



Second Financial Review 2024/25

Results to end of August 2024

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Section 1: 2024/25 Forecast Outturn

- 1.1 Table 1 provides a service summary of financial performance based on information available as at the end of August 2024. The current forecast is that services will be £24.5m over budget in the current year.
- 2.1 It also shows that central budgets are forecast to be £4.5m under budget resulting in an overall outturn of £20.1m overspend against a net revenue budget of £395.4m, an improvement of £6.5m from FR1.
- 3.1 The overall revenue position does not include the impact of applying any Exceptional Financial Support.
- 4.1 The forecast outturn position is based on a full financial management review across all service and reflects the following assumptions:
 - Includes those savings that have been identified as non-achievable though the tracker on our High Level Business Cases (HLBC) with no/some alternative actions currently presented;
 - A review of the on-going impacts of adverse variances identified in 2023/24;
 - Any identified, emerging items of significance:
 - Within Adult Social Care, significant growth is forecast for care costs in line with position seen year to date, less mitigations linked to delivery of the Impower savings;
 - Includes the assumptions around additional revenue resources in Childrens Services to resource the draft improvement plan in relation to the recent OFSTED inspection;
 - Forecast impact of the proposed increased 2024/25 pay award £1.6m (unfunded);
 - Detailed review of any vacancy underspends in all areas;
 - One-off items that have been identified so far through line by line reviews and/or identification of additional funding that has been announced since the MTFS was set.
 - Mitigation activities delivered or forecast to be delivered by 31 March as reflected in paragraph 28 of the main covering report.
 - Review of Section 106 legacy budgets, the effects of which are partly reflected in the FR2 forecast out-turn as a one off contributions to reserves (to be further updated at FR3), work undertaken to date has identified an improvement (reduction) of the Council's bad debt provision of £0.8m,

Further items impacting on the level of the Council's balances are detailed in **Section 5**.

2024/25 FR2	Revised Budget (NET) £m	Forecast Outturn £m	Forecast Variance £m	Forecast Variance from FR1 FR1 £m	Movement from FR1 to FR2 FR2 £m
SERVICE DIRECTORATES					
Adult Social Care - Operations	145.9	167.8	21.9	21.7	0.2
Commissioning	(8.0)	(9.1)	(1.1)	(1.0)	(0.1)
Public Health	-	-	-	-	-
Adults and Health Committee	138.0	158.7	20.8	20.7	0.0
Directorate	2.3	3.4	1.1	1.3	(0.2)
Children's Social Care	55.3	58.9	3.6	4.6	(1.0)
Education, Strong Start & Integration	35.4	36.1	0.7	1.4	(0.7)
Children and Families Committee	93.0	98.4	5.4	7.3	(1.9)
Directorate	(0.34)	(0.37)	(0.03)	(0.03)	-
Growth & Enterprise	28.4	25.2	(3.2)	(2.6)	(0.7)
Economy and Growth Committee	28.1	24.8	(3.3)	(2.6)	(0.7)
Environment & Neighbourhood Services	48.4	48.3	(0.1)	0.6	(0.7)
Environment and Communities Committee	48.4	48.3	(0.1)	0.6	(0.7)
Highways & Infrastructure	16.0	15.4	(0.6)	(0.5)	(0.1)
Highways and Transport Committee	16.0	15.4	(0.6)	(0.5)	(0.1)
Directorate	1.4	1.2	(0.2)	(0.2)	(0.0)
Finance & Customer Services	12.2	14.0	1.8	1.9	(0.1)
Transformation	-	2.8	2.8	1.9	0.9
Governance & Compliance Services	10.9	9.6	(1.3)	(1.2)	(0.1)
Communications	0.7	0.7	(0.0)	(0.0)	0.0
HR	2.4	2.1	(0.3)	(0.3)	(0.0)
ICT	12.2	11.9	(0.3)	(0.1)	(0.2)
Policy & Change	2.0	1.8	(0.1)	(0.0)	(0.1)
Corporate Policy Committee	41.8	44.2	2.4	0.0	2.4
TOTAL SERVICES NET EXPENDITURE	365.3	389.9	24.5	25.6	(1.1)
CENTRAL BUDGETS					
Capital Financing	31.7	32.0	0.3	0.4	(0.1)
Transfer to/(from) Earmarked Reserves	(13.0)	(16.5)	(3.5)	0.6	(4.1)
Parish Precepts & Other Operating Expenditure	11.4	10.1	(1.3)	(0.1)	(1.2)
Finance Sub-Committee - Central Budgets	30.0	25.6	(4.5)	0.9	(5.4)
TOTAL NET EXPENDITURE	395.4	415.4	20.1	26.5	(6.5)
Business Rates Retention Scheme	(69.5)	(69.5)	0.0	-	0.0
Specific Grants	(32.4)	(32.4)	-	-	-
Council Tax	(293.5)	(293.5)	-	-	-
Finance Sub-Committee - Net Funding	(395.4)	(395.4)	0.0	-	0.0
NET (SURPLUS) / DEFICIT	(0.0)	20.1	20.1	26.5	(6.5)

Section 2: 2024/25 Approved Budget Change Items

The following table provides up detailed commentary on the progress against the approved budget change items that were agreed as part of the budget agreed in February 2024. These are split by relevant committee.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Adults and Health Committee	+1.136	+21.900	+20.764	
1	Fees and Charges	-1.800	-1.800	0	Green – see below
2	Client Contributions Increase	-0.800	-4.649	-3.849	Green - £3.85m surplus vs client contribution budget forecasted for 2024/25. This is in addition to achieving the budgeted increase for Fees and Charges & Client Contribution increase in-year (£2.6m)
3	Working Age Adults - Prevent, Reduce, Delay	-1.467	-1.467	0	Green - Multiple activities contributing to these savings. Validation of delivery and measures being developed by SROs and Finance.
4	Older People – Prevent, Reduce, Delay	-1.566	-1.566	0	Green - Multiple activities contributing to these savings. Validation of delivery and measures being developed by SROs and Finance.
5	Market Sustainability and Workforce grant	-1.100	-1.100	0	Completed
6	Revenue grants for Adult Social Care	-2.480	-2.480	0	Completed
7	Pension Costs Adjustment	-0.493	-0.493	0	Completed
8	Investment in Adult Social Care	+7.600	+30.133	+22.533	Red – MTFS growth for Care Costs not sufficient to cover the pressure seen in 2023/24 plus the expected growth in 2024/25. Mitigations to reduce pressure reported separately.
9	Pay Inflation	+1.892	+2.104	+0.212	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS.
10	Resettlement Revenue Grants – reversal of 2023/24 use	+0.850*	+0.850*	0	Completed
11	Adult Social Care Transformation Earmarked Reserve Release – reversal of 2023/24 use	+0.500*	+0.500*	0	Completed

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
12	Market Sustainability and Fair Cost of Care – Removal of Grant Income	-	-	-	Completed - Now a 2025/26 Item
13	Asset Management	TBC	TBC	-	Green - It is expected that the NHS will confirm their intentions for usage of one of the key CEC sites in question by September 2024. Once this is received, the business case for future usage of the site will be revisited and taken through the appropriate CEC governance procedures. The model of care in relation to high-cost adult social care and health provisions will be part of this work.
14	Investigate potential agency creation	TBC	TBC	-	Green - This proposal has been consistently delivered in relation to the usage of a Care Workers agency in all but name. Care4CE, the Council's in house care provider, has been utilising workers, both casual and agency, as a bank of workers for several years to successfully deliver operational requirements. The establishment of a CEC.
In year	Other variances to reconcile to 2024/25 FR2 forecast	0	+2.888	+2.888	
In year	Mitigations reducing the FR2 reported forecast position	0	-1.020	-1.020	

