Council 23rd February 2017 - **APPENDIX D**

Cheshire East Council Medium Term Financial Strategy 2017/20 Executive Summary

February 2017

This document is available to download on the Cheshire East Council website. It formed part of the 7th February 2017 Cabinet Agenda and the recommended version was distributed to all Members as part of the 23rd February 2017 Council Agenda.

You can continue to provide feedback on the proposals in this report by speaking to your local Councillor – visit Find Your Local Councillor on the Cheshire East Council website for contact details.

If you have any comments or queries please e-mail:

shapingourservices@cheshireeast.gov.uk

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Executive Summary – Delivering Our Corporate Plan

A Great Place to Live

Cheshire East is a great place to live, work and visit, and this is as important to the Council as it is to our local residents. The Council plays an integral part in the communities of this beautiful part of the Northwest of England and aims to deliver much needed services that deliver good value for money to our local residents.

Cheshire East is the third largest council in the Northwest of England, responsible for over 500 services and with a population of over 370,000. Our annual turnover exceeds £700m and our resources are well-managed through our budgetary framework.

The Council's Corporate Plan 2017 to 2020 highlights how the Council is striving to create sustainable growth in the local economy that will support the health and economic wellbeing of residents. Developing the skills of our local population will help secure meaningful long-term employment as well as supporting our local businesses to grow. In addition we will maintain a focus on maintaining a good quality transport and digital infrastructure system in the Borough as this will support our economy to grow and support our local residents to access employment, education and leisure opportunities. We will also ensure that we prudently maintain the countryside and open spaces in Cheshire East and provide good quality front line services such as highways, waste collection and street cleaning to ensure that the quality of the environment in the Borough is maintained.

We will also ensure that we continue to invest in supporting our local people to secure well-being and good health. Education achievement rates for pupils in Cheshire East remain as one of the highest levels in the country, and social care for children and adults receive high levels of investment. Life expectancy for Cheshire East residents is higher than both regional and national averages.

The cost associated with maintaining this level of quality in our services and environment are becoming increasingly challenging as the national austerity measures continue to put the public sector under severe financial pressure. Nonetheless, the Council will continue to strive to provide services that are innovative and creative, and external assessment of the value for money offered by the Council is positive.

The Council froze Council Tax levels for five consecutive years, from 2011/12 to 2015/16 inclusive, with some government support, saving local taxpayers a total of nearly £50m in that period, and yet continued to invest in services that met the needs of local residents. Growth in the local tax base (for houses and businesses) supports the ambition in the Corporate Plan of creating economic independence from government grant. Within four years there will be no general government grant support to the revenue budget of Cheshire East Council. The speed of this change is a major challenge and when increases in demand related to protecting vulnerable people and inflation in costs are taken into account then this creates a requirement to increase Council Tax levels in line with government policy expectations.

Financial stability

In 2017/18 the headlines of the financial strategy are:

- Targeting cost effective service provision for residents whilst responding to the change in the Government's strategy for local authority funding. Council Tax will increase by 4.99% to offset the severity of government grant reductions and provide additional investment in Social Care for Adults (see below) and Children.

- 3% (£5.4m) of the overall Council Tax increase will be solely utilised to fund increasing care costs within Adult Social Care. This increase will also be supplemented in 2017/18 with the new Adult Social Care Grant of £1.5m.
- Reducing external borrowing costs.
- Reducing the reliance on resources from Central Government.
- Managing inflation pressures whilst actually reducing net expenditure overall, but:
- Maintaining value for money by cutting bureaucracy, waste and minimising non essential spending throughout the Council.
- Boosting local economic prosperity through increasing investment on capital projects, such as roads maintenance, infrastructure, education and regeneration.

Table 1: Running costs (Revenue) are being managed down. Investment in assets (Capital) also decreasing

Table 1	2016/17*	2017/18 Budget	Change
Revenue Budget	£266.7m	£263.8m	(£2.9m)
Capital Budget	£123.6 m	£116.3m	(£7.3m)

* Approved Budget as at Quarter 3

Net Revenue Budget 2017/18

- Income is estimated to vary from 2016/17 as follows:
  - Revenue Support Grant (-£12.9m)
  - New Adult Social Care Grant (+£1.5m)
  - Other specific grants (-£2.5m)
  - Growth in Council Tax Base (+£2.6m)
  - Increase in Council Tax levels (+£9.1m)
  - Council Tax Collection Fund Contribution change (-£1.1m)
  - Reduction in New Homes Bonus (-£0.9m)
  - Business Rates Retained (+£1.3)
- Expenditure is estimated to reduce by £2.9m from 2016/17 as set out in **Table 2** :

Table 2	Change from 2016/17 Budget £m	2017/18 Budget £m
Outcome 1 – Communities	-0.6	25.0
Outcome 2 – Economy	-2.2	30.0
Outcome 3 – Education	-1.5	33.8
Outcome 4 – Environment	+0.7	29.8
Outcome 5 – Health	+4.8	96.5
Outcome 6 – Efficient	-1.2	34.8
Contribution from Earmarked Reserves (change from 2016/17)	-2.9	-0.1
Capital Financing	0.0	14.0
Total	**-2.9**	**263.8**

Annex 1 to the Executive Summary provides a further breakdown of the Council's revenue budget.

Capital Budget 2017/18 to 2019/20

The three year capital programme includes investment plans of almost £0.3bn. 63% of the funding for this ambitious programme will come from government grants or contributions from other external partners. In addition, 12% will come from the Council's work to maximise the value of assets sales to support development in the local area.

- The main forecasted income sources are:
  - Government Grants (£168m / 51%)

- Other external contributions (£41m / 12%)
- Receipts from Council Assets (£41m / 12%)

- Expenditure is estimated in the following areas:
  - Highways (£197m)
  - Education (£40m)
  - Economic Growth and Visitor Economy (£27m)
  - Other schemes, such as health and wellbeing, environmental, estate management and IT (£68m)

In addition to these investment plans a number of further schemes, totalling expenditure of £0.2bn are requesting approved but these projects will only commence on completion of detailed business cases and when funding for these projects is confirmed.

Reserves

Reserves are focused on the Council's ability to invest in opportunities and to manage exposure to financial risk. Where something has been identified as a specific risk or investment opportunity, then an amount will be earmarked for that purpose.

Reserves are not being utilised to support annual spending in the net revenue budget for 2017/18. This shows that, despite reductions in funding, the Council is again managing to provide local services within its means.

Table 3: Good financial management reduces the overall need for high Total Revenue Reserves

	Forecast Closing Balance		
Table 3	**2016/17**	**2017/18**	**Change**
General Reserves	£10.3m	£10.3m	-
Earmarked Reserves*	£40.2m	£34.3m	(£5.9m)
Total Revenue Reserves	**£50.5m**	**£44.6m**	**(£5.9m)**

* Earmarked reserves are spent in accordance with planned timescales and will increase or reduce accordingly

The Council's Reserves Strategy (**Annex 13**) provides the reasons for holding General or Earmarked Reserves at current levels.

Achieving Outcomes for Residents

Outcome 1

The Council will deliver a net reduction of £0.6m for services to **local communities** including:

- Public Health Funding for specialist environmental health team
- Cessation of Council tax Support Grant for parish councils
- Increase in Community grants

Outcome 2

Cheshire East Council will decrease budgets by £2.2m and continue to help ensure it has a **strong and resilient economy** through:

- Reviewing the way the council commissions and design the subsidised bus network
- The creation of new investment portfolio

Outcome 3

Reducing budgets by £1.5m and ensuring people have the **life skills and education** they need to thrive through:

- Children's services transport policy review
- Realignment of Children's Services funding streams and review of policy around charges and exemptions in relation to Children's Social Care
- Creating efficiencies in Children's commissioned services
- Early Help and Prevention management review

Outcome 4

Additional investment of £0.7m to help ensure Cheshire East is a **green and sustainable place** through:

- Review of Cheshire East Household Waste Recycling Centre Provision
- Ansa Environmental Services efficiencies and contract renewals
- Investment to ensure we provide an effective Planning framework

Outcome 5

Redesigning services to ensure People **live well and for longer** and investing an extra £4.8m through:

- Investment in Adult Social Care
- Commissioning all services currently provided by our in-house provider, Care4CE
- Operational Pathway Redesign
- Extra funding for Cared for Children & Care Leavers

The Council also has a sixth underpinning outcome to ensure we continue to improve and be a **responsible, effective and efficient organisation**. Net cost reductions of £1.2m will be delivered by maximising productivity, enhancing returns from investments, maximising value for money on contracts, streamlining processes and rationalising assets in order to focus as much investment as possible towards front line services.

A listening Council

The budget report reflects the Council's on-going commitment to transparency, engagement and consultation. The process of budget development has been open and clear from the outset and demonstrates that we listen to residents and stakeholders.

The stakeholder engagement process included:

- An appropriate timescale that supported the development and sharing of draft Budget ideas.
- Regular elected Member involvement through scrutiny, briefings and planning and licensing processes.
- Wide ranging stakeholder engagement via open meetings, consultation and for the first time this year, an online survey tool to gather stakeholder feedback.
- On-going development of effective internal challenge processes including staff and union briefings.
- Inclusion of proposals that are not currently proposed for implementation to help stakeholders understand the options that were considered as part of the overall process.
- Continued improvement of financial and performance reporting.
- Listening to stakeholders in important considerations

During the consultation process the Council received notification of the Government funding settlement. The Council entered in to a multi-year agreement, along with 97% of English Local Authorities that fixed certain grants up to 2019/20. The settlement included changes to way the Adult Social Care Precept could be charged, as well as reductions in New Homes Bonus that transferred funds to a new Adult Social Care Grant.

In addition to stakeholder feedback and the government settlement the Council also reviewed the impact of its Third Quarter financial forecasts. Based on the feedback and revised information changes have been made to adjust expenditure in a number of areas compared to the Pre-Budget Consultation Report.

Where specific proposals have been amended these are noted within **Section 1** of the MTFS. **Annex 2** of the MTFS also describes the engagement activities carried out by the Council.

Based on Pre-Budget consultation feedback and the Third Quarter Review of performance there have been a number of changes made to the budget proposals. Adult Social Care pressures have increased but greater flexibility in the amount that can be raised from Council Tax was granted as part of the Provisional Finance Settlement in December 2016 to address this demand. The new Adult Social Care Grant was also announced at this time (£1.5m) but Cheshire East also lost expected revenue from the New Homes Bonus (£1m) and Education Services Grant (£1.3m) for 2017/18. Feedback did not introduce further savings but supported Council Tax increases to cover the Adult Social Care pressures so Council Tax has been increased to return the budget to a balanced position.

Changing the way we work

Cheshire East has established itself as a commissioning council. This means we provide the service options that best fit the needs of our residents, regardless of historical approaches to service delivery. Since 2009 over £70m of savings have been achieved through adopting more efficient and effective ways of working. The number of staff employed directly by the Council has also been reduced by 48% with staff and unions working together to manage transfers to innovative Alternative Service Delivery Vehicles. Wherever possible retention of front line staff has been given priority.

The current structure of service providers allows the Council to commission (or 'buy') the right services for the right people at the right price.

A sample of the main providers of services to Cheshire East is shown below:

Privately owned contractors:

- Ringway Jacobs (Highways)
- Oracle (Core financial systems)
- BT (Superfast Broadband projects)

Delivery vehicles wholly owned by the Council:

- Cheshire East Residents First (CERF)
- Ansa Environmental Services Ltd (Waste Services, Street Cleansing, Grounds and Fleet)
- Orbitas (Bereavement services and minor maintenance service)
- Tatton Park Enterprises
- Transport Service Solutions Ltd
- Civicance (Building Control and Planning/Land Charges Support)
- Skills and Growth Company
- Engine of the North Ltd

Charitable organisations:

- Everybody Sport and Recreation Trust (Leisure Services)
- 62 Academies

Collaborative Arrangements:

- Four4adoption (set to be replaced with the Regional Adoption Agency from 1/4/17)
- Cross Cheshire Youth Offending Team

In-House Council Services:

- Cheshire East libraries
- Planning
- Children's Social Care
- Safeguarding
- Early Help and Prevention
- Schools Support Services (89 Local Authority maintained schools)

The effective management of service providers allowed the Council to set a balanced budget in 2016/17 and established a strong base for 2017/18. Vital services have been protected and opportunities for further efficiencies and commercialism have been created.

We have a strong corporate leadership team in place to take this Council into 2017 and beyond.

Mike Suarez – Chief Executive

Kath O'Dwyer – Executive Director of Peoples Services and Deputy Chief Executive

Peter Bates – Chief Operating Officer (S151 Officer)

Frank Jordan - Executive Director of Place

Other statutory posts include Mark Palethorpe (Strategic Director of Adult Social Care and Health), Bill Norman (Director of Legal Services and Monitoring Officer) and Charlotte Simpson and Guy Kilminster (Acting Directors of Public Health).

The Council has been given a clean bill of health by the external auditors, Grant Thornton, and the financial statements and value for money opinions are unqualified. This provides confidence that the leadership team of the Council understand the costs associated with local needs and is matching resources to the stated priorities of the Council.
In 2015/16 the Council aligned its corporate business case format to public sector best practice in the form of the HM Treasury Five Case Model. This approach has continued into 2016/17 and has helped to strengthen its processes for monitoring the delivery of these proposals overseen by the Executive Monitoring Board.

The Medium Term Financial Strategy (Full Report)

As the Finance Portfolio Holder, I have developed the medium term strategy, with the professional support of Peter Bates (Chief Operating Officer) and his team.

This comprehensive report provides further information on the issues facing the Council in the medium term and shows how these are being addressed to present a balanced financial position for the 2017/18 financial year. The report also includes medium term estimates showing how the Council could balance the financial challenges from 2017 through to 2020.

