



Financial Review 2022/23

November 2022

This report receives scrutiny and approval from Members of Cheshire East Council. As a public report, the Council welcomes feedback to the information contained here.

Anyone wanting to comment is invited to contact the Council at:

shapingourservices@cheshireeast.gov.uk

Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 398,000 local people with annual spending of over £470m.

Local government is going through a period of financial challenges, with a combination of the impact of increasing demand for services and rising costs due to inflation. There is also increasing uncertainty associated with income from business rates and government grants.

Demand for Council services is increasing, with more individuals and families needing support and services than ever before. This reflects an increase in population but also reflects changes in demographics and the national cost of living increases. This demand is resulting in forecast outturn of £340.0m against a net revenue budget of £328.4m, with the most significant impact within the rising complexity of needs in Adult Social Care.

When the 2022/23 budget was set, in February 2022, it was highlighted that the use of reserves was not sustainable in the medium term. Net spending therefore needs to be contained within the estimates of expenditure that form the budget. The forecasts at first review highlight pressures due to demand, inflation and pay negotiations. These will almost certainly affect the medium term finances of the Council. This situation must be addressed now and as part of the MTFS process for 2023 to 2027.

To support openness and transparency, and provide evidence of strong governance, the report has a main section, to provide background and context, and then nine supporting appendices with detailed information about allocation and management of public money during 2022/23:

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.

- **Appendix 1** Adults and Health Committee.
- **Appendix 2** Children and Families Committee.
- **Appendix 3** Corporate Policy Committee.
- **Appendix 4** Economy and Growth Committee.
- **Appendix 5** Environment and Communities Committee.
- **Appendix 6** Finance Sub-Committee.
- **Appendix 7** Highways and Transport Committee.
- **Appendix 8** Update to the Treasury Management Strategy.
- **Appendix 9** Update to the Investment Strategy.

Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

Contents

- Introduction 1

- 2022/23 Revenue Forecast 3

- Financial Stability
 - Introduction 4
 - Service Performance 4
 - Central Budgets 5

- Appendices
 - Appendix 4 – Economy and Growth 9

2022/23 Outturn Forecast - Financial Position

2022/23	Revised Budget
(GROSS Revenue Budget £474.2m)	(NET)
	£m
SERVICE DIRECTORATES	
Adult, Health and Integration	120.9
Children's Services	74.5
Place	81.7
Corporate Services	39.8
CENTRAL BUDGETS	
Capital Financing	18.9
Transfer to/(from) Earmarked Reserves	(2.7)
Corporate Contributions / Central Budgets	(4.7)
TOTAL NET EXPENDITURE	328.4
Business Rates Retention Scheme	(49.1)
Specific Grants	(24.6)
Council Tax	(254.7)
Net Funding	(328.4)
NET (SURPLUS) / DEFICIT	-

Financial Stability

Introduction

1. The Council has a track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of rapid inflation, the legacy impact of the Coronavirus pandemic and increasing cost of living pressure on households. These issues have the effect of increasing the demand for services and increasing costs of services.
2. Complexity and market sustainability in Adults' and Children's Social Care remains the most significant financial pressure for the Council in the medium term. Rising inflation in fuel, utilities and wage levels are affecting costs across all services.
3. **Table 1** provides a service summary of financial performance. The current forecast is that services will be £18.6m over budget in the current year. The Action Plans provide further details and changes to service net budgets since the Medium-Term Financial Strategy are analysed in the **Appendices 1-7**.
4. Further items impacting on the level of the Council's balances are detailed in **Table 2** below on Central Budgets and Funding.

Table 1 - Service Revenue Outturn Forecasts

2022/23	Revised Budget	Forecast Outturn	Forecast Variance	FOR INFO COVID Costs Included in Totals
(GROSS Revenue Budget £474.2m)	(NET)			
	£m	£m	£m	£m
SERVICE DIRECTORATES				
Adult Social Care - Operations	117.5	128.5	11.0	4.9
Commissioning	3.4	4.1	0.7	-
Public Health	-	-	-	-
Adult, Health and Integration	120.9	132.6	11.7	4.9
Directorate	1.0	0.9	(0.1)	-
Children's Social Care	46.6	48.5	1.9	0.1
Strong Start, Family Help and Integration	8.3	8.3	-	0.1
Education & 14-19 Skills	18.6	20.3	1.7	0.5
Children's Services	74.5	78.0	3.5	0.7
Directorate	0.8	0.7	(0.1)	-
Environment & Neighbourhood Services	44.3	46.2	1.9	2.3
Growth & Enterprise	22.8	23.1	0.3	0.1
Highways & Infrastructure	13.8	14.3	0.5	1.6
Place	81.7	84.3	2.6	4.0
Directorate	1.9	1.9	-	-
Finance & Customer Services	11.9	12.3	0.4	-
Governance & Compliance Services	11.7	11.2	(0.5)	-
Communications	0.7	0.7	-	-
HR	2.4	2.2	(0.2)	-
ICT	9.3	10.4	1.1	-
Policy & Change	1.9	1.9	-	-
Corporate Services	39.8	40.6	0.8	-
				<i>For Info</i>
TOTAL SERVICES NET EXPENDITURE	316.9	335.5	18.6	9.6