** Item represented a one-off spend in 2023/24. As it is not a permanent part of the budget, the value of the proposal is reversed in 2024/25.*

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Children and Families Committee	+9.909	+15.311	+5.402	
15	Discretionary offer to children with disabilities	-0.900	-0.903	-0.003	Green - On track, project team progressing multiple improvements to redesign the service offer, ensuring consistency and efficiency.
16	Remove school catering subsidy	-0.516	-0.049	+0.467	Red - In progress, rate uplift applied from September 2024 in order to cover the costs of the service through to the end of March 2025 when it ends. However, as some schools are making their own arrangements before the end of the financial year, this will impact on the savings target.
17	Review of structure to further integrate children and families services	-1.000	-0.200	+0.800	Red - Delivery Planning in progress to address saving. Including: further Establishment review, service redesign, cross directorate risk management.
18	Reduce discretionary Post-16 Travel Support	-0.400	-0.250	+0.150	Red - Agreed by Committee so progressing, too early to confirm take-up.
19	Achieve the Family Hub model	-0.250	-0.250	0	Green - Committee approved permission to consult. Following the consultation period, a report will go back to Committee in November for a decision to move forward with the new model. Savings are not going to be delivered in year therefore alternative saving being found to cover this.
20a	Other Service Reviews – Review of commissioned services across the C&F directorate. Review of the current Domestic Abuse Service	-0.100	-0.143	-0.043	Completed.
20b	Other Service Reviews – Maximise grant allocation to cover all costs	-0.100	0	+0.100	Red - Plan to explore current / future grants to ensure where T&Cs allow, contribution to fund base costs (e.g. staffing and on costs) is maximised.
20c	Other Service Reviews – Traded services	-0.050	+0.020	+0.070	Red - Part delivered but may need to look for alternative options to cover the remaining saving for this year.
21a	Reduce Growth in expenditure – review of high cost, low outcome external residential placements	-1.000	-1.000	0	Red - Whilst work has been taking place to open CE Children's Homes and our first open is now open, with our second due in autumn/winter, our collaboration with Foster4 working well to increase our foster carers, we still are seeing more children coming into carer. There is also increasing

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					instability with the residential market,, driving up prices. Complex young people need high packages of support, which are extremely expensive. We are due to review all high cost placements and other placements to identify children for whom reunification to family would be appropriate. Processes are also in place by the Head of Provider Services to review costs being paid to providers.
21b	Reduce Growth in expenditure – increase commissioning approach to establish greater opportunities to provide accommodation for +16 young people	-0.400	-0.200	+0.200	Red - 16+ and 18+ Commissioning Plans / Market Shaping in Progress. Responding to increasing demand and complexity.
21c	Reduce Growth in expenditure – Foster Care	-0.250	-0.250	0	Amber - Developing a Delivery Plan to increase Foster Care provision.
21d	Reduce Growth in expenditure – reduced spend on expert assessment in court proceedings and services post public law proceedings	-0.250	-0.250	0	Amber - Establishing a Task & Finish Group to explore and develop processes and capacity to reduce costly legal proceedings.
22	Pension Costs Adjustment	-0.515	-0.342	+0.173	Red - Teacher's pension legacy costs are not reducing as anticipated. Completed - CEC pension reduction.
23	Growth to deliver statutory Youth Justice service, and growth to ensure budget is sufficient to meet Safeguarding Partnership duties	+0.170	+0.197	+0.027	Amber - It is incumbent upon the three statutory safeguarding partners, the police, health and the Local Authority, to ensure that adequate funding is allocated to the Children's Safeguarding Partnership so it can fulfil its statutory functions in delivering the multi-agency safeguarding arrangements. An internal audit identified the Local Authority had not reviewed its contributions to the partnership and was insufficiently contributing to the delivery of the partnership arrangements. As a result, growth was approved by committee. This has been supported by an increase in contributions from all partner agencies. A vacancy has also been held in the business unit.
24	Growth to provide capacity to deliver transformation for SEND	+0.500	+0.297	-0.203	Green.

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25	Wraparound Childcare Programme (funded)	+0.587	+0.587	0	Amber - Currently reviewing sufficiency and funding details to manage delivery within budget.
25	Wraparound Childcare Programme (funded)	-0.587	-0.587	0	Amber - Currently reviewing sufficiency and funding details to manage delivery within budget.
26	Legal Proceeding - Child Protection	+0.770	+0.576	-0.194	Amber
27	Growth in School Transport budget	+0.936	+1.036	+0.100	Red.
28	Pay Inflation	+1.374	+1.915	+0.541	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS.
29	Use of Children & Families Transformation Reserve – reversal of 2023/24 use	+1.065*	+1.065*	0	Completed.
30	Growth in Childrens Placement costs	+10.825	+12.987	+2.162	Red - Will need to be closely monitored throughout the year to ensure that funding is sufficient to meet demand and complexity.
31	Revenue costs for the Crewe Youth Zone (as above) aligned to Supporting Families Funding	-	-	-	Green
31	Early Help budget to support funding towards the Crewe Youth Zone	-	-	-	Green
32	SEND Capital Modification	TBC	TBC	-	Amber - Contingent upon wider asset management and associated timelines. Extensive work underway to plan and progress development opportunities. Captured as part of the Capital Program reported to Committee.
33	Childrens Social Work Bank	TBC	TBC	-	Red - Various options currently being explored as part of wider C&F Establishment review and potential peripatetic resource options.
34	Safe Walking Routes to School	TBC	TBC	-	Green - Features as part of School Transport Programme.
35	Withdrawal of the CEC School Meals Service	TBC	TBC	-	Green - Features as part of School Catering subsidy project - CF2428-16.
In year	In-year emerging variance Education, Strong Start and Integration	0	-0.779	-0.779	Green. Underspend relates to vacancy management, reduced spend and income generation across services.

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In year	In-year emerging variance Children and Families Directorate	0	+0.165	+0.165	Red. Overspend relates to supplier compensation payment, external Quality Assurance Agency costs and cost of establishment.
In year	In-Year emerging variance Children's Social Care	0	+1.669	+1.669	Red. Overspend mainly relates to staffing costs.