Additional detailed analysis of appropriate trends and demonstration of the effective deployment of resources is contained within the Council's Value for Money publication. This illustrates the strong financial position of the Council and provides clear evidence of delivering more with less.

The effective management of the budget within the annual estimates for the last three years has provided a solid financial platform to enable the Council to maintain a positive outlook for the future. The medium term forecasts shows the extent of the financial challenge ahead but I am confident and determined to deliver for local residents by always putting them first and to do everything I can to maintain Cheshire East as one of the best places to live in the Northwest.

Cllr Peter Groves

Portfolio Holder for Finance & Assets,
Cheshire East Council
February 2017

Did you know?

8 Green Flag Awards for our parks & open spaces

Working in partnership to deliver an award winning, sector-defining digital platform

'Most active' local authority in the North West with participation in sport and recreation in Sport England's "Active

Improved percentage of primary (93%) and secondary (86%) schools judged good or outstanding in 2015/16

Low figures were maintained of young people not in education, employment and training (NEET) at 2.8%

2.83 million uses of Leisure Services facilities in 2015/16

Fairerpower new energy supplier secured savings of £1.5m for 5,000 customers in its first full year

17% increase since 2011 in residents agreeing that the Council provides Value For Money

360 affordable homes were delivered in 2015/16 (against a target of 300)

83 long-term empty homes were brought back into use

1,433,000 library visitors

Wi-Fi introduced at all libraries

Our 56% recycling rate continues to be in the top 10% of all local authorities

Over 1,000 tonnes of materials were diverted from landfill for recycling and reuse during 2015/16

Around 5 million website hits per year

Annex 1

Estimated Budget and funding for Cheshire East Council 2016/17 to 2019/20 (excluding ring-fenced grants)

	Budget Book 2016/17 (revised at TQR) £m	Estimated Net Budget 2017/18 £m	Estimated Net Budget 2018/19 £m	Estimated Net Budget 2019/20 £m
Outcome 1 - Our Local Communities are strong and supportive	25.6	**25.0**	**25.3**	**25.7**
Outcome 2 - Cheshire East has a strong and resilient economy	32.2	**30.0**	**28.1**	**28.1**
Outcome 3 - People have the life skills and education they need in order to thrive	35.3	**33.8**	**32.5**	**32.7**
Outcome 4 - Cheshire East is a green and sustainable place	29.1	**29.8**	**30.0**	**29.1**
Outcome 5 - People live well and for longer	91.7	**96.5**	**96.4**	**95.8**
Outcome 6 - Efficiency	34.9	**33.6**	**32.8**	**32.8**
Total Outcomes	248.8	**248.7**	**245.1**	**244.2**
Corporate Contributions and Adjustments	1.1	**1.2**	**1.2**	**1.2**
Capital Financing	14.0	**14.0**	**14.0**	**14.0**
Use of / Contribution to Earmarked Reserve	2.8	**-0.1**	**-0.1**	**-0.1**
TOTAL:	**266.7**	**263.8**	**260.2**	**259.3**
CENTRAL BUDGETS				
Business Rate Retention Scheme	-39.7	**-41.0**	**-42.7**	**-41.8**
Revenue Support Grant	-26.3	**-13.4**	**-5.4**	**0.0**
Specific Grants	-18.8	**-16.9**	**-9.8**	**-9.4**
Council Tax	-179.4	**-191.1**	**-202.3**	**-208.1**
Sourced from Collection Fund	-2.5	**-1.4**	**0.0**	**0.0**
TOTAL: Central Budgets	**-266.7**	**-263.8**	**-260.2**	**-259.3**
Funding Position	**0.0**	**0.0**	**0.0**	**0.0**

Council 23rd February 2017 - **APPENDIX D**

Cheshire East Council
Medium Term Financial Strategy
2017/20

Cheshire East Council

Foreword from the Finance and Assets Portfolio Holder

Cheshire East Council is an ambitious local authority with strong values. I started a conversation about the Medium Term Financial Strategy back in November, and this budget report is the first milestone in showing how that conversation is going.

Cheshire East is a great place to live, work and visit and the Council is striving to engage residents in how services that they need can be afforded and still continue to help local people achieve their aspirations. Our residents enjoy good living standards and when they need help from the Council we are consistently recognised as providing good services. But setting out the Council's financial plans for the next three years has been particularly challenging as local authorities continue to make such a significant contribution to national austerity measures.

Throughout the consultation period I have listened to people and their ideas on maintaining sustainable changes to services. The 2017/18 Budget is presented in this report as balanced, albeit with a requirement to raise Council Tax levels in response to government policy. The medium term strategy is also balanced through to 2019/20, a year in which general government grant will be nil for the first time.

The Council spends more on Adult Social Care than any other service, and costs in this area are expected to rise by over £7m in 2017/18. This is driven by inflation, minimum wage requirements and from more people entering the care system. These pressures coincide with significant pressure on our partners in the health sector. Value for money is a priority, but there is also a clear responsibility, driven by government policy, for residents to make greater contributions to service costs.

The proposals in the Pre-Budget consultation document included the option to increase Council Tax by up to 3.99% each year, but the government settlement in December 2016 recognised that social care costs were in fact a national issue, that required greater focus. The consultation feedback and rising in-year costs have led to the decision to increase Council Tax by 4.99% overall in 2017/18 with 3% of this increase directly funding Adult Social Care.

This approach will add £1.21 per week to a Band D Council Tax bill each year. Previous policies froze Council Tax and saved the local taxpayer nearly £50m, but the current circumstances make these increases an appropriate proposal at this stage.

This report still contains significant ambition, with £197m of infrastructure projects included to open up opportunities for businesses and create jobs that support the local economy.

All the proposals in this document continue to work towards the Council's Corporate Plan 2017 to 2020 which focuses on:

Communities ~ helping residents to help themselves and each other. Supporting volunteering and minimising anti-social behaviour.
Economy ~ encouraging and supporting businesses to create high employment and creating opportunities for all.
Education ~ intervening early to provide a great start in life.
Environment ~ supporting energy saving initiatives and making sure our green spaces make Cheshire East a great place to live.
Health & Care ~ safeguarding the vulnerable, with care that people need.

I believe this report provides a strong set of options, that balance the Council's medium term finances.

Peter Groves

Cllr Peter Groves,
Finance and Assets Portfolio Holder

Comment from the Chief Operating Officer (Section 151)

Setting the 2017/18 budget has been the most challenging since Cheshire East Council was formed in 2009. The ambition to create greater certainty for local residents has not been easy while 2016 provided such significant changes at a national level. Brexit, a new Prime Minister and many changes in the Ministerial Team could yet prove to impact on the Council. The real challenge though has been managing the levels of demand for our services whilst creating a fair, equitable and viable financial outlook for our organisation.

Cheshire East Council is a large local authority which delivers over 500 services every day that meet the needs of local people. The Council was restructured in 2016 to present a clear set of Directorates: People; Place; Corporate. The majority of spend takes place in our People Directorate. Our staff also work with public sector partners and our communities as well as with the private and voluntary sectors. This aligned approach helps to support our residents when they need it.

To provide greater certainty around funding levels I worked with members to accept an offer from government to fix general grant levels over the next three years. The 'offer' sees our general grant funding reduce to nil by 2020 and this accelerates our ambition within the Corporate Plan to be a self sufficient Council. This approach has provided some certainty for our medium term financial plan, but we are still waiting for clarification about Non-Domestic Rates Retention. The settlement figures in relation to New Homes Bonus and Schools funding have been disappointing and we are actively lobbying government to challenge the rationale behind their suggested approach.

The Council's plans for services are targeted at the achievement of the Council's six outcomes contained within the Corporate Plan 2017-20.

Budget forecasts in February 2016 highlighted potential deficits of £8.9m, £13.5m and £13.6m over the next three years. Following the consultation period this report updates these forecasts to demonstrate how a balanced position can be achieved.

It was really pleasing to see how many local people engaged in the process to develop an affordable package of services that can meet the needs of our residents during the budget process. In my opinion the estimates to arrive at this position are robust and I believe the levels of reserves are adequate based on the assessment of financial risks.

The Council remains committed to exploiting opportunities to continue to revolutionise service delivery arrangements. This is based on the belief that we can find or even create the right arrangements and the right providers that will get closer to the resident and better understand local needs and therefore deliver a better service at a better price.

I will continue to benchmark our services to provide even greater challenge to our value for money approach to ensure we achieve or even set best practice as a commissioning organisation.

PJ Bates

Peter Bates CPFA CIPD MBA

Chief Operating Officer (Section 151 Officer)

Table 1 – Three Year Summary Position

Estimated Budget and funding for Cheshire East Council 2016/17 to 2019/20 (excluding ring-fenced grants)

	Budget Book 2016/17 (revised at TQR) £m	Estimated Net Budget 2017/18 £m	Estimated Net Budget 2018/19 £m	Estimated Net Budget 2019/20 £m
Outcome 1 - Our Local Communities are strong and supportive	25.6	**25.0**	**25.3**	**25.7**
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Outcome 5 - People live well and for longer	91.7	**96.5**	**96.4**	**95.8**
Outcome 6 - Efficiency	34.9	**33.6**	**32.8**	**32.8**
Total Outcomes	248.8	**248.7**	**245.1**	**244.2**
Corporate Contributions and Adjustments	1.1	**1.2**	**1.2**	**1.2**
Capital Financing	14.0	**14.0**	**14.0**	**14.0**
Use of / Contribution to Earmarked Reserve	2.8	**-0.1**	**-0.1**	**-0.1**
TOTAL:	**266.7**	**263.8**	**260.2**	**259.3**
CENTRAL BUDGETS				
Business Rate Retention Scheme	-39.7	**-41.0**	**-42.7**	**-41.8**
Revenue Support Grant	-26.3	**-13.4**	**-5.4**	**0.0**
Specific Grants	-18.8	**-16.9**	**-9.8**	**-9.4**
Council Tax	-179.4	**-191.1**	**-202.3**	**-208.1**
Sourced from Collection Fund	-2.5	**-1.4**	**0.0**	**0.0**
TOTAL: Central Budgets	**-266.7**	**-263.8**	**-260.2**	**-259.3**
Funding Position	**0.0**	**0.0**	**0.0**	**0.0**

Including assumption that General Reserves are not used.

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1. Achieving Outcomes

Cheshire East Council is responsible for providing more than 500 local public services across an area of over 1,100km^2 for over 370,000 residents. The budget to deliver these services in the period April 2016 to March 2017 will be in the region of £720m, which is raised from a combination of local taxes, national taxes (in the form of government grants) and payments direct from service users and other organisations.

As a place we have a fantastic mix of rural and urban environments. However the most important element of Cheshire East is its people and we will strive to make sure we have a Council that serves its diverse community well and delivers value for money. We want to see Cheshire East Council build a national reputation for customer services and partnership working and to build a clear programme that continually delivers and makes sure as an organisation we put residents first at all times.

The Corporate Plan for 2017-2020 reaffirms the outcomes contained within the previous three year plan. Members agreed that the outcomes remain hugely relevant to the way the Council can meet the needs of local residents and businesses. However, it is inevitable that local needs and priorities in Cheshire East change over time and the Council must therefore be flexible. This section provides details on how the Council aims to achieve its outcomes through focused and clear priorities.

Each of the Council's Resident First outcomes is set out on the following pages along with budget changes that will achieve a balanced position over the period 2017/18 to 2019/20.

The following pages set out:

- Some of Cheshire East Council's achievements over the last year, as detailed in the Council's Outturn Report.
- The engagement activity for the current budget setting process. This identifies who was consulted with as part of this budget setting process.
- Revised budget proposals that include the Council's response to stakeholder feedback.

Did you know?

Cheshire East Council is the 3rd largest Local Authority in the Northwest with over 370,000 residents

Local Engagement

Cabinet and Council meetings

- Cabinet December 2016 (Domestic/Non Domestic Taxbase)
- Cabinet February 2017 (Budget / MTFS)
- Council February 2017 (Budget / MTFS)

Member briefings

- Finance briefings covering Budget development and the communication of the process at every milestone
- All Member session January 2017

Updates for staff on budget progress

- Updates made available in Team Voice, on Centranet and the Cheshire East Council website. This included the Pre-Budget Consultation launched on 4th Nov

Overview and Scrutiny

- Corporate Overview and Scrutiny Committee 7th July 2016
- Opportunity to examine service budget proposals on 3rd November 2016 and 12th January 2016

Engagement events with other stakeholder groups

- Including businesses (Jan 2017):
  - South Cheshire Chambers
  - Macclesfield Chambers
- Trades Unions November 2016 and January 2017
- Town and Parish Councils December 2016
- Key partners, voluntary, community and faith sector via websites and newsletters
- Schools Forum December 2016 and January 2017

Local Engagement

- These events are used to highlight how the Council budget could affect our different stakeholders and help to answer questions, address concerns and develop our relationship with our stakeholders and the wider community

Residents

- Any comments? – Speak to your local Councillor
- Information included with Council Tax bills
- Media releases
- Citizens' Panel survey
- Social media

Group meetings

- An opportunity to discuss details of the budget with Officers
- Available upon request

Understanding the financial tables in this document

Budget changes in this document are expressed in cash terms compared to the Council's Approved Budget for 2016/17.

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

Theme of the Potential Change(s) *(such as "Changing the way we work" or "Income Generation")*	**2017/18** **£m***	**2018/19** **£m***	**2019/20** **£m***
Title of Proposed changes (either Revenue or Capital) (plus ref number from Pre Budget Consultation if applicable) A narrative to describe what the proposal is *Impact on Services Budget =*	**-x.xxx**	**-x.xxx**	**-x,xxx**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*			

The specific Service Budget that will be affected is identified here. Current budgets are detailed in the Council's Budget Book.

