Plan 2025-29. Progress will be reported regularly to Corporate Policy Committee – at least quarterly - with an annual review.

Creating the delivery plan will involve working together with Members, staff, partners and residents. It will include a prioritised range of existing and some new activities and projects as well as measures that will show we are making progress and improving our performance.

A new approach to engagement and collaboration with strong partnerships will be essential in achieving the commitments in the plan. The council will be launching a series of Community Conversations, enabling residents and partners to tell us when we are getting things right and areas we need to work on, coming together to find the right solutions. We will use our resources to deliver the commitments, investing in things that will make a difference.

The Cheshire East Plan and its delivery plan are part of a new council-wide Performance Management Framework. The framework will inform decision-making, ensure accountability, transparency and enable robust internal and external scrutiny. It will set out the strategies, policies, service plans and key performance indicators, and inform personal development plans (PDRs) for all staff. What this means is residents and partners can easily see how we are doing and hold the council to account for its performance in delivering against the commitments in the plan.

COUNCIL MEETING – 26 February 2025

RECOMMENDATION FROM THE CORPORATE POLICY COMMITTEE: SUPPORTING EFFECTIVE ENGAGEMENT: CHESHIRE AND WARRINGTON DEVOLUTION

RECOMMENDATIONS

That Full Council

1. **Approves the expansion of the membership of Member Reference Group (MRG) to include the Deputy Leader of the Conservative Group. This will increase its membership to seven.**

2. **To approve the Deputy Leader of the Liberal Democrat Group to attend as a substitute to the MRG, in the event that the Leader of the Group cannot.**

3. **That the MRG continues to provide guidance and advice towards identifying a devolution proposal for Cheshire and Warrington, enabling officers to further progress opportunities and discussions with government officials.**

4. **Authority be delegated to the MRG, to make any further amendments to its membership, such amendments to be approved by a majority of the members of the MRG.**

5. **The Terms of Reference for the Cheshire and Warrington Joint Committee be amended to extend the rotation of the current Chair (Cheshire West and Chester Council) for a further 12 months to May 2026 and amend accordingly the dates for the following rotations by the same period, including the Vice Chair, as set out in the attached Appendix 1.**

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67 SUPPORTING EFFECTIVE ENGAGEMENT: CHESHIRE AND WARRINGTON DEVOLUTION

The committee considered the report which provided an update on Cheshire and Warrington Devolution. The report proposed that the membership of the Member Reference Group for Devolution be expanded to broaden the advice and guidance provided to officers, and also sought approval to proposed amendments to the Cheshire and Warrington Joint Committee terms of reference, to allow the arrangements for the Chair and Vice Chair of the Joint Committee to continue for a further year.

It was noted that the Member Reference Group had no Councillor representative from Crewe. The Leader, a member of both the Reference Group and Crewe Town Board, provided assurance that Crewe would continue to be key on the devolution agenda as a principal town for Cheshire East.

Some concerns were raised in relation to the decision-making functions of the Joint Committee and its role to approve capital expenditure. To date, no government transition funding had been announced and permission had been granted to transfer monies from Enterprise Zones to fund the devolution process. The committee sought assurance that monies identified for Enterprise Zone projects were not being inappropriately diverted.

Concerns were raised at the last Finance Sub Committee in relation to the delivery programme of Enterprise Cheshire and Warrington (key projects/activities/timelines). It was agreed that a written response would be circulated to the committee. It was requested that any response be published on the council website and shared with members of the Economy and Growth Committee.

The committee discussed Mayoral Candidacy, and concerns were raised in relation to those who may have a conflict of interest should they decide to stand as a candidate for Mayor. The Monitoring Officer confirmed that the issue was being monitored by the Monitoring Officer Governance Workstream and advice would be given as appropriate to individuals in due course.

RESOLVED (unanimously):

That the Corporate Policy Committee recommends that Full Council

1. Approves the expansion of the membership of Member Reference Group (MRG) to include the Deputy Leader of the Conservative Group. This will increase its membership to seven.

2. To approve the Deputy Leader of the Liberal Democrat Group to attend as a substitute to the MRG, in the event that the Leader of the Group cannot.

3. That the MRG continues to provide guidance and advice towards identifying a devolution proposal for Cheshire and Warrington, enabling officers to further progress opportunities and discussions with government officials.

4. Authority be delegated to the MRG, to make any further amendments to its membership, such amendments to be approved by a majority of the members of the MRG.

5. The Terms of Reference for the Cheshire and Warrington Joint Committee be amended to extend the rotation of the current Chair (Cheshire West and Chester Council) for a further 12 months to May 2026 and amend accordingly the dates for the following rotations by the same period, including the Vice Chair, as set out in the attached Appendix 1.

OPEN

CORPORATE POLICY COMMITTEE

6 February 2025

Supporting Effective Engagement:

Cheshire and Warrington Devolution

Report of: Philip Cresswell**,** Executive Director of Place

Report Reference No: CPC/55/24-25

Ward(s) Affected: All
For Decision or Scrutiny: Decision

Purpose of Report

1 To ensure that Cheshire East Council can effectively provide appropriate advice and guidance to officers and maximise its' position within the subregion in the development of a potential devolution agreement for Cheshire and Warrington.

2 This report covers two key issues:

- The report proposes that the membership of the Cheshire East Member Reference Group for devolution is expanded to broaden the advice and guidance given to officers.

- The report also notes the request from the Cheshire and Warrington Joint Committee that the arrangements for the Chair continue for a further year and that Cheshire East maintains its position as Vice Chair for a further year to ensure continuity of capacity whilst the work to develop a potential devolution agreement is developed and a request is therefore made for the terms of reference of the Joint Committee to be amended accordingly.

Executive Summary

3 In December 2024, the Government published its Devolution White Paper, and it is expected that the English Devolution Bill will pass through Parliament in 2025/26. The Government is expected to announce details of a Devolution Priority Programme for those areas wishing to proceed as soon as possible, and Council Leaders and Deputy Leaders from Cheshire and Warrington have expressed an interest in being included in the Programme. If confirmed, this will require a broad and significant programme - which we will need to ensure has effective engagement and involvement from Members.

4 It is important that all relevant Groups and Committees form part of the advice and guidance officers receive as the work around devolution is developed. It should be noted that, as well as the Member Reference Group, a Member engagement programme has been developed and will be implemented over the coming weeks.

5 Given the anticipated pace and complexity of the programme to May 2026 it would be helpful to maintain consistency in a number of areas, including extending the rotation of the current subregional lead local authority and Chair of the Joint Committee (Cheshire West and Chester Council) - with Cheshire East Council as Vice Chair - for a further 12 months to May 2026, before rotating the Chair to Cheshire East Council (and Warrington Borough Council as Vice Chair) and to recommence rotations on a two year basis. The terms of reference of the Joint Committee are attached at Appendix 1 and the proposed amendments are set out in red.

RECOMMENDATIONS

The Corporate Policy Committee agrees to recommended to Full Council that:

1. The Council approves the expansion of the membership of Member Reference Group (MRG) to include the Deputy Leader of the Conservative Group. This will increase its membership to seven.

2. To approve the Deputy Leader of the Liberal Democrat Group to attend as a substitute to the MRG, in the event that the Leader of the Group cannot.

3. That the MRG continues to provide guidance and advice towards identifying a devolution proposal for Cheshire and Warrington, enabling officers to further progress opportunities and discussions with government officials.

4. Authority be delegated to the MRG, to make any further amendments to its membership, such amendments to be approved by a majority of the members of the MRG.

5. The Terms of Reference for the Cheshire and Warrington Joint Committee be amended to extend the rotation of the current Chair (Cheshire West and Chester Council) for a further 12 months to May 2026 and amend accordingly the dates for the following rotations by the same period, including the Vice Chair, as set out in the attached Appendix 1.

Background

Member Reference Group

6. On 21st August 2024, the Corporate Policy Committee considered an update report on devolution and noted that the government was seeking to move the devolution principle at a pace. Therefore, to ensure members were able to provide appropriate advice and guidance to officers, to assist their efforts in establishing the basis of a detailed proposal for discussion and debate with government, Committee authorised the formation of a Member Reference Group (MRG)

7. The MRG was formed of six members. The Membership approved was:
   - Leader of the Council
   - Deputy Leader of the Council
   - Leader of the opposition – Conservative Group
   - Leader of Liberal Democrats
   - Vice Chair of Economy and Growth Committee.
   - Chair of Highways and Transport Committee.

8. The MRG has an advisory role, with no decision-making powers. The Group meets monthly, and so far has met on 5 occasions – August 2024, September 2024, November 2024, December 2024, and most recently on 23rd January 2025. Terms of reference were considered and approved by the Group in August 2024.

9. Further to the publication by Government of the English Devolution White Paper in late December 2024, the MRG has recognised the need for continued pace and priority in discussions with Government, and as a consequence consider it would be beneficial to expand the membership to broaden the advice and guidance to officers.

10. Accordingly, officers consider that the expansion of the MRG by one representative to seven members would be appropriate, with a structure as follows:

- Leader of the Council
- Deputy Leader of the Council
- Vice Chair of Economy and Growth Committee.
- Chair of Highways and Transport Committee
- Leader of the opposition – Leader of the Conservative Group
- Deputy Leader of the Conservative Group
- Leader or Deputy Leader of Liberal Democrats

Cheshire and Warrington Joint Committee

11 Further to this Council's agreement on 11th December 2024 to enable the Cheshire and Warrington Joint Committee to provide effective strategic leadership in the development of any devolution proposition for Cheshire and Warrington, the details of the Government Devolution White Paper have been published.

12 The Devolution Priority Programme was confirmed within the White Paper, with Council Leaders and Deputy Leaders from Cheshire and Warrington expressing an interest in being included in the Programme.

13 Given the anticipated pace and complexity of the programme to May 2026 it would be helpful to maintain consistency in a number of areas, including extending the rotation of the current subregional lead local authority and Chair /Vice Chair of the Joint Committee.

14 It should be noted that the Chair function also includes that Council supporting the running of subregional arrangements. It is therefore felt that maintaining consistency for a further 12 months whilst work progresses to explore devolution is the preferred approach.

15 The proposal therefore is to amend the current terms of reference by extending the rotation of the current Chair (Cheshire West and Chester Council) for a further 12 months to May 2026, together with Cheshire East Council as Vice Chair - for a further 12 months to May 2026, before rotating the Chair to Cheshire East Council (and Warrington Borough Council as Vice Chair) and to recommence rotations on a two year basis.

16 The terms of reference of the Joint Committee are attached at Appendix 1 and the proposed amendments are set out in red.

Consultation and Engagement

17 Cheshire East Council has reported updates to its Corporate Policy Committee on 13th June 2024 and 21st August 2024, and on 30th August 2024, set up a small cross party Member Reference Group which has subsequently met on five occasions to discuss key issues and progress.

18 All Member Briefings relating to sub regional working and the wider Devolution debate have been held on 5th December 2024 and the 7th January 2025.

19 Engagement is continuing with the Cheshire and Warrington Leaders Board (including representatives from the voluntary and community sector, health, fire and police) as well as the Cheshire and Warrington Business Advisory Board (representing the private sector and business representative organisations such as the Chambers of Commerce).

20 Engagement has also been held with all local MPs.

21 A comprehensive communications and engagement plan will be developed to ensure that stakeholders, business and residents are fully engaged in exploring the impacts of devolution.

22 A statutory consultation with residents and businesses across Chesire and Warrington will form part of any decision-making process, separate reports will come forward once available**.**

Reasons for Recommendations

23 The Member Reference Group has recognised the need for continued pace and priority in discussions with Government, and as a consequence consider it would be beneficial to expand the membership to broaden the advice and guidance to officers.

24 Maintaining consistency across subregional arrangements for a further year whilst the three Councils of Cheshire East, Cheshire West and Chester and Warrington work together to understand and assess the implications of devolution for Cheshire and Warrington will support effective decision-making by the three Councils, as well as mitigating a number of risks through effective resourcing.

Other Options Considered

25 No further options were considered and reasons for recommendations are clarified above.

Implications and Comments

Monitoring Officer/Legal

26 The Terms of Reference for the Joint Committee and the relevant delegations within them have previously been formally approved by each respective Council. It is appropriate therefore that the same request is made of each and each approves them. All three Council's will need to approve the amendments requested for them to take effect.

27 Any steps to create a strategic/combined authority will be subject to separate legal obligations and such a step would need to be authorised by Full Council approval for each authority in due course, if such proposals are brought forward.

Section 151 Officer/Finance

28 There are no financial implications as a consequence of this report, as relating to the Terms of Reference of the Joint Committee. Any financial implications relating to potential devolution will be reported and considered at a later time, to respective councils and the Joint Committee.

Policy

An open and enabling organisation *Ensure there is transparency in our decision making*	A thriving and sustainable place *A great place for people to live, work and visit* *Thriving urban and rural economies*

Equality, Diversity and Inclusion

29 There are no direct equality implications as a result of this report.

Human Resources

30 There are no direct HR implications as a result of this report.

Risk Management

31 A full risk register will be established if the decision is taken to move towards devolution.

Rural Communities

32 There are no direct implications for rural communities.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

33 There are no direct implications for children and young people as a result of this report.

Public Health

34 There are no direct public health implications.

Climate Change

35 There are no direct climate change implications as a result of this report.

Access to Information	
Contact Officer(s):	Janet Witkowski, Acting Governance, Compliance and Monitoring Officer. Phil Cresswell, Executive Director for Place . Philip.cresswell@cheshireeast.gov.uk or Janet.witkowski@cheshireeast.gov.uk
Appendices:	Appendix 1 – Report to the Joint Committee
Background Papers:	Reports to Corporate Policy Committee; • 13 February 2024 • 3 June 2024 • 21 August 2024 Report to Full Council : • 11 December 2024

CHESHIRE AND WARRINGTON JOINT COMMITTEE
TERMS OF REFERENCE

1. Cheshire East Council, Cheshire West and Chester Council and Warrington Council have established an Executive Joint Committee known as the Cheshire and Warrington Joint Committee (‘the Committee”) for the purpose of discharging the functions mentioned in Annex A. The Councils are enabled to set up Joint Committees under Part VI of the Local Government Act 1972 and Part I Chapter 2 of the Local Government Act 2000.

2. Each Council is entitled to appoint one voting member in respect of the business to be carried out in Part One of Appendix A (Subscriber Members), and one further voting member in respect of the business to be carried out in Part Two of Appendix A (Joint Committee Members). In the event of a voting member of the Committee ceasing to be a member of the Council which appointed him/her, the Council shall forthwith appoint another voting member in his/her place. Only a voting member is entitled to be elected as Chair or Vice-Chair of the Committee.

3. Each Council may appoint members as substitute for the members appointed under (i) above to attend meetings of the Committee in the absence for any reason of the members appointed under (i) above, in accordance with their own constitutional requirements. The substitute members shall be treated in all respects if they were appointed under (i) above.

4. The Chair of the Business Advisory Board (‘BAB’) shall be an ex officio member of the Committee and may speak at meetings of the Committee but not vote. The Chair of the Business Advisory Board may present reports to the Committee from the BAB.

5. The Committee shall maintain a two-year rolling Chair and Vice-Chair from among the Subscriber Members. The Chair will rotate every two years in the following order CWaC (until May 202~~5~~6), CEC (until May 202-87) WBC (until May 20~~29~~30) and shall continue in that rotation. The Vice-Chair shall be from CEC (until May 202~~5~~6) and to shall rotate in the same order as the chairmanship every two years.

6. Three voting members of the Committee shall constitute a quorum for the business set out in Part One of Appendix A. Four voting members shall constitute a quorum for the business set out in Part Two of Appendix A. Except as otherwise provided by statute, all questions shall be decided by a majority of

the votes of the voting members present, the Chair having the casting vote in addition to his/her vote as a member of the Committee.

7. The Committee shall meet as agreed at its AGM and at least three times each year. However, a meeting of the Committee may be convened at any time by the Committee Clerk in consultation with the Chair. A meeting of the Committee must also be convened by the Chair within 28 days of the receipt of a requisition of any two Subscriber Members of the Committee addressed to the Committee Clerk. The Chair of the Board may request a meeting of the Committee by notice in writing addressed to the Committee Clerk, but may not requisition one. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting.

8. The Committee shall adopt the standing orders of Cheshire East Council but it may agree to vary these and from time to time make such standing orders for the carrying on of the business of the Committee as the Committee shall deem necessary and or desirable.

9. For the avoidance of doubt and subject to there being no changes to the law on this issue, where a Council is operating executive arrangements pursuant to the Local Government Act 2000 (and any regulations made under it), it will be a matter for the Executive of the Council to appoint any voting member, or substitute member of the Committee as long as that member is a member of the appointing Councils Cabinet. Where a Council is operating committee system arrangements pursuant to the Local Government Act 2000, it will be a matter for the Council to appoint any voting member and substitute member to the Joint Committee.

10. The Committee shall from time to time appoint such sub-committees to consider and deal with any of the functions of the Committee as may be thought desirable.

11. The Committee Clerk and such other officers as may be deemed necessary for the due conduct of the business of the Committee shall be provided by Cheshire East Council and the costs of this shall be met by the Council-owned company (*Enterprise Cheshire and Warrington – NB: name subject to Member approval).*

12. The first meeting of the Committee shall be held at Cheshire East Council and the venue shall then rotate between the Councils in alphabetical order, unless otherwise directed by the Committee.

13. As and when required by an Overview and Scrutiny Committee or other Committee or an Audit Committee of any of the Councils, the Subscriber Member for the Council whose Overview and Scrutiny Committee or Committee or Audit Committee has instigated an investigation shall take the lead responsibility for accounting for the activities of the Committee to the Overview and Scrutiny Committee or Committee or Audit Committee and shall attend such meetings of those committees of its Council as necessary, and no other member of the Committee shall be required to attend.

14. The Committee Clerk shall:
    a. Be responsible for preparing the agenda and submitting reports prepared by either the Councils or other bodies to the Committee and minutes of the Committee.
    b. Be responsible for making arrangements for publishing in accordance with Access to Information requirements all meetings, agenda, agenda items and minutes as appropriate.

15. The relevant Standing Orders for the Committee are those of Cheshire East Council.

16. In the event that an urgent decision is needed for the discharge of any of the functions of this Committee, other than those functions which by law can be discharged only by the Councils or a specific Committee, then the Growth Director of each Council is entitled to act on behalf of the Committee. A decision will be urgent where any delay would seriously prejudice the legal or financial position of the Councils or the interests of residents. This delegation is subject to the conditions that any urgent action:-
    (a) should be reported to the Committee
    (b) shall take the advice of the Monitoring Officer and S151 officer of each Council
    (c) shall be exercised in consultation with the three Subscriber members of the Committee
    (d) shall be exercised within each Councils own financial and other constitutional requirements

Revised November 2024

Appendix A – Terms of Reference

Part One - Shareholder Functions of the Committee

1. To approve the business plan and budget of LEPCo/Enterprise Cheshire and Warrington (ECW)[1] and any required variations
2. Ensuring that LEPCo/ ECW deliver against their business plan and budget, holding them to account for such delivery and directing the LEPCO/ECW Board to take remedial action where necessary;
3. To appoint directors to the LEPCo/ECW Board
4. To approve any capital expenditure to be made in excess of £100k unless agreed under the business plan
5. To approve the entering into of any lease or licence for the occupation of land or premises
6. To approve the appointment of members of LEPCo/ECW management team
7. To approve the entering into of any contract in excess of £100k unless agreed under the Business Plan
8. To approve the entering into or giving of any loan, guarantee, surety or indemnity by LEPCo/ECW other than the giving of grant by LEPCo/ECW as part of its business plan
9. To approve the opening or closing of any bank account by the Company
10. To approve any changes to the Articles of Association of the Company
11. To approve any staffing or other material policy changes or new policies to be implemented

Part Two - Other Functions of the Committee

1. To receive reports from the Business Advisory Board, any Sub Committee of the Joint Committee and the Growth Directors (management) Group.
2. Any time review and agree proposed changes to the Functions of the Committee and seek approval of the same from the three Councils.
3. To agree and approve any proposed governance and or reporting structure that the Committee sees fit.
4. To act as a sub-regional strategic body, using Government funding for strategic economic development across Cheshire and Warrington, setting and reviewing objectives and approving related budgets, including;
    a. providing a coherent single position on major strategic issues;
    b. agreeing major economic priorities across Cheshire and Warrington;

[1] Name subject to Member approval

c. considering recommendations made by any Sub Committee, the Business Advisory Board or Growth Directors (management) Group;
d. agreeing Lead and/or Accountable Body status for LEPCo/ECW and any projects undertaken;
e. influence and align government investment in order to boost economic growth across Cheshire & Warrington;
f. having regard to the duty to cooperate and the Joint Committee's overall function as set out above;
g. ensuring alignment between decision making on areas of policy such as land use, transportation, economic development and wider regeneration;
h. co-ordinating and aligning decision making on transport across Cheshire and Warrington, ensuring that business views are taken on board and that the Councils' adopted plans are reflected in strategic priorities;
i. deciding on revenue and capital expenditure programmes which are delivered across Cheshire & Warrington using Government funding for strategic economic development in the sub-region, including ensuring that policy and programmes are delivered effectively through LEPCo/ECW
j. providing strategic direction and oversight across potential devolution for Cheshire and Warrington.

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COUNCIL MEETING – 26 February 2025

RECOMMENDATION FROM THE CORPORATE POLICY COMMITTEE: PAY POLICY STATEMENT 2025-26

RECOMMENDATIONS

That Full Council

1. **Approve the Pay Policy Statement for 2025/26.**

2. **Approve for the Pay Policy Statement 2025/26, any in-year changes are approved by the Council's Monitoring Officer and published accordingly.**

---

69 PAY POLICY STATEMENT 2025-26

The committee considered the report which outlined the Pay Policy Statement 2025-26 which would be recommended to Full Council for approval. The committee noted the changes to the Pay Policy Statement as set out within Section 11 of the officer report.

The committee thanked officers for their work on this matter.

RESOLVED (unanimously):

That Corporate Policy Committee

1. Note the changes to the Pay Policy Statement as outlined in section 11 of the report.

2. Recommend to Full Council on 26 February 2025 that Council approve:

   a. the Pay Policy Statement for 2025/26.
   b. for the Pay Policy Statement 2025/26, any in-year changes are approved by the Council's Monitoring Officer and published accordingly.

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OPEN

Corporate Policy Committee

6 February 2025

Pay Policy Statement 2025/26

Report of: Adele Taylor, Interim Executive Director Resources and S151 Officer

Report Reference No: CPC/50/24-25

Ward(s) Affected: Not applicable

Purpose of Report

1 This report outlines the Pay Policy Statement for 2025/26 for the Corporate Policy Committee to recommend to Council.

Executive Summary

2 Section 38 of the Localism Act (2011) requires Local Authorities to produce a Pay Policy Statement by 31 March on an annual basis. Regard continues to be given to any guidance from the Secretary of State in producing this statement and the Local Government Transparency Code (2015).