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	Corporate Policy Committee	+0.489	+2.966	+2.477	
36	Reduce leadership and management costs	-0.540	-	+0.540	Red - The feedback from the DMA review is that senior management vacancies will require recruitment to in order to complete the complement of Corporate Managers. In year vacancy savings will continue but will be time limited. There is potential to increase costs by additional management support during transformation. This will result in increased budget pressure. This pressure is being mitigated through the four in-year items at the end of this table. Most of those will be permanent and used to deliver this saving.
37	Close the Emergency Assistance Scheme	-0.220	-0.220	0	Completed
38	Reduce election costs and increase charges where possible	-0.150	-0.150	0	Green - The proposal is to make a payment during 2024/25 of £70k-£80k from the existing election account, as part of this one-off saving. The remainder will be delivered by reducing the sum which would normally be paid into the election reserve. This might be mitigated in the year of the next local elections by monies which will be raised by charging town and parish councils for their elections in 2027. However, this will not be sufficient and will be likely to lead to the need for a supplementary estimate.
39a	Accelerate Digital Transformation (ICT Operational efficiencies)	-0.100	-0.100	0	Green – third party costs have been reduced and there are plans to reduce further during the year.
39b	Accelerate Digital (Digital efficiencies)	-0.150	-0.150	0	Green – Removal of temporary budget for Solutions Architect Resource, now covered by an Earmarked Reserve.
40	Enforce prompt debt recovery and increase charges for costs	-0.150	-0.150	0	Completed - The award of costs is a matter for the Magistrates at each court hearing. However, only by exception will they vary from the level already agreed by us with the Court Manager. The approach to the Court Manager has been made and the revised level agreed. The action is therefore complete, but the financial benefits will accrue as we continue

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					the regular recovery process during the year.
41a	Other efficiencies and reductions across Corporate Services – School Subsidy (ICT)	-0.032	-0.033	-0.001	Green
41b	Other efficiencies and reductions across Corporate Services – Organisational Development	-0.100	-0.100	0	Completed
41c	Other efficiencies and reductions across Corporate Services – Registration Services	-0.050	-0.050	0	Green
41d	Other efficiencies and reductions across Corporate Services – School Subsidy	-0.018	0	+0.018	Amber - Part of the £50k School Subsidy saving - Finance team to assist in identifying options. These are listed at the end of the table.
41e	Other efficiencies and reductions across Corporate Services	-0.010	0	+0.010	Amber - Finance team to assist in identifying options. These are listed at the end of the table.
41f	Other efficiencies and reductions across Corporate Services – Printing	-0.050	0	+0.050	Amber - Finance team to assist in identifying options. These are listed at the end of the table.
41g	Other efficiencies and reductions across Corporate Services – Hybrid working / mileage	-0.050	0	+0.050	Amber – Options being considered regarding reduced travel spend including ensuring efficient planning around meeting attendance and minimising unnecessary movements across the area. This maximises efficient use of time as well for teams.
42	Pension Costs Adjustment	-0.378	-0.378	0	Completed
43	Mitigation of reduction in the Dedicated Schools Grant	+0.136	+0.136	0	Completed
44	Pay Inflation	+1.446	+1.581	+0.135	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS.
45	Legal Services Capacity	+0.455	+0.455	0	Completed
46	ICT Review 1	+0.450	+0.450	0	Green
47	Workforce Strategy Review	TBC	-	-	Amber - There are no savings attributed to this area in 2024/2025. Opportunities to explore workforce options are being considered alongside transformation work. Any savings are likely to be realised in

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					2025/26 at the earliest. It is recommended that this item is removed from the list.
In year	Recognising the increased level of Registration service income of £350k.	0	-0.350	-0.350	This will be a permanent change to deliver the Red ranked items above.
In year	Recognising the receipt of £45k of Police and Crime Commissioner grant income.	0	-0.045	-0.045	This will be a permanent change to deliver the Red / Amber ranked items above.
In year	Taking the underspend on phones in corporate services (mobiles and rental) compared to budget.	0	-0.060	-0.060	This will be a permanent change to deliver the Red / Amber ranked items above.
In year	Additional mitigations to balance to FR1 position of +£23k for corporate incl ICT.	0	+2.130	+2.130	These will be a mix of permanent and temporary items to assist the in-year position. This includes Transformation costs.

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	Economy and Growth Committee	+3.316	+0.041	-3.275	
49	Service Restructures within Place based Services	-0.787	0	+0.787	Amber – achievement through permanent savings remains challenging without a full restructure – which is pending the LGA review. Mitigation is through offset of underspend 'in year' and proposals are to be considered to offset permanently.
50	Reduce opening hours for main offices	-0.050	-0.050	0	Completed
51	Office estate rationalisation	-0.550	-0.250	+0.300	Amber - due to the timeline for the transfer of buildings being extended. This item is being mitigated by in year savings and by the items at the end of the table which are a mix of permanent and temporary measures.
52	Tatton Park	-0.046	-0.046	0	Amber - Savings can be achieved through investment in the Tatton Vision Programme. To date this programme has achieved cumulative MTFS savings of £624k. Amber rating reflects the fact that the Tatton Vision capital programme is currently under review. Lack of investment to maintain infrastructure or develop visitor attractions is likely to reduce savings.
53	Transfer of Congleton Visitor Information Centre	-0.020	-0.020	0	Green - Transfer of Congleton VIC to the Town Council has already occurred.
54	Pension costs adjustment	-0.157	-0.157	0	Completed
55	Tatton Park ticketing and electronic point of sale (EPOS) upgrade	+0.005	+0.005	0	Green - A procurement process is currently underway to source a supplier who can ensure onsite and web-based delivery of a new system which aligns with present and future needs. Improved functionality should enable future savings delivery.
56c	West Park collection	+0.012	+0.012	0	Green - Cost for vital conservation and storage of West Park Museum collections and ongoing temporary storage requirements.
56d	CEC archives	+0.008	0	-0.008	Amber - Timescales for implementation of the Archives capital project have slipped due to grant funding decisions, with revised opening date of Spring 2026.
57	Property Information and Management System - Estates – Revenue Adjustment	+0.030	+0.031	+0.001	Completed

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58	Housing	+0.035	+0.035	0	Green - Consultation on the Housing Restructure commences 22 May and includes the post that the funding is attributed to. The new structure will be implemented by 1 August 2024.
59	Environmental Hub Waste Transfer Station	+0.040	+0.040	0	Green - Project on track delivery Q1/2. The replacement of bay 1 in the Councils Environmental Hub Residual Waste Transfer Station building with a new design more likely to provide long-term resilience to wear and tear, to enable the continuation of waste processing at the transfer station.
60	Rural and Visitor Economy	+0.045	+0.045	0	Green - Additional revenue support is required to cover the increase in electricity charges for the Rural and Culture Economy Service to maintain existing service provision at Tatton Park and Countryside sites.
61	Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment	+0.079	+0.079	0	Amber – Prioritised negotiations with 3rd parties/tenants occupying premises being expedited to avoid delays on obtaining access for surveys, completing necessary improvement works and legally completing lease renewals.
62	Public Rights of Way Income Realignment	+0.115	+0.115	0	Completed. Adjustments made to budget forecasts 2024/25
63	Pay inflation	+0.788	+0.940	+0.152	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being mitigated by the items at the end of the table which are a mix of permanent and temporary measures.
64	Crewe town centre maintenance and operation	+0.650	+0.630	-0.020	Green
65	Assets - Buildings and Operational	+3.119	+3.119	0	Green
66	Landfill Site Assessments revenue adjustment - Estates – CE Owned Landfill sites (53 sites) Review and Risk Assessment completions	-	-	-	Amber - £10k cost growth in for 25/26. Second stage of the review to commence shortly. Internal capacity within Environmental Services to be identified.
67	Tatton Park Estate Dwellings Refurbishment	-	-	-	Completed - Provision for response maintenance issues for 8 onsite dwellings to ensure properties meet standards required as part of tenancy agreements and the National Trust lease.