Capital changes are split by the year in which expenditure is incurred.

Figures represent an increase or decrease in spending compared to the 2016/17 Approved Budget.

If the change is permanent it is therefore repeated in each year.

If spending will vary across the three years each figure still represents the change from the existing 2016/17 Budget.

Outcome 1 - Our local communities are strong and supportive

What this means:	**Individuals and families are self-reliant and take personal responsibility for their quality of life.** **Communities are cohesive, with a strong sense of neighbourliness. There is genuine civic pride and mutual respect.**	
What the Council will focus on:	**1. Active, Resilient and Connected Communities where people want to live**	**2. Communities where you are Safe, and feel Safe**
What this will look like:	People work together to help each other, take action and take pride in where they live. We enable and support our communities to be independent. We lead by example as a proactive and enforcing Council.	People feel safer in their own homes and in their communities. We work with partners to target a reduction in anti-social behaviour and improve public and road safety.

Did you know?

Over 275,000 Cheshire East residents are registered to vote

Key Priorities:

As a Residents First Council we have listened to what is important to you and recognise that working with you will help us achieve this really important outcome about safe, strong and supportive communities. We want to be much more pro-active in agreeing what our deal is with you, so that we use our fantastic assets which are people, money and buildings in the ways to get the best outcomes we can.

Our Connecting Communities approach will be introduced in 2016/17 and will set out how we will engage with you. It will build on the strong foundations that we have achieved through our Delivering Differently in Macclesfield programme where we have actively engaged with over 750 residents and set up four strong estate based partnerships who are tackling the issues faced by local people in some of our more deprived areas. We will continue the development of community networks across Cheshire East and support the excellent work undertaken by volunteers in our market towns through our Town Partnerships.

Our community grants programme will continue and we plan to boost this with exploring new ways of bringing in grant funding to our community groups who for every £1 we grant them bring in a further £9 themselves. This generated 3,000 volunteers last year.

Our much tougher approach to enforcement has seen us pilot a new approach this year. We have brought in a private enforcement company to tackle those who litter, flytip and do not pick up after their dogs. In the first few weeks we saw over 500 fines issued. We want to combine this with a change in behaviour and so have dedicated extra resources working in the Crewe area with local people to find out how we can educate and engage to stop this happening in the first place.

Did you know?

Over 10,000 births, deaths or marriages are registered by the Council each year

Proposals to vary the Budget under Outcome 1 (Communities) are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2017/18** **£m***		**2018/19 Indicative values** **£m***	**2019/20 Indicative values** **£m***
Review Environmental Enforcement Service based on outcomes, expected Summer 2017, of the Flytipping pilot and procurement of patrol company pilot (Revenue Savings) (1) Two pilot projects are underway to improve environmental enforcement. These will be reviewed by the end of Summer 2017, with a plan to redesign the delivery of the service and deliver savings from April 2018 onwards. *Impact on Community Safety Delivery Team Service Budget =*	**0.000**		**-0.120**	**-0.120**
Cessation of the Regulatory Services Out of Hours Service (Revenue Savings) (2) Cease the current emergency out of hours service that operates for Environmental Health, Trading Standards and Animal Health services which receives only a low number of calls each year. This will mean that members of the community will need to report issues on the next working day. *Impact on Regulatory Services &Health Service Budget =*	**-0.010**		**-0.010**	**-0.010**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				
Note: Proposal 3: "Development Control Funding for Environmental Health" was withdrawn from the MTFS following the consultation period.				

Did you know?

The Environmental Health Team inspected 2,000 Business premises in the last year

Working with the community *Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Transfer of Cheshire East Council managed community centres to local management arrangements (Revenue Savings) (4) The management of Community Centres / Halls have been transferred from Cheshire East Council to alternative local providers to improve local services and reduce costs. The proposal is to transfer the two Community Centres in Macclesfield and Handforth, currently still managed by Cheshire East Council, into a local management arrangement.				
Impact on Partnerships & Communities Service Budget =	**-0.020**		**-0.020**	**-0.020**
Increase Community Grants (Revenue Investment) (5) The Community Grants scheme is highly valued by community and voluntary groups and demand for support increases annually, and is now four times oversubscribed. For every £1 invested in this scheme it is worth £9 to the community, contributing towards over £1.6m worth of activities and projects in the Borough in 2015/16. The proposal is to increase the Community Grant budget, to deliver even greater impact from investment.				
Impact on Partnerships & Communities Service Budget =	**+0.060**		**+0.100**	**+0.100**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Did you know?

For every £1 given in grant, £9 of benefit is seen by the community

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Public Health Funding for specialist environmental health team (Revenue Savings) (6) The direct funding of the specialist environmental health team that deals with proactive work to protect public health and which can be directly linked to Public Health Outcome Framework Indicators. This includes issues such as air quality, contaminated land and strategic noise controls. The appropriate allocation of Public Health Grant funding creates savings in the existing base budget. *Impact on Regulatory Services &Health Service Budget =*	**-0.180**		**-0.180**	**-0.180**
CCTV Fibres (Revenue Investment) (7) The current contract for CCTV fibres ceases at the end of March 2017 and as rental charges have increased, any new contract is estimated to cost an additional £33,000 per annum. CCTV plays a key role in keeping our residents and communities safe, and any changes to its current coverage would have a significant impact to residents and businesses across Cheshire East. This proposal is to cover court costs. *Impact on Partnerships & Communities Service Budget =*	**+0.030**		**+0.030**	**+0.030**
Gypsy Traveller Liaison Officer Court Costs (Revenue Investment) (8) The Magistrates Court now requires the Council to pay fees to obtain Orders, which enable us to move Travellers out of the Borough, if they set up an illegal encampment. This action plays a key role in our enforcement policy and if we could not apply for court orders, there would be a significant impact to residents and businesses in Cheshire East. *Impact on Partnerships & Communities Service Budget =*	**+0.020**		**+0.020**	**+0.020**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Income generation *Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Introduce a new Business Start Up Offer (Revenue Savings) (9) The provision of a discretionary chargeable service to help new food businesses comply with food safety legislation and to improve their Food Hygiene Rating System Score. This will supplement the statutory inspection regime. *Impact on Regulatory Services & Health Service Budget =*	**-0.002**		**-0.002**	**-0.002**
Develop a Chargeable Pre-Application Checking Service (Revenue Savings) (10) The provision of a discretionary chargeable service for the checking of licence applications. Similar to the passport 'check and send' service. This will ensure that applications are correctly completed prior to processing and will reduce resources currently required to gather additional information. Where the service is not purchased, incomplete or incorrect forms will be returned directly to the applicant for further work. *Impact on Regulatory Services & Health Service Budget =*	**-0.002**		**-0.002**	**-0.002**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Funding changes ***Changes in central government support being managed between down through tiers of local government.***	**2017/18** **£m***		**2018/19 Indicative values** **£m***	**2019/20 Indicative values** **£m***
Council Tax Support Grant as agreed (Revenue Savings) (11) Since 2013/14 Cheshire East Council has provided compensation to each eligible Town and Parish Council for the reduction in tax base following the introduction of the council tax support scheme. This grant has been reduced annually in line with overall reductions to Cheshire East Council's general government grant, with an agreement that it will cease in 2017. *Impact on Partnerships & Communities Service Budget =*	**-0.150**		**-0.150**	**-0.150**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Outcome 2 - Cheshire East has a strong and resilient economy

What this means:	**Cheshire East is a place which is open for business. We will invest in the building blocks that will allow business to grow, give our residents the right skills to secure employment and attract inward investment in to the Borough. By working together with business and our residents we will enhance the quality of place and create prosperity for all!**			
What the Council will focus on:	**1. Culture, Heritage and Tourism**	**2. Jobs and Skills**	**3. Business Growth and Inward Investment**	**4. Infrastructure**
What this will look like:	Across the Borough our towns and villages will offer a rich mix of retail, leisure, cultural and heritage facilities that will serve our residents and attract more visitors and tourists to Cheshire East.	The workforce in Cheshire East will be well educated and skilled. Unemployment will be kept low, new and high quality jobs will be created and people will be ready for work as soon as they leave education or training.	Businesses will grow and thrive in Cheshire East. Sites and support will be available to attract new businesses to the Borough and to allow existing businesses to grow.	Cheshire East will be well connected. Travel will be safe and efficient.

Did you know?

96% of all students in Cheshire East remained in Education, Employment or Training at 16 years in 2015

Key Priorities:

Quality of Place

Quality of place is a significant driver for the economy of Cheshire East and the prosperity of its residents and businesses. We will focus on protecting and enhancing the natural and built environment in the Borough. This will develop our distinctiveness to attract investors, businesses and visitors; encourage creativity and support the vitality of our towns and villages, and support the wellbeing of our residents.

- **High Quality Town Centres** – we will focus on securing investment in our key towns to create high quality places for residents, visitors and businesses which will include:
    - A long term regeneration strategy for Crewe Town Centre which will stimulate investment and development in retail, culture, leisure, residential and employment facilities.
    - We will work with partners to create a hub station which will connect Crewe through High Speed rail and the classic rail network to key centres in the UK including London, Birmingham and Manchester.
    - Through the Northern Gateway Partnership, which is an emerging economic partnership between seven local authorities and two Local Enterprise Partnerships we will deliver sustainable plan led growth in the Borough on the back of HS2 investment at Crewe.
    - We will develop a strategy for regeneration in Macclesfield which includes the delivery of a high quality leisure-led development in the town; deliver improvements and support marketing of Middlewich town centre; invest in the town centre public realm and secure the future use of a key listed building in Congleton.
- **High Quality Infrastructure** – we will deliver an investment programme in major infrastructure projects such as the Connecting Cheshire Broadband scheme, the M6 Smart Motorway project, the Congleton Link Road, Macclesfield Movement Strategy, the Poynton Relief Road and the Middlewich Eastern Bypass.
- **High Quality Leisure, Cultural and Heritage Offer** – We will make the most of the quality of our rural areas and complement our town centre regeneration work by developing our cultural, heritage and landscape offer. We will also continue to build on our growing economy by marketing and promoting Cheshire East as a place to live, work, visit and invest in.

Skills and Employment

- We will work in partnership with our schools, colleges, local universities and employers to ensure young people have the right qualifications, skills and experience to prepare them for work.
- In particular we will support people to develop skills in the specialisms required to support our high growth sectors including life sciences, creative and digital, rail and automotive engineering and advanced manufacturing.

Opportunities

- We aim to provide of an average of 15Ha of new employment and business land each year to meet the needs of new and expanding companies in Cheshire East.
- We will provide an effective support service to our existing businesses and those planning to invest in the Borough.

Did you know?

There are as many businesses in Cheshire East as there are in Central Manchester

Proposals to vary the Budget under Outcome 2 (Economy) are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2017/18** **£m***	**2018/19 Indicative values** **£m***	**2019/20 Indicative values** **£m***
Lifelong Learning (Revenue Savings) (12) The Lifelong Learning Service made an accounting adjustment of £122,000 in 2014/15 based on a forecast increase from the Skills Funding Agency grant the service anticipated they would receive, but never materialised. The funds are therefore surplus to requirements, and their removal will have no adverse impact on their current delivery. *Impact on Lifelong Learning Service Budget =*	**-0.120**	**-0.120**	**-0.120**
Transfer of the two Tourist Information Centres to Town Councils (Revenue Savings) (13) Cheshire East Council is in discussion with relevant Town Councils over the possible transfer of Tourist Information Centres in Macclesfield and Congleton. Subject to agreement by each Town Council, this would maintain provision of visitor information with a sustainable platform moving forward, allowing Cheshire East's tourism assets to be actively promoted both locally and regionally. This supports the Council's outcomes 1, 2, 3, and 5. *Impact on Visitor Economy Service Budget =*	**0.000**	**-0.020**	**-0.050**
Reduce Archive Shared Service (Revenue Savings) (14) Planned efficiencies due to phased retirement and maternity leave delivering budget savings. Supports Council's Outcome 2. *Impact on Cheshire Archives & Local Studies Shared Service Budget =*	**-0.020**	**-0.020**	**-0.020**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*			