3 The Pay Policy Statement for 2025/26 reflects the expected position at 1 April 2025 and is attached as Appendix 1. Changes since last year's Statement are outlined in section 10 of this report.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Note the changes to the Pay Policy Statement as outlined in section 10 of this report.

2. Recommend to Full Council on 26 February 2025 that Council approve:
   a) the Pay Policy Statement for 2025/26.
   b) for the Pay Policy Statement 2025/26, any in-year changes are approved by the Council's Monitoring Officer and published accordingly.

Background

4 The purpose of the Pay Policy Statement is to increase accountability, transparency, and fairness regarding the Council's approach to pay with particular focus on its Chief Officers.

Consultation and Engagement

5 The final Pay Policy Statement 2025/26 will be shared with Trade Unions.

Reasons for Recommendations

6 A Pay Policy Statement has been required to be produced annually since 2012/13 under Section 38 of the Localism Act (2011). Local Authorities must have their Pay Policy Statement approved by full Council and published on their website no later than the 31 March prior to the financial year to which it relates.

Other Options Considered

7 Not applicable.

Key Updates to the Pay Policy Statement

8 The Pay Policy Statement 2025/26 follows the style and format of the Statement published in 2024/25. The Statement focuses on the broad principles and policies regarding pay and has links to further information and statistical data available on the Council's website and associated policies.

9 The Statement has been designed to be user friendly for public consumption and should require minimal updates each subsequent year.

10 The links to further information including the link to pay multiples will be updated as appropriate through the coming year.

11 Changes since the last Pay Policy Statement are as follows:

a. Added that any in-year changes would need to be approved by the Monitoring Officer and published accordingly.

b. Updated the reference to NHS terms and conditions to include the specific terms and conditions, Agenda for Change.

c. Added that teachers employed directly by the Council (Centrally Employed Teachers) are paid in accordance with the statutory School Pay and Conditions Document (STPCD).

d. Updated the salary information for direct reports to the Chief Executive (including the relevant job titles), direct reports to Tier 2 managers and NJC Employees in line with the pay award for 2024/25.

e. Removed reference to the Salary Sacrifice Lease Car Scheme from Additional to Chief Officers' Salaries as it is not an 'addition' to salary;

f. Added reference to national pay awards.

g. Expanded section on pay multiples to includes information on pay reporting; the Pay Gap data in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Implications and Comments

Monitoring Officer/Legal

12 The Council is required to produce and publish a Pay Policy Statement agreed by full Council each year, under Section 38 of the Localism Act (2011) which details the information that must be provided.

13 In addition, the Local Government Transparency Code (2015) requires information on organisational structure, senior salaries and pay multiples to be published annually each year.

14 This report and the accompanying Pay Policy Statement, with associated links in Appendix 1, once approved and adopted ensures that Cheshire East Council complies with these requirements.

15 The Pay Policy Statement also assists the Council by providing for a transparent and objective pay framework to ensure equality in pay across the organisation.

Section 151 Officer/Finance

16 There are no direct financial implications associated with approving the updated Pay Policy Statement 2025/26 and there is no impact on the Council's Medium Term Financial Strategy.

Policy

17 Any decisions relating to the pay and remuneration of Chief Officers must comply with the Pay Policy Statement in place at the time for that financial year. Whilst the Statement can be amended during the year should the need arise, in-year changes are subject to approval by the Council's Monitoring Officer.

Equality, Diversity and Inclusion

18 There are no direct equality implications associated with approving the updated Pay Policy Statement 2025/26, any potential implications relating to pay are addressed within the relevant pay policies.

Human Resources

19 Associated pay policies and HR support must comply with the Pay Policy Statement.

Risk Management

20 If the Council does not follow specific aspects of the guidance issued by DCLG and therefore does not achieve appropriate levels of openness and accountability, DCLG can take steps to require the Council to adapt particular policies.

Rural Communities

21 There are no direct implications for rural communities.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

22 There are no direct implications for children and young people.

Public Health

23 There are no direct implications for public health.

Climate Change

24 There are no direct implications on climate change.

Access to Information	
Contact Officer:	Sara Duncalf, Head of HR sara.duncalf@cheshireeast.gov.uk
Appendices:	Appendix 1 – Draft Pay Policy Statement 2025/26
Background Papers:	None

Appendix 1

Cheshire East Council

Pay Policy Statement 2025/26

www.cheshireeast.gov.uk

1. Introduction and Purpose

Under Section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit". This Pay Policy Statement (the 'statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38-43 of the Localism Act 2011 and due regard to the associated Statutory Guidance including the Supplementary Statutory Guidance issued in February 2013, and guidance issued under the Local Government Transparency Code 2015.

The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its senior employees (excluding teaching staff, employees working in local authority schools and academies, and alternative service delivery vehicles) by identifying:

- The methods by which salaries of all employees are determined.
- The detail and level of remuneration of its most senior employees, i.e. 'Chief Officers', as defined by the relevant legislation.

"Remuneration" for the purposes of this statement includes three elements: basic salary, pension and all other allowances arising from employment.

Once approved by full Council, this policy statement will come into effect on the 1st April 2025 superseding the 2024/25 statement and will be subject to review upon the agreement of any relevant national pay awards and on a minimum of an annual basis, the policy statement for the next year being approved by 31st March each year. Any in-year changes to this statement would need to be approved by the Monitoring Officer and published accordingly.

2. Background

In determining the pay and remuneration of all its employees, the Council takes account of the need to ensure value for money in respect of the use of public expenditure. This is balanced against the need to recruit and retain employees in an increasingly competitive market who can deliver the Council's commitments and meet the requirements of providing high quality services, which are delivered effectively and efficiently and at times at which those services are required.

The Council complies with all relevant employment legislation and codes of practice. This includes legislation such as the Employment Rights Act 1996, Equality Act 2010, The Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006 and the National Minimum Wage Regulations 2015. The Council seeks to ensure there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified using job evaluation mechanisms and the application of key criteria, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spine, for example through any agreed annual pay increases negotiated with national trade unions. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with Council policy.

3. Senior Management ('Chief Officers') Remuneration

3.1 Principles

There are a number of overriding principles which govern the Council's approach to senior management reward:

- The policy will be affordable; with reward being commensurate with individual and corporate performance.
- Reward policy for senior post-holders will be transparent, clearly defined and readily understood.
- The policy will offer the flexibility to reward job size, capability and market rates (where these may be relevant, with evidence).
- Reward for senior roles will be fair and proportionate in comparison to reward for the wider workforce.

3.2 Reward components

Reward will comprise basic salary and a range of benefits as follows:

- Basic salary: This is guaranteed fixed cash remuneration, paid monthly. The level of basic salary is contractual. For some jobs, this remuneration may increase by annual increments until the maximum of the grade is reached, i.e. Grade 13 and 14. These two grades contain three increments in each with annual incremental progression on the anniversary of the appointment.
- Benefits: The Council provides a range of benefits. The principal benefits are holidays and access to the Local Government Pension Scheme (LGPS). Further details can be found on the Council's website.

3.3 Job Evaluation and Banding

The Council uses the Korn Ferry Hay Group job evaluation scheme to position roles into the Cheshire East Senior Management pay bands. The bands are linked to Korn Ferry Hay Job Evaluation points ranges which have been determined as part of the Council's operating model.

4. Pay and Grading Structure

4.1 Senior Managers (JNC)

This defined pay structure determines the salaries of senior managers on JNC (Joint National Council for Chief Officers) conditions of service. A score is produced from the Korn Ferry HAY job evaluation process which equates to a pay band on the Council's senior manager pay structure.

The current pay structure for senior managers who are on JNC conditions of service can be seen by accessing the pay and grading structure.

In addition, there is a very small number of public health employees who transferred under TUPE to the Council on NHS Agenda for Change Pay and Terms and Conditions on 1st April 2013 and these employees remain on the terms and conditions of their previous NHS employer. The Council employs staff on Soulbury and JNC Youth and Community Support Workers terms and conditions. Any teachers employed directly by the Council (Centrally Employed Teachers) are paid in accordance with the statutory School Pay and Conditions Document (STPCD).

When applying the senior manager pay structure, for the purposes of this statement, the definition of Chief Officers is as set out in Section 43 of the Localism Act. The details of the salary packages are as follows:

Tier 1 (Chief Executive)

- The current salary package falls within a range of £170,000 to £190,000

Tier 2 (and other direct reports to the Chief Executive)

- The salary package falls within a range of £85,883 to £148,823
    - Executive Director of Place
    - Executive Director of Resources, Section 151 Officer
    - Executive Director of Children's Services
    - Executive Director of Adults, Health and Integration
    - Assistant Chief Executive
    - Governance, Compliance and Monitoring Officer

Tier 3 (direct reports to Tier 2 managers)

- The salary package falls within a range of £85,883 to £115,826

4.2 NJC Employees

The NJC pay framework comprises 44 salary points, between SCP 2 (£23,656 per annum) and SCP 45 (£60,830 per annum) for a full-time employee (based on a 37-hour week).

The current pay and grading structure for employees who are on NJC conditions of service can be seen by accessing the pay and grading structure.

5. Recruitment of Chief Officers

The Council's policy and procedures regarding the recruitment of Chief Officers are set out in the Council's Constitution and are undertaken by the Appointments Committee in accordance with arrangements set out in the Constitution (see Chapter 2). Full Council approval will be sought in relation to decisions affecting the remuneration of any new post whose remuneration is or is proposed to be or would become £100,000 per annum or more.

Key statutory posts (Head of Paid Service, Section 151 Officer and Monitoring Officer) are Council appointments.

When recruiting to all posts, the Council will take full and proper account of all provisions of relevant employment law and its own Recruitment Policy and Procedure, Disability Confident commitment, Hidden Disabilities Sunflower Scheme Employer, Redeployment Procedure, and the Council's Equality, Diversity and Inclusion (EDI) Policy.

The remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment and in line with this Pay Policy Statement. New appointments will normally be made in accordance with the JNC pay structure, any variation to this approach will be by exception and based on objectively justified criteria supported by appropriate evidence. An appointee's existing pay and their relevant experience and qualifications may be included in any consideration but would need to take account of any equal pay implications that could arise within the Council.

From time to time, it may be necessary to take account of the external pay levels in the labour market and to pay market-related supplements to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such additional payments is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate. Any such payments will be reviewed at least annually to ensure their ongoing suitability and appropriateness.

Where the Council is unable to recruit Chief Officers, or there is a need for interim support to provide cover for a substantive Chief Officer post, the Council will, where necessary, put in place the most effective arrangements to engage individuals. These arrangements will comply with HMRC IR35 requirements, relevant procurement processes and ensure the Council is able to demonstrate maximum value for money.

6. Additions to Chief Officers' Salaries

The following payments can be applied to Chief Officers' salaries:

- Returning and Deputy Returning Officers' Fees
- Travel Allowances and Expenses
- Relocation Expenses

- Professional Fees and Subscriptions

Further details of Additions to Chief Officers' salaries are published in the Council's Transparency Data and in the Statement of Accounts.

7. Pension Contributions

Eligible employees are automatically enrolled into the Local Government Pension Scheme (LGPS). The Council is required to contribute to the scheme based on a percentage of the pensionable remuneration due under the contract of employment of that employee. The employer contribution rate is set by the Actuary advising the Cheshire Pension Fund (the name of the LGPS in Cheshire) to ensure the scheme is appropriately funded. Employee contribution rates are set in bands and are defined by statute.

Details of the Local Government Pension Scheme discretions exercised, contribution bands, actuarial rates and discretions policy application are available.

8. Redundancy Payments and Payments on Termination

The Council's policy on compulsory redundancies, including redundancy payments, is set out in the Organisational Change Policy and Procedure. If employees have two or more years' service, they may be entitled to a redundancy payment. The payment is based on the statutory formula (on actual weekly pay). Any overtaken leave/flexi will be deducted from their final salary. Where there is an outstanding leave entitlement, this must be taken during their notice period and before their employment ends.

To minimise the need for compulsory redundancies and in conjunction with other measures, e.g. restricting recruitment, the Council may consider requests from employees to be made redundant (voluntary redundancy). Employees who leave on grounds of voluntary redundancy will normally be entitled to receive a redundancy payment in accordance with the statutory formula (on actual weekly pay) plus an additional severance payment of 0.8 times the statutory payment, bringing the total payment to 1.80 times the statutory formula and up to a maximum of 50 week's pay.

The Council's current approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age and for those eligible for retirement, is set out in the Leaving the Council Policy & Procedure and in accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Local Government Pension Scheme Regulations 2007.

All payments under this section are subject to the approval process set out in the Organisational Change Policy & Procedure, the Leaving the Council Policy & Procedure and CEC Constitution.

The Council reserves the right to change all discretionary elements. The Council will also take into consideration the Government's statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England - GOV.UK and will implement any government changes to exit payments when they become law.

9. Early Retirement and Severance on the Grounds of Business Efficiency

In line with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, the Council also operates a voluntary scheme to facilitate early retirement or severance on grounds of business efficiency to enable the Council to continue to achieve effective use of resources and provide value for money. The terms of this are set out in the Leaving the Council Policy and Procedure and due consideration will again be given to the statutory guidance on exit payments.

10. Mutually Agreed Resignation Scheme (MARS)

The Council has operated a Mutually Agreed Resignation Scheme (MARS) which enables individual employees, including Chief Officers, in agreement with the Council, to choose to leave their employment voluntarily in return for a discretionary 'severance' payment. This scheme creates resourcing flexibility to avoid compulsory redundancies in future, enable the redeployment of resources to higher priority areas of work and reduce costs in lower priority areas. MARS is non contractual and has no pension liabilities. A decision is taken whether to run the scheme by the Chief Executive and due regard will be given to the statutory guidance on exit payments.

11. Settlement Agreements

The Council uses settlement agreements for all voluntary redundancies/severance and MARS severance payments, for all employees, including Chief Officers. The use of settlement agreements on this basis minimises any risk of future claims against the Council and can ensure that any potential or pending legal proceedings and their associated legal costs can be avoided. The Council follows the current guidance for public sector settlement agreements in these circumstances.

12. Re-employment or re-engagement

Any decision to re-employ an individual (including Chief Officers) already in receipt of a Local Government Pension (with same or another local authority) will be made on merit, considering the use of public money and the exigencies of the Council.

In particular, the Voluntary Redundancy Scheme provides that former Cheshire East/Legacy Authority employees who left their employment on grounds of voluntary retirement, redundancy or severance will not be re-employed in any capacity, except in exceptional circumstances and subject to the agreement of the Head of HR in consultation with the Chair of the Corporate Policy Committee. Re-engagement includes all types of contractual relationships whether they are a contract of employment, contract for service etc. and whether the individual is appointed as an employee or engaged as an interim, direct consultancy or via an agency or other supplier.

13. Pay Multiples and Pay Reporting

The Council publishes a range of information to meet the Transparency Code requirements and has used the recommended formulae in the code guidance and

Local Government Association (LGA) guidance to calculate the relationship between the rate of pay for the lowest paid, median and Chief Officers, known as pay multiples.

The Council will also publish, on an annual basis, Gender Pay Gap data in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Gender Pay Gap Reporting requires employers with 250 or more workers to publish specific data in relation to their workforce. These requirements include how large the pay gap is between male and female workers, along with the distribution of male and female workers in the organisation. As a public sector employer this demonstrates the Council's compliance with the Public Sector Equality Duty.

The gender pay gap report measures the differences between the average pay of male and female employees, irrespective of job role or seniority. Gender Pay Gap is different from equal pay. The Equality Act 2010 legally protects people from discrimination in the workplace and in wider society. The Act states that men and women in the same employment performing equal work must receive equal pay.

14. Publication and access to information

Upon approval by the full Council, this Statement will be published on the Council's website (www.cheshireeast.gov.uk). Additionally, in line with Code of Practice and Accounts and Audit Regulations, salary, allowances and bonus compensation and employers pension contributions will be published for:

a) Senior employees whose salary is £150,000 or more (who will also be identified by name).

b) Senior employees whose salary is £50,000 or more.

Prepared by:	Human Resources
Date:	January 2025
Review date:	March 2026

Annex 1 – Links

All the relevant policies and procedures as referred to in the Pay Policy Statement can be found using the links in section 1 below. Please email humanresources@cheshireeast.gov.uk should you have any difficulties accessing this information.

Section 1: Additional information

Link 1 – Pay and grading structure for senior managers and employees

Link 2 – Additions to Chief Officers' salaries

Link 3 – Local Government Pension Scheme

Link 4 – Pay multiples

Statement of Accounts

Section 2: Internal intranet links to the further relevant policies, procedures and other relevant information

- Payment of a Market Supplement
- Pay and Allowances Policy
- Pensions Discretions Policy
- Organisational Change Policy and Procedure
- Leaving the Council Policy and Procedure
- Recruitment Policy and Procedure
- Redeployment Procedure
- Equality, Diversity and Inclusion (EDI) Policy
- Relocation and Excess Travel Policy and Procedure

For those seeking to access copies of policies and procedures externally, please email humanresources@cheshireeast.gov.uk to request copies of the relevant documents.

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COUNCIL MEETING – 26 February 2025

RECOMMENDATION FROM CORPORATE POLICY COMMITTEE: CALENDAR OF MEETINGS 2025-26

RECOMMENDATIONS

That Full Council agrees

1. **The approval of the draft calendar of meetings for Cheshire East Council for the municipal year 2025-26 and that the draft calendar for June to October 2026 be noted.**

2. **That the start time for morning meetings, excluding Full Council, be 10.30am.**

3. **That each committee determine whether their committee meetings during the 2025-36 municipal year should include twilight meetings, which should start no earlier than 5.30pm.**

---

74 CALENDAR OF MEETINGS 2025-2026

The committee considered the draft calendar of meetings for the council municipal year 2025-26 and a draft calendar of dates of meetings for the period June – October 2026.

A friendly amendment was proposed, and supported by the committee, in relation to recommendation 3. As set out below.

'That each committee determine whether their committee meetings during the 2025-26 municipal year should include twilight meetings, which should start no earlier than 5.30pm'.

It was agreed that there needed to be consistency around the start-time of twilight meetings and that such meetings would be vital to assisting working members and members with caring commitments.

Members referred to the proposed dates for Full Council meetings and requested that under no circumstances were these dates changed as changes to these meetings caused working members great difficulty in attending and ensuring they maintained their councillor attendance record.

RESOLVED (unanimously):

That the Corporate Policy Committee recommend to Full Council

1. The approval of the draft calendar of meetings for Cheshire East Council for the municipal year 2025-26 and that the draft calendar for June to October 2026 be noted.
2. That the start time for morning meetings, excluding Full Council, be 10.30am.

3. That each committee determine whether their committee meetings during the 2025-36 municipal year should include twilight meetings, which should start no earlier than 5.30pm.

OPEN

Corporate Policy Committee

6 February 2025

Calendar of Meetings 2025-2026

Report of: Acting Governance, Compliance and Monitoring Officer

Report Reference No: CPC/40/24-25

Ward(s) Affected: All Wards

For Decision

Purpose of Report

1 This report seeks agreement of the Committee in respect of a draft calendar of meetings for the Council for the municipal year 2025-2026 and a draft calendar of dates of meetings for the period June to October 2026.

Executive Summary

2 In accordance with the Local Government Act 1972, the Council is required to give public notice of its meetings. The calendar of meetings assists in fulfilling this legal obligation and provides certainty for Council members, officers and members of the public.

3 Having an approved and published calendar of meetings enables effective business planning and decision-making procedures.

RECOMMENDATIONS
That the Committee recommend to Council: 1 for approval, the draft calendar of meetings for Cheshire East Council for the municipal year 2025-2026 and that the draft calendar for June to October 2026, be noted 2 that the start time for morning meetings, excluding full Council, be 10.30 am. 3 that each committee determine whether their committee meetings during the 2025-26 municipal year should include twilight meetings.

Background

4 As set out in its Constitution (Chapter 3 – Part 1 para 1.1) the Council is required to decide when its meetings will take place. These are set out in a calendar of meetings. The calendar of meetings is intended only to deal with formal decision-making meetings and, therefore, does not provide details of other meetings involving Members.

5 Full Council must approve the calendar.

6 The scheduling of meetings takes into account the Council's business planning/performance reporting cycle, together with a range of additional issues arising from the implications of the committee system and learning from its operation since May 2021.

7 Where possible August has been retained for recess, except for planning committee meetings.

8 Council at its meeting on 27 February 2024 when considering the Calendar of Meetings for 2024/25, resolved that "each Service Committee, including the Finance Sub Committee, arrange one twilight meeting over the course of its scheduled cycle of meetings during 2024/25."

9 Following the trial, a survey was undertaken of Elected Members to ascertain how Councillors felt about twilight meetings. The survey was conducted between 6 November 2024 and 1 December 2024

10 The results of the survey can be found at Appendix 2 to the report

11 In the light of the survey responses, it is recommended that individual Committees should be allowed to determine whether it wishes to hold any further twilight meetings.

12 Meetings of full Council have been scheduled to take place on a Wednesday on the following dates – 14 May 2025, 16 July 2025, 15 October 2025, 10 December 2025, and 25 February 2026, with a start time of 11.00 am.

13 The meetings of the service committees have been scheduled to take place on the same day of the week were possible. If there is a specific need for additional or fewer meetings, this can be dealt with under existing arrangements.

14 The dates for the Strategic Planning Board, Northern Planning Committee and Southern Planning Committee have been scheduled to meet on a Wednesday in accordance with the scheduling timeframe agreed by full Council on 13 December 2023. Site visits usually take place on the Friday before the meeting in question.

15 The Audit and Governance Committee and the Licensing Committee have been scheduled to meet five times a year. Provisions exist for additional meetings to be called if needed.

16 The scheduling of the meetings of the Scrutiny Committee has been scheduled quarterly. It is acknowledged however that there may be the need to arrange ad-hoc meetings when required to deal with bespoke external scrutiny matters e.g. external proposals by health providers, using the general powers of the Committee Chair. The quarterly scheduling will provide for annual reporting, with flexibility around the dates of meetings, to suit business needs.

17 A draft calendar of dates for the period June to October 2026 is also included to help with diary planning.

18 The Committee is asked to refer the calendar to Council for approval.

Consultation and Engagement

19 The calendar has been shared with the Group Leaders, Chairs and Vice Chairs of Committees and senior officers.

20 In response to this consultation, it was suggested that 10.00 am meeting commencements move to 10.30 am to allow for travel from one end of Borough to the other as meetings will be in either Macclesfield or Crewe. However, in accordance with the Constitution, committees can alter the start time of meetings as required.

Reasons for Recommendations

21 The Council is required to give public notice of its meetings in order to fulfil its legal obligations under the Access to Information Rules set out in the Constitution, and to meet its obligations under the Local

Government Act 1972. The calendar will assist the Council's meeting these requirements and will provide certainty for Members.

Other Options Considered

18

Option	Impact	Risk
Do nothing	The authority would be unable to plan the decision-making function of the Council in an effective manner.	Decisions not being made in a timely manner. The business needs of the Council would not be met.