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68	Improving Crewe Rented Housing Standards	-	-	-	Green
In year	Growth & Enterprise 2024/25 mitigations to balance back to finance review position	0	-3.672	-3.672	
In year	Place Directorate 2024/25 mitigations to balance back to finance review position	0	-0.815	-0.815	

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	Environment and Communities Committee	-0.052	-0.178	-0.126	
69	Refresh wholly owned company overheads and contributions	-1.000	-1.500	-0.500	Green - ASDV Review recommendations have now been approved in full by Finance Sub-Committee in their role as shareholder of the wholly owned companies. The process of insourcing these services is now underway which will release an element of their reserves in year to meet this one-off contribution.
70	Strategic Leisure Review (Stage 2)	-1.305	-1.185	+0.120	Amber - Initial savings secured via committee decision on 11th March 2024. Proposals are being developed with EHL and town and parish councils to secure the residual £250k amount - dialogue is ongoing.
71	Mitigate the impact of contract inflation and tonnage growth	-0.490	-0.490	0	Completed - Mitigate the impact of contract inflation and tonnage growth.
72	Emergency reduction of Household Waste Recycling Centres (HWRC) to four core sites	-0.263	-0.200	+0.063	Amber - Full saving on basis of original HLBC will not be achieved due to introduction of mobile provision offer as a result of Full Council decision and costs associated with trial of booking system. Following implementation of temporary closures final negotiations with supply chain are nearing conclusion in relation to savings in year, which include adjustment for waste diversion. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures.
73	Libraries Strategy	-0.365	-0.302	+0.063	Amber - Development of and consultation on Libraries Strategy is now reaching a conclusion following public consultation. Need to secure committee decision to implement final Strategy (target Nov 2024) – engagement with Town and Parish Councils undertaken to shape the Strategy proposals and seek funding contributions, which is continuing and producing results. This item is being partly mitigated by the item at the end of the table, which is a mix of permanent and temporary measures, principally vacancy management.
74	Reduce costs of street cleansing operations	-0.200	-0.200	0	Green - Value of saving now reduced from ANSA Management Fee for 2024/25, proposals to achieve which include immediate reductions in service

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					resilience, due to removal of any vacancies and under utilised fleet.
75	Reduce revenue impact of carbon reduction capital schemes	-0.336	0	+0.336	Amber – Carbon Neutral Council target deferred from 2025 to 27, as agreed at Full Council on 27.02.24, large scale prudential borrowing funded schemes spend now reprofiled to suit, however budget not sat within E&C Committee. Discussion with Corporate Financing team to re-allocate. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures.
76	Increase Garden Waste charges to recover costs	-0.045	-0.045	0	Green – Increase Garden Waste charges for the calendar year 2025 to recover costs
77	MTFS 80 (Feb 23) – Waste Disposal – Contract Inflation and Tonnage Growth (updated forecast)	+3.577	+3.977	+0.400	Green – rating due to fluctuations in waste markets relating to recyclates and continued levels of inflation, outside CEC control and not aligned to projections. Mitigation is to continue with monthly financial monitoring and detailed update of forecasting to year end, based on market intelligence from suppliers and historical seasonal trends data.
78	Pay Inflation – CEC & ASDV	+1.861	+2.397	+0.536	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures.
79	Pension Costs Adjustment	-0.151	-0.151	0	Completed
80	MTFS 90 (Feb 23) Strategic Leisure Review	+1.250	+1.250	0	Completed - Growth item budget adjustment only - replacing 2023/24 £1.3m savings target.
81	MTFS 91 (Feb 23) – Green Spaces Maintenance Review	-0.200	-0.200	0	Green - Year 2 saving - Policy now implemented and full saving secured from ANSA contract.
82	MTFS 92 (Feb 23) - Review Waste Collection Service - Green Waste	-3.150	-3.150	0	Green - Subscription levels in line with original business model.
83	Review MTFS 92 (Feb 23) Garden waste subscription financial model in line with latest subscription levels and with actual observed	-0.429	-0.429	0	Green - Continued monitoring of subscription levels and any adverse impacts is already in place, update to original business plan assumptions.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	position on any waste migration				
84	MTFS 93 (Feb 23) Libraries - Service Review	-0.200	-0.200	0	Amber - Year 2 of Service Review - reduction in staffing levels have been implemented and now include vacancy management in year to ensure achievement of saving. Currently covered temporarily by vacancy savings
85	Explore a Trust delivery model for Libraries and other services	+0.150	+0.020	-0.130	Green - Growth item to cover one off costs relating to implementation of alternative delivery model(s) for libraries service. Aligned to development of Libraries Strategy.
86	CCTV – Service Efficiencies	-0.030	-0.030	0	Green – Ongoing actions to increase customer base for existing services, identification of new chargeable services/customers and service efficiency savings as well as increased fees and charges to meet the target.
87	Congleton Town Council Collaboration Agreement – Grounds Maintenance	-0.062	-0.062	0	Completed - Congleton Town Council Collaboration Agreement on Grounds Maintenance Cheshire East Contribution reduced in line with reductions in Cheshire East Maintained green space.
88	Closed Cemeteries	+0.005	+0.005	0	Completed - Inflationary adjustment to previous budget allocation only.
89	Environmental Hub maintenance	+0.023	+0.023	0	Completed - Inflationary adjustment to previous budget allocation only.
90	Review Closed Landfill Sites	+0.300*	+0.300*	0	Completed - The Council has responsibility for a number of closed landfill sites across the borough for which it holds a provision.
91	Land Charge Income Adjustment	+0.050	+0.064	+0.014	Amber - Uncertainty around implementation timescales of HMLR changes to centralise some aspects of land charges functions hence understanding of actual impact, to be regularly monitored.
92	Building Control Income Alignment	+0.203	+0.403	+0.200	Amber - Due to current national trend of downturn in planning and related building control income. To be monitored through more regular financial forecasting in service. Reforms to national planning policy recently consulted upon may have a positive impact on this position moving forward due to uplift in both volume and pace of developments coming forward. To be considered in due course following Govt announcement. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
93	Local Plan Review	+0.255	+0.255	0	Completed - Budget adjustment to provide additional one-off funding towards development of new Local Plan, now commenced.
94	Planning income	+0.400	+0.910	+0.510	Amber – Forecast reduced income in year due to current national trend of downturn in planning applications and hence income. Proactively monitored through regular financial forecasting in service. Partially mitigated by continued high level of vacancies and the item at the end of the table. Recent national planning policy forms announced by Govt which were subject to a consultation process may help to alleviate the income position, but will require vacancies to be filled to cater for the likely increase in applications. To be considered as and when further announcement made.
95	Planning Service Restructure	-	-	-	Green - No action for 2024/25. Growth for 2025/26 to be kept under review.
96	Review of Household Waste Recycling Centres	+0.100	+0.100	0	Green - all activities are on track for completion on time following decision at Environment and Communities Committee on 26 September 2024 to proceed with preferred option and finalisation of new operating contract procurement process.
In year	Environment & Neighbourhood Services mitigations 2024/25 to balance back to finance review position	0	-1.738	-1.738	