Working with the community *Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Increased Parking Enforcement (Revenue Savings) (15) Parking Services ensure the safe and free flowing operations of the highway network by addressing indiscriminate parking. The proposal is to recruit ten additional Civil Enforcement Officers (CEO), to compliment the current workforce, thereby delivering a more responsive service for our residents and potentially generating additional surplus revenue of £100,000 per annum.				
Impact on Parking Service Budget =	**-0.100**		**-0.100**	**-0.100**
Increased support for Bus Services (Revenue Investment) (16) In July 2016, one of the Borough's biggest bus operators, GHA Coaches, ceased operating. The Council intervened to maintain service provision for passengers across the services which were financially supported by the Council. The new tender prices are significantly higher than the previous costs requiring an increase in budget of £850,000 per annum to maintain the existing level of service. Supports Council's outcomes 1, 2, 3, 4 and 5.				
Impact on Public Transport Commissioning Service Budget =	**+0.850**		**+0.850**	**+0.850**
North West Crewe – (Capital Investment subject to a detailed Business Case) (17) This scheme is a package of new highway measures to support housing and employment growth in North West Crewe and to address existing highway issues. This package will be funded by a combination of the Local Growth Fund (Government Grant), Developer contributions and Council funding. **This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12**				
Current Approved Capital Investment 2017/18 =	**+1.707**			
New Capital Investment 2017/18 =	**+0.600**			
New Capital Investment 2018/19 =			**+1.900**	
New Capital Investment 2019/20 =				**+16.000**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Working with the community *Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
West Park Museum (Capital Investment subject to a detailed Business Case) (18) Feasibility work and implementation of recommendations to ensure West Park Museum is fit for purpose, or that collections are preserved for the future in the most effective way possible. Supports Council's Outcomes 1, 2, 3, and 5 **This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12** *(note: Included in Investment in Heritage Assets in the Capital Addendum)* *New Capital Investment 2017/18 =* *New Capital Investment 2018/19 =*	**+0.450**		**+0.450**	
Starter Homes - Phase 1 (Capital Investment) (19) A new Government initiative to assist first time buyers into home ownership. Cheshire East are part of a pilot scheme to bring forward Starter Homes. In addition to the four Starter Homes, we will also deliver a further four market homes and make significant improvements to an existing car park. *New Capital Investment 2017/18 =*	**+0.900**			
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Cheshire East Reflects (Revenue Savings) (20)				
Continued delivery of Cheshire East Reflects four year programme of commemorative activities to mark the centenary of World War 1. In particular, continuation of an education programme and delivery of major, public events in 2018. The programme of events end in 2018 so no further funding will be required in 2019/20. Supports Council's Outcomes 1, 2, 3, and 5				
Impact on Cultural Economy Service Budget =	**-0.010**		**+0.010**	**-0.040**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Income generation *Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Create a new Investment Portfolio (Revenue Savings) (21) The objective of this proposal is to deliver a long term and sustainable income to the Council through investment in commercial property. The general approach will be to consider the level of investment, risk and potential rate of return prior to considering acquiring the specific investment. (Refer to capital implications (proposal No. 24) listed over the page). *Impact on Assets Service Budget =*	**-0.250**		**-0.750**	**-1.000**
Increase Public Rights of Way Fees & Charges (Revenue Savings) (22) Changes in fees and charges associated with the legal processes in dealing with making alterations to public rights of way. These changes are driven by increased demands for alterations to public rights of way associated with development throughout Cheshire East which requires a far greater input of officer time to adequately manage. The fees and charges need to accurately reflect this in order to ensure the Council is recovering its full costs and there are no additional financial burdens on the council tax payer. Supports Council's Outcomes 1, 2, 3, and 5. *Impact on Public Rights of Way Service Budget =*	**0.000**		**0.000**	**-0.020**
Increase Events Management Income (Revenue Savings) (23) Introduce charges for the services of the Outdoor Events manager to commercial sector events operators. Supports council Outcomes 2 and 5. *Impact on Cultural Economy Service Budget =*	**-0.010**		**-0.010**	**-0.010**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Income generation ***Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.***	**2017/18** **£m***		**2018/19 Indicative values** **£m***	**2019/20 Indicative values** **£m***
Create a new Investment Portfolio (Capital Investment subject to a detailed Business Case) (24) The objective of this proposal is to deliver a long term and sustainable income to the Council through investment in property. The general approach will be to consider the level of investment, risk and potential rate of return prior to considering acquiring the specific investment. A comprehensive economic appraisal will be undertaken before any commitment is made (Refer to revenue implications (proposal No. 21) above). **This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12** *(note: Included in Strategic Acquisitions in the Capital Addendum)* *New Capital Investment 2017/18 =*	**+5.000**			
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				
Note: Proposal 25: "Increase Car Parking charges" was withdrawn from the MTFS following the consultation period.				
Note: Proposal 26: "Increase Highways Fees and charges" was withdrawn from the MTFS following the consultation period.				

Reducing subsidy ***Ensure limited resources are redirected to the areas with the most critical need.***	**2017/18** **£m***	**2018/19 Indicative values £m***	**2019/20 Indicative values £m***
Changes to subsidised Bus Service (Revenue Savings) (27) The Council gives revenue support to local bus services to enable services to be provided which would not otherwise be provided by commercial operators. The Council is proposing a review of the criteria it uses to determine the level of support to local bus services. The proposed review would also seek to rationalise the existing network by combining routes, changing the hours of operation and in some cases by stopping the provision of services altogether. However this would be subject to a thorough and detailed consultation exercise so that the impact on these proposals can be assessed before a final decision is made. In particular the impact on rural communities and protected groups will be reviewed following a period of consultation. *Impact on Public Transport Commissioning Service Budget =*	**0.000**	**-1.580**	**-1.580**
Removal of one-off investment in Skills and Growth 2016/17 (Revenue Savings) (28) A reduction in funding for skills services delivered by the Skills and Growth Company ASDV (Alternative Service Delivery Vehicle) as the company develops and delivers its commercial growth strategy. *Impact on Skills & Growth Service Budget =*	**-0.200**	**-0.400**	**-0.500**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*			

Reducing subsidy ***Ensure limited resources are redirected to the areas with the most critical need.***	**2017/18** **£m***		**2018/19 Indicative values £m***	**2019/20 Indicative values £m***
Tatton Vision Phase 1 (Revenue Savings) (29) A five year capital programme, Tatton Vision Phase 1 is an investment in facilities, services and experience for visitors and residents to the park. It aims to improve indoor event spaces, catering and retail sites, encouraging increasing visitor numbers, greater spend and longer dwell time. This improves the overall financial return, reducing the cost of Tatton to the Council. Supports all the Council's Outcomes. *Impact on Visitor Economy Service Budget =*	**-0.040**		**-0.080**	**-0.120**
Reduce funding to Macclesfield Silk Heritage Trust (Revenue Savings) (30) Managed transition of support funding to Macclesfield Silk Heritage Trust resulting from the revised business plan. Supports Council's Outcomes 1, 2, 3, and 5. *Impact on Cultural Economy Service Budget =*	**0.000**		**-0.010**	**-0.010**
Removal of one-off investment Empty Homes Review (Revenue Savings) (31) Targeted reviews of Council Tax data to identify empty homes that have been brought back into use can be delivered through joint initiatives between Revenues and Strategic Housing, negating the need to commission external providers to deliver this on our behalf. The targeted reviews are timed to maximise the New Homes Bonus. *Impact on Growth & Regeneration Service Budget =*	**-0.040**		**-0.040**	**-0.040**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Reducing subsidy ***Ensure limited resources are redirected to the areas with the most critical need.***	**2017/18** **£m***	**2018/19 Indicative values £m***	**2019/20 Indicative values £m***
Marketing Cheshire (Revenue Savings) (32) Cheshire and Warrington Tourism Board operating as Marketing Cheshire provide a company vehicle for Cheshire East Council to deliver agreed sub-regional and local activities in relation to the growth agenda and delivery of its visitor economy strategy. By reducing the payments in 2018/19 and 2019/20, this will have negligible impact on current visitor economy projects and funding schemes already in place and currently being implemented in Cheshire East. It allows Marketing Cheshire time to source additional external revenue outside of the public purse, sustaining its contribution to delivery of the Visitor Economy Strategy. Supports Council's Outcomes 2 and 6.			
Impact on Visitor Economy Service Budget =	**0.000**	**-0.020**	**-0.020**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*			
Note: Proposal 33: "Reduce level of Winter Services" was withdrawn from the MTFS following the consultation period.			
Note: Proposal 34: "Reduce highway tree maintenance" was withdrawn from the MTFS following the consultation period.			

Regeneration ***Investment in the infrastructure and towns in Cheshire East.***	**2017/18** **£m***		**2018/19 Indicative values £m***	**2019/20 Indicative values £m***
Poynton Relief Road (Capital Investment) (35) The Poynton Relief Road is an important element for the Council's employment led economic growth strategy and is included in the new emerging Local Plan; enabling job creation, helping to deliver housing growth, addressing longstanding traffic congestion and environmental issues in the village of Poynton.				
Current Approved Capital Investment 2017/18 =	**+1.273**			
Current Approved Capital Investment 2018/19 =			**+21.160**	
Current Approved Capital Investment 2019/20 =				**+6.775**
New Capital Investment 2019/20 =				**+5.418**
Sydney Road Bridge Crewe (Capital Investment) (36) This scheme is fully funded by a combination of Local Growth Fund and Developer S106 contributions. It will replace the existing narrow bridge over the west coast mainline with a new bridge that will provide for two-way traffic.				
Current Approved Capital Investment 2017/18 =	**+0.472**			
Current Approved Capital Investment 2018/19 =			**+5.703**	
New Capital Investment 2019/20 =				**+3.344**
A500 Dualling (Capital Investment) (37) This scheme is the subject of a bid to the Department for Transport for funding. The scheme will upgrade a 3.2km of the A500 from single carriageway to dual carriageway standard along with associated works to increase the capacity of the A500 / A531 / B5742 junction to the west.				
Current Approved Capital Investment 2017/18 =	**+0.140**			
New Capital Investment 2017/18 =	**+1.815**			
New Capital Investment 2018/19 =			**+0.153**	
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Regeneration ***Investment in the infrastructure and towns in Cheshire East.***	**2017/18** **£m***	**2018/19 Indicative values £m***	**2019/20 Indicative values £m***
Congleton Public Realm (Capital Investment) (38) £1m improvement to Congleton's retail core. Six week consultation period began on 25th April, over 1,300 visitors came to the consultation exhibition and gave 300 responses (78% support was received for the concept). Detailed design has been commissioned for construction in early 2017.			
Current Approved Capital Investment 2017/18 =	**+0.869**		
Current Approved Capital Investment 2018/19 =		**+0.010**	
New Capital Investment 2017/18 =	**+0.180**		
Active Travel Investment (Capital Investment subject to a detailed Business Case) (39) If the Local Growth Fund (Government Grant) bid is successful, match funding of £0.5m from the Council would unlock £2.67m of funding for walking and cycling routes in Crewe, Nantwich and Wilmslow. These routes will overcome access barriers to key employment sites, benefiting local residents and commuters. **This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12**			
New Capital Investment 2017/18 =	**+0.300**		
New Capital Investment 2018/19 =		**+0.300**	
Middlewich Eastern Bypass (Capital Investment subject to a detailed Business Case) (new) This scheme will provide a bypass at a crucial pinch point for traffic congestion in Middlewich and will deliver a traffic solution for the town. This funding will develop the scheme through to planning and procurement stage following the Outline Business Case to be submitted in March 2017. This will be match funding to the Department for Transport funding already received. **This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12**			
New Capital Investment 2017/18 =	**+0.800**		
New Capital Investment 2018/19 =		**+0.800**	
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*			

Outcome 3 ~ People have the life skills and education they need in order to thrive

What this means:	Children and young people get a good start in life, and are prepared for the world of work. Everyone is equipped to live independent, self-sufficient lives, and to realise their particular talents and abilities.		
What the Council will focus on:	**1. Securing the Best Start in Life**	**2. Highest Achievement for All Learners**	**3. Inclusion**
What this will look like:	Pupils will be school ready and have a firm foundation for a good education at the end of Early Years Foundation stage	Academic achievement and employability will be outstanding in Cheshire East	Vulnerable children and young people are supported to achieve their potential and increase aspirations

Did you know?

The number of educational establishments in Cheshire East that are rated Good or Outstanding is 10% higher than the national average

Key Priorities:

Introduction

Cheshire East has a strong and vibrant economy and is home to key businesses, both large and small. A key priority for the Council is ensuring that our residents have the education and skills to meet the needs of local businesses and to meet the career aspirations of our residents.

Challenges

- Develop a strategy to deliver the school places required as a consequence of housing developments and demographic growth in Cheshire East.
- Review our approach to ensuring high standards in all schools and effective support for those children not in school, ensuring that every child fulfils their educational potential.
- Ensure that activity, governance and accountability of the 0-25 Special Educational Needs and Disabilities (SEND) partnership is effective in delivering improved outcomes for SEND children and young people.
- Develop a stronger focus on support for the children and young people most vulnerable to the poorest outcomes.
- Ensure Children and Young People have the skills to secure employment and contribute to their local communities.

Opportunities

- Improving relationships and collaboration with schools to work together through the Education and Skills Board on key priority areas, including developing a sustainable sector led approach to education and skills. This work will be based around a 3yr strategic plan for school improvement.
- Improve co-production and engagement with parents, carers and children and young people, particularly in relation to children with SEND.
- Crewe Engineering and Design University Technical College (UTC), a new school at the heart of Crewe that opened in September 2016 has the opportunity to support the highest quality school leavers who will be the next generation of engineers, innovators, technicians and designers.
- Maximise Pan-Cheshire and sub-regional arrangements to improve collaborations, streamline and enhance good practice across all partnerships. Cheshire East Council will form part of a Regional Adoption Agency in 2017/18. This is collaboration, name Adoption Counts, between the Council and four other councils in the North West to better co-ordinate adoption services and provide a better service for children. Transition and set-up costs are expected to be funded by the DfE (Department for Education). The aim is for the service to be operated at the same cost in 2017/18 while the new service arrangements are put in place.