Table 2 – Central Budgets and Funding Outturn Forecasts

2022/23	Revised Budget	Forecast Outturn	Forecast Variance
(GROSS Revenue Budget £474.2m)	(NET)		
	£m	£m	£m
CENTRAL BUDGETS			
Capital Financing	18.9	18.9	-
Transfer to/(from) Earmarked Reserves	(2.7)	(8.7)	(6.0)
Corporate Contributions / Central Budgets	(4.7)	(5.7)	(1.0)
Central Budgets	11.5	4.5	(7.0)
Business Rates Retention Scheme	(49.1)	(49.1)	-
Specific Grants	(24.6)	(24.6)	-
Council Tax	(254.7)	(254.7)	-
Net Funding	(328.4)	(328.4)	-

Outturn Impact

- The financial impact of the outturn forecast could decrease balances by £11.6m. This is over 75% of the Council's General Reserves balance, so mitigating actions must be taken to reduce the pressure during the year. Any deficit at the end of the year will be drawn down from the Medium-Term Financial Strategy Earmarked Reserve in the first instance, but drawdowns from that reserve are already factored in to the MTFs to manage the effects of variations in spending and income in specific years.
- The Council will continue to manage and review the financial forecasts in response to emerging pressures and how this affects the Council's revenue budget.

Collecting Local Taxes for Local Expenditure

- Cheshire East Council collects Council Tax and Non Domestic Rates for use locally and nationally.

Council Tax

- Council tax is set locally and retained for spending locally. Council tax was set for 2022/23 at £1,626.24 for a Band D property. This is applied to the taxbase.
- The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect council tax from (after adjustments for relevant discounts, exemptions and an element of non-collection). The taxbase for 2022/23 was agreed at 156,607.48 which, when multiplied by the Band D charge, means that the expected income for the year is £254.7m.
- In addition to this, Cheshire East Council collects council tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £313.8m.
- This figure is based on the assumption that the Council will collect at least 99% of the amount billed. The Council will always pursue 100% collection, however to allow for non-collection the amount billed will therefore exceed the budget.
- This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £315.3m.

Table 3 – Cheshire East Council collects Council Tax on behalf of other precepting authorities

	£m
Cheshire East Council	254.7
Cheshire Police and Crime Commissioner	36.9
Cheshire Fire Authority	12.9
Town and Parish Councils	9.3
Total	313.8

13. **Table 4** shows collection rates within three years, and demonstrates that 99% collection is on target to be achieved within this period.

Table 4 – 99% of Council Tax is collected in three years

Financial Year	CEC Cumulative			
	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
After 1 year	98.2	97.9	97.4	97.8
After 2 years	99.0	98.8	98.3	**
After 3 years	99.2	98.9	**	**

**data not yet available

14. The council tax in-year collection rate for the period up to the end of September 2022 is 56.1%. This is a small decrease of 0.2% on the previous year, possibly indicating current cost of living pressures. Additionally, significant numbers of council tax staff have been supporting the government's energy

rebate payments which has impacted resource normally involved in collection.

15. Council tax support payments were budgeted at £18.4m for 2022/23 and at the end of September the total council tax support awarded was £18.9m.
16. During 2021/22 there was a consultation and review of the Council Tax Support scheme resulting in some amendments being made. The revised scheme was confirmed by full Council in December 2021.
17. Council tax discounts awarded are £28.6m which are comparable to the same period in 2021/22. A small increase is attributable to work related to raising awareness of the discounts available to residents.
18. Council tax exemptions awarded is £7.2m which although broadly in line with previous years shows a slight increase due to reasons shown at 17.

Non-Domestic Rates (NDR)

19. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief.
20. The small business multiplier applied to businesses which qualify for the small business relief was set at 49.9p in 2022/23. The non-domestic multiplier was set at 51.2p in the pound for 2022/23.
21. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

22. The business rates in-year collection rate for the period up to the end of September 2022 is 58.6%. This is a significant increase on last year and begins to revert collection rates back to pre pandemic figures. A return to standard collection processes and government support through additional reliefs has assisted the recovery in collection.