Implications and Comments

Monitoring Officer/Legal

19 In accordance with the Local Government Act 1972 and the Access to Information Rules in the Constitution, the Council is required to give public notice of its meetings, and a calendar of meetings assists in fulfilling this legal obligation.

20 Members of the public have a legal right to attend to participate in and observe council meetings, e.g., make representations in respect of planning applications, asking questions at meetings, and presenting appeals.

Section 151 Officer/Finance

21 There are no direct financial implications.

Policy

22

An open and enabling organisation.

Ensure that there is transparency in all aspects of council decision-making.

Equality, Diversity and Inclusion

23 There are no direct implications for equality.

Human Resources

24 There are no direct implications for Human Resources.

Risk Management

25 A published calendar of meetings enables effective business planning and decision-making procedures.

Rural Communities

26 There are no direct implications for rural communities.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

27 There are no direct implications for children and young people.

Public Health

28 There are no direct implications for public health.

Climate Change

29 There are no direct implications for climate change.

Access to Information	
Contact Officer:	Brian Reed, Head of Democratic Services brian.reed@cheshireeast.gov.uk
Appendices:	Appendix 1 – Calendar of Meetings for Municipal Year 2025-2026 Appendix 2 – Members Twilight Meetings Survey 2024
Background Papers:	None

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Calendar of Meetings 2025-2026

1

COMMITTEE	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT
Council (11.00 am)	14		16			15		10		25			13		15			14
Corporate Policy (10.30 am)		12				2	27			5	19			11				1
Economy and Growth (2.00 pm)		3			9		11		13		10			2			8	
Highways and Transport (10.30 am)		19			18		20		22			2		18			17	
Environment and Communities (10.30 am)		5			25		13		29		26			4			24	
Children and Families (2.00 pm)		9			15		10		19	16		13		8			14	
Adults and Health (10.30 am)		23			22		17		26		23			22			21	
Finance Sub Committee (2.00 pm)		2			1		3		12		9			1			7 (10.30 am)	
Scrutiny Committee (10.30 am)		26			4			11			12			25			3	
Audit and Governance Committee (10.30 am)	29		28		29			4			5		28		28		28	
General Appeals Sub Committee (10.30 am)			3	19	16	7	4	9	15	3	3	14	5			18	15	6
Licensing Committee (2.00 pm)		16			8		24		5		2			15			7	
Strategic Planning Board (10.30 am)	28		23		17		19		28		25		27		23		16	
Southern Planning Committee (10.30 am)		4	30		10	22		3		4		1		3	30		9	21
Northern Planning Committee (10.30 am)		25		20		1	12		14		4	22		24		19	30	
Cared For Children and Care Leavers Committee (2.00 pm)		24			2			2			3			23			15	
Health and Wellbeing Board (2.00 pm)			1		16		4		20		17			30			1	
Shared Services Joint Committee (10.00 am)		27			19		21				13							

Cheshire East Council

A summary of responses to Cheshire East Council's

Members Twilight Meetings Survey 2024

Executive Summary

Introduction

At its meeting held on 27 February 2024, Full Council resolved that 'each Service Committee, including the Finance Sub Committee, arrange one twilight meeting over the course of its scheduled cycle of meetings during 2024-25'.

During 2024 Cheshire East Council conducted 9 Committee meetings as a trial starting during "twilight" hours e.g. they started between the hours of 4pm and 6pm.

Following the trials, a survey was conducted of Members. The purpose was to ascertain how Councillors felt about twilight meetings. The survey was conducted between 6 November and 1 December 2024.

All 82 Cheshire East Council Members were invited to complete the survey by email with one reminder being issued to stimulate responses. 44 Members completed the survey, giving a 54% response rate. Of these, 29 had attended at least one of the 9 twilight meetings.

Level of meeting attendance

Member attendance at the 9 twilight meetings was high – 84% of expected Members attended in person, 14% sent a substitute to attend on their behalf, and 2% did not attend nor send a replacement.

Members appeared to be slightly more likely to attend the twilight meetings in person that started at 6:00pm (92%), compared to 4:00pm (83%), 5:00pm (77%) and 5:30pm (87%).

Reasons for not attending meetings

14% of the Members completing the survey were prevented from attending any of the twilight Committee meetings because of the time they were conducted, 86% were not.

Reasons why Councillors were prevented from attending twilight meetings revolved around child, grandchild, family and personal commitments.

Feedback on the twilight meetings

54% of Members who had attended a twilight meeting felt the meetings took the same length of time as they normally do, while 23% felt they were shorter. 23% felt that twilight meetings took longer than they usually do.

Opinions towards the twilight meetings were mixed among those who had attended:

- 38% agreed twilight meetings increase public participation in meetings (31% disagreed).
- 38% agreed twilight meetings have a positive impact on work/life balance (41% disagreed).
- 22% agreed twilight meetings have a positive impact on their abilities as Town and Parish Councillors (48% disagreed).

The future of twilight meetings

50% of the Members completing the survey felt the council should continue to conduct Committee meetings during twilight hours, 41% felt it should not, 9% were unsure.

59% of Members completing the survey felt the time of meetings should be left to the committees themselves to determine, 23% felt they should not, 18% were unsure.

Of those who felt the council should continue to conduct Committee meetings during twilight hours, opinion was split over what time they should start, between 6:00pm (32%), 4:00pm (27%), 4:30pm (27%) and 5:00pm (27%).

General comments on twilight meetings

Members were asked if they had any final comments to make about twilight meetings, with responses summarised below.

Support for twilight meetings (13 comments total)

- Twilight meetings are beneficial for Councillors who work, enabling them to attend meetings more easily. Otherwise Councillors have to take annual leave to attend, or to ask for additional time off work.
- It is positive that the council now has more Councillors of working age than a few years ago; this has helped improve democratic representation across a broader spectrum of age ranges.
- Hopeful that this year's twilight meeting trial will be extended into 2025/26 and beyond.
- There should be a mix of daytime and twilight meetings.

Opposition to twilight meetings (13 comments total)

- Officers and council staff shouldn't have to service these meetings after the end of their usual working day, twilight meetings also affect their work life balance.

- Twilight meetings are difficult for those who work into the evenings, and difficult for those with caring responsibilities.
- Twilight meetings are not convenient for residents to attend who have family routines, this also affects members of the public too.
- Travel to meetings is too far with no central location, and public transport is scarce in the evenings.
- Twilight meetings affect the eating routine and make people go hungry.
- Twilight meetings cause havoc with Parish Council meetings.

General comments (24 comments total)

- Twilight meetings should only be conducted during the summer, April to August, and not during winter. Travel is easier when it is lighter, and there is less chance of inclement weather during summer months.
- The lack of central meeting location makes attendance difficult. Most meetings are now being organised in Crewe, which negatively impacts on Councillors and residents who wish to attend from the North of the Borough. Meetings should be in both Crewe and Macclesfield.
- Twilight meetings starting at 4pm or 4:30pm do not help anyone, it's hard to justify a 'twilight meeting' that early. If the start time for a twilight meeting is any earlier than 5.30pm, the benefits are negligible because of the travel time from work to the council offices.
- Consideration needs to be given to the length of the agenda. As meetings go on late items at the end of the agenda do not have the same level of rigour as items earlier in the agenda, as Members of the committee become fatigued. Meetings last too long.

Conclusions

Attendance at twilight meetings

The level of attendance at the twilight meetings was very high, with 98% of the Members who were expected to attend either attending in person, or sending a substitute. This suggests that twilight meetings are not a major barrier to attendance.

Furthermore, just 14% of Members said they were prevented from attending twilight meetings because of the time they were conducted, which seems a relatively small proportion.

The impact of twilight meetings

That said, it is clear that twilight meetings do have a negative impact on the work/life balance of a significant proportion of Members – 41% of Members disagreed twilight meetings have a positive impact on their work/life balance.

Twilight meetings also seem to have a negative impact on a significant proportion of Members in their roles as Town and Parish Councillors, presumably given these meetings also take place during twilight hours. The council should look to mitigate this impact as far as possible if twilight meetings are to continue.

The future of twilight meetings

It should be noted that a marginally larger proportion of Members said twilight meetings should continue (50%) compared to the proportion that said they should not (41%). Twilight meetings do seem to benefit those that work during the day, and as such perhaps lead to improved democratic representation among Members which is positive.

Although this is a marginal net support for twilight meetings, it must be acknowledged that twilight meetings do negatively impact a significant proportion of Members. This could perhaps be mitigated by:

- Only holding twilight meetings during summer months (April to August) when it is lighter for travel in the evenings
- Holding Committee meetings evenly split between Crewe and Macclesfield, to ensure travel distances are fair for all
- Allowing individual Committees to determine the time of their meetings – this was a proposal fairly strongly supported by Members in the survey

Further considerations about twilight meetings include:

- Holding them after 5:30pm – There is some indication attendance is higher the later they are held, and it is felt holding them earlier than this undermines the point of twilight meetings
- Reducing the length of meetings and agendas, and perhaps putting the most significant items at the start of agendas when attendees are freshest
- Considering how twilight meetings impact on Officers and council staff that must attend to ensure they go ahead

Contents

Report produced 19 December 2024 by Ben Buckley of the Research and Consultation Team, Cheshire East Council. Email RandC@cheshireeast.gov.uk for further information.

Introduction

Purpose of the survey

At its meeting held on 27 February 2024, Full Council resolved that ‘each Service Committee, including the Finance Sub Committee, arrange one twilight meeting over the course of its scheduled cycle of meetings during 2024-25’.

During 2024 Cheshire East Council conducted 9 Committee meetings as a trial starting during "twilight" hours e.g. they started between the hours of 4pm and 6pm.

The purpose of this “Cheshire East Members – Twilight Meetings Survey 2024” was to ascertain how Councillors felt about these twilight meetings.

The survey was conducted on behalf of the Constitution Working Group, with results from the survey to be considered by the working group.

The Cheshire East Members - Twilight Meetings Survey 2024 was conducted between 6 November and 1 December 2024.

Survey methodology and response

All 82 Cheshire East Council Members were invited to complete the survey by email on 6 November 2024, with a reminder to complete the survey sent out on 25 November 2024.

In total, 44 Members responded to the survey, giving a 54% response rate.

Of the 44 Members completing the survey, 29 had attended at least one of the 9 twilight meetings that were conducted between 20 June and 30 September 2024.

Level of meeting attendance

Member attendance to the 9 twilight meetings that were held during 2024 was high – 84% of expected Members attended in person, 14% sent a substitute to attend on their behalf, and 2% did not attend nor send a replacement.

Committee	Date	Meeting time	No. present in person	No. that sent a substitute	No. that did not attend
Highways & Transport Committee	20/06/2024	6:00pm	10	1	1
Adults & Health Committee	24/06/2024	6:00pm	13	0	0
Children & Families Committee	16/07/2024	5:30pm	13	2	0
Corporate Policy Committee	21/08/2024	5:30pm	13	2	0
Economy & Growth Committee	10/09/2024	4:00pm	13	2	0
Finance Sub-Committee	12/09/2024	5:00pm	8	1	0
Children & Families Committee	16/09/2024	5:00pm	12	5	0
Economy & Growth Committee	25/09/2024	4:00pm	11	3	1
Cared For Children & Care Leavers Committee	30/09/2024	4:00pm	9	1	0
			102	**17**	**2**

Members were slightly more likely to attend the twilight meetings in person that started at 6:00pm (92%), compared to 4:00pm (83%), 5:00pm (77%) and 5:30pm (87%).

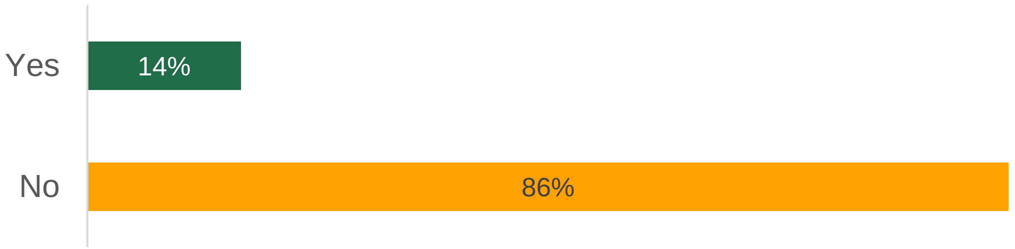
Meeting time	No. of meetings	No. of Members that should have attended	No. of Members that were present in person	% of Members that were present in person
16:00	3	40	33	83%
17:00	2	26	20	77%
17:30	2	30	26	87%
18:00	2	25	23	92%
Total	**9**	**121**	**102**	**84%**

Page 388

Reasons for not attending meetings

14% of the Members completing the survey were prevented from attending any of the twilight Committee meetings because of the time they were conducted, 86% were not.

Were you prevented from attending any of these meetings because of the time they were conducted?



Number of responses = 42

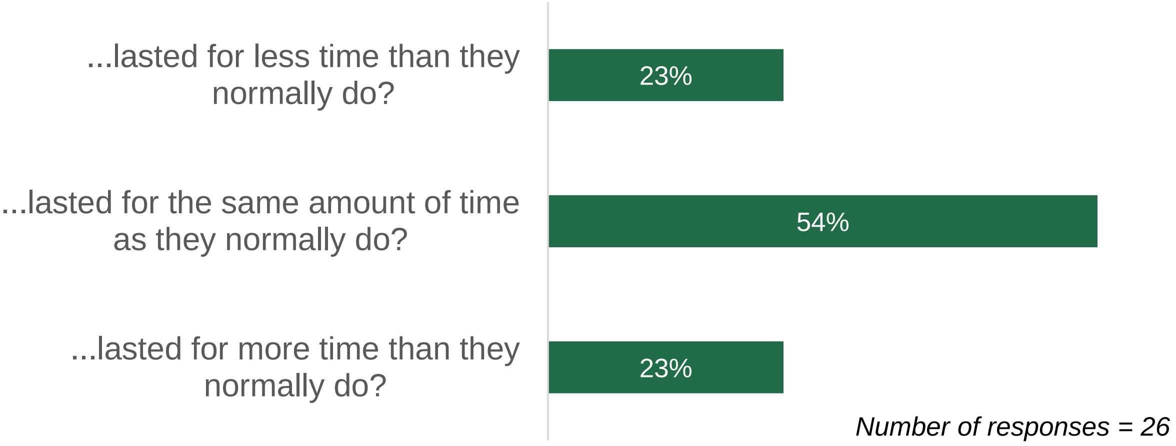
Reasons given as to why Councillors were prevented from attending twilight meetings because of the time they were held included:

- As a mother of dependent children, evenings are very difficult.
- Collection of grandchildren from school.
- Family Care Commitments.
- Personal commitments.

Feedback on the twilight meetings

54% of Members who had attended a twilight meeting felt they lasted the same amount of time as they normally do, while 23% felt they lasted for less time, and 23% felt the lasted for more time than they usually do.

If you have attended a twilight meeting(s), would you say they…

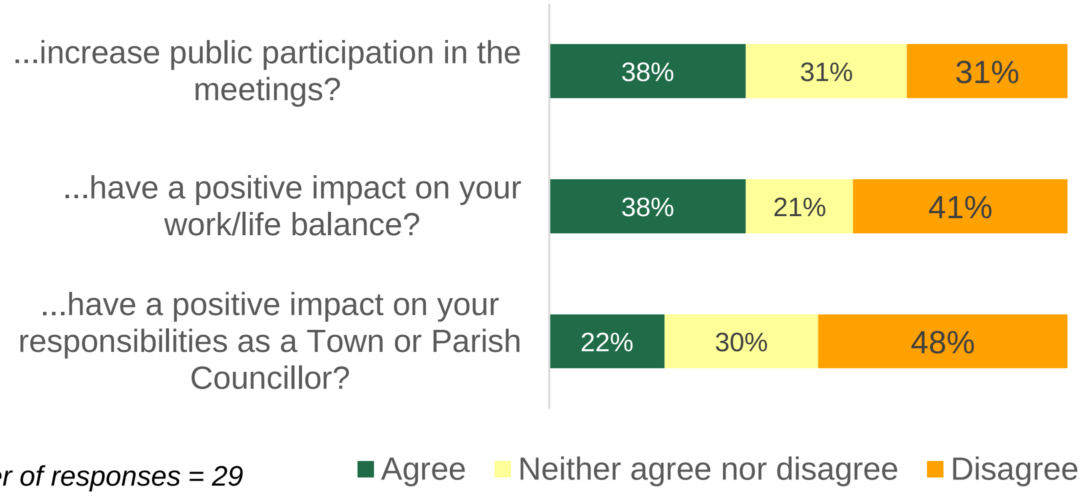


Number of responses = 26

Opinions towards the twilight meetings were mixed among those who had attended:

- 38% agreed twilight meetings increase public participation in meetings, 31% disagreed.
- 38% agreed twilight meetings have a positive impact on work/life balance, 41% disagreed.
- 22% agreed twilight meetings have a positive impact on their abilities as Town and Parish Councillors, 48% disagreed.

Generally speaking, how strongly do you agree or disagree that twilight meetings…



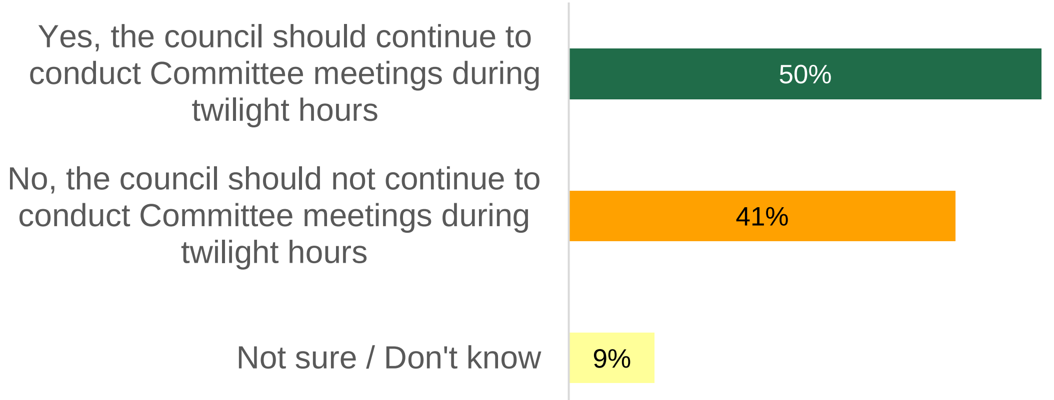
Number of responses = 29

The future of twilight meetings

Should twilight meetings be conducted in future?

50% of the Members completing the survey felt the council should continue to conduct Committee meetings during twilight hours, 41% felt it should not, 9% were unsure.

Overall, do you think the council should continue to conduct Committee meetings during twilight hours?

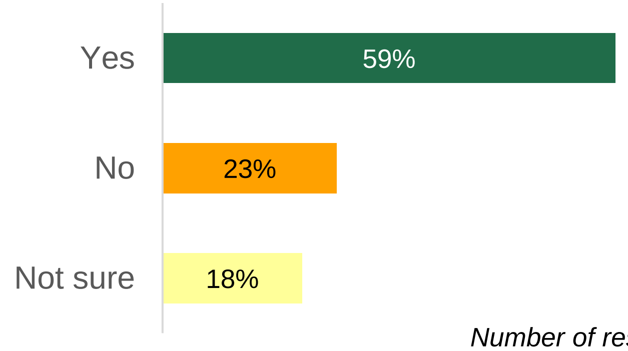


Number of responses = 44

Time of the meetings

59% of Members completing the survey felt the time of meetings should be left to the committees themselves to determine, 23% felt they should not, 18% were unsure.

Do you think the time of meetings should be left to the committees themselves to determine?

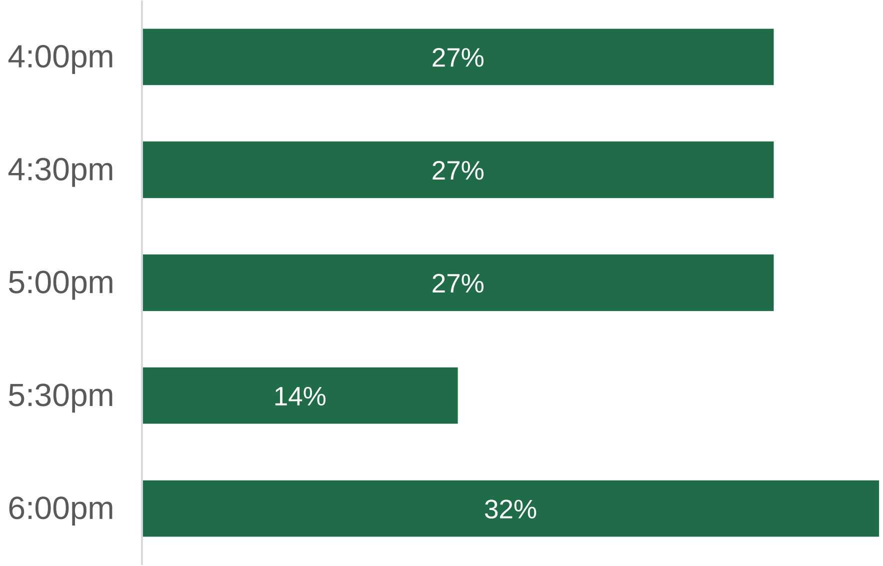


Number of responses = 44

Of those who felt the council should continue to conduct Committee meetings during twilight hours, opinion was split over what time they should start, between 6:00pm

(32%), 4:00pm (27%), 4:30pm (27%) and 5:00pm (27%). Respondents could select up to 2 of the 4 options presented.

If the council were to conduct Committee meetings during twilight hours in future, what time would you prefer them to start?



Number of responses = 22

General comments on twilight meetings

Within the survey, members were asked “Do you have any final comments to make about twilight meetings?”.

In total, 27 Members answered the question, making a total of 50 different comments between them. These comments have been categorised and summarised in the table below.