Proposals to vary the Budget under Outcome 3 (Education) are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2017/18** **£m***		**2018/19 Indicative values** **£m***	**2019/20 Indicative values** **£m***
Children's Services transport policy review (Revenue Savings) (40) Work with the current transport provider, Transport Service Solutions (TSS), to explore a number of options to provide a more cost effective Children's Services transport solution. *Impact on Transport Service Budget =*	**-0.390**		**-0.800**	**-0.960**
Realignment of Children's Services funding streams and review of policy around charges and exemptions in relation to Children's Social Care (Revenue Savings) (41) Realignment of Children's Services funding streams and review of policy around charges and exemptions in relation to Children's Social Care to maximise use of existing budgets and to develop a more commercial approach to generating income. *Impact on Children and Families Directorate Budget =*	**-0.300**		**-0.300**	**-0.300**
Redesign of short break provision for children with disabilities (Revenue Savings) (42) Carry out a review to ensure efficient management and co-ordination of the short break local offer for children with a disability and their families. Put in place a whole system that is transparent, equitable and provides value for money, using advanced technology, to sustain a good offer to children, young people and their families. *Impact on Children's Social Care Service Budget =*	**-0.130**		**-0.330**	**-0.330**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Changing the way we work *Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Creating efficiencies in Children's commissioned services (Revenue Savings) (43) The cyclical review of the wide variety of commissioned services that support the Council to deliver effective children's services will look to identify efficiencies as contracts come to an end and will also ensure a continuing fit with the internal capacity within Children's Services. *Impact on Children's Social Care Service Budget =*	**-0.150**		**-0.200**	**-0.200**
Early Help and Prevention Service review (Revenue Savings) (44) Review of Early Help and Prevention service capacity as a result of the redesign of the Youth Engagement Service and Prevention and Family support services. *Impact on Prevention and Support Service Budget =*	**-0.160**		**-0.160**	**-0.160**
Transitional funding - finishing (Revenue Savings) (45) Removal of the temporary funding for developing new models of service delivery. *Impact on Resources and Stewardship Service Budget =*	**-0.120**		**-0.120**	**-0.120**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Did you know?

99% of 3-4 year olds access free early education

Looking after children and young people ***Review of current service offers to ensure high standards are maintained and demand is managed.***	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Future Years Basic Need - Nantwich Primary - Kingsley Fields, Wilmslow Planning Area & Congleton Planning Area (Capital Investment) (46) Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places. *Current Approved Capital Investment 2018/19 =* *New Capital Investment 2018/19 =*			**+0.040** **+8.860**	
Nantwich Planning Area (Secondary) (Capital Investment) (47) Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places. *New Capital Investment 2017/18 =* *New Capital Investment 2018/19 =*	**+1.000**		**+2.400**	
Sandbach Planning Area (Secondary) (Capital Investment) (48) Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places. *New Capital Investment 2017/18 =* *New Capital Investment 2018/19 =*	**+1.000**		**+2.400**	
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Looking after children and young people *Review of current service offers to ensure high standards are maintained and demand is managed.*	2017/18 £m*	2018/19 Indicative values £m*	2019/20 Indicative values £m*
Shavington Planning Area (Capital Investment) (49) Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.			
New Capital Investment 2017/18 =	**+0.700**		
New Capital Investment 2018/19 =		**+1.700**	
Alsager Planning Area (Secondary) (Capital Investment) (50) Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.			
New Capital Investment 2017/18 =	**+0.500**		
New Capital Investment 2018/19 =		**+1.200**	
Alsager Planning Area (Primary) (Capital Investment) (51) Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.			
New Capital Investment 2017/18 =	**+0.400**		
New Capital Investment 2018/19 =		**+0.800**	
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*			

Looking after children and young people *Review of current service offers to ensure high standards are maintained and demand is managed.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Nantwich Planning Area (Primary) (Capital Investment) (52) Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places. *New Capital Investment 2017/18 =* *New Capital Investment 2018/19 =*	**+0.400**		**+0.800**	
Sandbach Planning Area (Primary) (Capital Investment) (53) Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places. *New Capital Investment 2017/18 =* *New Capital Investment 2018/19 =*	**+0.400**		**+0.800**	
Hurdsfield Family Centre (Capital Investment) (new) Redevelopment of the facilities to make them fit for purpose. *New Capital Investment 2017/18 =* *New Capital Investment 2018/19 =*	**+0.250**		**+1.350**	
Cledford Planning Area (Capital Investment) (54) Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places. *New Capital Investment 2017/18 =* *New Capital Investment 2018/19 =*	**+0.100**		**+0.200**	
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Reducing subsidy *Ensure limited resources are redirected to the areas with the most critical need.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
End of Early Intervention short-term funding allocation (non Public Health element) (Revenue Savings) (55) End of investment in early help and prevention services that were used to reduce the demand for higher cost services in the longer term.				
Impact on Children and Families Directorate Budget =	**0.000**		**-1.000**	**-1.000**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Did you know?

Cheshire East students achieved a 99% A-Level pass rate in Summer 2016

Outcome 4 - Cheshire East is a green and sustainable place

What this means:	Cheshire East's rural and urban character is protected and enhanced through sensitive development, environmental management, transport and waste disposal policies.			
What the Council will focus on:	**1. Sustainable Development**	**2. Waste Management**	**3. Environment**	**4. Affordable Energy** **Growing Energy Businesses** **Independent Energy**
What this will look like:	We will deliver the right homes in the right places by unlocking brownfield sites and controlling new development through the planning process to ensure that it will fit within its local setting, help create a better place for residents to live and work in, and protect the areas urban and rural character.	Cheshire East Council and its residents will produce less waste and keep the Borough clean	Outdoor spaces will be pleasant and appreciated. Harmful emissions will be minimised	Providing affordable energy for our residents (e.g. Fairerpower) Developing a local energy economy

Did you know?

Cheshire East reduced carbon emissions by 42 per cent between 2008 and 2016

Key Priorities:

Energy

The Council has made a commitment to help reduce the number of local households in fuel poverty; seek to gain energy security and independence; and support a growing energy business. The Cheshire East Council Energy Framework is being delivered to provide clean, secure and affordable energy across the Borough. A programme of energy projects is being developed as part of the Framework, for example, we have joined forces with one of the world's largest energy delivery companies, Engie, to form Cheshire Energy Networks which will seek opportunities for heat networks across the Borough. Work is progressing to design heat network to serve Macclesfield and Crewe Town Centre and we are furthering our geothermal energy ambitions with leading universities and funders. We are also seeking to embed a solution to generate energy from garden waste into our energy ambitions.

Sustainable Development

Development Management provides a customer facing service that deals with a wide range of operations including planning applications, appeals and enforcement for residents across Cheshire East. The Council's planning support services have been provided through Civicance, which also deals with street naming and numbering, land charges and Building Regulations.

Our priorities are to continue to improve the delivery of Development Management Services for developers, residents and stakeholders to ensure developments are delivered in the most appropriate locations and are of high quality; adopt and implement Cheshire East Design Guide to ensure high standards of design are embedded within future developments to the benefit of the environment and local residents; ensure the provision of an average of 15.7Ha of new employment and business land each year to meet the needs of new and expanding companies in Cheshire East.

The adoption of the Cheshire East Local Plan Strategy will provide a strong framework for guiding new development, securing fresh investment and protecting our environment and the preparation of a new Waste and Minerals Plan for Cheshire East will ensure better and more sustainable management of natural resources. We will also be introducing and consulting on a Community Infrastructure Levy for Cheshire East, to ensure new infrastructure is funded in a fair and consistent manner.

Highway Maintenance

The primary function of highway asset management is to maximise value for money for road users and residents whilst carrying out Cheshire East Council's duties as Highway Authority.

We aim to deliver a service that meets the residents' expectations and improve network resilience in response to things such as extreme weather events, and incidents on the motorway. In particular we will be prioritising spending on gully maintenance within our available budgets. We will be procuring a

new Highways Contract and service provider to secure greater value money in service delivery. We have a sustained programme of maintenance works which will minimise the levels of reactive service calls and cuts in claims and we are maximising the use of new technologies to deliver a more efficient service and better information to users of our highways.

Opportunities

- Adopt the Cheshire East Local Plan Strategy to provide a strong framework for guiding new development, securing fresh investment and protecting our environment.
- Prepare a new Waste and Minerals Plan for Cheshire East – to ensure better and more sustainable management of natural resources.

Proposals to vary the Budget under Outcome 4 (Environment) are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2017/18** **£m***	**2018/19 Indicative values** **£m***	**2019/20 Indicative values** **£m***
Street Lighting Improvements (Revenue Savings) (56) Following approval to fund a three year programme (2016/17, 2017/18 and 2018/19) of LED street light conversions, this project will allow for a reduction in the reactive revenue maintenance budget due to reduced maintenance requirements and extended life guarantees on the lanterns.			
Impact on Highways Service Budget =	**-0.050**	**-0.100**	**-0.150**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*			
Note: Proposal 57: "Reduce routine maintenance of Highway network (Gully Cleansing)" was withdrawn from the MTFS following the consultation period.			
Note: Proposal 58: "Reduce Highways Frontline Staff & Community Teams" was withdrawn from the MTFS following the consultation period.			

Did you know?

Customer surveys tell us that Cheshire East Council has one of the best waste collection services in the country

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	2017/18 £m*	2018/19 Indicative values £m*	2019/20 Indicative values £m*
Planning reserve for Spatial Planning (Revenue Investment) (59) This will support the additional work necessary to ensure that we have an effective planning framework in the Borough including– Community Infrastructure Levy, Allocations Development Plan Document, Minerals and Waste Plan. Each one will require an evidence base to be developed, public engagement and a series of hearings. *Impact on Spatial Planning Service Budget =*	**+1.100**	**+1.320**	**+0.320**
Lead Local Authority Flood Grant Funding (Revenue Investment) (new) Cheshire East Council is the Lead Local Flood Authority (LLFA) under the Flood and Water Management Act 2010 and has responsibility for leading the co-ordination of flood risk management in the area. This grant will support the Authority in carrying out its statutory LLFA duties. *Impact on Infrastructure and Highways Service Budget =*	**+0.010**	**+0.010**	**+0.010**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*			

Did you know?

Last year 544 people moved into a care home (of which 518 were 65+)
There are approximately 1,400 people in total currently in residential or nursing home care

Managing waste *Reviewing our current Waste offer to ensure value for money is achieved.*	2017/18 £m*	2018/19 Indicative values £m*	2019/20 Indicative values £m*
Ansa Environmental Services proposal (Revenue Savings) (60) Efficiencies and productivity improvements delivered by the Council company Ansa Environmental Services. This will deliver our waste strategy objectives by reducing waste disposal to landfill.			
Impact on Waste & Environmental Service Budget =	**-0.700**	**-0.820**	**-1.220**
Review of Cheshire East Household Waste Recycling Centre Provision (Revenue Savings & Capital Investment) (61 & 65) The review focuses on improvements and efficiencies to the Household Waste Recycling Centre Service. Proposals include investment to improve our sites and allow the acceptance of trade waste, the introduction of a charge for rubble waste and the reduction in opening hours from an average of 10hrs per day to 8hrs per day.			
Impact on Waste & Environmental Service Budget = *New Capital Investment =*	**-0.150** **+1.000**	**-0.730**	**-0.730**
Dry Recycling Contract (Revenue Investment) (62) A drop in the national price of oil, steel, paper and other materials has resulted in a reduction in the value of materials the Council collects within the silver bins. Although it is still much cheaper for the Council to process silver bin recycling than waste in the black bin, it is necessary to provide additional funding for the processing of silver bin recycling from the point of contract renewal in 2017.			
Impact on Waste & Environmental Service Budget =	**+1.290**	**+1.290**	**+1.290**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*			

Managing waste ***Reviewing our current Waste offer to ensure value for money is achieved.***	**2017/18** **£m***		**2018/19 Indicative values £m***	**2019/20 Indicative values £m***
Environment Commissioning – S106 income not achievable (Revenue Investment) (63) New Planning permission section 106 income no longer received by the Council due to a Public Open Spaces planning policy change in favour of maintenance by private land management organisations. *Impact on Waste & Environmental Service Budget =*	**+0.070**		**+0.070**	**+0.070**
Environment Commissioning - small growth items (Revenue Investment) (64) Since the Environment Commissioning service was set up in 2014/15 to manage the contracts with Ansa and Orbitas respectively, several small budget pressures have emerged due to a combination of initial estimates being insufficient or decisions being taken post budget setting. *Impact on Waste & Environmental Service Budget =*	**+0.060**		**+0.060**	**+0.060**
Ansa Environmental Services Additional Savings (Revenue Savings) (new) Savings identified during consultation as unachievable from early delivery of Dry Anaerobic Digestion and other contract savings. Additional management fee underspend savings target. *Impact on Waste & Environmental Service Budget =*	**-0.200**		**-0.100**	**-0.100**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Note: Proposal 66: "Introduction of a Chargeable Garden Waste service instead of Food waste collection and Dry AD" was withdrawn from the MTFS following the consultation period.

Sustainability ***Investment in services to ensure that current standards can be maintained.***	**2017/18** **£m***		**2018/19 Indicative values** **£m***	**2019/20 Indicative values** **£m***
Managing and Maintaining the Highways (Capital Investment in 2017/18 – further spending subject to detailed Business Case) (67) Utilising the Councils approved Asset Management led approach, maintenance investment will be allocated in line with member and resident priorities across all highway assets including roads, footways, structures, and restraint barriers. Capital investment will be targeted to deliver maximum value by adopting the right treatment at the right time with an emphasis on preventative maintenance. *** This allocation in future years will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12**				
New Capital Investment 2017/18 =	**+10.000**			
New Capital Investment 2018/19 =			***+10.000**	
New Capital Investment 2019/20 =				***+10.000**
Winter Service Facility (Capital Investment subject to a detailed Business Case) (68) The Highway Winter Service ensures our residents and businesses can continue to safely utilise the transport network during freezing periods and snow events whilst fulfilling our statutory duty. A revised depot strategy has highlighted the need for an additional facility in the west of the Borough for strategic salt storage and winter operations. **This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12**				
New Capital Investment 2018/19 =			**+3.000**	
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Did you know?