Table 5 – Over 99% of Business Rates are collected within three years

Financial Year	CEC Cumulative			
	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
After 1 year	98.5	98.2	92.4	95.6
After 2 years	99.4	98.4	97.4	**
After 3 years	99.4	99.2	**	**

**data not yet available

Appendices to the Financial Review 2022/23

November 2022

Appendix 4 : Economy and Growth Committee

Contents

Economy and Growth Committee Extracts

- 1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy**
- 2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 October 2022**
- 3. Corporate Grants Register**
 - Table 1: Economy and Growth Committee Grants**
 - Table 2: Supplementary Estimates for Committee to Note**
 - Table 3: Delegated Decisions for Committee to Note**
- 4. Debt Management**
- 5. Capital Strategy**
- 6. Reserves Strategy**

Appendix 4

Economy and Growth Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Economy and Growth				
Directorate	851	-	(17)	834
Growth & Enterprise	22,659	-	102	22,761
	23,510	-	85	23,595

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

Economy and Growth Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
E&G Committee				Pay Inflation	0.528	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	0.153
Directorate	2.4	-1.6	0.8	Staff Travel and related savings	-0.082	29	Amber (on track but may not achieve all)		0.000
				Place directorate mitigating actions				Savings on feasibility, travel and consultancy	-0.042
				Transformation				Use flexible receipts to capitalise costs of transformation - Planning Deep Dive.	-0.074
Growth and Enterprise	30.6	-7.8	22.8	Neighbourhood Estate Review	-0.260	31	Red (will not achieve)	Delayed - Awaiting progress on the Leisure Review.	0.219
				Estates Transformation - Office Accommodation	-0.100	32	Red (will not achieve)	Progress of the Estates Transformation. Cledford House is being advanced to enable property to be vacated and then disposal or alternative use sought. Potential Send School.	0.100

Economy and Growth Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Transfer of Congleton Visitor Information Centre	-0.020	11	Green (on track and should achieve)	Previous agreement in place for transfer and phased saving over period.	0.000
				Asset / Service Transfer	-0.030	51	Amber (on track but may not achieve all)	Final agreement and conclusion of legals on property transfers.	0.030
				Tatton Park	-0.006	52	Green (on track and should achieve)	Already built into budget.	0.000
				Investment in Public Rights of Way	0.200	59	Green (on track and should achieve)	Recruitment process underway – however securing a suitable candidate has been difficult.	-0.044
				Utility Costs / Carbon	1.500	57	Green (on track and should achieve)		0.000
				Estates Pressures		New		Reflects increases in maintenance, utility and business rates and a pressure on rental income within the Investment portfolio.	0.820
				Estates mitigating actions		New		Mitigating actions to offset pressures, largely vacancies and better income within Facilities Management.	-0.529

Economy and Growth Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Rural & Culture Pressures		New		Reduction in visitor numbers at Tatton Park of over 20% in addition to inflationary increases in energy, materials as well as increases across supplies and services and premises costs. There is also an ongoing shortfall in Public Path Order income due to Covid.	0.491
				Rural & Culture Mitigating Actions		New		Mitigating actions to offset pressures are largely vacancies across the service and a reserve release for Tatton Park.	-0.359
				Housing Mitigating Actions		New		Small Covid pressure £7,000 due to cleaning costs, offset by mitigating actions including vacancies and drawing down grant from balance sheet.	-0.387
				Economic Development Mitigating Actions		New		Mitigating actions to offset pressures, largely vacancies.	-0.187
Total	33.0	-9.4	23.6		1.730				0.191

3. Corporate Grants Register

Table 1 – Corporate Grants Register

Grants 2022/23	Revised Forecast FR1 2022/23 £000	Latest Forecast 2022/23 £000	Change from FR1 2022/23 £000	Treatment of Grant <i>Notes 2 - 5</i>
ECONOMY & GROWTH				
Specific Use (Held within Services)	2,392	3,439	1,047	
General Purpose (Held Corporately)				
TOTAL ECONOMY & GROWTH	2,392	3,439	1,047	

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases / decreases to allocations by the DfE and conversions to academy status.
- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

- 3.2 The increase in specific grants relates mainly to increases in the Rough Sleeping and Local Enterprise Partnership (LEP): Skills Bootcamp grant.
- 3.3 Requests for the allocation of the additional specific grants received are detailed in **Table 2** and **Table 3**.
- 3.4 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

Table 2 – Note that Council will be asked to Approve Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) Over £1m