* Item represented a one-off saving in 2023/24. As it is not a permanent part of the budget, the value of the proposal is reversed in 2024/25.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Highways and Transport Committee	+4.869	+4.267	-0.602	
97	Highway maintenance savings	-0.750	-0.750	0	Green - Savings are being achieved through: - reducing the number of cuts on grass verges from 10 to 8; - directly employing staff to carry out surveys, rather than sub-contracting; - reductions in staffing and vacancy management; and - reliance on the Council's adverse weather reserve for snow clearance. Service budgets have been reduced to reflect the savings being made.
98	Introduce annual increases to car parking charges	-0.150	-0.150	0	Green - Annual inflation adjustment to existing P&D tariffs can be implemented by 1st July 2024, in advance of bringing charges into effect in the "free towns". This is 3 months earlier than planned.
99	Pension Costs Adjustment	-0.052	-0.052	0	Completed
100	Highways	-0.031	-0.031	0	Completed - This saving was delivered by changes to response times to defects in 2023/24.
101	Safe Haven outside schools (Parking)	-0.023	-0.023	0	Red - Introduction of CCTV camera enforcement of waiting/loading restrictions at school gates on a trial basis using bespoke equipment that is type approved and proven for these purposes in order to improve road safety and increase enforcement capacity at these high risk locations.
102	Transport and Infrastructure Strategy Team - Restructure	+0.120	+0.060	-0.060	Amber - Vacancies in existing structure provide some flexibilities of resourcing and recruitment planning.
103	Pay Inflation	+0.339	+0.351	+0.012	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being mitigated by the item at the end of the table which is a mix of permanent and temporary measures.
104	Parking - PDA / Back Office System contract	+0.100	+0.100	0	Green - Market testing completed - exploring a direct award opportunity with implementation testing and data migration.
105	Flood and Water Management Act 2010 SuDS & SABs Schedule 3 Implementation	+0.100	+0.100	0	Green - The requirement is to be ready to implement changes when regulations are implemented nationally.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					A training plan for existing staff has been identified. Recruitment is to be progressed.
106	Energy saving measures from streetlights	+0.242	+0.242	0	Completed - This entry was in the MTFS to cancel an unachievable saving from 2022/23. There is no further action.
107	Parking	+0.245	+0.245	0	Amber - Following decisions in January 2024, arrangements are in place to adjust existing Pay & Display tariffs from 1 July 2024 and extend pay and display to car parks in "free towns" by October 2024. Statutory consultations on Sunday and Evening charges will start in July. A trial of demand-responsive tariffs will begin with the opening of the new multistorey car park in Crewe.
108	Highways Revenue Services	+2.479	+2.479	0	Completed - This is a growth item. The growth has been factored into 2024/25 service levels and business plans. No further action.
109	Local Bus	+2.250	+2.250	0	Green
110	FlexiLink Service Improvement Plan	-	-	-	Green - A bus service review consultation is underway, including proposals relating to flexible transport. Committee received a report updating on the outcomes of the consultation and the approach to procurement on 19 September 2024.
111	Highways Depot Improvements	-	-	-	Red - This later year saving is subject to the approval of the business case for capital investment in depots. This will be reviewed during 2024/25.
112	Bus Stop Advertising Revenue Generation	-	-	-	Amber - Opportunity to shadow CWAC council's extension of the existing contract in the interim period.
In year	Highways & Infrastructure 2024-25 mitigations to balance to finance review	0	-0.554	-0.554	

MTFS Ref No	Detailed List of Approved Budget Changes – Central Budgets	2024/25 £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Finance Sub-Committee	-19.667	-24.138	-4.471	
113	Capital Financing - Minimum Revenue Provision	+9.508	+9.846	+0.338	Amber – assumes use of reserve of £2.135m (subject to approval). Ongoing capital review seeking to significantly reduce spend funded by borrowing.
114	Central Bad Debt Provision adjustment	+0.600	+0.600	0	Completed - budget adjustment.
115	Use of Earmarked Reserves – MTFS Reserve	+0.255	+0.255	0	Completed - budget adjustment / planned use of reserve.
115	MTFS Reserve – reversal of 2023/24 use	+1.536	+1.536	0	Completed - budget adjustment / planned use of reserve.
116	Collection Fund Reserve - Use of Earmarked Reserves	-0.834	-0.834	0	Completed - budget adjustment / planned use of reserve.
116	Collection Fund Reserve – reversal of 2023/24 use of reserves	+2.234	+2.234	0	Completed - budget adjustment / planned use of reserve.
117	Brighter Futures Transformation – reversal of 2023/24 use of reserves	+1.271	+1.271	0	Completed - budget adjustment / planned use of reserve.
118	Use of General Reserves – Fund in-year budget shortfall [NEW]	-11.654	-11.654	0	Completed - Drawn down in line with the MTFS forecast.
Amber 119	Council Tax - % increase	-13.527	-13.527	0	Green - Council tax and business rates income collection managed through the Collection Fund therefore no impact on current year funding target.
120	Council Tax – Base increase	-2.461	-2.461	0	Green - Council tax and business rates income collection managed through the Collection Fund therefore no impact on current year funding target.
121	Business Rates Retention Scheme – use of S31 compensation grants	-1.350	-1.350	0	Green - Grants to be received in line with final settlement from MHCLG.
122	Unring-fenced Grants + Revenue Support Grant	-5.245	-5.245	0	Green - Grants to be received in line with final settlement from MHCLG.
123	Council Tax and Business Rates Collection [NEW]	TBC	-	-	Initial case was to implement a working group to review council tax collection. No savings value was assigned to the case. The intention now is to bring

MTFS Ref No	Detailed List of Approved Budget Changes – Central Budgets	2024/25 £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					forward via an informal briefing to include options around the council tax support scheme review (FS2428)
124	Council Tax Support [NEW]	TBC	-	-	Preparations to be made during 2024/25 with a view to amending the council tax support scheme in 2025/26. No value is assigned to 2024/25 as any savings/growth will be realised in 2025/26. Consultation dates / material to come via Finance Sub-Committee for summer launch. Final decision point will be December Council meeting 2024.
In year	Bad Debt Provision reduction (one off)	-	-0.839	-0.839	
In year	S106 (Estimate provisional – one off – may increase, still under review)	-	-0.452	-0.452	
In year	Increased use of reserves re Transformation spend included in Service FR2 forecasts	-	-4.034	-4.043	
In year	Adjustment to use of Earmarked reserves budgeted figure within Service Budgets	-	+0.525	+0.525	

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.
- 3.4. **Table 2** shows additional specific purpose grant allocations that have been received which are over £500,000 and up to £1m, and are for **Committee** approval.

Table 1 – Council Decision

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 – Children’s Services	Household Support Fund (Specific Purpose)	2,200	This grant is from the Department for Work and Pensions. This is an extension to the Household Support Fund (HSF) and will cover the period from October 2024 to March 2025. The HSF is to provide crisis support to financially vulnerable households most in need.

Table 2 – Committee Decision

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) over £500,000 up to £1,000,000

Committee	Type of Grant	£000	Details
Adults and Health	Asylum Dispersal Scheme (Specific Purpose)	770	This grant is from the Home Office (HO). Funding allocated by the Home Office for Cheshire East to support the Asylum Dispersal Scheme.