Cheshire East residents recycling rates are in the top 10% in England

Sustainability ***Investment in services to ensure that current standards can be maintained.***	**2017/18** **£m***		**2018/19 Indicative values £m***	**2019/20 Indicative values £m***
Alderley Road, Wilmslow – A34 Junction and pedestrian access improvements (Capital Investment) (69) The junction between Alderley Road and the A34 in Wilmslow adjacent to the Royal London site acts as a pinch point in the highway network with regular congestion occurring, particularly at peak times associated with the adjacent existing employment site traffic. The proposal, which only includes funding for the development stage here, is to widen the Alderley Road approach to the A34 roundabout, adding an extra lane, to increase junction capacity. Additionally, it is proposed that associated improvements to pedestrian and cycle access to the adjacent existing employment site are provided to encourage access by means other than car. The aim of the improvements is to reduce congestion on the highway network by increasing capacity and reducing traffic to and from the employment site. *New Capital Investment 2017/18 =* *New Capital Investment 2018/19 =* *New Capital Investment 2019/20 =*	**+0.300**		**+0.400**	**+0.500**
Household Bin Replacement (Capital Investment) (70) Capital replacement of wheeled bins as bins supplied by former authorities wear out and need replacing. Suitable checks are in place to minimise this commitment through reuse of bins where possible and checks on the need for bin replacement before a new one is supplied. *Current Approved Capital Investment 2017/18 =* *New Capital Investment 2018/19 =* *New Capital Investment 2019/20 =*	**+0.220**		**+0.220**	**+0.220**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Sustainability ***Investment in services to ensure that current standards can be maintained.***	**2017/18** **£m***		**2018/19 Indicative values £m***	**2019/20 Indicative values £m***
Park Development Fund (Capital Investment) (71) For the last three years the Council has successfully provided targeted small scale investments to help sustain our Park infrastructure and provide match funding for external grants. This proposal is to request the continuation of this fund.				
New Capital Investment 2017/18 =	**+0.150**			
New Capital Investment 2018/19 =			**+0.150**	
New Capital Investment 2019/20 =				**+0.150**
Playing Fields Improvement Fund (Capital Investment subject to a detailed Business Case) (72) Matching Cheshire East Council investment with external grant support (50:50) with the Football Foundation, effectively doubling the value of the Cheshire East Council investment can deliver better facilities, increasing the durability of pitches and increasing revenue generation potential in line with the playing pitch strategy. **This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12**				
New Capital Investment 2017/18 =	**+1.050**			
New Capital Investment 2018/19 =			**+0.050**	
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Did you know?

Life expectancy at birth in Cheshire East is 83.8 years (female) and 80.3 years (male) This is amongst the highest in the UK

Outcome 5 - People live well and for longer

What this means:	**Local people have healthy lifestyles and access to good cultural, leisure and recreational facilities. Care services focus on prevention, early intervention and physical and mental wellbeing.**			
What the Council will focus on:	**1. Empowering people to live independent, healthier and more fulfilled lives**	**2. Information, Advice and Guidance, Prevention and Early Intervention**	**3. Accessible high quality services, Information & Advice**	**4. Public Protection, Health Protection and Safeguarding**
What this will look like:	Our residents are supported to live independently with a high quality of life Our residents take responsibility for their own health and well-being. They have a positive experience in all interactions with the health and care system	The Council commissions and delivers proactive services which help to support physical and mental wellbeing Facilitating the identification, at an early stage, of individuals who can benefit from preventative services and interventions which help improve physical and mental health and wellbeing	Residents and customers find it easy to access local services and get the information they need Our residents have choice when accessing our high quality services. Our residents achieve excellent outcomes through engagement with our local services	There are strong, multi-agency arrangements in place to ensure residents are safeguarded and protected

Key Priorities:

Introduction

Absolutely paramount is the ability to ensure we protect both our vulnerable adults and children. Through the work of the council and its partners there is now a greater focus and awareness of issues such as domestic abuse, child sexual exploitation and adult abuse. To ensure we continue to tackle these important issues we are increasingly working across agencies and partnerships such as Cheshire Fire and Rescue, Police and Crime Commissioner for Cheshire, NHS and Registered Housing Providers to ensure we take a holistic approach to meeting identified need.

Over recent years there has been a shift in emphasis in Adult Social Care and Health from services defined and driven by professionals, to services that reflect the outcomes and aspirations of people using those services. We welcome this change. Our ambition is to be in the forefront of developing flexible, personalised services that tap into the rich diversity of our communities, and deliver services that enable people to maintain their independence, and where possible remain living in their own home.

Cheshire East Council will form part of a Regional Adoption Agency in 2017/18. This is a collaboration between the Council and four other councils in the North West to better co-ordinate adoption services and provide a better service for children. Transition and set-up costs are expected to be funded by the DfE. The aim is for the service to be operated at the same cost in 2017/18 while the new service arrangements are put in place.

At a time when there is an imperative to achieve better outcomes with finite resources we intend to focus our efforts on prevention and early intervention to reduce and delay the need for high cost services. Wherever possible, we will support choice by giving people the opportunity to have a direct payment and develop their own bespoke package of support. In doing so we will stimulate the development of an active and vibrant care market both in the independent sector but also across with voluntary, community, faith and sector. This is very much in keeping with the Care Act 2014 and focuses on the wellbeing of the individual.

In addition to the changes the council is facing there are significant changes taking place across the NHS nationally and locally. Sustainability and Transformation Plans are being submitted by NHS colleagues to NHS England and these reflect the Local Delivery Systems which for us in Cheshire East are “Connecting Care” in the South and “Caring Together” in the North of the Borough. These changes will inevitably impact upon social care both in children’s and adults but the full effects are not yet known. We remain committed to working with our NHS colleagues locally and sub regionally but the savings the NHS are looking to make and their current budget constraints suggests that this will put social care under further financial pressures.

The rising demand and complexity of social care services is well known and well evidenced at a national and local level. Key pressures include:

- The development of the NHS Cheshire and Merseyside Sustainability and Transformation Plans (STP) is intended to find a solution to the £900 plus million pounds gap between now and 2021. Seeking to resolve this the NHS organisations locally are moving towards Accountable Care systems (ACS)/organisations (ACOs) bringing together a number of providers to take responsibility for the cost and quality of care for a defined population in Cheshire East within an agreed budget. ACOs take many different forms, from fully integrated delivery systems to alliances of diverse providers. ACOs are intended be a vehicle for integration, effective demand management, improved quality and efficiency. As the NHS two year contract round and the submission of operational plans are still unresolved locally, and the financial planning underpinning the

proposals for delivering uncertain, there is a real risk that Adult Social Care could be faced with additional cost not yet known due to reconfiguration of local NHS services.

- Ageing demography – by 2027 the number of people in the Borough aged 65+ is estimated to rise to over 127,000 and those aged 85+ estimated to have increased to 18,800 by 2027.
- Young people in transition to adulthood – there are estimated to be 90 young people aged between 14 – 18 with a complex disability who will be transitioning to adult social care during the next three years, with an average care package ranging between £25,000 to £150,000 per year.
- Dementia – prevalence in Cheshire East is higher than the England average with 4.47% of the population aged 65+ recorded as having dementia.
- One in four people will experience some form of mental health in their lifetime and this is true across all ages and all socioeconomic groups. Improving health and wellbeing, especially mental wellbeing is key to ensuring people live full and independent lives.
- We know from the 2011 census that we have 40,000 residents who are 'unpaid carers', with over 8,000 providing at least 50 hours per week. Supporting carers to have breaks but also to maintain their caring role is very much at the heart of our local carers strategy and reflects the joined up approach of the council and the NHS.

The challenge to the directorate is to manage the demand and complexity whilst successfully managing the associated costs, therefore, the proposals below are focused on doing exactly that.

Challenges

- Continuing to manage the increase in numbers of children and young people in care. This is a regional and national trend and is exacerbated by the national dispersal / transfer scheme that will see an increasing number of unaccompanied asylum seekers resident in the Borough.
- Managing the market to ensure that there is a range of services, care and support available to support cared for children and young people in their local area, many of whom have complex needs.
- Recruiting and retaining high quality Social Workers and Team Managers, particularly those working in the area of child protection.
- Developing comprehensive prevention and family support services (including emotional health & wellbeing) across the Borough to meet the needs of our vulnerable children and young people.
- Strengthening partnerships to deliver integrated, value for money services that ensure the voice of children and young people and better meet their needs.

Opportunities

- Cheshire East Council submitted expressions of interest to the DfE's Children's Social Care Innovation Programme. One of these included working alongside 30 other local authority areas on implementing 'Signs of Safety' across Cheshire East, a core evidence based model of practice for social work.

- Implementing the redesign of children's homes in the Borough – a new provider of a wholly commissioned children's home service will be operational from 1st April 2017.
- Maximise Pan-Cheshire and sub-regional arrangements to improve collaborations, streamline and enhance good practice across all partnerships. This includes the launch of the Regional Adoption Agency in April 2017 and fostering collaboration with Cheshire, Warrington and Halton.
- Embed the role of Cheshire East's new Corporate Parenting Committee to strengthen the corporate parent role, improving outcomes for children and young people in care.
- Implement changes to the front door to Children's Social Care and early help services to improve the pathways from referral to allocation.

Proposals to vary the Budget under Outcome 5 (Health) are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2017/18** **£m***	**2018/19 Indicative values** **£m***	**2019/20 Indicative values** **£m***
Commissioning all services currently provided by our in-house provider, Care4CE (Revenue Savings) (73) Cheshire East Cabinet decided on the 8th December 2015 that the policy would be to move from in-house delivery to commission all care services from the broader care sector to facilitate the move to a more personalised system of care and support which facilitates the principle of choice and control for residents in the access and purchasing of care. This will require a review of in-house provision including potential outsourcing / recommissioning / closure / decommissioning of current provision. To ensure compliance with the Care Act 2014 this approach has been applied to services external to the council and will now be applied to services currently provided by Care4CE. This is to ensure that the support and care provided to local people can be flexible and responsive to changing needs, promoting choice and maximising independence. This includes building on the current Shared Lives offering. As more detailed plans are developed discussion, engagement, co-production and consultation will take place with all service users, carers and staff.			
Impact on Social Care & Health Integration Service Budget =	**-1.200**	**-2.700**	**-4.200**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*			

Did you know?

At any one time there are over 6,000 people receiving one or more Adult Social Care services

Changing the way we work *Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Operational Pathway Redesign (Revenue Savings) (74) Adult Social Care is about maximising independence, connecting local people to their communities and helping people live well and for longer. This will be achieved by enabling people to live in their own homes for longer using existing community networks, new technologies and reviewing our approach to bed based care. To achieve this, and to be Care Act compliant, we intend to establish a first point of contact for residents offering advice and information when you contact the council with suitably trained staff able to answer question and sign post without the need to always refer on. We will integrate our assessments with the NHS as our workforce become closer aligned working around GP's surgeries. These budgets will be joined up and will focus on reducing the risk of admission to hospital. We will focus on outcomes for people and encourage more people to take up a direct payment to fund their own tailored care and support. We will also promote prevention including extra care, telecare and support at home.				
Impact on Social Care & Health Integration Service Budget =	**-0.940**		**-1.380**	**-1.380**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Did you know?

Nearly 27% of the population in Cheshire East are aged 60 or over, much higher than the national average of just 23%

Changing the way we work *Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Strategic Commissioning (Revenue Savings) (75) We intend to work with local people, providers and partners to shape our commissioned services from the micro market of personal assistants to large scale complex care market of care homes and domiciliary care and everyone in between. This diverse approach will build a vibrant care and support offer (Care Act 2014) that rewards innovation and achieving better outcomes for our residents. To achieve this we will look to work with our voluntary, community and faith sector enabling us to tackle social isolation in a way that does not rely solely on care packages but on connected communities. It is imperative that we commission based on need and use our intelligence through the Joint Strategic Needs Assessment (JSNA) and through feedback from residents to really ensure our providers have a high quality, tailored response. This will be done wherever possible with our NHS colleagues in in the Clinical Commissioning Groups. We will review all our contracts to ensure we are getting value for money, quality and innovation and support our social care teams to better assemble complex packages of care that reflect outcomes, needs and social as well as economic value. *Impact on Social Care & Health Integration Service Budget =*	**-0.550**		**-0.550**	**-0.550**
Deprivation of Liberty Safeguards (Revenue Savings) (76) Process changes following a review of how to effectively assess people who are deemed to be subject to a Deprivation of Liberty Safeguards will be implemented. This is to ensure value for money and discharge our duty in keeping with other councils whilst reducing duplication and usage of agency staff. *Impact on Adult Safeguarding Service Budget =*	**-0.190**		**-0.190**	**-0.190**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Changing the way we work *Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Independent Living Fund – Reduction in Government Grant (Revenue Savings) (77) Cheshire East Council receives annual funding from central Government to support individuals previously in receipt of funding from the Independent Living Fund which closed in June 2015. Funding available to the Council reduces annually and although the council has ring-fenced the money to Adult Social Care the demand for ongoing care and support continues.				
Impact on Social Care & Health Integration Service Budget =	**-0.030**		**-0.060**	**-0.090**
Home Adaptations (Revenue Savings) (78) Strengthening the home adaptations delivery team which supports disabled people to organise home adaptations will increase revenue income and deliver the Disabled Facilities Grant capital project. This will increase the number of self-funders who are assisted to adapt their homes, reducing future demand on health and social care.				
Impact on Strategic Housing Service Budget =	**-0.050**		**-0.050**	**-0.050**
Reducing Agency Spend (Revenue Savings) (79) The successful recruitment of permanent Social Workers and Social Care Assessors throughout 2016 and 2017 will lead to a reduction in agency workers in 2017 and, in turn, reduced expenditure in the staffing budget.				
Impact on Social Care Staffing Service Budget =	**-0.100**		**0.000**	**0.000**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				
Note: Proposal 80: "Local people managing their own care and support" was withdrawn from the MTFS following the consultation period.				