Support for twilight meetings	**13**
Twilight meetings are beneficial for Councillors who work, enabling them to attend meetings more easily. It makes it very difficult to be a Councillor if all meetings are during the daytime, as people then have to take annual leave to attend, or to ask for additional time off work. The trial has made a significant difference to the ability of some to attend council meetings. The council now has more Councillors of working age than was the case a few years ago, and this has helped improve democratic representation across a broader spectrum of age ranges. This is a positive thing.	8
General support for twilight meetings.	2
Hopeful that this year's twilight meeting trial will be extended into 2025/26 and beyond / More twilight meetings should be considered.	2
There should be a mix of daytime and twilight meetings.	1

Opposition to twilight meetings	**13**
Officers and council staff shouldn't have to service these meetings after the end of their usual working day, twilight meetings also affect their work life balance. This puts an additional strain on Officers, and includes Officers attending the meetings, as well as building support staff.	4
Twilight meetings are difficult for those who work into the evenings, and difficult for those with caring responsibilities.	2
Twilight meetings are not convenient for residents to attend who have family routines, this also affects members of the public too.	2
	2

Travel to meetings is too far with no central location, and public transport is scarce in the evenings.	
General opposition to twilight meetings - "I am totally against these meetings".	1
Twilight meetings affect the eating routine and make people go hungry.	1
Twilight meetings caused havoc with Parish Council meetings, this was juggled as it was a pilot exercise, but it would be difficult to manage on a permanent basis.	1

General comments	**24**
Twilight meetings should only be conducted during the summer, April to August, and not during winter. Travel is easier when it is lighter, and there is less chance of inclement weather during summer months. Night driving in the dark, especially in winter, is extremely unpleasant and even frightening for some, especially for older Councillors. Public transport is also potentially more hazardous in the darker Autumn / Winter months.	9
The lack of central meeting location makes attendance difficult. Most meetings are now being organised in Crewe, which negatively impacts on Councillors and residents who wish to attend from the North of the Borough. Travelling in the winter in the dark for a 3 hour round trip will not encourage people to attend. Meetings are a long way to drive for some. It's a long evening travelling to twilight meetings. Meetings should be in both Crewe and Macclesfield.	6
Twilight meetings starting at 4pm or 4:30pm do not help anyone, it’s hard to justify a ‘twilight meeting’ that early. Meetings at these times still prevented full-time working Councillors from attending. If the start time for a twilight meeting is any earlier than 5.30pm, the benefits are negligible because of the travel time involved from work to the council offices. Twilight meetings should also start at 7pm.	5
Consideration needs to be given to the length of the agenda. Children and Families Committee have significant agendas which are not well planned as noting issues tend to be at the beginning, and decision items later in the agenda. As the meeting goes on late the items at the end of the agenda do not have the same level of rigour as items earlier in the agenda, as Members of the committee become fatigued. Meetings last too long.	2

Daytime meetings can only be attended by those who work by taking annual leave.	1
For the question about whether Committees should decide on the time of meetings it is not clear if this is deciding on whether to have twilight meetings or not, or just deciding what time twilight meetings should happen e.g. 4pm or 6pm.	1

Conclusions

Attendance at twilight meetings

The level of attendance at the twilight meetings was very high, with 98% of the Members who were expected to attend either attending in person, or sending a substitute. This suggests that twilight meetings are not a major barrier to attendance.

Furthermore, just 14% of Members said they were prevented from attending twilight meetings because of the time they were conducted, which seems a relatively small proportion.

The impact of twilight meetings

That said, it is clear that twilight meetings do have a negative impact on the work/life balance of a significant proportion of Members – 41% of Members disagreed twilight meetings have a positive impact on their work/life balance.

Twilight meetings also seem to have a negative impact on a significant proportion of Members in their roles as Town and Parish Councillors, presumably given these meetings also take place during twilight hours. The council should look to mitigate this impact as far as possible if twilight meetings are to continue.

The future of twilight meetings

It should be noted that a marginally larger proportion of Members said twilight meetings should continue (50%) compared to the proportion that said they should not (41%). Twilight meetings do seem to benefit those that work during the day, and as such perhaps lead to improved democratic representation among Members which is positive.

Although this is a marginal net support for twilight meetings, it must be acknowledged that twilight meetings do negatively impact a significant proportion of Members. This could perhaps be mitigated by:

- Only holding twilight meetings during summer months (April to August) when it is lighter for travel in the evenings
- Holding Committee meetings evenly split between Crewe and Macclesfield, to ensure travel distances are fair for all
- Allowing individual Committees to determine the time of their meetings – this was a proposal fairly strongly supported by Members in the survey

Further considerations about twilight meetings include:

- Holding them after 5:30pm – There is some indication attendance is higher the later they are held, and it is felt holding them earlier than this undermines the point of twilight meetings
- Reducing the length of meetings and agendas, and perhaps putting the most significant items at the start of agendas when attendees are freshest
- Considering how twilight meetings impact on Officers and council staff that must attend to ensure they go ahead

Cheshire East Council

COUNCIL MEETING – 26 FEBRUARY 2025

RECOMMENDATION FROM FINANCE SUB COMMITTEE: APPROVAL OF SUPPLEMENTARY REVENUE ESTIMATES

RECOMMENDATION

That Council approve the Supplementary Revenue Estimate request for Allocation of Additional Grant Funding over £1,000,000 as set out in Annex 1, Section 3, Table 1.

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38 THIRD FINANCIAL REVIEW OF 2024/25

The Committee considered the report which provided an update on the current forecast outturn position for the financial year 2024-25 based on income, expenditure and known commitments as at the end of October 2024. The Third Financial Review (FR3) forecast revenue outturn was reported as an adverse variance of £18.3m (prior to the application of any Exceptional Financial Support) which was an improvement of £1.8m from Financial Review 2 (FR2). It was agreed that whilst there had been some improvement, the forecast overspend of £18.3m remained a significant financial challenge for the Council and that the level of reserves was insufficient to cover the current forecasted revenue outturn for the year, without any further action.

The Committee sought clarity on the proposal to utilise the £17.6m conditional Exceptional Financial Support (EFS) to balance the forecasted year-end overspend, and also the information set out within appendix D of the Medium-Term Financial Strategy report (item 6) relating to council tax. It was confirmed that EFS in general could take the form of either a capitalisation direction (which could be funded through borrowing, or using capital receipts), or through requesting flexibility around setting council tax rates.

The 2024-25 council tax had been set at 5% (being 3% general council tax; and 2% for adult social care precept). Consequently, it was clarified that any EFS utilised in respect of the 2024/25 financial year would be in the form of a capitalisation direction (enabling the Council to achieve a balanced outturn, via the capitalisation of revenue budget pressures).

It was also clarified that the ability to set higher council tax rates was only announced as a potential option, for local authorities needing exceptional financial support, very recently at the end of November 2024 as part of the Finance Policy just ahead of the Provisional Local Government Finance Settlement. Local authorities would not be able to raise taxes by a higher amount than the referendum limit of 5%, without first gaining permission from the Ministry of Housing, Communities and Local Government (MHCLG) to have flexibility for a higher limit. It was confirmed that no decision had been made in relation setting a higher rate of council tax in Cheshire East, and that doing so would remain a decision for Full Council.

The recommendations were proposed and seconded and following the debate a recorded vote on recommendation 2 was requested with the following results:

FOR

Councillors Lata Anderson, Dawn Clark, Alan Coiley and Brian Drake.

NOT VOTING

Councillors David Brown, Janet Clowes, Stewart Gardiner and Reg Kain.

The motion was declared carried with 4 votes for and 4 not voting.

The Committee voted on recommendations 1, 3, 4, 5 and 6 together. Recommendation 2 was voted upon separately.

RESOLVED (unanimously):

That the Finance Sub Committee

1. Note the factors leading to a forecast adverse Net Revenue financial pressure of £18.3M against a revised budget of £390.5m (4.7%) and note the contents of Annex 1, Section 2 and the progress on the delivery of the MTFS approved budget policy change items, the RAG ratings and latest forecasts, and also note the actions being undertaken to address any adverse variances from the approved budget.

3. Note the in-year forecast capital spending of £144.7m against an approved MTFS budget of£215.8m, due to slippage that has been re-profiled into future years.

4. Note the available reserves position as set out in Annex 1, Section 5.

5. **Recommend to Full Council the approval of the Supplementary Revenue Estimate request for Allocation of Additional Grant Funding over £1,000,000 as set out in Annex 1, Section 3, Table 1.**

6. Note the Capital Virements above £500,000 up to and including £5,000,000 as set out in Annex 1, Section 4, Table 4 will be approved in accordance with the Council's Constitution.

RESOLVED (by majority):

That the Finance Sub Committee

2. Approve the utilisation of the £17.6m conditional Exceptional Financial Support to balance the forecast overspend at the year-end in order to protect and minimise the use of reserves.

OPEN

Finance Sub-Committee

Thursday, 9 January 2025

Third Financial Review of 2024/25

Report of: Adele Taylor, Interim Executive Director of Resources (Section 151 Officer)

Report Reference No: FSC/13/24-24

Ward(s) Affected: Not applicable

For Decision or Scrutiny: Both

Purpose of Report

1 This report provides the current forecast outturn for the financial year 2024/25 based on our income, expenditure and known commitments as at the end of October 2024. It also identifies actions that are being taken to address adverse variances to urgently address our financial sustainability.

2 The report provides the forecast outturn for all services, to provide Members with contextual information on the position for the whole Council. Members are asked to focus their scrutiny on the forecasts and supporting information relating to services within the remit of the Committee whilst understanding the overall context as a whole.

3 The report highlights any changes and external pressures that are impacting the Council since setting the budget in February 2024. Annex 1, Section 2 of the report highlights what the Council is forecasting to achieve as part of the 2024/25 approved budget changes per line (growth and savings).

4 As set out in previous Financial Reviews, the requirement to continue to identify further actions in order to bring the Council back to a position where we are living within our means remains, and it will be important that these actions are closely monitored, and appropriate action taken to manage our resources. This report includes information on the actions that are currently underway.

5 Reporting the financial forecast outturn at this stage, and in this format, supports the Council's vision to be an open Council as set out in the Cheshire East Council Plan 2024/25. In particular, the priorities for an open and enabling organisation, ensure that there is transparency in all aspects of council decision making.

6 The report also requests member approval for amendments to the Council's budget in line with authorisation levels within the Constitution.

Executive Summary

7 The Council operates a financial cycle of planning, review, management and reporting. This report ensures that we review where we are and provides a forecast **outturn** position for the 2024/25 financial year whilst also identifying the actions that need to be taken to manage our overall resources. The information in this report also supports planning for next year's budget by identifying issues that may have medium term impacts.

8 The Council set its 2024/25 annual budget in February 2024. The budget was balanced, as required by statute, with planned use of reserves of £22m, plus £30m of savings to achieve in year, and included important assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2024 to 2028.

9 The Third Financial Review (FR3) forecast revenue outturn is an **adverse variance of £18.3m** (prior to the application of any Exceptional Financial Support), an improvement **of £1.8**m from FR2, as detailed below in **Table 1**:

Table 1 2024/25 FR3	**Revised Budget (NET) £m**	**Forecast Outturn £m**	**Forecast Variance £m**	**Forecast Variance FR2 £m**	**Movement from FR2 to FR3 £m**
Service Committee					
Adults and Health	138.0	157.9	20.0	20.8	(0.8)
Children and Families	93.0	98.5	5.4	5.4	0.0
Corporate Policy	41.9	44.4	2.5	2.4	0.1
Economy and Growth	28.1	24.3	(3.8)	(3.3)	(0.5)
Environment and Communities	48.4	47.8	(0.6)	(0.1)	(0.5)
Highways and Transport	16.0	15.5	(0.5)	(0.6)	0.1
					-
Sub-Committee					
Finance Sub:					-
Central Budgets	25.1	20.5	(4.6)	(4.5)	(0.2)
Funding	(390.5)	(390.5)	-	0.0	(0.0)
					-
TOTAL	**(0.0)**	**18.3**	**18.3**	**20.1**	**(1.8)**

10 Whilst an improvement on the Second Financial Review of £1.8m (see mitigations in para 28), the forecast overspend of £18.3m remains a significant financial challenge for the Council. The FR3 forecast reserves, after agreed movements budgeted for in the 2024-28 MTFS, are currently £14.0m, being £4.5m of General Fund Reserves and £9.5m of Earmarked Reserves. The Council's level of reserves is therefore insufficient to cover the current forecast revenue outturn for the year without further action.

Table 2: Proposed use of Exceptional Financial Support and Reserves as at FR3

Exceptional Financial Support & Reserves FR3	**£m**
FR3 Forecast Overspend	18.3
Exceptional Financial Support	(17.6)
Forecast Tfr from Reserves	(0.7)
24/25 Outturn	**-**
Reserves	
General Fund	4.5
Earmarked Reserves	9.5
Original Forecast at 31st March 2025	**14.0**
Forecast Transformation spend 2024/25	(4.1)
Forecast Tfr from Reserves	(0.7)
Forecast Total Reserves at 31st March 2025	**9.2**

11 As noted in para. 9 above, the forecast adverse variance of £18.3m does not assume the use of the Exceptional Finance Support (EFS) that was requested in 2023/24 and 2024/25 and was agreed in principle, subject to a number of conditions being satisfied, including the submission of a transformation plan at the end of August 2024. It also does not assume the cost of accepting that EFS support which would impact on the cost of borrowing over the medium term.

12 A further condition of the EFS was that an independent review was undertaken by CIPFA on behalf of MHCLG to understand the Council's financial management and sustainability. The review was commissioned by and for MHCLG and the Council has not yet had sight of this review to understand any implications or improvements that could be made to existing processes. This was submitted to MHCLG in August 2024

13 In order to address the risk to services from the Council's budgetary pressures, there was an urgent report to Council on the 11th December 2024 on Exceptional Financial Support (EFS). The report sought the authority for the Chief Executive to request that the in-principle EFS of up to £17.6m by way of a capitalisation direction for 2023/24 and 2024/25 be able to be applied only in 2024/25, from the Secretary of State for Housing, Communities and Local Government in order to address the Council's budgetary pressures during the financial year 2024/25. The full report can

be found here: CEC Report Template. In addition, the report also addresses the current risks that are identified and considered in the model for the Medium Term Financial Plan (MTFP), as per the report to Corporate Policy Committee on Thursday 28th November 2024 (Item49), hence further requests for 2025/26 of £31.4m and indications of £23.7m for 2026/27 should also be requested, alongside all of the supporting evidence and information requested by MHCLG. The costs of accepting the EFS support will impact over the medium term. The financing of planned use of EFS will be reflected in the MTFP report to Corporate Policy Committee in February. The financing will also reflect that the first call on any capital receipts, over and above the £2m accounted for in the approved revenue budget, will be utilised to finance the EFS.

14 As indicated in Table 2, the FR3 report, recognising the requests in the urgent report to Council on 11 December 2024, is proposing to utilise the full £17.6m conditional EFS to cover the forecast adverse variance in 2024/25 in order to protect and minimise the use of reserves. Table 2 identifies that the FR3 forecast remaining adverse balance of £0.7m is forecast to be funded from Reserves however urgent action continues to further reduce the overspend by the year end. Should the FR3 forecast position prevail at out-turn then the balance of reserves will be £9.2m after applying the whole £17.6m EFS and £0.7m from reserves.

15 There remains a risk that pressures leading to the latest FR3 forecast position may increase that shortfall figure if further rapid action does not take place to stabilise our financial position.

16 The FR3 forecast position for capital spending for 2024/25 indicates forecast capital expenditure of £144.7m against the MTFS budget of £215.8m (FR2 £157.7m).

17 **Table 3** sets out the capital programme profiling changes from FR2:

Table 3	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s	2027/28 Estimate £000s	2024/28 Total £000s
Capital Programme FR2	157,661	151,770	115,852	225,173	650,456
Funded by:					
Borrowing	45,101	57,996	14,802	25,044	142,943
Grants and other contributions	112,560	93,774	101,050	200,129	507,513
	157,661	151,770	115,852	225,173	650,456
Capital Programme FR3	144,670	157,134	104,400	243,852	650,056
Funded by:					
Borrowing	40,967	51,807	19,093	29,245	141,112
Grants and other contributions	103,703	105,327	85,307	214,607	508,944
	144,670	157,134	104,400	243,852	650,056
Movement from FR2	(12,991)	5,364	(11,452)	18,679	(400)

18 All of the current schemes requiring borrowing have been reviewed by the Executive Directors and Directors and they have indicated that most schemes need to continue for various reasons (e.g. provision of sufficient SEND school place schemes are part of the mitigation plans agreed with the

DfE prior to the award of additional High Needs Funding; the Strategic Leisure Review is an invest to save scheme as are Fleet EV Transition and Fleet Vehicle Electric Charging; Public Sector Decarbonisation Schemes require match funding to support the grant and will bring energy efficiencies).

19 There have been some schemes where reductions have been made, for example the Children's Home Sufficiency Scheme has been reduced by £0.69m and the review of Household Waste Recycling centres has been reduced by £1m, and a few schemes are proposed to be removed altogether as they are considered unaffordable. e.g. the Strategic Capital scheme £6.8m.

20 Changes to the capital programme at this stage of the year will have a limited impact on the current year financial position but reductions in borrowing achieved through the capital review will be reflected in the revenue position each year in the MTFS for 2025-29.

21 In order to maintain the current level of scrutiny of capital projects and their financing a new Capital Programme Board will be set up in January. Please see the MTFS Consultation report for further detail.

22 The current forecast for achievable capital receipts in year is £2.3m, with a further £0.8m also achievable in year. These receipts can be used to reduce revenue pressures from borrowing in year or could be used to assist with funding of transformation activity.

23 Following a Balance Sheet Review by our Treasury Advisors, Arlingclose Ltd, we are reviewing our current Minimum Revenue Provision (MRP) and Capital Financing Requirement (CFR) policy with a view to bringing it in closer alignment with CIPFA Guidance. The Council currently uses a 2% annuity rate on all its unfinanced capital expenditure. This rate was originally set in 2017 and does not bear any resemblance to the current cost of the borrowing, nor distinguish between assets which have different useful lives. Options to change the rate applied to a rate more reflective of actual borrowing costs and asset life are being considered with effect from 1 April 2024. Should any changes be proposed then these will be reported in the MTFS report to the Corporate Policy Committee in February 2025 setting out the change in Accounting Policy and the effects of the change on the 2024/25 out-turn position and future year impacts through the MTFS.

24 Any such changes to the policy would need to be made in the current year due to new regulations coming in from 1st April 2025 and would therefore have the benefit of reducing the current year charge to revenue with a betterment to the overall outturn position. This has not yet been included in the figures reported within this document. However, making such a change has long term implications and therefore should not be undertaken without discussion with our auditors.

25 The Strategic Finance Management Board leads on a number of key tasks to urgently reduce spend and identify additional savings, including:

- Line-by-line reviews of all budgets to further identify immediately any underspends and/or additional funding;
- Stop any non-essential spend;
- Actively manage vacancies, particularly agency usage and reduce any overspends on staffing as soon as possible;
- Review of Section 106 legacy budgets, the effects of which are partly reflected in the FR3 forecast outturn as a one-off contribution to reserves (to be further updated by out-turn);
- Reducing the borrowing elements of the capital programme to minimise the minimum revenue provision and interest payable.
- Review of capital receipts available and potential surplus assets that can be sold (for best consideration);
- Identification of any other areas of discretionary spend including grants awarded, where spend can be reduced or stopped;
- Review Debt management/overall level of bad debt provision – work undertaken to date, focussing on the Adult Social Care bad debt provision, has identified through adopting a new approach to reviewing and monitoring these debts, an improvement (reduction) of the Council’s bad debt provision of £1.1m, further work is ongoing and will be updated at Out-turn.

Overall mitigations planned to manage pressures

26 The Strategic Finance Management Board is leading on a number of key tasks to urgently reduce spend and identify additional savings as noted above.

27 In addition, any directorate that is identified as being off target by more than 5% is now subject to a detailed finance and performance review on a weekly basis through a financial recovery review process. This includes a detailed action plan, identifying what can be done to sustainably reduce the pressure and gaining assurance over the management of those actions to deliver improved financial outturns. This process has been put in place for Adults Services and Children and Families and is being chaired by the S151 Officer.

28 As reported in paragraphs 34-55 below, work is underway across all Services to look at mitigating actions which can be taken to reduce the forecast position in-year, some of the actions below having contributed to the £8.2m improvement from FR1 position of £26.5m adverse, including:

- Adults - more certainty about the FR2 projections and the delivery of in-year mitigations, including a reduction in the forecast number of placements in-year.

- Children & Families – reviewing costs of placements, establishment reviews, Reunification of children, and Work on Edge of Care Service proposals to identify early intervention and cost reduction.
- Place Services – mitigations in year through further vacancy management, reducing expenditure and maximising funding opportunities.
- Corporate – Vacancy management and some additional income.
- Finance Sub – S106 and bad debt reviews generating one-off in year contributions to assist in reducing the in year overspend and review/reset process moving forward.

29 Paragraphs 56-57 below provides a summary overview of the forecast against the approved 2024/25 budget change items, including RAG rating. In addition, there is further detail per change item with accompanying commentary, as reviewed by the Council's Corporate Leadership Team, in respect of each item within **Annex 1, Section 2**.

30 **Annex 1: Detailed Third Financial Review 2024/25**

- **Section 1** 2024/25 Forecast Outturn
- **Section 2** 2024/25 Approved Budget Change Items
- **Section 3** Revenue Grants for approval
- **Section 4** Capital
- **Section 5** Reserves
- **Section 6** Treasury Management

Annex 2: 2024/25 Capital Monitoring

RECOMMENDATIONS

The Finance Sub Committee to:

1. Review the factors leading to a forecast adverse Net Revenue financial pressure of £18.3m against a revised budget of £390.5m (4.7%). To scrutinise the contents of **Annex 1, Section 2** and review progress on the delivery of the MTFS approved budget policy change items, the RAG ratings and latest forecasts, and to understand the actions to be taken to address any adverse variances from the approved budget.

2. To approve the utilisation of the £17.6m conditional Exceptional Financial Support to balance the forecast overspend at the year-end in order to protect and minimise the use of reserves.

3. Review the in-year forecast capital spending of £144.7m against an approved

MTFS budget of £215.8m, due to slippage that has been re-profiled into future years.

4. Note the available reserves position as per **Annex 1, Section 5**.

5. Recommend to Council to approve the Supplementary Revenue Estimate Request for Allocation of Additional Grant Funding over £1,000,000 as per **Annex 1, Section 3, Table 1**.

6. Note the Capital Virements above £500,000 up to and including £5,000,000 as per **Annex 1, Section 4, Table 4** will be approved in accordance with the Council's Constitution.

Background

31 This single view of the financial picture of the Council provides the overall financial context.

32 The management structure of the Council is organised into four directorates: Adults, Health and Integration; Children's Services; Place; and Corporate Services. The Council's reporting structure provides forecasts of a potential year-end outturn within each directorate during the year, as well as highlighting activity carried out in support of each outcome contained within the Corporate Plan. Budget holders are responsible for ensuring they manage their resources in line with the objectives of the Council and within the approved budget.

33 For the purposes of each committee, these directorate budgets are aligned to a specific committee and the appendices to this report provides information at a level that the committee should have the ability to be able to scrutinise what is causing any variations in budget and appropriate actions to bring the council back into line in terms of managing its resources.