Section 4: Capital

Table 1: Financial Parameters for 2023/24 to 2026/27

Parameter	Value (£m)			
	2023/24	2024/25	2025/26	2026/27
Repayment of Borrowing				
Minimum Revenue Provision*	17.5	18.8	23.2	24.9
External Loan Interest	14.3	18.1	16.5	15.0
Investment Income	(3.8)	(3.5)	(2.2)	(1.8)
Contributions from Services Revenue Budgets	(1.2)	(1.3)	(1.8)	(2.4)
Total Capital Financing Costs	26.8	32.1	35.7	35.7
Use of Financing EMR	(7.9)	(2.1)	0	0
Actual CFB in MTFs	19.0	28.5	35.2	35.5
Budget Deficit	(0)	1.5	0.5	0.2
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 achieving capital receipts targets

- 1.1. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 2**.
- 1.2. **Table 3** lists details of Delegated decisions up to £500,000 for noting.
- 1.3. **Table 4** lists Capital Supplementary Estimates over £500,000 and up to £1,000,000 for committee approval and Capital Virements over £500,000 and up to and including £5,000,000 that require Relevant Member(s) of CLT and Chief Finance Officer in consultation with Chair of the relevant Committee and the Chair of Finance Sub-Committee to approve.
- 1.4. **Table 5** lists Supplementary Capital Estimates over £1,000,000 which Finance Sub committee are asked to recommend to Council for approval.

Table 2: Capital Programme Update

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY					
CAPITAL PROGRAMME 2024/25 - 2027/28					
	Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Total Forecast 2024-28 £000
Committed Schemes - In Progress					
Adults and Health	800				800
Children and Families	32,551	25,086	16,355	17,749	91,741
Highways & Transport	46,992	36,385	27,297	126,015	236,689
Economy & Growth	43,747	32,669	44,164	61,502	182,082
Environment & Communities	13,184	17,001	3,414	22	33,621
Corporate Policy	11,962	6,627	3,173	1,834	23,596
Total Committed Schemes - In Progress	149,236	117,768	94,403	207,122	568,529
CAPITAL PROGRAMME 2024/25 - 2027/28					
	Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Total Forecast 2024-28 £000
New Schemes					
Adults and Health					0
Children and Families	1,738	7,200	5,248	3,000	17,186
Highways & Transport	895	21,842	15,051	15,051	52,839
Economy & Growth	3,145	358	0	0	3,503
Environment & Communities	2,647	4,602	1,150	0	8,399
Corporate Policy					0
Total New Schemes	8,425	34,002	21,449	18,051	81,927
Total	157,661	151,770	115,852	225,173	650,456
Funding Requirement					
Indicative Funding Analysis: (See note 1)					
Government Grants	96,481	81,330	71,168	114,808	363,786
External Contributions	15,402	11,784	12,642	67,855	107,683
Revenue Contributions	444	0	0	0	444
Capital Receipts	233	660	17,240	17,466	35,599
Prudential Borrowing (See note 2)	45,101	57,996	14,802	25,044	142,943
Total	157,661	151,770	115,852	225,173	650,456

Note 1:

The funding requirement identified in the above table does not currently represent a balanced and affordable position, in the medium term. The Council will need to transform the capital programme to reduce the number of schemes requiring Cheshire East Resources and the need to borrow. The level of capital receipts are based on a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

Note 2:

The schemes marked **and highlighted in the MTFs cannot proceed until the Capital Programme Review has been completed. Any urgent requests to continue prior to the reviews completion will require approval from the Chair of Finance Sub Committee and the S.151 Officer

Note 3:

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

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

Committee / Capital Scheme	Amount Requested £	Reason and Funding Source
Supplementary Capital Estimates that have been made up to £500,000		
Highways & Transport		
Infrastructure		
S106 M6 J17 Improvements	57,295	To add S106 monies received into the Programme.
Alvaston Roundabout Works	448,281	To add S106 monies received into the Programme.
Total Supplementary Capital Estimates Requested	505,576	
£		
Capital Budget Virements that have been made up to £500,000		
Economy & Growth		
Macclesfield Indoor Market Refurbishment	243,000	To be moved from Macc on Foot, both Shared Prosperity Fund (UK) grant funded projects.
Highways		
Programme Management	118,320	To match budget to cost alignment, funded by virement from "Client Contract and Asset Management". All funded by Local Transport Grant.
Bridge Maintenance Minor Works	254,593	Works in relation to A523 Mill house Bridge, to be funded by virements from "Transport & Infrastructure Development Studies" (£50,000); "Client Contract and Asset Management" (£154,593); "LTP Development & Monitoring Studies" (£50,000). All funded by Local Transport Grant.
Total Capital Budget Virements Approved	615,913	
Total Supplementary Capital Estimates and Virements	1,121,489	

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

Committee / Capital Scheme	Amount Requested £	Reason and Funding Source
Service Committee are asked to approve the Supplementary Capital Estimates above £500,000 up to and including £1,000,000		
Highways & Transport		
Transport		
Bridge Maintenance Minor Wks	602,407	Works in relation to A523 Mill house Bridge, to be funded by reimbursements in relation to insurance claims.
Total Supplementary Capital Estimates Requested	602,407	
Service committee are asked to note Capital Budget Virements above £500,000 up to and including £5,000,000 for approval by Relevant Member(s) of CLT and Chief Finance Officer in consultation with Chair of the relevant Committee and the Chair of Finance Sub-Committee		
Highways & Transport		
Infrastructure		
Middlewich Eastern Bypass	2,243,000	} Virements from Congleton Relief Road whose revised forecasts are expected to be significantly less.
Poynton Relief Road	2,191,429	
Total Capital Virements requested	4,434,429	
Total Supplementary Capital Estimates and Virements	5,036,836	

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

Committee	Amount Requested £	Reason and Funding Source
Recommendations to Council for the approval of the Supplementary Capital Estimates (SCEs) over £1,000,000		
Economy & Growth		
Facilities Management		
Public Sector Decarbonisation Grant - 3C	1,449,274	New Public Sector Decarbonisation Grant Funding to fund carbon reduction measures for Municipal Building Crewe, Knutsford Leisure Centre, Nantwich Library and Congelton Library. Acceptance of the grant was approved by Urgent Decision on 26th March 2024 and ratified by full council on 15th May 2024.
Highways & Transport		
Infrastructure		
Burford Roundabout Works	1,389,281	To add S106 monies received against planning application 13/2471N plus any subsequently applied interest into the Programme so that initial works can take place.
Total Supplementary Capital Estimates Requested	2,838,555	
Total Supplementary Capital Estimates and Virements	2,838,555	

Section 5: Reserves

Management of Council Reserves

- 5.1. The Council's Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.
- 5.2. The opening balance at 1 April 2024 in the Council's General Fund Reserves was £5.6m, as published in the Council's Statement of Accounts for 2023/24.
- 5.3. At FR1 stage the closing balance at 31 March 2025 in the Council's General Fund Reserve was forecast to be £4.5m. However, at the FR2 stage, 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.
- 5.4. The current balance on reserves is insufficient in order to provide adequate protection against established and newly emerging risks, such as inflation and particularly the DSG deficit, which is projected to rise to £120.1m by year end and has been highlighted in the MTFS as having no alternative funding.
- 5.5. The Council also maintains Earmarked Revenue Reserves for specific purposes. The opening balance at 1 April 2024 was £32.3m.
- 5.6. During 2024/25, a net total of £10.6m has been drawn down to the support the in-year deficit position. A further £6.3m is being forecast to fund expenditure specifically provided for by services. These balances fall within the forecasts approved during the MTFS budget setting process.
- 5.7. Additional drawdown requests, above those forecast during MTFS, have been made by various services to support specific expenditure totalling £5.8m. These drawdowns, as detailed in the tables below, will be subject to approval by the Section 151 Officer.
- 5.8. The closing balance at 31 March 2025, is forecast at £9.5m.
- 5.9. Unspent schools' budgets that have been delegated, as laid down in the Schools Standards Framework Act 1998, remain at the disposal of the school and are not available for Council use. These balances are therefore excluded from all reserve forecasts.