Looking after children and young people ***Review of current service offers to ensure high standards are maintained and demand is managed.***	2017/18 £m*	2018/19 Indicative values £m*	2019/20 Indicative values £m*
Growth Bid Cared for Children & Care Leavers (Revenue Investment) (81) There has been a 15% increase in the numbers of cared for children, locally, regionally and nationally over the past two years. Although we are still below national and local comparators, admissions to care have continued to exceed the number of discharges and the complexity of needs of individuals are increasing due to better gatekeeping and effective prevention arrangements. This increase in numbers and complexity has resulted in the need for additional placement purchases, including high cost placements, and additional staffing to support children, young people and care leavers. *Impact on Children's Social Care Service Budget =*	**+2.800**	**+2.800**	**+2.800**
Complex Dependency Programme (Revenue Investment) (82) Pan-Cheshire funding to support intensive family support work with families with complex needs through new ways of working across the public sector. *Impact on Prevention and Support Service Budget =*	**+0.100**	**+0.100**	**+0.100**
Housing related accommodation and support facilities (Revenue Investment) (83) Permanent funding will ensure the important accommodation and support for cared for children and care leavers can continue. *Impact on Children's Social Care Service Budget =*	**+0.080**	**+0.080**	**+0.080**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*			

Collaboration ***Working smarter with key partners to reduce cost burden or share key resources to improve value for money.***	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Sub-regional collaborations - (Revenue Savings) (84) Improve the efficiency of existing safeguarding services by collaborating with other local authority areas to pool resources, share good practice and reduce duplication.				
Impact on Children and Families Directorate Budget =	**-0.210**		**-0.340**	**-0.340**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Did you know?

Last year 3,950 carers were provided with information and advice or a service

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Transitional Funding – finishing (Revenue Savings) (85) Permanent contract reductions in relation to Voluntary, Community and Faith Sector were delayed in 2016/17 and the resultant financial shortfall funded by transitional funding. New contracts are in place to support the full year effect of these reductions in 2017/18, meaning this transitional funding can be withdrawn. *Impact on Resources and Stewardship Service Budget =*	**-0.350**		**-0.350**	**-0.350**
Growing Demand in Adult Social Care (Revenue Investment) (86) The Adults Social Care budget both here in Cheshire East, and across the country, remains under pressure as a result of a number of factors. These include young people in Transition reaching 18 years of age and moving across to Adults Services, increasing demand due to demographic pressure and also the care fee levels paid to external care providers. To ensure the council is well placed to meet this demand it is looking to invest in services that will deliver high quality support to our most vulnerable residents. *Impact on Social Care & Health Integration Service Budget =*	**+6.700**		**+7.660**	**+7.700**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Did you know?

Children's Social Care referrals increased by 700 in 2015/16

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Care Act Phase 2 - Adults, Children's, and Public Health Information and Systems (Capital Investment) (87) The Programme is a requirement for Care Act compliance and delivers ICT Solutions for the following required outcomes across Adults, Children's, and Public Health: • Personalised online services, Professional and client portals, and Care Account • Full utilisation of Liquidlogic Case Management and ContrOCC financials • Cheshire Care Record and integrated Service development (e.g. multi-agency teams) • Support for early years, and transition years 15-19 The programme was commissioned in January 2016. Residents will benefit from one-stop health and wellbeing information and advice, and the ability to self serve, including directly brokering care services. The programme is also an enabler for Cheshire East Council and its health and social care partners to share information and instigate interventional or preventative care to improve the health of the population.				
Current Approved Capital Investment 2017/18 =	**+1.221**			
New Capital Investment 2017/18 =	**+0.984**			
New Capital Investment 2018/19 =			**+1.610**	
New Capital Investment 2019/20 =				**+1.320**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	**2017/18** **£m***		**2018/19 Indicative values** **£m***	**2019/20 Indicative values** **£m***
Alsager Leisure Centre – Gym and Studio Space Conversions (Capital Investment) (88) The project will extend the gym into an adjoining squash court and also create two new studio spaces on the first floor. The development forms part of a new Alsager sports hub funded from a Section 106 contribution following planning approval for the Alsager / Manchester Metropolitan University site. *New Capital Investment 2017/18 =*	**+0.400**			
Sandbach Leisure centre - Gym Conversion (Capital Investment) (89) The proposal is for a partnership approach with Everybody Sport and Recreation to deliver an improved leisure and health offer at Sandbach Leisure Centre by converting the existing squash courts to a modern gymnasium. *New Capital Investment 2017/18 =*	**+0.400**			
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Income generation *Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Increase Income (Revenue Savings) (90) The proposal is to conduct a review of individuals who have historically been assessed with a low or no financial contribution towards their care and support services, to support these individuals to access their full welfare benefit entitlement, address any changes in individual circumstances and to ensure consistent application of the Council's charging policies.				
Impact on Social Care & Health Integration Service Budget =	**-0.500**		**-0.600**	**-0.700**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Did you know?

Over 99% of Council Tax and Business Rates are collected within three years

Investment in housing *Investment in housing to ensure affordable homes are available.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Construction of Houses on Council Owned Land - Phase 2 (Capital Investment) (91) To develop new affordable homes for sale on a rural exception site within an area where affordability is a significant issue. The scheme will enable Cheshire East to develop the site using modern methods of construction, recycling the capital investment back into the Council when the properties are sold. *New Capital Investment 2017/18 =*	**+1.792**			
Housing Development Fund (Capital Investment) (92) To establish a fund to facilitate the development of new affordable homes for rent and enable us to bring forward further affordable homes through our own development activity. *Current Approved Capital Investment 2017/18 =* *New Capital Investment 2017/18 =*	**+0.834** **+0.500**			
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Outcome 6 - A Responsible, Effective and Efficient Organisation

What this means:	The Council serves the people of Cheshire East through: Ensuring quality and best value for local people, striving to get it right first time, and acting with integrity, being open, honest and accountable and delivering on our promises				
What the Council will focus on:	**1. Best Use of Assets**	**2. Effective Processes**	**3. Engaging Our Staff**	**4. Enhance Leadership and Governance**	**5. Strong Financial Management**
What this will look like:	Property, Plant, Equipment and Information assets will be appropriate and add value to service delivery.	All services and departments will be challenged to deliver lean systems and processes, using digital solutions to automate processes wherever possible.	Staff will be engaged and their welfare and development will be managed well.	External & internal assessment will show how the Council is performing. Strong Governance and appropriate internal controls will be in place.	Financial control will be effective. Budgets will be well prepared. Financial information will be accurate and appropriate.

Strategic Overview

Outcome 6 focuses on how the Council will be a well run local authority. Appropriate assets will be maintained, systems will be run efficiently, the Council will use best practice models wherever appropriate and staff will be trained to provide high quality professional services.

This outcome requires all departments to increase productivity through the better use of systems, automated processes and challenging the value for money of all initiatives. It is crucial that all services are lean and 'fit for purpose' with the right structures to meet residents' needs at the most competitive price and quality. The requirement to create leaner systems and processes, that enhance for value for money, extends to all commissioning arrangements, including arrangements with the Council's Alternative Service Delivery Vehicles (ASDVs), contractual arrangements with the private sector and partnership agreements.

Services most associated with supporting the achievement of Outcome 6, such as Legal, Accountancy, Human Resources, Information Communication Technology and Facilities Managements, work alongside all Council functions. They are responsible for providing accommodation, professional expertise and technology that enable front-line services to operate effectively. These services have a vital role in ensuring compliance with the law and local constitutional requirements and supporting elected Members and senior officers when making decisions that are transparent and accountable.

Achievements within Outcome 6 will be measured by such things as promoting local democracy; unqualified 'true and fair' opinions from the external auditors; the acknowledgement of added value from professional staff; the level of income collection; how the costs of support compare with national comparisons; and achieving the best rate of returns on investment and the effective running of the Council's estate.

The proposals contained within this section are achievable, but in some cases will also depend on changing behaviours of residents and staff and moving arrangements to more modern self-service options.

Did you know?

In 2015/16 the Council received more compliments than complaints, with a 38% increase in compliments from the previous year!

Proposals to vary the Budget under Outcome 6 Services are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2017/18** **£m***		**2018/19 Indicative values** **£m***	**2019/20 Indicative values** **£m***
Review of Council Supplier Contracts (Revenue Savings) (93) Cheshire East Council currently has over 700 live contracts with an estimated three year spend of £700m. The contract management review programme builds on the findings from internal auditing. The contract review will strengthen existing arrangements though analysing the latest best practice techniques to contract management. A commercial approach will be integrated to drive better value and performance from third party suppliers, including Alternative Service Delivery Vehicles (ASDVs) such as the Council's wholly owned companies. *Impact on Cross Service Budgets =*	**-3.550**		**-3.550**	**-3.550**
Reduce costs of core processes (Oracle system review) (Revenue Savings) (94) The implementation of a modern, cost effective, Enterprise Resource Platform (ERP) solution across Transactional Finance and Human Resources, and the associated business process transformation programme, will result in streamlined processes and efficiency savings in future years. Productivity increases will reduce third party and employee costs across the Council. *Impact on Corporate Service Budget =*	**0.000**		**-0.250**	**-0.500**
Post and Print Efficiencies (Revenue Savings) (95) Reducing non essential consumption of post and print expenditure. *Impact on Cross Service Budgets =*	**-0.250**		**-0.250**	**-0.250**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Changing the way we work *Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Transfer of budget and related Education Services Grant Retained Rate Services to Dedicated Schools Grant (Revenue Savings) (new) For 2017/18 the general rate has been removed as part of national austerity savings and the retained rate has been transferred into DSG. Transitional Funding has also been made available to reflect the intended start date of September 2017				
Impact on Cross Service Budgets =	**-0.800**		**-0.800**	**-0.800**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Changing the way we work *Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Welfare Reform and Reducing Demand (Revenue Savings) (96) The Government's programme of Welfare Reform is likely to result in further reductions in the funding provided to local authorities for the administration of Housing Benefit as the rollout of Universal Credit expands. The cost to the Council of providing the service is aligned with the funding that is received.				
Impact on Benefits Administration Service Budget =	**-0.070**		**-0.070**	**-0.070**
Withdrawal of temporary reduction in funding for Universal Information and Advice service (Revenue Investment) (97) There was a temporary increase of £30,000 in the grant funding for this service in 2015/16 on the basis that the "loan" would be paid back over the following three years. This growth will restore the budget to its original value from 2019/20.				
Impact on Welfare Support Service Budget =	**0.000**		**0.000**	**+0.010**
Core Financials, HR Services (Capital Investment) (98) This multi-year programme of work specifically relates to ERP (see 94 above) and Cash Receipting systems and technologies which underpin all financial and HR transactional services of the council and ASDVs; and requires a lifecycle approach to be maintained, refreshed and replaced to sustain currency, to stay 'fit for purpose' and remain compliant with mandatory standards to ultimately enable the council's corporate outcomes. This lifecycle approach enables and supports effective and reliable service delivery to our staff.				
Current Approved Capital Investment 2017/18 =	**+0.780**			
Current Approved Capital Investment 2018/19 =			**+0.357**	
New Capital Investment 2019/20 =				**+0.500**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Supporting Strategic Capital Projects (Capital Investment) (99) A fund of £5.0m made available to react to investment opportunities and acquire strategic sites at short notice. The budget will subsequently be vired to the relevant project. The fund will be used to deliver on sites that have the future potential to generate jobs and a return on investment via new business growth.				
Current Approved Capital Investment 2017/18 =	**+1.000**			
New Capital Investment 2017/18 =	**+4.000**			

**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*

Did you know?

Our Customer Contact Centre has reduced the average speed to answer Council Tax calls by 59% since November 2015!

Working with the community *Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Digital Customer Services (Revenue Savings) (100) New digital services accessed through the Council's website will provide a trusted, reliable and easy to use customer experience to make it easier for residents and businesses to contact the Council, and apply for or request services. Assisted digital services will provide a safety net for vulnerable and digitally disconnected customers but overall costs, in employees and technology, are expected to be reduced from 2018 onwards. *Impact on Digital Customer Service Budget =*	**0.000**		**-1.260**	**-1.710**
Reduce the non-collection rate for Council tax from 1.25% to 1% (Revenue Savings) (101) Two year collection rates have reached 99% in recent years, outperforming the budgeted rate by 0.25%. By resetting the planned collection rate to 99% an additional £400,000 is available each year for budgeting purposes. The change will have no direct impact on stakeholders as this only reflects current performance. (Note: all Council Tax related changes are also grouped together under items 121-124) *Impact on Revenue Collection Service Budget =*	**-0.400**		**-0.400**	**-0.400**
The Local Welfare Safety Net (Revenue Investment) (102) Under the Government's Welfare Reform discretionary welfare support has been devolved to local government, Department for Work and Pensions funding for local welfare provision has ended. This growth will now be locally funded and be used to fund crisis support for residents facing financial hardship through the Emergency AssistanCE scheme and a range of intervention and prevention activities to help reduce future demand. *Impact on Welfare Support Service Budget =*	**+0.300**		**+0.250**	**+0.250**

**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.*
Values are not cumulative

Working with the community ***Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.***	**2017/18** **£m***		**2018/19 Indicative values** **£m***	**2019/20 Indicative values** **£m***
Introduction of security presence at Crewe Customer Service Centre to ensure a welcoming and safe environment for customers and staff (Revenue Investment) (103) Over recent months there has been an increase in incidents of violence and aggression from customers visiting the Customer Service Centre at Delamere House, putting both staff and visitors at increased risk. The introduction of a security presence in the Customer Service Centre will ensure a welcoming and safe environment for both visitors and staff. This approach has been piloted at Delamere House and has proven to be affective.				
Impact on Customer Service Budget =	**+0.020**		**+0.020**	**+0.020**

**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.*
Values are not cumulative

Note: Proposal 104: "Reduced Library Provision to principal towns and key service areas" was withdrawn from the MTFS following the consultation period.

