

Appendix 3 Grants

Government Grant Funding of Local Expenditure

1. Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2016/17 was £304.2m.
2. In 2016/17 Cheshire East Council's specific use grants held within the services was budgeted to be £259.1m based on Government announcements to February 2016. This figure was revised down at the third quarter to £243.6m.
3. The last quarter has seen a further decrease in grant of £0.9m. This is due to a £1.0m reduction in schools related grants as a result of Underwood West Primary School converting to an academy. Housing Benefit Subsidy payments have increased by £0.1m.
4. Spending in relation to specific use grants must be in line with the purpose for which it is provided.
5. Where additional non-ringfenced grant funding is received, services wishing to increase their expenditure budgets are required by Finance Procedure Rules to seek approval to use this additional funding. Additional general purpose grants totalling £67,889 were received during the final quarter of 2016/17. Services are seeking approval to use £42,280 of this additional funding (**Table 1**), and this has been transferred to an earmarked reserve.
6. These grants were received too late in 2016/17 to seek approval to spend in year and therefore this report seeks approval to services requests to incur expenditure of £42,280 in 2017/18, fully funded by the additional grants.
7. Business Rates Tax Loss Compensation grants of £3.0m have also been received during 2016/17 to reimburse billing authorities for the extra discounts offered to businesses as announced in the Autumn Statements. This includes the doubling of Small Business Rate relief for a further year. These grants have been transferred to the Collection Fund Management earmarked reserve.
8. Services general purpose grant was originally budgeted at £45.2m. Net additional grant of £4.7m has been received during the year. £1.5m of additional grant has been allocated to services during the year. After allowing for the transfer of £3.1m to earmarked reserves, the net outturn variance is a £0.1m underspend against budget.
9. **Table 2** below provides a summary of the updated budget position for grants in 2016/17 by type and service. Further details of grants are shown in **Table 3** Corporate Grants Register.

Table 1 – Requests for Allocation of Additional Grant Funding

| Service | Type of Grant | £000 | Details |
|---------------------------------|--|-----------|--|
| Corporate – Customer Operations | Business Rates Revaluation 2017: S31 Grant Reimbursement (General Purpose) | 7 | This grant is in respect of expenditure already incurred by the Revenues team relating to publicity for NNDR revaluation. It is recompense for the printing & postage of leaflets on behalf of VOA. |
| Place | Letting Agents Transparency and Redress Schemes (General Purpose) | 1 | This grant is to fund additional monitoring responsibilities within Strategic Housing in respect of letting agents. |
| Place | Neighbourhood Planning Grant (General Purpose) | 20 | The grant is to support costs of Community Neighbourhood Plans. |
| Place | New Burdens for Brownfield Sites and Payments In Principle Grant (General Purpose) | 15 | New legislation will require local planning authorities to prepare and maintain registers of previously developed land suitable for housing (brownfield land registers) and allow for the granting of permission in principle for sites allocated for housing-led development. Local planning authorities are receiving new burdens grant payments to fulfil the new requirements. |
| Total | | 43 | |

Table 2 - Summary of Grants

| | 2016/17 Original Budget | 2016/17 Revised Forecast TQR | 2016/17 Final Outturn | 2016/17 Change |
|---|-------------------------------|---------------------------------------|-----------------------------|-------------------|
| | £m | £m | £m | £m |
| SPECIFIC USE | | | | |
| Held within Services | 259.1 | 244.5 | 243.6 | (0.9) |
| GENERAL PURPOSE | | | | |
| Central Funding | 26.3 | 26.3 | 26.3 | 0.0 |
| <u>Service Funding:</u> | | | | |
| People - Children and Families | 0.2 | 1.3 | 1.3 | 0.0 |
| People - Adult Social Care Health and Communities | 0.9 | 1.2 | 1.2 | 0.0 |
| Place | 0.8 | 0.9 | 1.0 | 0.1 |
| Corporate – Customer Operations | 1.8 | 1.9 | 1.9 | 0.0 |
| Corporate – Chief Operating Officer | 15.1 | 15.1 | 18.1 | 3.0 |
| Sub Total | 18.8 | 20.4 | 23.5 | 3.1 |
| Total General Purpose | 45.1 | 46.7 | 49.8 | 3.1 |
| Total Grant Funding | 304.2 | 291.2 | 293.4 | 2.2 |

Table 3 – Corporate Grants Register

| Corporate Grants Register 2016/17 | | Original Budget | Revised Forecast | Final Outturn | Change from | SRE / Balances |
|--|------|-----------------|------------------|----------------|----------------|----------------|
| | | 2016/17 | TQR | 2016/17 | TQR | (Note 2) |
| | Note | £000 | £000 | £000 | £000 | |
| SPECIFIC USE (Held within Services) | | | | | | |
| Schools | | | | | | |
| Dedicated Schools Grant | 1 | 146,960 | 139,552 | 138,531 | (1,021) | |
| Pupil Premium Grant | 1 | 6,158 | 5,280 | 5,255 | (25) | |
| Sixth Forms Grant | 1 | 4,164 | 4,230 | 4,230 | - | |
| Total Schools Grant | | 157,282 | 149,062 | 148,016 | (1,046) | |
| Housing Benefit Subsidy | | 84,518 | 78,150 | 78,293 | 143 | |
| Public Health Funding | | 17,258 | 17,258 | 17,258 | - | |
| TOTAL SPECIFIC USE | | 259,058 | 244,470 | 243,567 | (903) | |
| GENERAL PURPOSE (Held Corporately) | | | | | | |
| Central Funding | | | | | | |
| Revenue Support Grant | | 26,340 | 26,340 | 26,340 | - | |
| Total Central Funding | | 26,340 | 26,340 | 26,340 | - | |