Committee	Type of Grant	£000	Details
Economy and Growth	Local Enterprise Partnership (LEP): Skills Bootcamp (Specific Purpose)	1,037	<p>This grant is from the Department for Education. This funding is to arrange for the delivery, management and funding of Skills Bootcamps within the geographical area, and in neighbouring areas with agreement with relevant local authorities. The Skills Bootcamps shall be aligned to employer needs and directly linked to employment opportunities with outcomes to be delivered a maximum of 6 months following the agreement end date.</p> <p>Skills Bootcamps are free, flexible courses of up to 16 weeks for adults aged 19 or over. They give people the opportunity to build up valuable sector-specific skills based on local employer demand and provide a direct path to a job on completion. Skills Bootcamps (publishing.service.gov.uk)</p>
Specific Purpose Allocations less than £500,000		1,037	

Table 3 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Economy and Growth	Rough Sleeping Initiative (Specific Purpose)	10	Increase on Financial Review 1 forecast. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Funding has been used to establish or continue Rough Sleeping Initiative services agreed by the Department for Levelling Up, Housing and Communities (DLUHC) to immediately intervene in, prevent and reduce rough sleeping. Rough Sleeping Initiative: 2022 to 2025 funding allocations - GOV.UK (publishing.service.gov.uk)
Specific Purpose Allocations less than £500,000		10	

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Economy and Growth Committee		
Growth and Enterprise	479	202

5. Capital Strategy

Economy and Growth

CAPITAL

CAPITAL PROGRAMME 2022/23- 2025/26

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2022/26	Forecast Funding					Total Funding	
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Committed Schemes														
Culture & Tourism														
Archive Option Development	396	293	103	-	-	-	103						103	103
Countryside Capital Projects	605	601	4	-	-	-	4	4						4
Countryside Vehicles	999	0	-	702	167	130	999						999	999
Public Rights of Way - CMM A6 MARR	100	2	5	93	-	-	98	98						98
Public Rights of Way - Flood Damage Investment	63	15	48	-	-	-	48						48	48
Public Rights of Way - Capital Works	860	770	91	-	-	-	91	91						91
Rural & Green Section 106 Schemes	50	16	34	-	-	-	34		34					34
Tatton Park Investment Phase 2	1,969	0	1,259	710	-	-	1,969						1,969	1,969
Economic Development														
Connecting Cheshire 2020	7,238	0	3,000	2,500	738	1,000	7,238	7,655					-417	7,238
Connecting Cheshire Phase 2	883	0	-	-	-	883	883		313				570	883
Connecting Cheshire	595	0	-	-	-	595	595		48				547	595
Crewe Town Centre Regeneration	32,019	11,940	3,474	14,573	-	2,031	20,078	665					19,413	20,078
Demolition of Crewe Library Site	2,765	13	305	1,077	1,370	-	2,752	1,229					1,523	2,752
Future High Street Funding - CEC Innovation Centre	1,169	58	517	594	-	-	1,111	1,111						1,111
Future High Street Funding - Christ Church Innovation Centre	1,934	71	504	1,359	-	-	1,863	1,863						1,863
Leighton Green	2,096	1,455	75	266	300	-	640						640	640
Macclesfield Town Centre	2,219	1,767	252	200	-	-	452						452	452
North Cheshire Garden Village	64,707	5,491	900	13,994	30,621	13,702	59,216	21,950			21,233		16,034	59,216
Red Roofs Hole Farm Alderley Edge - Acquisition	15	12	3	-	-	-	3						3	3
Public Sector Decarbonisation Fund - Substation	120	60	60	-	-	-	60	60						60
Public Sector Decarbonisation Fund - Cledford	165	160	5	-	-	-	5	5						5
South Macclesfield Development Area	34,630	3,089	895	1,745	19,333	9,568	31,541	10,838	10,000		9,568		1,135	31,541