Table 1 – Reserves Balances

Reserve	2023/24 Outturn	2024/25 Forecast
	£m	£m
General Reserves	5.6	0.5
Earmarked Reserves (Excluding Schools)	32.3	9.5
Total Reserves Balance at 31st March	37.9	10.0

Table 2 - Earmarked Reserves Summary

Committee Reserves	Opening Balance 1st April 2024 £000	Transfers to General Fund £000	Forecast Movement in Reserves £000	Additional Drawdown Requests £000	Forecast Closing Balance 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
TOTAL EARMARKED RESERVE MOVEMENT	32,278	(10,603)	(6,354)	(5,807)	9,514

** All 'Additional Drawdown Requests' are subject to approval.*

** Total excludes schools' balances*

Adults and Health Committee

Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<u>Adults Social Care Commissioning</u>						
PFI Equalisation - Extra Care Housing	2,857	(2,795)	0	0	62	Surplus grant set aside to meet future payments on existing PFI contract and the anticipated gap at the end of the agreement.
<u>Public Health</u>						
Public Health Reserve	2,369	0	(110)	0	2,259	Ring-fenced underspend to be invested in areas to improve performance against key targets; including the creation of an Innovation Fund to support partners to deliver initiatives that tackle key health issues.
ADULTS AND HEALTH RESERVE TOTAL	5,226	(2,795)	(110)	0	2,321	

* All 'Additional Drawdown Requests' are subject to approval.

Children and Families Committee

Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<u>Childrens Social Care</u>						
Domestic Abuse Partnership	131	0	0	(131)	0	To sustain preventative services to vulnerable people as a result of partnership funding in previous years.
<u>Strong Start, Family Help and Integration</u>						
Troubled Families Initiative	1,593	0	(1,593)	0	0	Crewe Youth Zone and ACT have been assigned funding from shared outcomes of the Supporting Families Programme.
CHILDREN AND FAMILIES RESERVE TOTAL	1,724	0	(1,593)	(131)	0	

* All 'Additional Drawdown Requests' are subject to approval.

Corporate Policy Committee and Central Reserves

Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<u>Corporate Directorate</u>						
Corporate Directorate Reserve	1,164	(935)	0	0	229	To support a number of widespread projects within the Corporate Directorate.
<u>Finance and Customer Service</u>						
Collection Fund Management	8,154	(1,235)	(2,915)	0	4,004	To manage cash flow implications as part of the Business Rates Retention Scheme.
Capital Financing Reserve	4,531	0	0	(4,531)	0	To provide for financing of capital schemes, other projects and initiatives
MTFS Reserve	2,914	(741)	255	0	2,428	To support the financial strategy and risk management. £1.2m of the remaining reserve balance had previously been earmarked for future voluntary redundancy costs.
Brighter Futures Transformation Programme	490	(470)	(20)	0	0	To fund the Council's four year transformation programme and its five outcomes of Culture; Estates and ICT systems; Customer Experience, Commercial Approach and Governance.
Section 31 Revenue Grants	14	0	0	(14)	0	Unspent specific use grant carried forward into 2024/25.
<u>Governance and Compliance</u>						
Insurance Reserve	3,098	(3,098)	0	0	0	To settle insurance claims and manage excess costs. The full reserve has been released to the general fund to support the in-year deficit pressure.
Elections General	132	0	0	0	132	To provide funds for Election costs every 4 years.
Brexit Funding	13	(13)	0	0	0	Residual reserve balance has been released to the general fund to support the in-year deficit pressure.

Corporate Policy Committee and Central Reserves Continued

Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<u>Human Resources</u>						
HR (CARE4CE Review, Culture Change, Pay realignment, Learning Mgt System)	59	(59)	0	0	0	Residual reserve balance has been released to the general fund to support the in-year deficit pressure.
Pay Structure (M Grade Review)	54	0	0	0	54	Created to help fund ongoing changes to pay structure.
<u>ICT</u>						
Digital Solutions Architect	150	0	(150)	0	0	New reserve created in 23/24 to fund a role for the Digital Customer Enablement programme and will be key to realising the cost savings and efficiencies across the Council from the deployment of a number of digital initiatives.
CORPORATE POLICY AND CENTRAL RESERVE TOTAL	20,773	(6,551)	(2,830)	(4,545)	6,847	

* All 'Additional Drawdown Requests' are subject to approval.

Economy and Growth Committee

Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<u>Directorate</u>						
Place Directorate Reserve	1,164	0	(473)	(385)	306	To support a number of widespread projects within the Place Directorate.
Investment (Sustainability)	610	0	(427)	(143)	40	To support investment that can increase longer term financial independence and stability of the Council.
<u>Growth and Enterprise</u>						
Legal Proceedings	212	0	(104)	(108)	0	To enable legal proceedings on land and property matters.
Investment Portfolio	534	(534)	0	0	0	The full reserve has been released to the general fund to support the in-year deficit pressure.
Homelessness & Housing Options - Revenue Grants	129	0	0	(129)	0	Grant committed for the purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families.
Tatton Park Trading Reserve	128	(128)	0	0	0	The full reserve has been released to the general fund to support the in-year deficit pressure.
ECONOMY AND GROWTH RESERVE TOTAL	2,777	(662)	(1,004)	(765)	346	

* All 'Additional Drawdown Requests' are subject to approval.

Environment and Communities Committee

Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<u>Environment and Neighbourhood Services</u>						
Strategic Planning	568	(281)	(287)	0	0	To meet costs associated with the Local Plan - site allocations, minerals and waste DPD.
Trees / Structures Risk Management	139	(55)	(55)	(29)	0	To help respond to increases in risks relating to the environment, in particular the management of trees, structures and dealing with adverse weather events.
Air Quality	36	0	(17)	(19)	0	Air Quality Management - DEFRA Action Plan. Relocating electric vehicle chargepoint in Congleton.
Licensing Enforcement	8	0	0	(8)	0	Three year reserve to fund a third party review and update of the Cheshire East Council Taxi Licensing Enforcement Policies.
Flood Water Management (Emergency Planning)	2	0	(2)	0	0	Relating to Public Information Works.
Neighbourhood Planning	82	(41)	(41)	0	0	To match income and expenditure.
Spatial Planning - revenue grant	13	(13)	0	0	0	Residual reserve balance has been released to the general fund to support the in-year deficit pressure.
Street Cleansing	22	0	0	(22)	0	Committed expenditure on voluntary litter picking equipment and electric blowers.
ENVIRONMENT AND NEIGHBOURHOOD RESERVE TOTAL	870	(390)	(402)	(78)	0	

* All 'Additional Drawdown Requests' are subject to approval.

Highways and Transport Committee

Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<u>Highways and Infrastructure</u>						
Rail and Transport Integration	385	(185)	(200)	0	0	To support the Council's committed costs to the rail and transport networks across the borough.
Flood Recovery Works	400	0	(200)	(200)	0	To help the service manage risks such as the impact of adverse weather, specifically flooding or extensive periods where winter maintenance is required.
Highways Procurement Project	104	(20)	(15)	(69)	0	To finance the development of the next Highway Service Contract. Depot mobilisation costs, split over 7 years from start of contract in 2018.
LEP-Local Transport Body	19	0	0	(19)	0	Contribution to LEP transport studies/consultancy. Ongoing working around Transport Legacy issues.
ECONOMY AND GROWTH RESERVE TOTAL	908	(205)	(415)	(288)	0	

* All 'Additional Drawdown Requests' are subject to approval.