| Corporate Grants Register 2016/17 | | Original Budget | Revised Forecast | Final Outturn | Change from | SRE / Balances |
|--|--|-----------------|------------------|---------------|-------------|----------------|
| | | | TQR | | TQR | (Note 2) |
| | | 2016/17 | 2016/17 | 2016/17 | 2016/17 | |
| Note | | £000 | £000 | £000 | £000 | |
| People - Children & Families | | | | | | |
| | Troubled Families | 195 | 875 | 875 | - | |
| | Youth Justice (YOT) | - | 264 | 264 | - | |
| | Youth Justice Grant for Junior Attendance Centres | - | 35 | 35 | - | |
| | Staying Put Implementation Grant | - | 109 | 109 | - | |
| | Remand Funding | - | 19 | 19 | - | |
| People - Adult Social Care & Independent Living | | | | | | |
| | Independent Living Fund | 948 | 948 | 948 | - | |
| | Local Reform and Community Voices | - | 198 | 198 | - | |
| | Social Care in Prisons | - | 73 | 73 | - | |
| Place | | | | | | |
| | Adult Skills (Lifelong Learning) | 749 | 763 | 769 | 6 | Balances |
| | Neighbourhood Planning Grant | - | - | 20 | 20 | SRE |
| | Property Search Fees New Burdens | - | 22 | 19 | (3) | Balances |
| | Extended Rights to Free Transport | - | 118 | 118 | - | |
| | Capacity Support for Self Build & Custom House Building Register | - | 6 | 6 | - | |
| | Lead Local Flood Authorities | - | 1 | 1 | - | |
| | Letting Agents Transparency and Redress Schemes | - | - | 1 | 1 | SRE |
| | Local Authority Custom Build Grant | - | - | 15 | 15 | Balances |
| | New burdens for Brownfield Sites & Payments In Principle | - | - | 15 | 15 | SRE |
| Corporate - Customer Operations | | | | | | |
| | Housing Benefit and Council Tax Administration | 1,275 | 1,336 | 1,336 | - | |
| | NNDR Administration Grant | 562 | 562 | 562 | - | |
| | Business Rates Revaluation 2017: S31 Grant Reimbursement | - | - | 7 | 7 | SRE |
| | Council Tax Discount for Family Annexes | - | - | 11 | 11 | Balances |

| Corporate Grants Register 2016/17 | | Original Budget | Revised Forecast | Final Outturn | Change from | SRE / Balances |
|--|--|-----------------|------------------|----------------|--------------|----------------|
| | | | TQR | | TQR | (Note 2) |
| | | 2016/17 | 2016/17 | 2016/17 | 2016/17 | |
| Note | | £000 | £000 | £000 | £000 | |
| Corporate - Chief Operating Officer | | | | | | |
| New Homes Bonus 2011/12 | | 870 | 870 | 870 | - | |
| New Homes Bonus 2012/13 | | 1,844 | 1,844 | 1,844 | - | |
| New Homes Bonus 2013/14 | | 1,037 | 1,037 | 1,037 | - | |
| New Homes Bonus 2014/15 | | 1,356 | 1,356 | 1,356 | - | |
| New Homes Bonus 2015/16 | | 1,200 | 1,200 | 1,200 | - | |
| New Homes Bonus 2016/17 | | 2,444 | 2,444 | 2,445 | 1 | Balances |
| New Homes Bonus 2017/18 | | - | - | - | - | |
| Affordable Homes 2012/13 | | 85 | 85 | 85 | - | |
| Affordable Homes 2013/14 | | 82 | 82 | 82 | - | |
| Affordable Homes 2015/16 | | 63 | 63 | 63 | - | |
| Affordable Homes 2016/17 | | 222 | 222 | 222 | - | |
| New Homes Bonus Returned Funding Grant 2016/17 | | - | 90 | 90 | - | |
| New Homes Bonus ESTIMATED OVERALL REDUCTION | | - | - | - | - | |
| Education Services Grant | | 2,920 | 2,689 | 2,678 | (11) | Balances |
| Transitional Funding | | 2,973 | 2,973 | 2,973 | - | |
| Electoral Register Transfer Programme Resource Grant 2016/17 | | - | 58 | 58 | - | |
| Additional Election Funding | | - | 37 | 37 | - | |
| Additional Election Funding: N West Deadline Extension Funding | | - | 9 | 9 | - | |
| Local Government Transparency Code 2016 | | - | 13 | 13 | - | |
| Business Rates 2016/17 Tax Loss Compensation Payment | | - | - | 3,062 | 3,062 | Balances |
| Total Service Funding | | 18,825 | 20,401 | 23,525 | 3,124 | |
| TOTAL GENERAL PURPOSE | | 45,165 | 46,741 | 49,865 | 3,124 | |
| TOTAL GRANT FUNDING | | 304,223 | 291,211 | 293,432 | 2,221 | |

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant and Sixth Form Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy status.
- 2 SRE - Supplementary Revenue Estimate requested by relevant service.