CAPITAL PROGRAMME 2022/23- 2025/26

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure					Total Forecast Budget 2022/26	Forecast Funding					Total Funding
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26	Grants		External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes														
Estates														
Corporate Landlord - Operational	1,027	963	65	-	-	-	65						65	65
Farms Strategy	1,710	0	184	218	218	1,090	1,710						1,710	1,710
Malkins Bank Landfill Site	1,360	511	200	649	-	-	849						849	849
Public Sector Decarbonisation Fund - FM 1	1,855	1,759	96	-	-	-	96	96						96
Public Sector Decarbonisation Fund - FM 2	604	389	216	-	-	-	216	216						216
Premises Capital (FM)	14,663	0	5,032	3,662	3,500	2,469	14,663						14,663	14,663
Schools Capital Maintenance	2,582	0	1,767	815	-	-	2,582	2,291					291	2,582
Septic Tanks	636	250	387	-	-	-	387						387	387
Housing														
Astbury Marsh Caravan Park	247	143	104	-	-	-	104						104	104
Disabled Facilities Grant	10,871	0	3,845	2,342	2,342	2,342	10,871	9,943					928	10,871
Future High Street Funding - Chester Street	1,378	3	-	1,375	-	-	1,375	1,375						1,375
Future High Street Funding - Delamere Street	1,459	4	-	1,455	-	-	1,455	1,455						1,455
Green Homes Grants	3,890	769	3,121	-	-	-	3,121	1,452	1,669					3,121
Gypsy and Traveller Sites	3,701	1,246	1,237	1,218	-	-	2,455	700					1,755	2,455
Home Repairs for Vulnerable People	846	0	246	200	200	200	846						846	846
Social Housing Decarbonisation Fund	1,565	0	1,565	-	-	-	1,565	1,565						1,565
Sustainable Warmth - Home Upgrade Grant	3,289	4	3,285	-	-	-	3,285	3,285						3,285
Temporary Accommodation	958	300	658	-	-	-	658		318	340				658
Warm Homes Fund	239	173	66	-	-	-	66	66						66
Total Committed Schemes	208,477	32,326	33,606	49,747	58,788	34,010	176,151	68,012	12,381	340	30,801	64,617	176,151	
New Schemes														
Culture & Tourism														
Crewe Towns Fund - History Centre Public Realm	10	0	10	-	-	-	10	10						10
Crewe Towns Fund - Lyceum Powerhouse	260	0	260	-	-	-	260	260						260
New Archive Premises	10,250	0	-	4,100	5,699	451	10,250						10,250	10,250
Rural & Green Section 106 Schemes	24	0	24	-	-	-	24		24					24
Economic Development														
Connecting Cheshire Phase 3	8,000	0	500	1,500	2,000	4,000	8,000		8,000					8,000
Handforth Heat Network	13,710	0	-	9,910	2,000	1,800	13,710	5,420	4,890				3,400	13,710
Public Sector Decarbonisation Fund - FM 3	3,714	0	3,714	-	-	-	3,714	3,714						3,714
Crewe Towns Fund - Mill Street Corridor	140	3	137	-	-	-	137	137						137
Crewe Towns Fund	19,560	0	6,060	6,886	5,404	1,210	19,560	19,560						19,560
Housing														
Crewe Towns Fund - Warm and Health Homes	100	0	20	80	-	-	100	100						100
Total New Schemes	55,768	3	10,724	22,476	15,103	7,461	55,764	29,201	12,914	0	0	13,650	55,764	
Total Economy and Growth Schemes	264,244	32,329	44,330	72,223	73,891	41,471	231,915	97,213	25,295	340	30,801	78,267	231,915	

6. Reserves Strategy

Economy and Growth Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Directorate				
Place Directorate	1,684	(1,368)	316	To support a number of widespread projects within the Place Directorate. A significant number of these projects are expected to be fully utilised in year, with the remaining reserve to be fully used in 2023-24.
Investment (Sustainability)	680	(219)	461	To support investment that can increase longer term financial independence and stability of the Council.
Growth and Enterprise				
Legal Proceedings	285	(100)	185	To enable legal proceedings on land and property matters. Hard to gauge the pace of cases but this is the anticipated amount based on end of June costs.
Investment Portfolio	155	174	329	Total rent, fee costs and the amount the service are allowed to keep (£250k) all stay the same so anticipating a similar contribution to the reserve. Looked at the investment summary to determine 22-23 MRP and interest costs. Reserve being built up to be used in the future if the site is vacated. Current lease extends beyond 2026.
Homelessness & Housing Options - Revenue Grants	130	(130)	0	To cover costs of purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families. It is anticipated that this will be utilised in 2022-23, however this is dependent on the housing market and the availability of suitable properties.
Tatton Park Trading Reserve	111	(111)	0	Service anticipating utilising some of the funds although a decision on amount will be made later in the year once income trends become clearer. Early estimation it will be utilised for catering equipment renewal of £30k and a Glasshouse survey of £5k. Also available to be used to cover in year pressures outside of base budget in 2022-23 and future years. Note this is a ring fenced reserve.
Royal Arcade Crewe	99	(99)	0	Original purpose was to fund vacant possession related costs for the Royal Arcade until demolition. The balance will now be used to pay for ongoing maintenance costs for Crewe Bus station. FM pressures will mean that the reserve will be utilised in 2022-23; with costs of £45k at First Finance Review, it is anticipated to be fully drawn down in year.
ECONOMY AND GROWTH TOTAL	3,144	(1,853)	1,291	