Key issues causing the pressures

34 There are a number of key issues causing the forecast revenue overspend, including: Update as required :

- Ongoing adverse effects of the extended period of high inflation and interest rates;
- Continued increasing demand and complexity of care beyond the levels that had been previously identified;
- Increase in staff costs, including use of agency staff and impact of National Living Wage which also impacts on our third party commissioned contracts;

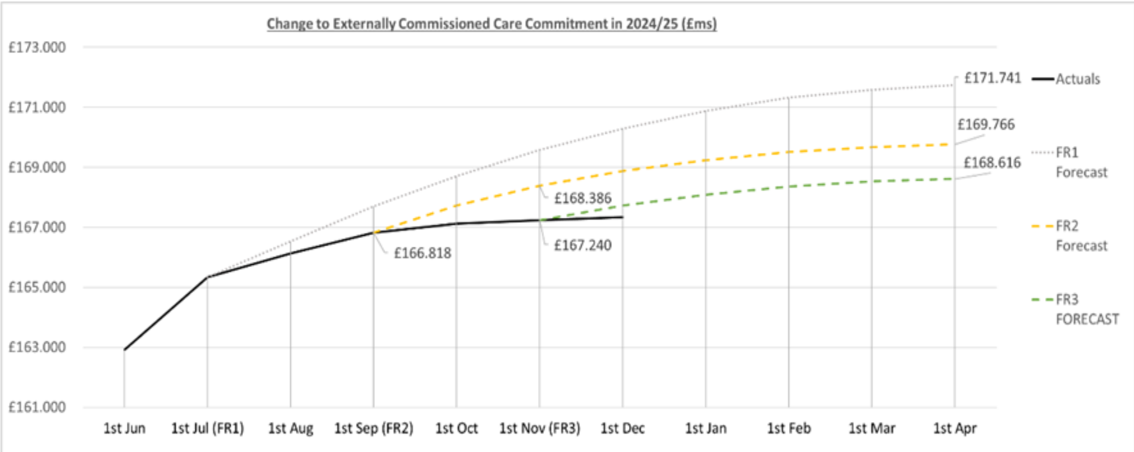
- Increased borrowing costs associated with the unfunded Dedicated Schools Grant (DSG) deficit;
- Non delivery of some previously agreed savings and/or income targets;
- The financial impact of investment in transformation and improvement activity over the medium term.

Specific commentary on the forecast outturn position by Committee

Adults and Health adverse variance of £20.0m

35 The Adults, Health and Integration budget is forecast to overspend by £19.956m. The £19.956m is primarily driven by an overspend of c£23m linked to care costs and pressures on staffing of c£2.m. These pressures are reduced by a variance client income of c£4m, and other mitigations c£1m. The key drivers of forecast expenditure remain price increases, staff costs and increase in complexity.

36 The FR3 position has improved by c£700k from the FR2 forecast. This reflects the progress made to mitigate future demand. There is more certainty about the projections and the delivery of in-year mitigations, including a reduction in the forecast number of future placements in-year as shown in the graph below.



37 As noted previously the key driver of expenditure in adult social care is the number of people in receipt of care and the cost of each individual's care. The forecast has stabilised because we believe we will make fewer new placements in the second half of the year than we made in the first half of the year.

38 There is close alignment between the work being undertaken to manage budget pressures and the transformation plan. There will be some impact in-year including in respect of pricing, the focus on the review of supported living services, and services to support people at home. However, there are

also risks including the reduction in the number of agency staff which has led to an increase in waiting times for services and disputes with providers in respect of price increases. In addition, the NHS is currently reporting unprecedented levels of demand in the pre-Christmas period.

Children and Families adverse variance of £5.4m

39 At the end of the last financial year the outturn for Children and Families was an overspend of £8.2m. The Medium-Term Financial Strategy included growth to address the pressures that were emerging throughout 2023/24. The costs of children's social care are a concern for many local authorities and not unique to Cheshire East. The Third Financial Review for 2024/25 reflects a £5.4m in-year pressure. Although the overall position remains the same as at the Second Financial Review, there was an increase in Social Care Cost relating to cost of agency staff and unaccompanied asylum-seeking children, offset by improvement in transport and catering forecast, reduced staffing cost due to vacancy management and use of grants in Education, Strong Start and Integration.

The key pressure areas for the directorate include:

40 Children's social care placements (£2.6m adverse variance) where the complexity of children in care has continued to increase and the number of children in care has increased from 528 at April 2024 to 556 at October 2024 (compared to a decrease from 586 at April 2023 to 551 at October 2023). Placement costs are increasing by significantly more than inflation and more than was projected for growth in-year.

41 The use and cost of agency staff in children's social care to cover vacancies, sick absence, and maternity leave.

42 The number of staff is greater than the planned establishment to ensure we are able to meet our statutory needs. Work is underway to ensure the staffing structure is suitably funded and factored into the MTFS for 2025/26.

43 Home to school transport costs (£0.1m adverse variance) – where a mix of increasing numbers of pupils with an education, health and care plan (EHCP), and increasing fuel costs have seen overall costs rise.

44 Schools Catering (£0.4m adverse variance) – where the costs of the service are above the current charged income level and base budget.

45 Work is underway in the services to look at mitigating actions which can be taken to reduce this forecast position in-year, and these pressures will be considered as part of the developing MTFS for 2025/26. These include:

- Reviewing costs of placements as more detailed reviews are underway focusing on the expected length that some placements may need to be in place for;

- Staffing establishment reviews now scheduled on a 6 weekly basis including a review of agency staff and alternative working;
- Reunification children to be identified with targeted work in place for individual cases;
- Tracking of similar spend across teams to be held in the same place as residential and supported accommodation spend to increase overall grip and understanding;
- Work on Edge of Care Service proposals to identify early intervention that may reduce admissions and costs.

Dedicated School Grant (DSG)

46 The key pressure on DSG relates to the high needs block where the SEND service continues to see a significant increase in the number of pupils with an EHCPs, and the associated school placement costs.

47 This has placed pressure on the grant used to provide funding for children with SEND in various settings and led to a £31.7m deficit in 2023/24. This adds on to the brought forward deficit of £46.9m to take the DSG Reserve to a £78.6m deficit position at the end of 2023/24.

48 This is an improvement on the budget gap as determined by the Council’s DSG Management Plan that was reported to Children and Families Committee in April 2024 and set out the planned expenditure and income on high needs over the medium term.

49 The current forecast is showing an in-year deficit of £37.1m which would increase the overall deficit to £115.7m.

Corporate Policy adverse variance of £2.5m

50 The Corporate Services Directorate has a net budget of £41.7m. At Third Finance Review (FR3), the budget is forecast to overspend by £2.5m compared to a £2.4m overspend at Second Finance Review (FR2). The costs of the Transformation Programme are included in the above figures adding a £3.7m pressure to the forecast (£2.8m at FR2). Without this, the forecast would be a £1.2m underspend (£0.5m at FR2). It also must be noted that, following a recent review of staffing establishments, there are pending staffing budgets realignments to be actioned which will change individual service forecasts but not the overall figure for Corporate Services.

- Vacancy management in Corporate Services has resulted in the majority of services forecasting an underspend on staffing budgets totalling £2.4m (£2.1m at FR2). There is a staff budget pressure of £0.1m across Corporate Services relating to the estimated impact of the latest pay award offer versus the amount included in the MTFS however, due to the level of vacancies across the service, this is not an in-year pressure;

- Vacancy management has been combined with tighter control on non-pay spending across all services which is achieving a forecast underspend of £1.0m (£0.7m FR2);

- Additional income in the Registrations Service, and additional grant income in the Benefits Service.

However, these underspends have been offset by the following:

- Forecast spend of £3.7m (£2.8m FR2) on the Transformation Programme. The cost of the programme will be met from reserves or use of flexible capital receipts, the financial impact of these are shown elsewhere in the accounts;

- A forecast £1.4m (£1.3m FR2) under-recovery of Rent Allowances;

- A forecast overspend of £0.5m (£0.4m FR2) on the Transactional Service Centre (TSC), hosted by Cheshire West and Chester, mainly due to the additional costs of the stabilisation programme which has been put in place to improve the performance of the service and recognises the need to change the way in which Unit4 is used. This was an issue highlighted in the Corporate Peer Review;

- There is a forecast overspend in Accountancy mainly due to of £0.3m additional costs including Bank Charges and External Audit fees.

Place Directorate favourable variance of £4.9m

51 Overall, the Place Directorate is forecasting an underspend of £4.9m at the Third Financial Review stage against a £92.5m budget. This represents a £0.9m improvement from FR2. Pressures from reducing planning application income (£0.5m), increased waste collection and disposal costs (£0.5m) and yet to be secured savings against leisure (£0.4m) have been mitigated through further vacancy management, reducing expenditure and maximising funding opportunities.

Economy & Growth favourable variance of £3.8m

52 Growth and Enterprise Directorate and Place Directorate are forecasting an underspend of £3.6m against a net budget of £28.1m. The key reasons for the underspend are:

- Facilities Management: there is a £1.7m underspend forecast. This includes pressures against maintenance budgets of £0.5m (additional pressures and delivery of savings), costs of workplace initiatives and equipment of £0.4m, the transfer of underspends to offset Place MTFS targets across the Directorate £0.6m and these have been offset by:

- Savings against gas and electricity compared to much higher budgeted costs £3.0m.
- Business rates underspend of £0.2m due to revaluations and appeals.
- Underspends from vacancy management £0.5m.

- Economic Development: £0.3m underspend from vacancy management, reduced supplies £0.1m and increased income £0.1m.
- Housing: £0.6m underspend from vacancies and extra grant funding.
- Green infrastructure and Cultural Economy £0.4m due to vacancies.

Environment & Communities favourable variance of £0.6m

53 Environment and Neighbourhood Services is forecasting an underspend of £0.6m against a net budget of £48.4m. This is a £0.5m improvement from FR2. The key reasons for the forecasting underspend are:

- Development Management: £0.2m overspend reflecting pressures from a shortfall in income from planning applications £0.5m and pressures on supplies and services of £0.1m. These are offset by vacancy management £0.4m.
- Environmental – Commissioning: Orbitas £0.2m underspend overall due to better income performance.
- Libraries: £0.1m overspend including pressures of £0.5m from the delivery of the MTFS savings which is offset by £0.3m vacancy management and £0.1m underspend from MTFS growth for exploring a charitable trust model.
- Leisure Commissioning: £0.4m overspend (delivery of MTFS savings)
- Other service issues: £1.1m underspend:
    - Building Control: £0.3m underspend (£0.1m pressure on income offset by £0.4m vacancies).
    - Local Land Charges and Planning Support: £0.2m underspend from vacancies.
    - Strategic Planning: £0.4m (£0.2m vacancy management plus £0.2m delayed Local Plan costs).

- Regulatory Services: £0.2m (£0.3m vacancies offset by £0.1m CCTV costs).

Highways & Transport favourable variance of £0.5m

54 Highways & Infrastructure are forecasting an underspend of £0.5m against a net budget of £16m. This is a slight worsening of £0.1m since FR2 due to delayed car park income. The key reasons for the underspend are due to vacancies across Car Parking, Strategic Transport and Rail and Transport Integration.

Finance Sub favourable variance of £4.6m

55 Finance Sub Committee are reporting a positive variance of £4.6m against a revised net budget of £25.1m.

- Financing and Investment £0.5m net pressure reflecting £2.1m increased cost of interest payments on borrowing offset by £1.6m increased interest receipts from investments.
- Reserves use of £3.6m (net change from MTFS) reflects £0.5m additional Flexible Capital Receipts offset by £1m reduction in available Capital Financing Reserve at outturn compared to forecast balance reflected in the February 2024 MTFS. There is also an additional £4.1m use of the General Fund reserve forecast to fund transformation activities.
- There is a further £1.5m positive variance as a result of in year reviews of S106 balances/schemes and bad debt. The S106 Review identifying a one off contribution in year where work has been completed in prior years but has not been reflected in transferring money from S106 into the general fund, £0.5m initially reflected at FR2 with potential for further increased contributions at FR3; £01.1m reduction in the Adult Social Care bad debt provision, as referred to in para 73 below.

Progress on delivery of the 2024/25 approved budget change items

56 Table 5 presents a summary of the progress on the delivery of the 2024/25 approved budget change items. For items rated as Amber these are for items where there are risks and/or mitigating actions in place. For items rated as red these are for items where services are projecting an adverse variance and there is risk of in year non delivery/achievement. New mitigation items have also been included that have come forward since the approval of the MTFS to help the in-year position where identified.

57 As the green and blue columns show, £35.4m of the budget change items are either delivered or on track to be delivered or even exceed in some cases. However, there is also a pressure of £52.9m as shown in the red column that has a high risk of not being achieved within this financial year. There are new in year mitigations of £11m, unrelated to the change item rows that have been identified to assist the outturn position. The table below summarises the progress by Committee:

Table 5: Summary of the progress on the delivery of the 2024/25 approved budget change items

Committee	Approved Change Budget £'000	Forecast Outturn £'000	Completed £'000	Could Exceed £'000	Green £'000	Amber £'000	Red £'000	Mitigations £'000
Adults & Health	1,136	21,092	-2,723	0	-9,216	0	33,625	-594
Children & Families	9,909	15,315	965	0	-764	214	14,017	883
Corporate Policy	494	2,954	-173	0	-117	0	1,581	1,663
Economy & Growth	3,316	-449	-61	0	3,866	-585	940	-4,609
Environment & Communities	-52	-688	875	-1,480	-268	47	2,397	-2,259
Finance Sub	-19,668	-24,294	600	0	-29,279	9,974	0	-5,589
Highways & Transport	4,869	4,335	2,488	0	1,700	275	328	-456
TOTAL	**-1**	**18,265**	**1,971**	**-1,480**	**-34,077**	**9,925**	**52,888**	**-10,961**

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

Revenue Grants for Approval

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

Reserves Position

60 On 1 April 2024, Earmarked Reserves totalled £32.278m and the General Fund Reserve Balance totalled £5.580m. Of the total earmarked reserves, more than £22m (70.5%) will be spent in 2024/25, on supporting the revenue budget for 2024/25.

61 Table 6 and 7 shows the forecast level of Earmarked and General reserves by the end of 2024/25.

62 As part of the 2023/24 Out-turn, some Earmarked reserves planned to be spent in 2023/24 were not fully spent in year and therefore an additional slipped amount of Earmarked reserves were brought forward into 2024/25. There is planned spend in place for these earmarked reserves across Services however there is no current approval in place as they were not specifically reported for approval in the MTFS approved in February 2024. Table 6 below and the tables in Annex 1, Section 5 detail by Committee the reserves as an indicative scenario. Recognising that there is existing planned spend against these earmarked reserves in 2024/25 and also the desired outcome of ensuring e that the position on reserves is protected such that the out-turn forecast is not further worsened, it is proposed that the Corporate Leadership Team (CLT) carry out a strategic review of existing in-principle decisions on use of earmarked reserves for year end 31 March 2025 with the aim of supporting future financial sustainability. Examples of some of the earmarked reserves to be considered:

- Increasing the General Fund balance by transfer from earmarked reserves (e.g. MTFS reserve)

- Retaining and/or reinstating some earmarked reserves vital to our long-term financial planning (e.g. PFI reserve)

63 Following the CLT review, final recommendations will be made in the MTFS report to the Corporate Policy Committee on the 6 February 2025 as regards decisions on earmarked reserves used in 2024/25, and to be remaining as at 31 March 2025.

Table 6: Earmarked Reserves

Earmarked Reserves by Committee	Opening Balance 01 April 2024 £000	Drawdowns to General Fund £000	Approved Movement Forecast £000	Additional Drawdown Requests* £000	Closing Balance Forecast 31 March 2025 £000
Adults and Health	**5,226**	(2,795)	(110)	0	**2,321**
Children and Families	**1,724**	0	(1,593)	(131)	**0**
Corporate Policy	**20,773**	(6,551)	(2,830)	(4,545)	**6,847**
Economy and Growth	**2,777**	(662)	(1,004)	(765)	**346**
Environment and Communities	**870**	(390)	(402)	(78)	**0**
Highways and Transport	**908**	(205)	(415)	(288)	**0**
EARMARKED RESERVES TOTAL	**32,278**	**(10,603)**	**(6,354)**	**(5,807)**	**9,514**

* All ‘Additional Drawdown Requests’ are subject to approval.
* Total excludes schools’ balances

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Table 7: General Fund Reserve

General Fund Reserve	Opening Balance 01 April 2024 £000	Drawdowns to General Fund £000	Approved Movement Forecast	Additional Forecast Movement £000	Closing Balance Forecast 31 March 2025 £000
General Fund Reserve	**5,580**	(1,051)	0	(4,066)	**463**
GENERAL FUND RESERVE TOTAL	**5,580**	**(1,051)**	**0**	**(4,066)**	**463**

64 At FR1 the forecast closing balance at 31 March 2025 in the Council's General Fund Reserve was £4.5m. At FR2, a further £4m transformational spend has been included within the service forecasts which will be funded from General reserves, reducing the forecast balance to £0.5m. If it is possible to identify additional capital receipts these could potentially be used to capitalise this expenditure and this will remain an area that is under review.

65 The Council is currently forecast to have £9.514m of earmarked reserves at the end of the financial year 2024/25. Of this £2.279m can be considered ringfenced, with specific conditions limiting their use.

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

Dedicated Schools Grant Reserve

67 The Dedicated Schools Grant (DSG) is ring-fenced funding received for: schools; high needs / special educational needs; and early years provision. In recent years there has been a pressure on the DSG high needs block where funding has not kept pace with the increasing numbers and cost of children with an Education, Health and Care Plan. This has created a deficit DSG reserve balance which is held in an unusable reserve.

68 The on-going pressure is regularly reviewed; at the end of 2023/24 the deficit was £78.6m and this is forecast to increase by £37.1m by the end of 2024/25. This is an improvement on the Council's DSG Management Plan approved in April 2024, which sets out the planned expenditure and income on high needs over the medium term. The DSG Management Plan is currently being updated and will be reported to Committee on completion.

Table 8: Dedicated Schools Grant

Dedicated Schools Grant Deficit	£m
Deficit Balance Brought forward	**78.6**
Additional In-year Pressures	**37.1**
Deficit Balance at 31 March 2025	**115.7**

Debt

69 Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates). The balance of outstanding debt at 28th November 2024 was £16.9m. This has reduced by £1m since FR2 (end of September 2024).

70 Annually, the Council raises invoices with a total value of over £80m. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including Highways, Property Services, Licensing and Building Control.

71 The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection services (currently provided by Bristow & Sutor).

72 The total amount of service debt over six months old is £10.8m; split as £9.3m of Adult Social Care debt and £1.5m of Sundry Debt. A provision of £6.8m was made at year ended 31st March 2024 to cover doubtful debt in the event that it needs to be written off. There is an ongoing in year review of the Bad Debt provision which has to date focused on Adult Social Care debt, this work has identified a forecast £1m reduction in the provision in 2024/25 linked to the ASC debt, reflected in the FR3 position.

73 The level of Adult Social Care debt can fluctuate depending on when in the month the snapshot is taken, for example if it is before or after the Direct Debit income is received and allocated. The debt also has different levels of risk depending on the type of debt. For example, around £3m is linked to deferred arrangements which is debt that is secured on property or assets, and therefore carries a low risk. There is also around £5m of debt which is deemed to be lower risk as its linked to areas such as probate, property sales or deputyship. As noted above, the current review of Debt provision for Adult Social Care has identified a £1.0m reduction in the ASC debt provision having reviewed the provision process across the 3 main categories of ASC all of which have distinct provision calculations. Further work is ongoing and will extend to wider Council debt throughout the review.

74 The Highways position for outstanding debt is consistent throughout the year. The debt is generally made up of three elements: the movement of funds from Cheshire West and Chester Council and Warrington Borough Council in relation to the Cheshire Road Safety Group (these are settled quickly); third party claims for damage to the highway; and permit fees. The third party claims are often paid in instalments.

The previous outturn positions are:

- 31 March 2024 Outstanding debt £1.6m, over 6 months old £0.7m.
- 31 March 2023 Outstanding debt £1m, over 6 months old £0.5m

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

Table 9 – Debt Summary as at 28th November 2024

	Outstanding Debt £000				Over 6 months old £000		
	FR2	FR3	Increase / (Decrease)		FR2	FR3	Increase / (Decrease)
Adults and Health Committee							
Adults, Public Health and Communities	14,967	14,170	(797)		9,060	9,325	265
Children and Families Committee		-	-			-	
Children's Social Care (Incl. Directorate)	189	189	(0)		-	1	1
Prevention and Early Help	69	51	(19)		(7)	(8)	(2)
Schools	17	17	1		2	3	1
Highways and Transport Committee		-	-			-	
Highways and Infrastructure	1,115	1,305	190		760	755	(4)
Economy and Growth Committee		-	-			-	
Growth and Enterprise	740	621	(119)		394	420	27
Environment and Communities Committee		-	-			-	
Environment and Neighbourhood Services	398	377	(21)		215	214	(1)
Corporate Policy Committee		-	-			-	
Finance and Customer Services	135	126	(8)		69	67	(2)
Governance and Compliance	(1)	0	1		-	-	-
Human Resources	-	-	-		-	-	-
ICT	217	3	(214)		2	2	0
Total	**17,846**	**16,859**	**(988)**		**10,496**	**10,780**	**284**

OFFICIAL

Council Tax and Business Rates

Council Tax

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

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

77 The collectable rates valuation is based on the assumption that of the total amount billed, at least 99% will be collected. **Table 11** demonstrates that, excluding a slight reduction during the Covid-19 pandemic, the target to collect at least 99% of Council Tax within three years continues to be achieved.

Table 11 Council Tax Collection Rates	2020/21 %	2021/22 %	2022/23 %	2023/24 %	2024/25 %
After 1 year	97.4	97.8	98.2	98.0	*73.5
After 2 years	98.6	98.5	98.8	**	**
After 3 years	98.9	99.0	**	**	**

** 2024/25 rate is up to 30th November 2024.*
*** Data is not yet available.*

78 After accounting adjustments, the Council Tax Collection Fund is forecasting a £0.003m surplus for 2024/25, of which, £0.002m is attributable to Cheshire East Council. This surplus will be paid out in 2025/26 and will be held in the Collection Fund Earmarked Reserve until such time.

Non-Domestic Rates (NDR)

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

80 Non-domestic Rates valuations for 2024/25 were set out in the NNDR1 return to Central Government in January 2024. Any variance to this forecast is included in the following years' NNDR1 return and any gain or loss will be

recovered in 2025/26. The total Net Rates Payable into the Collection Fund was forecast at £155.7m.

81 **Table 12** demonstrates that the target to collect at least 99% of Non-Domestic Rates within three years continues to be achieved.

Table 12 Non-Domestic Collection Rates	2020/21 %	2021/22 %	2022/23 %	2023/24 %	2024/25 %
After 1 year	92.4	95.6	98.2	97.7	*72.6
After 2 years	97.4	98.3	98.8	**	**
After 3 years	99.0	99.2	**	**	**

** 2024/25 rate is up to 30th November 2024.*
*** Data is not yet available.*

82 After accounting adjustments, the Non-Domestic Rates Collection Fund is forecasting a £2.1m deficit for 2024/25, of which, £1.0m is attributable to Cheshire East Council. This deficit will be repayable in 2025/26 and will be managed through the Collection Fund Earmarked Reserve.

Treasury Management Strategy update

83 Treasury Management income to 30 November 2024 is £2.3m which is higher than the budgeted £1.3m. However, borrowing costs are also higher than budgeted at £12.m compared to budget of £10.7m. This is caused by a combination of increasing interest rates with an increased borrowing requirement. From the projected cash flows for the remainder of 2024/25 the net additional financing costs (borrowing less investment interest) is expected to be £0.8m in excess of that budgeted.