Section 6: Treasury Management

Prudential Indicators revisions to: 2023/24 and 2024/25 – 2026/27 and future years

Background

- 6.1. There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

Estimates of Capital Expenditure

- 6.2. In 2024/25, the Council estimates to spend £157.7m on capital expenditure as summarised below.

Capital Expenditure	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	Future years £m
Total	136.9	157.7	151.8	115.9	225.1

Source: Cheshire East Finance

Capital Financing

- 6.3. All capital expenditure must be financed either from external sources (government grants and other contributions), the Council's own resources (revenue reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of capital expenditure is as follows.

Capital Financing	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	Future years £m
Capital receipts	0.1	0.2	0.7	17.2	17.5
Government Grants	61.2	96.5	81.3	71.2	114.8
External Contributions	8.8	15.4	11.8	12.7	67.8
Revenue Contributions	1.3	0.5	0.0	0.0	0.0
Total Financing	71.4	112.6	93.8	101.1	200.1
Prudential Borrowing	65.5	45.1	58.0	14.8	25.0
Total Funding	65.5	45.1	58.0	14.8	25.0
Total Financing and Funding	136.9	157.7	151.8	115.9	225.1

Source: Cheshire East Finance

Replacement of debt finance

- 6.4. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital

assets may be used to replace debt finance. Planned MRP repayments are as follows.

Replacement of debt finance	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Total	17.5	18.8	23.0	24.9	25.3

Source: Cheshire East Finance

Estimates of Capital Financing Requirement

- 6.5. The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP repayments and capital receipts used to replace debt. The CFR will decrease by £2m during 2024/25. This assumes that were there has been significant forward funding of certain schemes that grants and other contributions are received in year to repay that forward funding. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows.

Capital Financing Requirement	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Total	488	486	517	506	501

Source: Cheshire East Finance

Asset disposals

- 6.6. When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council received £3.5m of capital receipts from asset sales in 2023/24 and plans to receive a further £4.8m in future years.

Capital Receipts	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Asset Sales	3.4	2.3	4.0	4.0	4.0
Loans Repaid	0.1	0.2	0.2	0.2	0.2
Total	3.5	2.5	4.2	4.2	4.2

Source: Cheshire East Finance

Gross Debt and the Capital Financing Requirement

- 6.7. The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting and the Council therefore seeks to strike a balance between cheap short term loans (currently available at around 4.95%) and long term fixed rate loans where the future cost is known but fixed over a period when rates are expected to fall (currently 4.99%– 5.3%).
- 6.8. Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement.

Gross Debt and the Capital Financing Requirement	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£m	£m	£m	£m	£m
Borrowing	337	374	439	454	480
PFI Liabilities	18	17	17	15	14
Total Debt	355	391	456	469	494
Capital Financing Req.	488	486	517	506	501

Source: Cheshire East Finance

- 6.9. Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. As can be seen from the above table, the Council expects to comply with this in the medium term.

Liability Benchmark

- 6.10. To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £20m at each year end. This benchmark is currently £331m and is forecast to rise to £415m over the next four years.

Borrowing and the Liability Benchmark	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£m	£m	£m	£m	£m
Outstanding Debt	337	374	439	454	480
Liability Benchmark	331	355	403	412	415

Source: Cheshire East Finance

- 6.11. The table shows that the Council expects to borrow above its liability benchmark.

Affordable borrowing limit

- 6.12. The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

	2023/24 limit £m	2024/25 limit £m	2025/26 limit £m	2026/27 Estimate £m	2027/28 Estimate £m
Authorised Limit for Borrowing	540	570	590	590	590
Authorised Limit for Other Long-Term Liabilities	18	17	17	15	14
Authorised Limit for External Debt	558	587	607	605	604
Operational Boundary for Borrowing	530	560	580	580	580
Operational Boundary for Other Long-Term Liabilities	18	17	17	15	14
Operational Boundary for External Debt	548	577	597	595	594

Source: Cheshire East Finance

Investment Strategy

- 6.13. 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.
- 6.14. The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with money market funds, other local authorities or selected high quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in shares and property, to balance the risk of loss against the risk of returns below inflation.

Treasury Management Investments	31/03/24 Actual £m	31/03/25 Estimate £m	31/03/26 Estimate £m	31/03/27 Estimate £m	31/03/28 Estimate £m
Short term	22	20	20	20	20
Long term	20	20	20	20	20
Total Investments	42	40	40	40	40

Source: Cheshire East Finance

- 6.15. Further details on treasury investments are in pages of the Treasury Management Strategy, reported here: [Final Outturn 2023-24 Annex 1.pdf \(cheshireeast.gov.uk\)](#)
- 6.16. Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Section 151 Officer and staff, who must act in line with the treasury management strategy approved by Council. Quarterly reports on treasury activity are reported to Cabinet as part of the Finance Update reports. The Audit and Governance Committee is responsible for scrutinising treasury management decisions.

- 6.17. Further details on investments for service purposes and commercial activities are in the Investment Strategy, reported here: [Final Outturn 2023-24 Annex 1.pdf \(cheshireeast.gov.uk\)](#)
- 6.18. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by an investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.

Ratio of Financing Costs to Net Revenue Stream	31/03/24 Actual	31/03/25 Estimate	31/03/26 Estimate	31/03/27 Estimate	31/03/28 Estimate
Financing Costs (£m)	19.0	28.5	35.3	35.5	33.3
Proportion of net revenue stream %	5.38	7.20	8.77	8.60	7.84

Source: Cheshire East Finance

Treasury Management Indicators

- 6.19. The Authority measures and manages its exposures to treasury management risks using the following indicators.
- 6.20. **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limit on the one-year revenue impact of a 1% rise in interest rates is:
- 6.21. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates. The Council is expected to remain a net borrower in 2024/25 so a fall in rates would lead to savings rather than incurring additional cost so a limit of £0 was set. Rates are now more likely to reduce than increase so full revenue impact of changing rates is likely to be beneficial.

Interest Rate Risk Indicator	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	£2,270,000
Likely revenue impact in 2024/25 of a 1% rise in interest rates	£1,240,000

- 6.22. **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. Lower limits have been set at 0%. The upper limits on the maturity structure of borrowing and the actual maturity profiles as at 30 September 2024 are:

Refinancing rate risk indicator	Upper Limit	Actual
Under 12 months	75%	68%

Refinancing rate risk indicator	Upper Limit	Actual
12 months and within 24 months	75%	1%
24 months and within 5 years	75%	6%
5 years and within 10 years	75%	12%
10 years and within 20 years	100%	5%
20 years and above	100%	8%

6.23. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. The upper limit for loans maturing in under 12 months is relatively high as short term has been considerably cheaper than alternatives and allows for LOBO loans which have the potential to be repaid early. This will be kept under review as it does increase the risk of higher financing costs in the future.

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

Price Risk Indicator	2024/25	2025/26	2026/27
Limit on principal invested beyond year end	£25m	£15m	£10m
Actual amounts committed beyond year end	£0m	£0m	£0m