84 Interest rates have seen substantial rises over the last two years which has significantly increased the cost of borrowing. The expectation is that borrowing costs will start to fall although market uncertainty and tightening liquidity in the markets suggests we will not benefit from lower rates until 2025/26.

85 At the moment, cash shortfalls are generally being met by temporary borrowing from other local authorities which for a number of years has been considerably cheaper than other sources of borrowing and allowed the Council to keep financing costs low. The cost of these loans is currently relatively high compared with longer term loans but interest forecasts suggest it is still the cheaper option in the long term. However, liquidity risk remains an issue as funds become more scarce towards year end and the request to the Government for exceptional financial support has raised credit worthiness concerns with some lenders. To reduce liquidity risk, consideration is being given to taking more longer term PWLB loans.

86 The cost of short term borrowing for the first eight months of 2024/25 is 5.38% which is an increase from 4.82% in 2023/24. These costs are now expected to reduce as the outlook is for reducing interest rates.

Investment Strategy

87 There have not been any material changes to the Investment Strategy since that reported at Final Outturn 2023/24, see link Final Outturn 2023-24 Annex 1.pdf (cheshireeast.gov.uk)

Consultation and Engagement

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

Reasons for Recommendations

89 The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The budget and policy framework sets out rules for managing the Council's financial affairs and contains the financial limits that apply in various parts of the Constitution. As part of sound financial management and to comply with the constitution any changes to the budgets agreed by Council in the MTFS require approval in line with the financial limits within the Finance Procedure Rules.

90 This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring and management processes for financial and non-financial management of resources.

Other Options Considered

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

Implications and Comments

Monitoring Officer/Legal

92 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget and require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

93 The provisions of section 25 of the Local Government Act 2003, require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

94 The Council should therefore have robust processes in place so that it can meet statutory requirements and fulfil its fiduciary duty. It must ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans. Local authorities are creatures of statute and are regulated through the legislative regime and whilst they have in more recent times been given a general power of competence, this must operate within that regime. Within the statutory framework there are specific obligations placed upon a local authority to support communities. These duties encompass general and specific duties and there is often significant local discretion in respect of how those services or duties are discharged. These will need to be assessed and advised on as each circumstance is considered.

95 The financial position of the Council must therefore be closely monitored, and Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings or alternative mitigations.

96 This report provides an update on progress for 2024/25 for all services.

97 It also provides updates and comments regarding the Council's request for Exceptional Financial Support under The Levelling-up and Regeneration Act 2023 which inserted an amended Section 12A as a trigger event within the Local Government Act 2003, in relation to capital finance risk management. The legislation also provides for risk

mitigation directions to be given to the Council which limit the ability to undertake certain financial action. The limitations are based on identified risk thresholds.

Section 151 Officer/Finance

98 The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.

99 Reserve levels are agreed, by Council, in February each year and are based on a risk assessment that considers the financial challenges facing the Council. If spending associated with in-year delivery of services is not contained within original forecasts for such activity it may be necessary to vire funds from reserves.

100 The unplanned use of financial reserves could require the Council to deliver a greater level of future savings to replenish reserve balances and / or revise the level of risks associated with the development of the Reserves Strategy in future.

101 As part of the process to produce this report, senior officers review expenditure and income across all services to support the development of mitigation plans that will return the outturn to a balanced position at year-end.

102 Forecasts contained within this review provide important information in the process of developing the Medium-Term Financial Strategy. Analysis of variances during the year will identify whether such performance is likely to continue, and this enables more robust estimates to be established.

103 The risk associated with the scale of these challenges is that the Council could act illegally, triggering the requirement for a s.114 report from the Chief Financial Officer. Illegal behaviour in this context could materialise from two distinct sources:

1. Spending decisions could be made that exceed the available resources of the Council. This would unbalance the budget, which is unlawful.
2. Spending decisions to restrict or hide pressures could be made that avoid an immediate deficit, but in fact are based on unlawful activity.

104 The consequences of the Council undermining a budget with illegal activity, or planned illegal activity, is the requirement to issue a s.114 report. Under these circumstances statutory services will continue and existing contracts and commitments must be honoured. But any spending that is not essential or which can be postponed must not take place.

105 Further consequences would be highly likely and could include the appointment of Commissioners from the MHCLG, and potential restrictions on the decision-making powers of local leaders.

Policy

106 This report is a backward look at Council activities and predicts the year-end position. It supports the Corporate Plan aim Open and priority to be an open and enabling organisation.

107 The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2025 to 2029 Medium-Term Financial Strategy.

108 The approval of supplementary estimates and virements are governed by the Finance Procedure Rules section of the Constitution.

Equality, Diversity and Inclusion

109 Any equality implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

Human Resources

110 This report is a backward look at Council activities at outturn and states the year end position. Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

Risk Management

111 Financial risks are assessed and reported on a regular basis, and remedial action taken if required. Risks associated with the achievement of the 2023/24 budget and the level of general reserves were factored into the 2024/25 financial scenario, budget, and reserves strategy.

Rural Communities

112 The report provides details of service provision across the borough.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

113 The report provides details of service provision across the borough and notes the pressure on Children in Care.

Public Health

114 This report is a backward look at Council activities at the first review and provides the forecast year end position. Any public health implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

Climate Change

115 There are no direct implications for climate change.

Access to Information	
Contact Officer:	Adele Taylor, Interim Executive Director of Resources (S151 Officer) adele.taylor@cheshireeast.gov.uk Paul Goodwin, Acting Director of Finance (Deputy S151 Officer) paul.goodwin@cheshireeast.gov.uk
Appendices:	**Annex 1 including:** • **Section 1** 2024/25 Forecast Outturn • **Section 2** 2024/25 Approved Budget Change Items • **Section 3** Revenue Grants for approval • **Section 4** Capital • **Section 5** Reserves • **Section 6** Treasury Management **Annex 2 – 2024/25 Capital Monitoring**
Background Papers:	The following are links to key background documents: Medium-Term Financial Strategy 2024-2028

	First Financial Review 2024/25

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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.

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

3.3. **Table 1** shows additional specific purpose grant allocations that have been received over £1m that **Council** will be asked to approve.

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Table 1 – Council Decision

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

Committee	Type of Grant	£000	Details
Children and Families – Schools	Dedicated Schools Grant (Specific Purpose)	1,089	This grant is an increase to the DSG funding, in line with updated allocations information.
Economy & Growth	Enterprise Cheshire Warrington Skills Bootcamp	1,717	This grant is from the DfE, it is for the delivery of and management of Skills Bootcamps in geographical and neighbouring areas in agreement with relevant local authorities. This element of skills bootcamp is being delivered through Enterprise Cheshire and Warrington.

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OPEN

Council

26 February 2025

Appointment of the Executive Director Resources (s151)

Report of: Rob Polkinghorne, Chief Executive

Report Reference No: C/21/24-25

Wards: All

For Decision

Purpose of Report

1 To inform Council that, the Appointments Committee successfully completed the interview process for the post of Executive Director Resources (s151) as the Chief Finance Officer at its meeting on 13 February 2025.

2 The Appointments Committee therefore wishes to recommend an appointment to Council for approval.

3 To provide an update on the process for the appointment of the Governance, Compliance and Monitoring Officer.

RECOMMENDATIONS

Full Council is recommended to:

1. Approve the recommendation of the Appointments Committee that Ashley Hughes be appointed as Cheshire East Council's Executive Director Resources (s151) as the Chief Finance Officer at an annual salary of £142,951 (CX3) at a date to be confirmed.

2. Note that the Appointments Committee has decided not to proceed with the appointment to the role of Governance, Compliance and Monitoring Officer.

Background

4 The recruitment process for the post of Executive Director Resources (s151) as the Chief Finance Officer has been conducted by the Appointments Committee in accordance with the Council's Employment Procedure Rules.

5 The posts of Executive Director Resources (and S151) as the Chief Finance Officer and Governance, Compliance and Monitoring Officer were advertised with a closing date of 5 January 2025.

6 There were 8 applications received for the Executive Director Resources post and 5 applications for the Governance, Compliance and Monitoring Officer role.

7 On 16 January 2025, the Appointments Committee approved a longlist to progress to the assessment of technical ability and potential suitability as follows:

- 7 candidates for the post of Executive Director Resources (and S151) as the Chief Finance Officer.
- 4 candidates for the post of Governance, Compliance and Monitoring Officer.

8 On 27 January 2025, having carefully considered the feedback from the assessment of technical ability and potential suitability, the Appointments Committee approved a shortlist of candidates to progress to the assessment centre and formal interview as follows:

- 4 candidates for the post of Executive Director Resources (and S151) as the Chief Finance Officer; and
- 1 candidate for the post of Governance, Compliance and Monitoring Officer.

8 The Appointments Committee formally interviewed the shortlisted candidates for the two posts on 12 and 13 February 2025.

9 The Appointments Committee carefully considered the feedback on the shortlisted candidates from the panels for the assessment centre as well as candidate responses as the formal interview.

10 The Appointments Committee members agreed to recommend to Council that the preferred candidate, Ashley Hughes, be recommended to Council for appointment as the Executive Director Resources (and S151) as the Chief Finance Office.

11 The Appointments Committee decided not to proceed with the appointment to the role of Governance, Compliance and Monitoring Officer.

Proposed Candidate for Executive Director Resources (and S151)

12 Ashley Hughes has been Director of Resources and S151 at Tameside Metropolitan Borough Council since April 2023. Between 2020 and 2023, he was the Assistant Director of Finance and Deputy S151 officer at the London Borough of Barnet. He oversaw financial strategy, treasury management, and major project delivery, including the Brent Cross Town regeneration. From 2018 to 2020, he served as Bi-Borough Head of Finance for Westminster City Council and the Royal Borough of Kensington and Chelsea, managing budgets exceeding £200 million.

Governance, Compliance and Monitoring Officer

13 The recruitment process for the Governance, Compliance and Monitoring Officer will recommence in March 2025 in consultation with the Chair of the Appointments Committee.

14 The current temporary acting up arrangements in place will continue pending recruitment and the successful candidate taking up post.

Consultation and Engagement

15 No consultation or engagement is required as the recruitment to the post of Executive Director Resources (and S151) as the Chief Finance Officer is a member appointment as set out in the Constitution.

16 In accordance with the Constitution, Council must approve the appointment of the Council's Executive Director Resources (and S151) as the Chief Finance Officer is a Statutory Officer post.

Reasons for Recommendations

17 In accordance with the Constitution, Council has the responsibility for approving the appointment of the Council's Executive Director Resources (and S151) as the Chief Finance Officer as the post is a Statutory Officer.

Other Options Considered

18 Not considered.

Implications and Comments

Monitoring Officer/Legal

19 The post of Executive Director Resources (and S151) as the Chief Finance Officer is a Designated Statutory Officer role. In accordance with Cheshire East Council's Constitution, the Appointments Committee is responsible for selecting and recommending a preferred candidate to Full Council for this post before a formal offer of appointment is made to that person.

20 Council has the responsibility for approving the appointment of the Council's Executive Director Resources (and S151) as the Chief Finance Officer as the post is a Designated Statutory Officer.

21 A fair, transparent and objectively justified selection process with due regard to equality laws has been followed for the selection phase of the recruitment process to reduce the risk of potential legal challenge.

22 Any proposed salary or other relevant particulars of employment should comply with the Council's pay policy statement, pay framework and other relevant policies.

Section 151 Officer/Finance

23 The revised senior management structure was approved at full council on 16 October and 11 December 2024.

24 The Executive Director Resources (and S151) will be budgeted from 1 April 2025 and included in the MTFS and budget for the 2025/26 onwards.

25 The Council report noted that "there is a small difference between costs of the current structure versus the final structure, reflecting small variances in grading between temporary and permanent arrangement. These costs would need to be managed by the relevant services areas as would normally be case when appointing at a spot salary". This remains the case.

26 The budget for further stages of the senior management restructure will need to be confirmed on a case-by-case basis.

Policy

27 There are no policy implications.

Equality, Diversity and Inclusion

28 There are no equality implications.

Human Resources

29 Actions have been undertaken in accordance with the Constitution and appropriate policies and procedures.

Risk Management

30 Actions have been taken in accordance with appropriate policies and procedures.

Rural Communities

31 There are no implications to rural communities.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

32 There are no implications to children and young people and cared for children.

Public Health

33 There are no public health implications

Climate Change

34 There is no implications on climate change.

Access to Information	
Contact Officer:	Sara Duncalf, Head of Human Resources Sara.duncalf@cheshireeast.gov.uk
Appendices:	None
Background Papers:	None

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COUNCIL MEETING – 26 FEBRUARY 2025

AUDIT AND GOVERNANCE ANNUAL REPORT 2023/24

RECOMMENDATION

That Council receive the Audit and Governance Committee Annual Report 2023-24.

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49 **AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2023-24**

The Committee considered the report which set out the proposed Annual Report of the Audit and Governance Committee 2023-24, the final agreed version would be presented to Full Council in February 2025.

The Committee welcomed the report and the detail which reflected well the work undertaken over the last year. The committee thanked officers for their support.

RESOLVED (unanimously):

That the Audit and Governance Committee

1 Approve the final version of the Annual Report of the Audit and Governance Committee which will be presented at the February 2025 meeting of Full Council.

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OPEN

Audit and Governance Committee

5 December 2024

Annual Report of the Audit and Governance Committee 2023/24

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

Report Reference No: AG22/24-25

Ward(s) Affected: All

For Decision or Scrutiny: Decision

Purpose of Report

1 The purpose of this report is for the Committee to consider the draft Annual Report of the Audit and Governance Committee 2023/24 and agree the final version of the report that will go to the next meeting of Council in February 2025.

2 The report is produced in line with the requirements of the Council's Constitution and the Audit and Governance Committee's Terms of Reference whereby the Committee will report to Council on a regular basis on the performance and effectiveness of meeting its purpose.

Executive Summary

3 Producing an annual report on the work of the Committee ensures compliance with best practice requirements and the Council's Constitution. The report also provides assurances to wider stakeholders on the continuing improvements of the Council's governance arrangements.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Review the draft Annual Report of the Audit and Governance Committee 2023/24 and agree the final version which will be presented at the February 2025 meeting of Council.

Background

4 The Chartered Institute of Public Finance & Accountancy (CIPFA) Position Statement: Audit Committees in Local Authorities and Police 2022 states the Committee should report annually on how it has complied with the position statement, discharged its responsibilities, and include an assessment of its performance.

Consultation and Engagement

5 The Annual Report of the Audit and Governance Committee 2023/24 has been drafted in conjunction with the Chair and Vice-Chair of the Committee and considered to by the Corporate Leadership Team.

Reasons for Recommendations

6 To report in line with the requirements of the Council's Constitution and the Audit and Governance Committee's Terms of Reference, which require a report to full Council on a regular basis.

7 The report should cover the performance of the Committee in relation to its Terms of Reference, and the effectiveness of the Committee in meeting its purpose in accordance with the CIPFA Position Statement.

Other Options Considered

8 Not applicable.

Option	Impact	Risk
Do nothing	Audit and Governance Committee do not share with work and report on their performance to Council	Failure to meet the Committee terms of reference and non-compliance with the CIPFA Position Statement

Implications and Comments

Monitoring Officer/Legal

9 The Council's Constitution gives responsibility to the Audit and Governance Committee for overseeing the Council's roles and responsibilities in respect of corporate governance and audit and specifically for submitting an annual report to Council. Production of the report ensures compliance with this requirement.

Section 151 Officer/Finance

10 The annual report of the Audit and Governance Committee outlines the assurances received by the Committee on the adequacy of the Council's governance arrangements, including the integrity of financial reporting processes.

11 There is no direct impact on the Medium-Term Financial Strategy.

Policy

12 The production of the annual report and its presentation to Council ensures compliance with CIPFA best practice guidance.

13 Reporting on the effectiveness working of the Audit and Governance Committee supports the "Open" aim in the Corporate Plan; ensuring there is transparency in all aspects of decision making.

An open and enabling organisation: Ensuring there is transparency in all aspects of council decision making

Equality, Diversity and Inclusion

14 There are no direct equality, diversity and inclusion implications.

Human Resources

15 There are no direct human resources implications.

Risk Management

16 The annual report of the Audit and Governance Committee outlines the assurances received by the Committee on various aspects of the Council's governance arrangements, including the adequacy of the risk management framework.

Rural Communities

17 There are no direct rural community implications.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

18 There are no direct implications.

Public Health

19 There are no direct public health implications.

Access to Information	
Contact Officer:	Josie Griffiths & Michael Todd Josie.griffiths@cheshireeast.gov.uk Michael.todd@cheshireeast.gov.uk
Appendices:	Appendix 1: Audit and Governance Committee Annual Report 2023/24
Background Papers:	N/A

Audit and Governance Committee Annual Report 2023/24

Working for a brighter future together

Cheshire East Council

Introduction

As the Chair of the Audit and Governance Committee, I am pleased to present this detailed report on the work of the Committee during 2023/24.

The report informs full Council of the broad range of work which has been considered over the year to support the Committee in fulfilling its Terms of Reference and provides assurance on the effectiveness of the Committee in meeting its purpose.

This report helps to demonstrate the key role which is undertaken by the Audit and Governance Committee and the positive contribution it makes to the Council's overall governance.

The Committee's current Terms of Reference were developed in accordance with the CIPFA guidance, and the detailed Committee Work Programme, designed to ensure that they are fulfilled, is subject to review at each meeting of the Committee.

During the year, the Committee, and officers have been working hard to implement the agreed action plan which arose following the review of the Committee by CIPFA in 2022/23. This has been beneficial in ensuring the work of the Committee is effective and supports the wider organisation.

I would like to thank all those who have contributed to the Committee meetings over the last year, supporting the Committee's work with varied reports and presentations, which are the culmination of much more preparation and work undertaken 'behind the scenes'.

I look forward to future meetings of the Committee, and to working with the members and officers who support the Committee to ensure that we continue to provide independent assurance on the control environment and the governance framework, especially as the Council continues to tackle the significant financial pressures and embarks on its transformation journey.

The Committee is also looking forward to working with the newly appointed external auditors, Ernst and Young, and are confident that the detailed preparation/handover work that has taken place will ensure an efficient transition of the external audit function.

Councillor Michael Beanland

Chair of the Audit and Governance Committee

Contents

1. Role of the Audit and Governance Committee

The Audit and Governance Committee is a key component of the Council's corporate governance arrangements. The Committee provides independent assurance to the Council through:

- Promotion of high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Councillors and co-opted Members (including other persons acting in a similar capacity).
- An independent and high-level focus on audit, (internal and external) assurance and reporting arrangements that underpin good governance and financial standards.
- Independent review and focus on the adequacy of the Council's governance, risk management, and control frameworks and oversees the financial reporting and annual governance processes.

The role and responsibilities of the Council's Audit and Governance Committee are set out in written terms of reference which are regularly reviewed by the Committee to ensure compliance with relevant legislation and recommended good practice. The terms of reference are set out in the Council's Constitution which is published on the website along with all the agendas, minutes and supporting papers.

Constitution:
cheshire-east-council-constitution-chapter-2-updated-june-2024.pdf (cheshireeast.gov.uk)

Audit and Governance Committee Meetings:
Browse meetings - Audit and Governance Committee | Cheshire East Council

The Committee's responsibilities include, but are not limited to, the following matters with a view to bringing any relevant issues to the attention of the Council:

- Oversight of governance, risk management and internal control frameworks
- Oversight of the integrity of the Council's financial statements
- Oversight of the external auditor's performance, objectivity and independence
- Oversight of the performance of the internal audit function

To help the Committee meet its responsibilities, each year, management provide training sessions for the Committee on subject areas within their remit. During 2023/24, this included induction training for substitute/new members as required through the year. Sessions were also provided to members of the Committee on internal audit, the LGO Joint Complaint Handling Code, risk management, and the statement of accounts.

2. Meetings and Membership

During the 2023/24 municipal year, the Audit and Governance Committee met on 5 occasions and was comprised of 11 members:

- Councillor Michael Beanland (Chair)
- Councillor Ken Edwards (Vice-Chair)
- Councillor Sue Adams
- Councillor Alison Heler
- Councillor Chris Hilliard
- Councillor Marilyn Houston
- Councillor Patrick Redstone
- Councillor Garnet Marshall
- Councillor Judy Snowball
- Mr Ron Jones (Independent Co-opted Member)
- Ms Jennifer Clark (independent Co-opted Member

Councillors Mark Goldsmith and Rachel Bailey were both members of the Committee for one meeting during the year.

The Audit and Governance Committee meetings were well attended with substitutes occasionally used when a member could not be present. All substitutes were provided with training prior to attending meetings, and during 2023/24, substitute members were used on 5 occasions:

- Councillor Andrew Kolker
- Councillor Liz Braithwaite
- Councillor Lesley Smetham
- Councillor Michael Gorman
- Councillor Brian Drake

Committee Attendance statistics:

Committee attendance - Audit and Governance Committee, 1 April 2023 - 31 March 2024 | Cheshire East Council

The Committee was also routinely attended by the following officers and external parties:

- Director of Governance and Compliance and Monitoring Officer
- Director of Finance and Customer Services and S151 Officer
- Head of Audit and Risk
- Acting Internal Audit Manager
- Democratic Services Officers
- External Auditors (Mazars)

3. How the Committee discharged its responsibilities during 2023/24

Key Committee Activities	June 2023	July 2023	Sept 2023	Dec 2023	Mar 2024
Governance, Risk and Control					
Received updates on the production and review of the Annual Governance Statement (as part of the Internal Audit Update Report)				•	
Received an update on Information Governance – IADM Programme		•			
Received and approved the draft Annual Governance Statement 2022/23		•			
Received and approved the final Annual Governance Statement 2022/23					•
Received the 2022/23 Monitoring Officer Report			•		
Reviewed and agreed the Audit and Governance Committee Annual Report 2022/23			•		
Considered the Annual Risk Management Report 2022/23		•			
Received a Risk Management Update					•
Received the Public Interest Report Update – External Auditor Fee Variation Proposal	•				
Received the CIPFA Review of the Audit & Governance Committee Report	•				
Received a report on Progress against CIPFA Review Actions				•	
Received a report on the Review of the Audit & Governance Committee Terms of Reference		•	•		
Received and considered the proposed Terms of Reference for the Audit & Governance Committee				•	

Key Committee Activities	June 2023	July 2023	Sept 2023	Dec 2023	Mar 2024
Internal Audit					
Reviewed Internal Audit plan progress reports and Internal Audit Charter				•	•
Received the Internal Audit Annual Report 2022/23		•			
Received and approved the Internal Audit Plan 2024/25					•
Received the Internal Audit Report on the review of land transactions in response to the Report in the Public Interest	•				
Received a report on the Section 106 Key Findings – Internal Audit Report and subsequent updates on progress against actions			•		•
External Audit					
Reviewed External Audit progress reports	•	•	•	•	
Received the External Audit Findings and Action Plan 2022/23					•
Received the External Audit – Value for Money Report			•		
Considered the Certification of Housing Benefit Subsidy Claim 2022/23 and Teachers Pensions Return 2021/22					•
Annual Statement of Accounts					
Received the 2022/23 Draft Statement of Accounts [1]	•				
Received the 2022/23 Draft Financial Statements – Wholly Owned Companies and Outturn Update 2022/23	•				
Related Functions					
Consideration of Contract Procedure Rule Non-Adherences and Waivers		•			

[1] At the March 2024 meeting, the Committee delegated authority to the S151 Officer to sign off the Statement of Accounts once the audit has concluded.

Key Committee Activities	June 2023	July 2023	Sept 2023	Dec 2023	Mar 2024
Considered the RIPA Policy and Inspection Plan Update		•			
Received a report on the RIPA Policy and Inspection Plan Update		•			
Received the Annual Procurement Update		•			
Received the Annual Complaints Report 2022/23 including Ombudsman Decision Notices where fault was found		•			
Standards Arrangements					
Received an update on Standards related matters via the Annual Monitoring Officer Report			•		
Other Matters					
Received a report on the Recruitment of an Independent Member of the Audit & Governance Committee (appointment approved by Council October 2023)		•	•		

4. Governance, Risk and Control

The Audit and Governance Committee oversaw the production of the Council's Annual Governance Statement (AGS) and received updates regarding progress on the AGS significant issues.

As part of the production of the 2022/23 AGS, the Committee reviewed and approved the draft AGS at the July 2023 meeting.

The Committee reviewed and approved the final 2022/23 AGS in March 2024 and approved the removal of the significant governance issue related to the Safeguarding Children's Partnership from future Statements.

The Committee highlighted that the CIPFA review recommended that members be given the opportunity to input into the preparation of the AGS. Officers agreed to take this recommendation into consideration once the preparation for the 2023/24 AGS began.

The Committee considered the effectiveness of the Council's risk management arrangements, the control environment, and associated anti-fraud and anti-corruption arrangements through the regular review of risk management update reports along with receiving the Annual Risk Management Report.

The Committee was regularly briefed on counter fraud arrangements and investigations via the internal audit updates and the annual internal audit report.

In June 2023, the Committee received the report and associated action plan produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) following their review against the updated guidance 'Audit Committees: Practical Guidance for Local Authorities and Police'.

The report was presented by the CIPFA consultant who had undertaken the review and members were provided the opportunity to raise questions and discuss the proposed actions. The actions were agreed, along with a request for regular updates on progress to be reported to the Committee.

In response to the CIPFA report, in July 2023, the Committee agreed to the establishment of a politically balanced working group to review the terms of reference in response to the review of the Committee undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) against the updated guidance 'Audit Committees: Practical Guidance for Local Authorities and Police'.

The working group produced a proposed Committee terms of reference which was presented to the December 2023 Committee and recommended for adoption by Full Council. In considering the proposed terms of reference, the Committee reflected upon the proposals from Corporate Policy Committee to merge the functions of the Scrutiny Committee with Audit and Governance Committee. The Committee requested that Full Council note the Committee's concerns and defer the decision relating to the proposals as they were contrary to advice from CIPFA and the Centre for Governance and Scrutiny.

The report also recommended that an additional independent co-opted member be appointed to the Committee. In response, a recruitment panel of three Members was appointed to review applications and undertake interviews. Following completion of this process, Jennifer Clark was appointed as the second co-opted independent member of the Committee at Council in October 2023.

In December 2023, the Committee received a detailed update on progress in implementing the agreed actions and further updates have been provided in 2024/25.

During 2023/24, full Committee briefings were established to facilitate open conversations in relation to agenda items prior to the formal meeting. This allows Members to raise any questions that they may have and ensure a clear understanding of the often-complex papers being presented to them. Furthermore, post Committee debriefs are held between the Chair, Vice Chair, and key officers to reflect upon what went well and what could be improved upon.

These developments have been beneficial to the Committee which has clarity of purpose and is fully focussed on its assurance role and associated responsibilities. There is regular engagement between Members and officers in the form of training and confidential briefings on sensitive matters, which has helped to develop and build trust and support.

5. Internal Audit

The Audit and Governance Committee reviewed and approved the annual internal audit plan at its March 2023 meeting. The plan closely aligns with the Council's strategic risk register and corporate plan and identified priority work to be completed in the first half of the year along with additional areas for consideration in quarters 3 and 4.

The Committee received regular update reports from the Head of Audit & Risk. Such reports enable the Committee to monitor the progress of the internal audit plan, discuss key findings and the plans to address them.

The Committee also considered the Head of Audit & Risk's opinion on the adequacy and effectiveness of the control environment and reviewed the effectiveness of internal audit.

In addition to the regular internal audit items, the Committee also received a report providing assurance in relation to the arrangements for managing land transactions in June 2023. The internal audit review was undertaken in response to the Report in the Public Interest published in January 2023 and provided a 'good assurance' opinion. Members of the Committee were provided with a copy of the report which was discussed in detail as a Part 2 item. The Committee agreed that no further action was required in relation to this matter.

In September 2023, the Committee received a report detailing the key findings of an internal audit review of the management and monitoring of Section 106 agreements. The report provided a 'no assurance' opinion and highlighted that there were significant areas of risk that were not being effectively managed.

The Committee agreed that this item should be included in the AGS as a significant governance issue and requested regular updates on progress in implementing the agreed actions to improve the control environment. Furthermore, it was agreed that the Committee would write to the Chair of the Environment and Communities Committee to seek an invite for the Chair and Vice Chair of both the Audit and Governance Committee, and the Finance Sub Committee, to attend the first meeting of the Environment and Communities working group to relay their concerns. A meeting was also held between the Chairs and Vice Chairs of the three committees to agree oversight arrangements for monitoring the implementation of agreed actions.

A briefing was provided to the Committee at the March 2024 meeting setting out progress that had been made in implementing the agreed audit actions.

6. External Audit

The Audit and Governance Committee received regular progress reports from the external auditor throughout the year.

The Committee received the external audit value for money report for 2022/23 in September 2023 and the external audit findings and action plan for 2022/23 in March 2024.

It was also confirmed at the March 2024 meeting that Mazars would hand over its external auditor responsibilities to Ernst and Young for the 2023-24 audit period and that the handover procedure had commenced.

7. Annual Statement of Accounts

The Audit and Governance Committee received and reviewed the draft Statement of Accounts 2022/23 along with a presentation on the accounts by the S151 Officer. The Committee sought clarity on items in the accounts and noted the dates for the approval process of the Statement of Accounts. At the March 2024 meeting, the Committee delegated authority to the S151 Officer to sign off the 2022/23 Statement of Accounts once the audit has concluded, and to notify committee members once the final signed accounts have been published on the council's website.

8. Related Functions

The Audit and Governance Committee received the Annual Complaints report in July 2023 which included a summary of actions from decision notices issued by the Local Government and Social Care Ombudsman.

The Committee has a role in overseeing the operation of the Contract Procedure Rules by receiving regular reports setting out the number, type and reasons for waivers and non-adherences. The Committee is presented with unredacted copies of all non-adherences for the period as a Part 2 item, the intention being to ensure good procurement and commissioning practices and clear public accountability.

The Committee received a report in July 2023 from the Director of Finance and Customer Services that provided an update on the Council's Information Assurance and Data Management (IADM) programme during 2022/23. The report outlined key aspects of the programme to provide assurance to the Committee that information continues to be treated and managed as a valued asset, with ongoing measures to protect it in line with compliance and leverage it where possible to support enhanced service delivery and optimise business benefit. The Committee was advised that following the annual end of year self-assessment, for 2022/23, a tangible increase in maturity level had been achieved with the Council moving from proactive to managed in relation to its maturity level.

9. Standards Arrangements

The Committee received assurance on key aspects of the Monitoring Officer's responsibilities in the annual Monitoring Officer report which was received in September 2023. The 2022/23 annual report covered areas including but not limited to the Members' Code of Conduct, register of gifts and hospitality and training and development.

10. Hearing Sub-Committee

No meetings of the Hearing Sub-Committee were held during 2023/24.

11. Audit and Governance Committee Priorities for 2024/25

There are several key areas that the Committee will need to consider and progress during 2024/25 in addition to its core business.

- As previously referenced, CIPFA undertook a review of the Committee during 2022/23 and the report was received, and a workshop was held to formulate an action plan in response to the findings report. Work on fully implementing and embedding the actions will continue into 2024/25 which will further develop the Committee.

- At the start of 2024/25 a skills assessment has been undertaken, and an outline training and development plan agreed, which is being delivered to support the Committee's development, knowledge and understanding.

- The Committee are also focussed on the effective implementation of the agreed internal audit actions in relation to the management and monitoring of section 106 agreements. Regular updates will be provided by both the planning service and internal audit to provide assurance that the areas of identified risk are being effectively mitigated.

- The Committee are engaged with the Children and Families committee to receive assurances over its plan to develop an effective SEND (Special

Educational Needs and Disabilities) Policy and management of the DSG (Dedicated Schools Grant) deficit.

- The Committee are to consider a further health check report on Unit4 and the lessons learnt from its implementation.

- Seek to implement Committee training in conjunction with our incoming external auditors, Ernst & Young, to improve the Committee's understanding of their scope of work.

- Receive ongoing assurance on the process of closure of the Council's wholly owned companies and service delivery of these functions will continue.

- Support the review and refresh of the Council's arrangements for raising concerns/whistleblowing, resulting in an updated policy and wider communication and engagement of the arrangements.

- The Committee have raised concerns about the level of understanding within service committees in relation to scrutiny and the role that members play in ensuring that this is effective. A request has been made for training to be delivered to all members to address these concerns.

- The Committee will seek to understand the Council's Transformation Programme, its impacts and any implications this may have for the Committee in relation to governance, risk, and financial control.

- The Committee has previously considered a review of vacancy rates across the organisation and suggested that in addition to this, each service should be provided with an analysis of the impact of vacancies in their area for example, any detrimental effects, total number of agency staff, and overall savings from vacancy freezes.

- The Committee has an ongoing interest in financial controls and will consider how the effectiveness of these controls can be reported to them.

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Council

26 February 2025

Swimming Pool Support Fund Grant Acceptance

Report of: Phil Cresswell, Executive Director of Place

Report Reference No: C/19/24-25

Ward(s) Affected: Crewe Central; Broken Cross and Upton;

Bollington

For Decision or Scrutiny: Decision

Purpose of Report

1 To note the award of a capital grant of £625,933 from Sport England's Swimming Pool Support Fund (SPSF) to fund energy efficiency measures across three leisure centres within the Borough.

2 To note the allocation of grant awarded across the three leisure centres and accept the full grant awarded to the Council for works at Cheshire East owned facilities and to support Bollington Health and Leisure for works at Bollington Leisure Centre.

3 To note the supplementary capital estimates of £365,235 for the energy efficiency works at Crewe Lifestyle Centre and £209,961 for the energy efficiency works at Macclesfield Leisure Centre noting a supplementary capital estimate of £50,737 for the works at Bollington Leisure Centre was noted by Environment and Communities Committee on 30 January 2025.

Executive Summary

4 Phase 2 of Sport England's Swimming Pool Support Fund saw £60.5M of capital grants allocated between 325 swimming pool facilities across England to help boost their energy efficiency and keep running costs down.

5 Three facilities within Cheshire East were allocated funding from Phase 2 of SPSF as outlined below:

(a) Crewe Lifestyle Centre was awarded £365,235 for heat recovery and air handling units and pool covers;

(b) Macclesfield Leisure Centre was awarded £209,961 for a microfiltration system; and

(c) Bollington Leisure Centre was awarded £50,737 for photo voltaic (PV) panels and pool covers.

6 Crewe Lifestyle Centre and Macclesfield Leisure Centre are both Council owned facilities and operated by Everybody Health and Leisure via a Leisure Operating Agreement.

7 Bollington Leisure Centre is owned and operated by Bollington Health and Leisure who are the ultimate recipient of £50,737 of the total grant.

8 The grant claims to Sport England for these facilities are required to be raised by 28 February 2025 to secure the funds by 31st March 2025. Any funds not drawn down by 31st March 2025 are not guaranteed to carried forward to 2025/26.

9 A supplementary capital estimate for the £50,737 allocation to Bollington Leisure Centre was authorised by officer decision and noted to Environment and Communities Committee in January 2025 and funds transferred to Bollington Health and Leisure, as the ultimate recipient, via a grant adherence agreement.

10 The Council now needs to claim the grant from Sport England to fund the energy efficiency measures delivered across the three sites.

Full Council is recommended to:

1. Accept a capital grant of £625,933 from Sport England’s Swimming Pool Support Fund – Phase 2 to fund energy efficiency investments at Crewe Lifestyle Centre, Macclesfield Leisure Centre and Bollington Leisure Centre;
2. Approve supplementary capital estimates of £365,235 to Crewe Lifestyle Centre SPSF and £209,961 to Macclesfield Leisure Centre SPSF.
3. Note that a supplementary capital estimate for Bollington Leisure Centre was approved in November 2024 and noted by Environment and Communities Committee in January 2025.

Background

11 The government's SPSF is a fund administered by Sport England to provide funding to local authorities in England as a support package for public leisure facilities with swimming pools to help manage some of the cost pressures in running these facilities.

12 The SPSF was split into two phases.

(a) Phase 1 - Revenue: £20m was available to support facilities with swimming pools with increased cost pressures, leaving them most vulnerable to closure or significant service reduction.

(b) Phase 2 - Capital: £60m was available from the government for capital investment to improve the energy efficiency of public facilities with pools in the medium to long term.

13 The objectives of Phase 2 - Capital of the SPSF were to:

(a) reduce the energy consumption level of facilities in receipt of funding, compared to baseline, and support the leisure sector to transition to a position of environmental and financial sustainability.

(b) minimise the closure of swimming pool provision, where funding has been provided, to a site to prevent gaps in public leisure provision emerging.

(c) reduce the carbon output of facilities in receipt of funding, compared to baseline, in line with the government's Net Zero by 2050 objectives.

(d) prioritise support in those areas of greatest socio-economic need (as evidenced by IMD level), where all other factors are equal.

14 Local authority applicants for SPSF were asked to co-ordinate a single submission to the fund on behalf of all publicly accessible swimming pools in their area and engage with operators, independent charitable organisations and other tiers of government (e.g. parish councils) managing public pools within their area.

15 Cheshire East Council applied for Phase 2 capital grant funding to support a number of sites across the borough and was awarded capital grant funding for specified energy efficiency improvements at three sites.

(a) Crewe Lifestyle Centre, owned by the Council and operated by Everybody Health and Leisure;

(b) Macclesfield Leisure Centre, owned by the Council and operated by Everybody Health and Leisure

(c) Bollington Leisure Centre, owned and operated by Bollington Health and Leisure.

16 The Council is able to claim the allocated grant funding available to sites once the works are completed/discharged or there is sufficient evidence that the specified works will be completed in accordance with the grant conditions and agreement.

Consultation and Engagement

17 No consultation was necessary as part of the grant application and the grant awarded to Cheshire East is for specified works at specific sites.

18 For the works at Crewe Lifestyle Centre and Macclesfield Leisure Centre, Everybody Health and Leisure will undertake the necessary engagement and communication with leisure centre users and members over any disruption that may be caused at the sites whilst the specified works are undertaken.

Reasons for Recommendations

19 Cheshire East Council is the corporate landlord for both Crewe Lifestyle Centre and Macclesfield Leisure Centre and the energy costs at these sites are funded by the Council directly.

20 Any energy efficiency improvements at these sites could provide a revenue benefit to the Council by helping to reduce and manage energy consumption and costs at these sites whilst also helping to improve the building's energy efficiency in line with its net zero ambitions.

21 Phase 2 of the SPSF enables the Council to secure funding directly from Government to undertake specified works that will help to lower the energy costs at these sites.

Other Options Considered

Option	Impact	Risk
Do nothing – not accept the grant	The Council would need to fund the works that have already been completed/contracted. Any works not yet contracted would be cancelled and not delivered.	The Council would add up to £626k of unfunded costs into its capital programme. The Council may not benefit from the potential reduction in energy costs at Crewe Lifestyle Centre and

		Macclesfield Leisure Centre if the works cannot be undertaken/completed.

Implications and Comments

Monitoring Officer/Legal

22 As a recipient of grant monies from Sport England, the Council must meet the conditions of the grant, grant agreement and the grant adherence letter (for Bollington Leisure Centre). As matters stand whereas the Council signalled acceptance of all the grant funding by signing off on the relevant paperwork, this was done without acceptance of the grant being properly dealt with via governance process. In seeking formal acceptance of the grant funding as set out in Recommendation 1 above (and looking to Full Council to respond positively to Recommendations 2 and 3) this is to rectify matters and allow the grant claims to proceed; Sports England requiring that due process has been adhered to. “

Section 151 Officer/Finance

23 The Swimming Pool Support Fund grant was offered and accepted by the then Section 151 Officer in February 2024. We have been notified that the grant is closing on 31 March 2025 and that all claims must be made by 31 March 2025, with a final request for drawdown made by 28 February 2025.

24 In the absence of flexibility, the main implication is that the Authority may not be able to draw down the full grant sum available and that there is a risk that some costs will have been incurred that are not recoverable via the grant claim.

25 Steps have been taken to discuss this with Sport England and they have provided written confirmation that they are prepared to offer some flex for the scheme given the project development issues that have needed to be overcome. Consequently, they have agreed to a drawdown request of £175,717 relating to the Crewe grant in February, payable in March, with the remaining £189,518 for Crewe being requested in March for payment in April. 90% of the grant relating to Macclesfield can be claimed in March for payment in April, with the final 10% being payable until the equipment in Macclesfield is commissioned.

26 The £50,737 relating to Bollington has been drawn down from Sport England and has been paid across to the third party operator.

27 Sport England have provided a list of required documentation to be submitted with the drawdown requests. Should this work be incomplete within the necessary timeframe then some level of grant funding may be at risk.

28 Assuming that the grants can be drawn down in full, or at least to cover 100% of the costs incurred, then the Supplementary Capital Estimate being approved should be sufficient to cover the costs. Should the work need to be completed using Authority resources there is no currently identifiable budget to fund this from. The measures being funded through the grant should lead to greater energy efficiencies which may lead to energy cost savings for the Authority as corporate landlord. This was factored into the eligibility assessments when the grants were applied for.

29 Staff undertaking work utilising grant funding should only do so if there is a clear understanding of the terms under which the grant has been offered.

Policy

30 This report supports the below Corporate Plan Aims and Priorities

A thriving and sustainable place Reduce impact on the environment

Equality, Diversity and Inclusion

31 There are no direct implications with this report.

Human Resources

32 There are no direct implications with this report.

Risk Management

33 There are no direct implications with this report.

Rural Communities

34 There are no direct implications with this report.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

35 There are no direct implications with this report.

Public Health

36 There are no direct implications with this report.

Climate Change

37 The specified works that the SPSF has been allocated for will help to improve the energy efficiency of three leisure centres within the borough and could help to reduce energy consumption at these sites.

Access to Information	
Contact Officer:	Hayley Kirkham, Interim Head of Neighbourhood Services.
Appendices:	N/A
Background Papers:	N/A

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Council

26 February 2025

Delivery Proposal for the Holiday Activity and Food Programme for 2025/26

Report of: Theresa Leavy, Executive Director of Children's Services

Report Reference No: C/20/24-25

Ward(s) Affected: ALL

For Decision or Scrutiny: Decision

Purpose of Report

1 Approval of the Holiday Activity and Food (HAF) Programme Delivery proposal for 2025/26.

Executive Summary

2 The current 3 year holiday activities and food programme has been providing healthy meals, enriching activities, and free childcare places to children from low-income families since Easter 2022.

3 During 2024/25 we have supported 2,384 young people and provided 2,538 healthy hampers to free school meal (FSM) young people and their families across our most disadvantaged areas.

4 On the 20 January 2025, the Department for Education (DfE) announced plans to extend the HAF programme for another year, from April 2025 to March 2026. The Medium Term Financial Strategy includes an estimated value of £0.9m for this. On the 14 February 2025, the council received the official grant determination letter from the DfE.

5 To enable the delivery of the HAF programme in Easter 2025, we are seeking approval of our recommendations from full council. This is because it is not possible to seek approval from the Children and Families committee prior to the first HAF delivery period. The next Children and Families committee is on the 10 April 2025, which will overlap with the Easter HAF delivery period.

RECOMMENDATIONS:

Full Council is recommended to:

1. Approve the supplementary revenue estimate of £8,330, which is above the estimated value of £900,000 in the 2025/26 budget.

2. Approve the extension of the delivery model of Holiday Activity and Food for a further year in line with the proposals set out in this paper.

3. Delegate authority to the Executive Director of Children's Services to incur expenditure in line with the grant conditions.

Background

6 The current 3 year HAF programme has been running since Easter 2022 following an open procurement exercise that commissioned providers up to winter 2024. An evaluation of the 2024/25 programme is attached at Appendix 1.

Proposed Delivery for 2025/26

7 Based on the evaluation of the existing programme, it is proposed to extend the existing HAF provider contracts until the end of the 2026 financial year.

8 As the DfE have amended the delivery protocol to allow local authorities to use remaining funds for October and February half terms, it is proposed that we request this flexibility and engage in a procurement process to adopt providers for the October and February half terms.

9 To enhance our SEND local offer, we will also align this programme with the short breaks offer.

10 We will recommission our booking platform provider, after excellent feedback over 2024/25.

11 Any projected underspend will be well planned so that those families with the greatest need will benefit. This may, for example, include food hampers.

12 We propose to recommission our booking platform provider following excellent feedback in 2024/25. This platform has also been adopted by other teams within Cheshire East under the HAF license including, short breaks and the Family Hubs.

13 The proposed funding proposal for 2025/26 is set out in Appendix 2. This mirrors our spend from 2024/25 and allocates appropriate amounts to mainstream and SEND funding streams, which reflect attendance over the 2024/25 period.

Other Options Considered

14 An open procurement exercise could be adopted for all providers (existing and new) to re-tender by the summer deliver programme. This option was not chosen as we want to build on the relationships and good practice already established with our existing providers.

Implications and Comments

Monitoring Officer/Legal

15 The Department for Education (DfE) has announced that the Holiday Activity Fund (HAF) programme will be extended for 2025/26. Despite the fact that this is an extension to the previous HAF scheme, it is a new grant subject to its own grant conditions as is set out in the grant determination letter. CEC must nominate a HAF coordinator who will assume responsibility for the delivery of the HAF programme for the local authority.

16 The DfE has yet to provide the grant conditions for the HAF programme 2025/26. However, the DfE has now (as of 14/02/2025) distributed the grant determination letter for 2025/26. The determination letter outlines CEC's allocation of HAF funding - £908,330 will be paid to CEC and must be spent in compliance with Annex B of the grant determination letter.

17 The HAF has been determined by the Secretary of State for Education in exercise of the powers conferred by section 31 Local Government Act 2003. The HAF programme will provide funding for health meals, enriching activities and free childcare places to children from low-income families, benefiting their health, wellbeing and learning. The HAF will be used throughout the Easter, summer and Christmas school holidays during the period of 01/04/2025 to 31/03/2026. Underspends from previous schemes will have been returned to DfE and cannot be carried forwards or utilised. Funds not spent or committed before 31/03/2026 will be returned to DfE upon conclusion of the programme.

18 Local authorities are expected to provide funding to benefit eligible children and families within their area. Local authorities should provide assistance to school aged children who receive benefits-related free school meals. A maximum of 10% of the expenditure can be spent on administration costs for coordinating the HAF programme. The remaining 90% must be spent on the provision of assistance for eligible children.

19 The service must ensure that spend is in line with eligible expenditure (Annex B, paragraph 4-8 of the grant determination letter) as well as the grant conditions [TBC] and should not exceed CECs allocation of funding. CEC will ultimately be held accountable for the reporting of spend to DfE. Consequently, any contracts awarded (or support given) by way of HAF funding to third parties must contain obligations pertaining to record management/sharing & reporting requirements so that CEC may in turn comply with the reporting obligations outlined within the grant determination letter (Annex B, paragraph 18-24).

20 CEC must abide by the reporting requirements outlined within Annex B, paragraph 18-24. CECs HAF coordinator should ensure that the associated data and costs of the HAF programme are submitted to DfE in time to prevent a breach of the grant determination provisions and to mitigate any risk of clawback of grant funding.

21 Annex B, paragraph 40-42 – outlines clawback provisions for recovery of the grant monies by DfE. The service must ensure that grant monies are not distributed in contravention of the provisions within paragraph 41 of Annex B. In the event of a breach, DfE may request a reduction in the grant monies to CEC, suspend any such payment, withhold grant payments or require repayment of the whole or any part of the grant monies paid to CEC.

22 [Further legal comments may be provided upon receipt of the grant conditions for HAF programme 2025/26.]

Section 151 Officer/Finance

23 Expenditure on the Holiday Activity Fund will be fully funded by the government grant allocation of £908,330. The Medium Term Financial Strategy (also on the meeting agenda) includes an estimated grant value of £0.9m. A supplementary revenue estimate will request approval in line with the constitution limits for the £8,330 not included in the MTFS estimate. The duration of the scheme is from 01 April 2025 to 31 March 2026.

24 The expectation is that the council will spend the grant in accordance with the conditions and not exceed the amount advised by the DfE. There will not be any unfunded ongoing commitments as a result of this expenditure. It is not yet known if any funding will be provided after 2025/26 to continue this scheme.

25 The ouncil will be required to provide a return outlining their grant spend and data on attendance following each holiday period. An annual report is also required to be submitted by 30 June 2025.

26 The timing of grant payments is still to be confirmed. Any unused grant at the end of the year will be returned.

27 If the council has not spent the grant in accordance with the conditions, then there is scope for clawback. The service will manage that risk.

28 The HSF grants are part of the government's package of support, targeted at those vulnerable families and adults who are most in need, to help them to cope with the cost of essentials.

Equality, Diversity and Inclusion

29 An EIA has been completed for the HAF programme and it can be found here: EIA template

Human Resources

30 The grant conditions enable Cheshire East to take a portion of the grant for administration. We have already taken steps to extend temporary contracts to ensure the programme is staffed going forward.

Risk Management

31 When delivering a programme like HAF, there are many risks around the safeguarding of a child, allergies and food safety and facility risk assessments.

32 These risks are reviewed at our monthly steering group, as well as HAF monitoring visits and assurances in the provider contracts (insurances, health and safety policies, safeguarding policies, food safety, risk assessment, etc).

Rural Communities

33 Children, families, and adults in rural areas of the council will directly benefit from receipt of the new grant in line with financial need. There is no restriction on funding decisions dependent on where service users live.

34 The HAF programme has been mapped across Cheshire East using LSOA data, meaning the support is targeted to the areas of highest deprivation. The HAF programme is available in all areas of Cheshire East.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

35 Children and young people who suffer the greatest inequality in terms of lack of household income will directly benefit from this grant.

Public Health

36 Poverty poses a threat to the public health of our residents as they are less likely to be able to access the conditions that promote a healthy physical and mental lifestyle. An adequate income can help people to avoid stress and feel in control, to access experiences and material resources, to adopt and maintain healthy behaviours, and to feel supported by a financial safety net.

37 The HAF programme will also promote healthier eating and lifestyles for this group, alongside signposting to other support networks.

Climate Change

38 The Holiday Activity and Food Programme asks providers not use single use plastics where possible, and to ensure recycling is implemented by the clubs.

Access to Information	
Contact Officer:	Douglas Hubbert, Business Development Manager Douglas.hubbert@cheshireeast.gov.uk
Appendices:	Appendix 1 – 2024/25 HAF evaluation Appendix 2 - HAF 2025/26 Funding Proposal
Background Papers:	HAF 2022 paper - Holiday Activity Fund Grant Open Procurement 2022-2025.pdf

Appendix 1

HAF Evaluation

39 *Table 1* sets out a summary of performance during 2024/25. This shows that the HAF programme had a total of 2,384 unique learners, which constitutes 26% of our FSM population. This has equated to over 20,964 sessions booked, equating to more than 83,000 hours of support provided, or 35 hours per attendee.

40 Further analysis of the performance can be found in *Table 2*, which shows the performance split between the different holiday periods and by eligibility criteria. From this data, we can see 75% of learners were primary aged and 25% were secondary aged.

41 Additionally, we can see that:

(a) 60% of the programme were mainstream FSM

(b) 25% were SEND and FSM

(c) 7% were SEND non-FSM; and

(d) 8% ‘other’, which includes a wider range of eligibility, including individuals vulnerable to exploitation and asylum seekers.

42 As HAF is free to access, there is a national challenge around attendance and ‘no shows.’ Our data shows that an average of 83% of places were attended, with summer achieving 87% of attendance. This is a challenge that is ongoing in both Cheshire East, and other areas. We address this predominantly by using a system of reminders and waiting lists, however it is something we are yet to fully resolve.

43 According to LSOA mapping data, provided by the Cheshire East Public Health team, the programme is appropriately distributed across the geographical area. Table 3 shows that we have targeted clubs to areas with large FSM populations alongside other key inequality factors.

44 In summary, the main areas for improvement for the HAF programme is around non-attendance of HAF places, and increasing the specialist teen provision that we offer, to provide a more equal distribution of places across primary and secondary ages. We have also highlighted an opportunity to enhance our SEND provision, by aligning HAF with our short breaks offer.

45 Our feedback survey of HAF recipients showed the majority of attendees had healthy meals, in safe environments, with over 85% learned new things, 73% made new friends, and 94.5% having a good time and enjoying themselves. Further detail can be found in table 4.

46 In addition to the survey details, we also provide parents/guardians the opportunity to provide feedback on their experience. Overall, the feedback is positive, with the comments generally acknowledging the programme is well distributed, easy to access, has fun activities and also healthy food. Please see table 5 for a collection of statements.

47 In addition to the main programme, HAF also provided 2,538 hampers over the Winter period to FSM young people in our most deprived areas. These hampers contained healthy food, to support the families through the challenging and often expensive Christmas period, as well as an activity which could have included items such as a gym pass or a home learning activity.

48 This was supported by those who received and regarded as a success by the schools.

Table 1 – Overview of performance

Programme performance overview

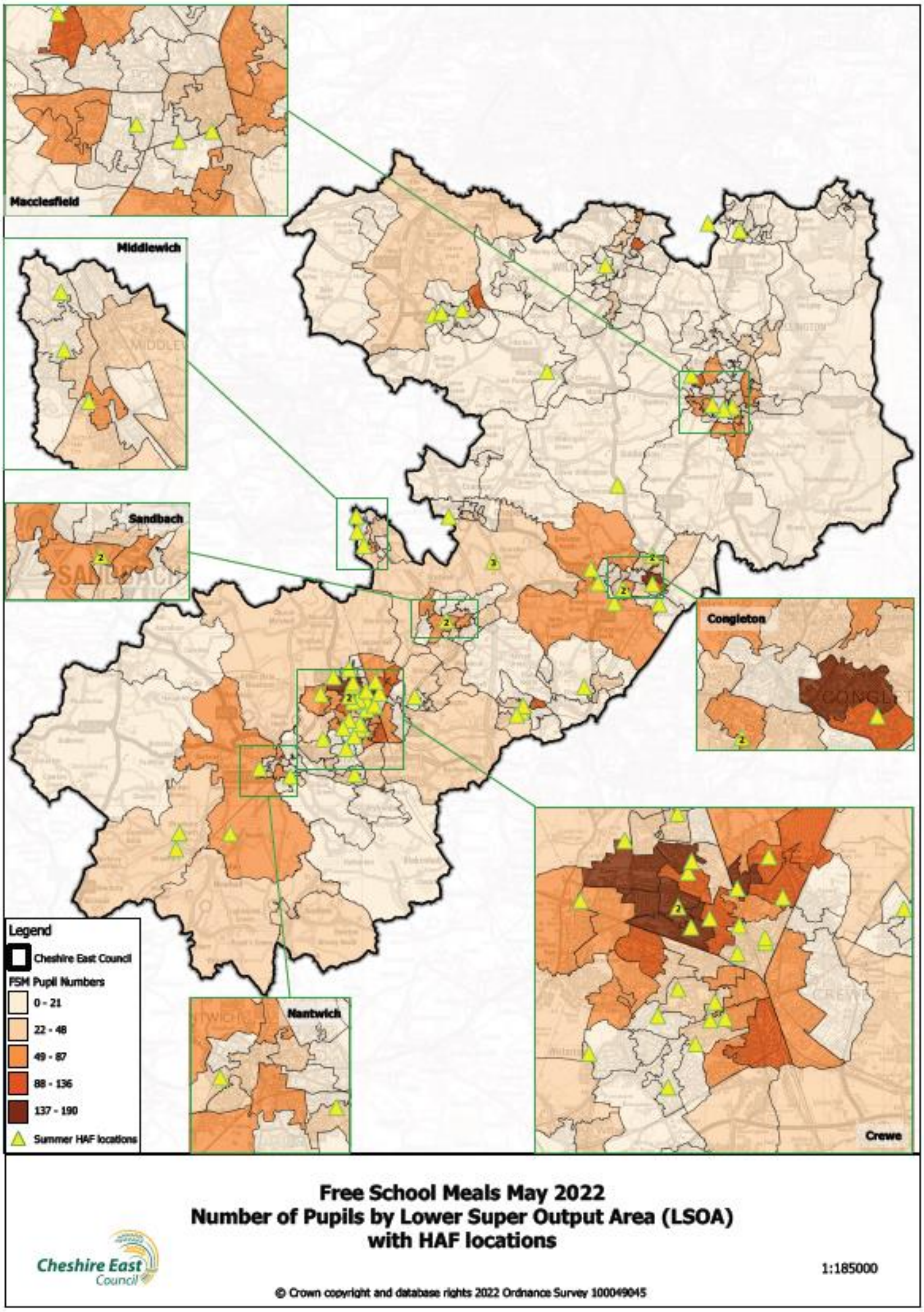
Filter for the dates of the delivery to see historic data. Check your Provider page to see if any Providers need reminding to take their registers.

ELIGIBLE APPROVED Total approved sessions in period 20964	Average sessions attended 6.4	Unique attending learners 2384
FREE Free sessions attended 15319	PAID Paid sessions attended 471	
CANCELLED Total sessions cancelled by Provider 739	CANCELLED Total sessions cancelled by booker 3031	DECLINED Total sessions declined 2815

Table 2 – HAF performance by holiday period

	HAF Data Split by Holiday		
Easter		Primary	Secondary
	FSM	448	99
	FSM SEND	156	62
	Non-FSM SEND	25	20
	Other	61	24
	total	690	205
Summer		Primary	Secondary
	FSM	718	189
	FSM SEND	263	113
	Non-FSM SEND	55	49
	Other	61	42
	total	1097	393
Winter		Primary	Secondary
	FSM	280	65
	FSM SEND	97	36
	Non-FSM SEND	24	24
	Other	26	28
	total	427	153
Annual		Primary	Secondary
	FSM	1446	353
	FSM SEND	516	211
	Non-FSM SEND	104	93
	Other	148	94
	total	2214	751

Table 3 – HAF LSOA Mapping



Appendix 2

HAF 2025/26 Funding Proposal

HAF Costing Proposal (2025/26)			
	Mainstream FSM	SEND	Total
Easter	£ 77,000.00	£ 23,000.00	£ 100,000.00
Summer	£ 300,000.00	£ 100,000.00	£ 400,000.00
Winter	£ 77,000.00	£ 23,000.00	£ 100,000.00
October	£ 77,000.00	£ 23,000.00	£ 100,000.00
February	£ 77,000.00	£ 23,000.00	£ 100,000.00
Hampers	£ 11,898.81	£ 5,831.19	£ 17,730.00
Admin	£ 60,600.00	£ 30,000.00	£ 90,600.00
Total	£ 680,498.81	£ 227,831.19	£ 908,330.00

Table 4 – Survey feedback from HAF recipients

Answer Choices	Strongly agree	Agree	Neither agree nor disagree	disagree	Strongly disagree	Unsure / don't know
They learnt/tried new things	48.21%	41.07%	5.36%	1.79%	0.00%	3.57%
They made new friends	32.14%	41.07%	14.29%	5.36%	0.00%	7.14%
They enjoyed the meals provided	30.36%	37.50%	12.50%	1.79%	1.79%	16.07%
They were in a safe environment	58.93%	33.93	1.79%	0.00%	0.00%	5.36%
They had a good time and enjoyed themselves	67.86%	26.79	1.79%	0.00%	0.00%	3.57%
They found out more about healthy foods, nutrition, or meal preparation	14.29%	17.86	41.07%	8.93%	1.79%	16.07%

Table 5 – HAF Feedback statements

Statement 1	HAF is a really wonderful scheme. My daughter X has had a very difficult start in life, we are her 5th home, although she really struggles with friendships, she struggles more when she is out of routine and especially during school holidays. She is on the Autistic/ADHA pathway and needs a good range of activities to engage in but also activities which encourage her confidence, self-esteem and her independence.
Statement 2	The HAF holiday club is brilliant my daughter loves going there she has met new friends plus it's good because if the parent/s had to work or had an appointment it's great for them reasons
Statement 3	The kids loved the provision from Cheshire East Youth Service - they attended sessions they would have never been able to with us - we could not have financially funded them. They spent time with other children & made friends (as they are not in or attending schools - opportunities to be with / around other children is limited). They had a brilliant 3 days out over xmas, which took pressure from us being able to afford days out for them & they eat a good hot meal (2 out of the 3 days).
Statement 4	My foster child attended the summer 2024 HAF sports camp and it supported us as a family stopping the child from getting board as it kept him occupied and happy though out the summer holidays
Statement 5	Unfortunately, I work full time and my husband too who works away a lot. Knowing I can work at home and L can go and meet new friends and enjoy himself is a massive relief for me. I would get anxious thinking I have to work when school is out and my son will want my constant attention and constantly say he is bored which puts stress on me. Having the HAF club in Holmes Chapel is amazing and the best thing is that L who normally super sensitive and anxious really enjoys going

OPEN

Council

26 February 2025

Nomination of Mayor and Deputy Mayor for the 2025-26 Civic Year

Report of: Acting Governance, Compliance and Monitoring Officer

Report Reference No: C/17/24-25.

Ward(s) Affected: All Wards

For Decision

Purpose of Report

1 Council is asked to consider nominations for the office of Mayor and Deputy Mayor for the 2025-26 Civic Year.

Executive Summary

2 This report enables Council to determine which Members may be formally considered for election to the Mayoralty and Deputy Mayoralty, at the Mayor Making Ceremony on 14 May 2025.

RECOMMENDATIONS

That Council is recommended to:

1. resolve that a Member be designated as Mayor Elect for 2025-26.

2. resolve that a second Member be designated as Deputy Mayor Elect,

with a view to their formal nomination for election and appointment as Mayor and Deputy Mayor for Cheshire East for the 2025-26 Civic Year, at the Mayor Making ceremony to be held on 14 May 2025.

Background

3 This report asks Council to agree which Members will be nominated for election as Mayor and Deputy Mayor at the Mayor Making Ceremony. Such a decision will assist the proposed civic office holders, and officers, in planning for the new civic year.

Consultation and Engagement

4 No formal consultation has taken place in relation to this report.

Reasons for Recommendations

5 To assist in the making of appropriate arrangements for the Mayor Making ceremony on 14 May 2025.

Other Options Considered

6 Whilst Council could choose not to designate a Mayor Elect and Deputy Mayor Elect, doing so aligns with the Council's historical approach and is always subject to formal resolution by Full Council at the Council Annual General Meeting/Mayor Making Ceremony.

Implications and Comments

Monitoring Officer/Legal

7 The meeting of Annual Council must formally elect the Mayor and Deputy Mayor, and it is entirely within the gift of the Council to do so.

Section 151 Officer/Finance

8 All allowances and expenses relating to the Office of the Mayor and Deputy Mayor have been budgeted for.

Policy

9 There are no direct implications for policy.

An open and enabling organisation Ensure that there is transparency in all aspects of council decision making.

Equality, Diversity, and Inclusion

10 There are no direct implications for equality.

Human Resources

11 There are no direct human resource implications.

Risk Management

12 There are no identified risks in respect of the recommendations.

Rural Communities

13 There are no direct implications for rural communities.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

14 There are no direct implications for children and young people/Cared for Children.

Public Health

15 There are no direct implications for public health.*:*

Climate Change

16 There are no direct climate change implications.

Access to Information	
Contact Officer:	Brian Reed, Head of Democratic Services brian.reed@cheshireeast.gov.uk
Appendices:	None
Background Papers:	None

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COUNCIL – 26 February 2025

NOTICES OF MOTION
Submitted to Council in Accordance with the Council Procedural Rules

1 From Exceptional Weather Events to Securing Telecare Services: Meeting the Challenges presented by the Analogue to Digital Upgrade by 2027

Proposed by Councillor J Clowes and Seconded by Councillor A Kolker

At December's Full Council Meeting, a question was raised regarding the loss of power and digital communications for significant periods during Storm Darragh on the 6th – 9th December 2024.

Whilst many areas experienced power outages, they were most extreme in more rural and remote areas of the borough.

It highlighted that analogue landlines that had already been converted to digital systems failed as soon as the power failed. Mobile phone batteries failed a short time into the power outages which in some cases lasted 2 – 3 days.

These areas are also more vulnerable to intermittent power outages caused by aging and vulnerable power infrastructure, by digital "black spots", poor reception and slower broadband speeds.

Nonetheless, the national digital upgrade continues apace and is due to be completed during 2027.

Whilst the Council Leader and Chairs of relevant committees acknowledged these problems at the December Council Meeting and identified potential strategies to address them, a more formal, multi-agency approach is urgently required, to bring these forward in the limited time-frame available.

The Government has now recognised this issue in relation to telecare services. *"…old landlines are still vital lifelines for very many people, including users of telecare, and it is crucial that we take people through the digital phone switchover safely. Upwards of 2 million people in the UK use telecare - the most common example being personal alarm pendants or buttons that many of us have seen family members use - and most of these telecare devices have historically relied on the analogue landline network*".

"*Telecare users have been identified as being at risk during the digital phone switchover, with past serious incidents underscoring the importance of safeguarding these individuals*". (DHSC: 11.02.2025)

Working collaboratively and closely with stakeholders from across the telecommunications and adult social care sectors, a new Telecare National Action Plan was launched on 11th February 2025.

"*Helping people to stay independent in their own homes, joining up services and improving the quality of care is essential to the future of Social Care. Technology enabled care (TEC) plays an important part in achieving this. The action plan sets out our vision for how to transition telecare provision into a modern, digital and resilient part of adult social care. The migration to digital telephone networks will lay the foundations for a next generation of telecare services so that care is personalised and preventative*. "(DHSC: 11.02.2025)

This approach is not just a national requirement but is a necessity for Cheshire East Council, if it is to take control of social care expenditure and bring spiralling care costs under control.

It is therefore proposed that this Council moves:

1. To implement the National Telecare Action Plan and its outcomes as follows:
    - no telecare user will be migrated to digital landline services without the communication provider, the customer or the telecare service provider confirming that the user has a compatible and functioning telecare solution in place
    - use of analogue telecare devices is phased out to ensure that only digital devices are being used
    - telecare users, their support networks and their service providers understand what actions they need to take
    - stakeholders collaborate to safeguard telecare users through the digital phone switchover

2. That the data acquired through implementation of the Telecare Action Plan is recognised as the baseline for further work with other vulnerable residents:
    - to identify those communities with no/poor digital access (black spots).
    - to identify other vulnerable residents (eg older residents, residents still dependent on analogue phones, residents dependent of 2G and 3G that are also being phased out) and expand the data base.

3. To design and distribute a Residents' Safety Toolkit – providing advice, guidance and practical support, to enable residents to better prepare for periods of power or signal outages.

4. To lobby Government to further invest in those areas that have little or no digital access, in particular to ensure that residents in rural or otherwise isolated areas are not excluded from accessing effective digital services that would enable them to stay in their own homes for longer.

5. Work with NALC, CHALC, Town and Parish Councils to develop their own Local Resilience Plans, utilising local knowledge and skills to further mitigate the impacts of extreme weather events or other local, critical incidents.

REFERENCES

DHSC February 2025
Telecare National Action Plan: protecting telecare users through the digital phone switchover - GOV.UK

BT September 2023
https://newsroom.bt.com/bt-announces-regional-rollout-schedule-for-digital-voice/

We're switching from analogue to digital landlines - About BT | BT Plc

GOV.UK: Vulnerable Customers
https://www.gov.uk/guidance/uk-transition-from-analogue-to-digital-landlines

Ofcom: Calls in Power Cuts
https://www.ofcom.org.uk/phones-and-broadband/landline-phones/future-of-landline-calls

Commons Library (2020/21: Impact of storms and extended power cuts).
https://commonslibrary.parliament.uk/research-briefings/cbp-9471/

Cllr Concerns in Norfolk November 2023
https://www.bbc.co.uk/news/uk-england-norfolk-67706670

May 2024: Charities Concerns (2025 deadline extended to 2027)
https://www.bbc.co.uk/news/articles/c5119g5z4q5o

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Schedule of Urgent Decisions Made by the Chief Executive following consultation with Members

Date	**Summary of decision**	**Decision on behalf of**
8 Jan 2025	**Priority Programme for Devolution in England** <u>Decision</u> That Cheshire East Council be considered for and, if successful, join the proposed Priority Programme for Devolution in England and the Leader and Deputy Leader sign the required letter to Government on behalf of Cheshire East Council to affect this decision.	Council
10 Jan 2025	**Submission to MHCLG: Council Tax Referendum Limit** <u>Decision</u> That the Section 151 Officer shall make a formal submission to the Ministry of Housing, Communities and Local Government which seeks authority for the Council Tax referendum limit for Cheshire East Council to be increased by an additional 5% above the standard amount for 2025/26 only.	Council

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