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Retain Capital Financing cap at £14m (Revenue Savings) (105) Capital financing is the annual cost to revenue of the capital programme. It includes amounts charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long-term loans. These costs are partly offset by the amount of interest the Council anticipates earning from the temporary investment of its cash balances during the year. The annual impact of financing capital expenditure was forecast to increase but will instead continue to be restricted to £14m per annum to ensure value for money is maintained. *Impact on Corporate Service Budget =*	**-1.000**		**-2.000**	**-3.000**
ICT Infrastructure Investment Programme (Essential Replacement & Enhancement) (Capital Investment) (106) Purpose is to preserve the reliability, integrity and availability of core ICT infrastructure and to ensure that current service levels are maintained. Information obtained from performance monitoring, capacity planning, the asset inventory and feedback from operations teams is used to create individual upgrade or replacement programmes of work to minimise unplanned service outages and to improve the supportability of core systems. *Current Approved Capital Investment 2017/18 =* *Current Approved Capital Investment 2018/19 =* *New Capital Investment 2018/19 =* *New Capital Investment 2019/20 =*	**+5.400**		**+1.030** **+4.470**	**+2.000**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*				

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	2017/18 £m*	2018/19 Indicative values £m*	2019/20 Indicative values £m*
Premises Capital Programme - Facilities Management (AMS) (Capital Investment) (107)			
Ongoing maintenance budget to ensure Council buildings remain serviceable, in line with condition surveys carried out in 2015. Failure to provide this budget could result in building failure.			
Current Approved Capital Investment 2017/18 =	**+3.321**		
Current Approved Capital Investment 2018/19 =		**+2.500**	
New Capital Investment 2019/20 =			**+2.500**
Information Assurance and Data Management (IADM) (Capital Investment) (108)			
The IADM Programme enables the Council to develop an Enterprise Information Architecture and Governance Framework that will support the management and sharing of information in support of corporate objectives. The information and data that Cheshire East Council holds is a valuable asset that will inform evidence based decision making, drive innovation and allow effective performance monitoring.			
Current Approved Capital Investment 2017/18 =	**+1.900**		
New Capital Investment 2017/18 =	**+0.700**		
New Capital Investment 2018/19 =		**+1.200**	
New Capital Investment 2019/20 =			**+0.750**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*			

Investment in services *Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Revenues and Benefits Document Management procurement (Capital Investment subject to a detailed Business Case) (109) The Revenue and Benefits teams (Local Community Services) use a number of ICT systems in order to deliver their services. These applications are due for review and re-procurement in 2017/18 when the current contracts expire. The core business system is Northgate Revenue and Benefits. **This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12**				
New Capital Investment 2017/18 =	**+2.000**			
Minor Works Programme (Capital Investment) (110) Minor improvements to operational premises to ensure that they remain fit for purpose for staff, residents and visitors to Cheshire East.				
Current Approved Capital Investment 2017/18 =	**+0.774**			
Current Approved Capital Investment 2018/19 =			**+0.500**	
New Capital Investment 2019/20 =				**+0.500**
Planning and sustainable development procurement (Capital Investment subject to a detailed Business Case) (111) The existing Planning system is coming to end of contract. It is a key tool and system for planning and building control management. Funding is required to determine business requirements and procure systems appropriately in 2017/18 as the current Swift APAS contract terminates. **This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12**				
New Capital Investment 2017/18 =	**+1.000**			
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Investment in services *Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.*	2017/18 £m*		2018/19 Indicative values £m*	2019/20 Indicative values £m*
Regulatory Services and Environmental Health ICT procurement (Capital Investment subject to a detailed Business Case) (112) The Civica APP (Flare) system is used by Regulatory Services and Environmental Health for environmental health, licensing and trading standards use. It is the services core technical application. The compliant procurement of a replacement system must be undertaken during 2017/18 before the existing contract expires. **This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12** *New Capital Investment 2017/18 =*	**+0.800**			
Elections system procurement (Capital Investment subject to a detailed Business Case) (113) The existing Elections system is coming to the end of its contract. It is a key system for maintaining the electoral register and undertaking various types of elections. Funding is required to determine business requirements and procure systems appropriately in 2017/18 as the current IDOX contract terminates. **This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12** *New Capital Investment 2017/18 =*	**+0.500**			
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*				

Development based on economic growth ***Driving more growth in the local economy will promote sustainable development of the domestic and non-domestic tax bases which will result in increased local taxes available for collection.***	2017/18 £m*	2018/19 Indicative values £m*	2019/20 Indicative values £m*
Increase forecast Domestic Tax Base Growth (Revenue Savings) (114) Forecast increases In Domestic Rates taxbase growth of c.1,500 new or brought back into use homes per annum. This is an increase of 300 homes per annum when compared to previous estimates already factored into base budgets. There is also the assumption that there will be a reduction of £0.5m in Council Tax Support scheme claimant payments in 2017/18 based on current year trends since the introduction of the revised scheme from April 2016. *Impact on Corporate Service Budget =*	**-0.800**	**-1.100**	**-1.400**
Increase forecast Non Domestic Tax Base Growth (Revenue Savings) (115) Forecast increases In Business Rates taxbase growth due to net business additions in the area. The proposal estimates c.0.35% cumulative growth per annum from increased economic activity and the rise of inward investment. *Impact on Corporate Service Budget =*	**-0.500**	**-1.000**	**-1.500**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*			

Did you know?

Cheshire East won the 2016 Excellence in Innovation (Service Delivery) Award from The Institute of Revenues Rating and Valuation!

Reducing subsidy ***Ensure limited resources are redirected to the areas with the most critical need.***	**2017/18** **£m***		**2018/19 Indicative values £m***	**2019/20 Indicative values £m***
Increasing cost recovery / charges for existing statutory work-streams (Revenue Savings) (116) Increased charges to industrial customers for work carried out by the Joint Cheshire Emergency Planning Service to fulfil our statutory responsibility to prepare and test the off-site emergency plans for hazardous installations within the Borough governed by COMAH, REPPIR and PSR legislation. The increase in charges will maximise cost recovery for the work undertaken for these activities.				
Impact on Communities Service Budget =	**-0.020**		**-0.020**	**-0.020**

**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.*
Values are not cumulative

2. Financial Stability

Introduction

1. Local residents and businesses contribute to sustainable Council services through local taxation, contributions and charges; and Central Government provides grants funded mainly from national taxation. The Council manages these resources to achieve maximum efficiency and diverts as much funding as possible to front line services.

2. The Government's Autumn Statement for 2016 confirmed no change to the funding available for Local Government and therefore the continuing need to reduce the national public sector deficit and debt to secure economic recovery. Cheshire East Council is proposing to continue supporting this approach in a number of ways:

   - No additional external borrowing in 2017/18.
   - Maintain appropriate reserves levels that protect against risks.
   - React to changes in demand and develop budget proposals that can reduce net expenditure.
   - Focusing on economic wellbeing for local residents by investing in local development and infrastructure.

3. The key areas being covered in this section include:

Source of Funding	**Paragraphs**
Balance of National vs Local Funding	4 to 13
Government Grant Funding of Local Expenditure	14 to 49
Collecting Local Taxes for Local Expenditure	50 to 84
Charges to Local Service Users	85 to 89
Income and expenditure are also influenced by decisions and estimates of the Council in relation to:	
Investment, Borrowing and the Capital Programme	90 to 122
Other Economic Factors	123 to 125
Managing the Reserves Position	126 to 130

Balance of National vs Local Funding

4. Cheshire East Council is becoming more reliant on local funding and less reliant on Central Government grant. The Provisional Local Government Settlement 2016/17 provided a shift in approach, where government used potential Council Tax income to determine levels of Local Authority spending. This is highlighted by the fact that funding for Council Services from Council Tax and Business Rates will have increased to over 88% of the total net funding for 2017/18.

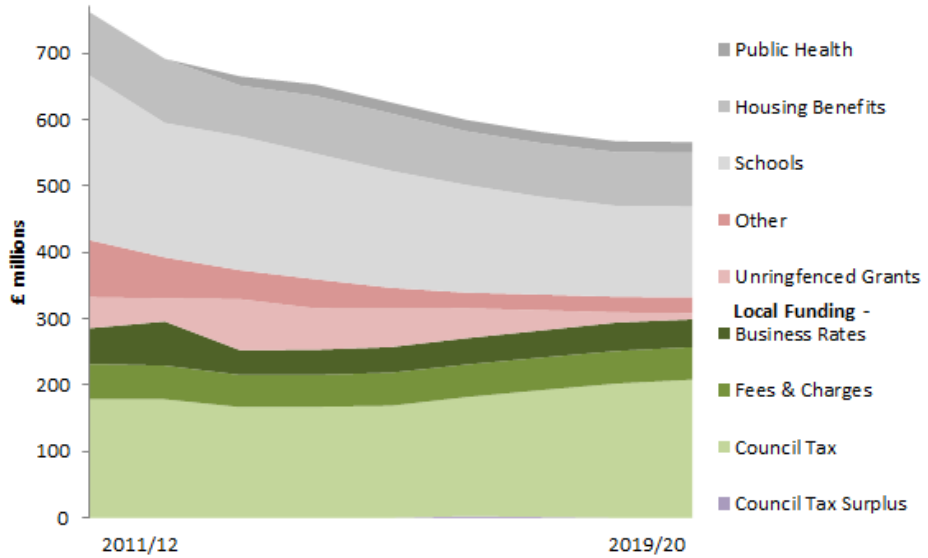
5. The financial stability of the Council, which determines the amount of money available for service expenditure, should be exposed to less risk from further Government funding shortfalls in the medium term. This has been strengthened by the submission to DCLG of our 4-Year Efficiency Plan in October 2016. This confirmed our acceptance of the 2016/17 Finance Settlement funding levels which are now guaranteed up to the end of 2019/20. These were reconfirmed in the Provisional Finance Settlement released on 15th December 2016.

6. Financial planning for the Council must now reflect the potential for year on year increases in demand to fall on local funding sources such as council tax, business rates and fees and charges.

7. **Chart 1** illustrates how the balance between funding sources is changing over time placing emphasis on support from local funding sources.

8. The 2017/18 Budget Report is based on the Provisional Local Government Finance Settlement released on 15th December 2016. The final settlement is expected in early February 2017 with a debate in the House of Commons shortly after. Any further information on funding will be reported to Members as soon as practical and may require management through reserves.

Chart 1: The Council is becoming more reliant on local funding sources (update after Council Tax levels agreed



Source: Cheshire East Finance

9. **Table 2** sets out the revised funding forecast for Cheshire East Council for the period 2016/17 and 2017/18. This shows how Government Grants are reducing and how local funding sources are being increased to minimise the financial impact on services.

Table 2 - Funding available to services has reduced	2016/17 £m	2017/18 £m	Change £m	Change %
Council Tax	-179.4	-191.1	11.7	**6.5%**
Government Grants	-45.1	-30.3	-14.8	**-32.8%**
Business Rates Retention	-39.7	-41.0	1.3	**3.3%**
Collection Fund Contibution	-2.5	-1.4	-1.1	**-44.0%**
Funding Available to Services	**-266.7**	**-263.8**	**-2.9**	**-1.1%**

Sources: Cheshire East Finance
Department for Communities and Local Government

10. The Business Rates Retention funding system and control over Council Tax levels are placing greater responsibility on all councils to determine their own funding levels.

11. The government consultation of fairer funding for schools has the potential to result in reduced spending for Cheshire East Schools. Work is ongoing to ensure implications are fully understood by all stakeholders

12. In Cheshire East the Council is meeting this challenge in a number of ways and focusing on longer term financial stability through its actions.

13. Cheshire East Council is putting residents first:

Growing the domestic tax base - each new home brings additional Council Tax revenue, New Homes Bonus and potentially Community Infrastructure Levy together with additional costs, such as education, waste collection and highways. The Council ensures that any subsidy from its general funding sources is carefully managed to achieve maximum value.

Promoting Economic Growth - business growth can result in additional income being retained for local investment, subject to certain thresholds. Therefore, the Council is investing heavily in economic growth and infrastructure projects that will unlock development land and support inward investment.

Increasing employment opportunities - through economic growth will result in fewer people relying on welfare benefits from the Council which releases funding for further investment or for direct provision of front line services.

Maintaining strong collection rates and challenge of tax bases - to ensure fairness to all involved and ensure the Council maximises local income for local use.

This approach is very important and is embedded in the Council's actions.

Government Grant Funding of Local Expenditure

14. The detailed funding settlement from Government impacts on longer term financial planning. Key dates for 2017/18 include:

- The release of the Autumn Statement on 23rd November 2016.
- The release of the Provisional Settlement on 15th December 2016 confirming the approach to grants, Council Tax and calculation of business rates estimates
- Final Settlement expected in early February 2017.
- Late announcement of Specific Grants.

These have set out changes to:

- General funding levels – confirming a 49% reduction in Revenue Support Grant.

- Funding from Business Rates – use of RPI inflation to increase the multiplier (adjusted for the effects of the revaluation due to be implemented in April 2017).

15. The Council receives grant funding from the Government under several main headings:

    - Revenue Support Grant (£13.4m in 2017/18)
    - Specific Grants (unring-fenced revenue) (£16.9m in 2017/18)
    - Specific Grants (ring-fenced revenue) (£251.0m in 2017/18)
    - Capital Grants (£95.5m in 2017/18)

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

Revenue Support Grant (RSG)

16. In addition to retained business rates the Government provides RSG which is not ring-fenced for specific purposes. Historically, RSG and retained business rates were allocated based on a complicated formula that reflected local characteristics such as deprivation, age profiles and road lengths. Links to this complex approach have been dropped in favour of promoting economic growth through named grants. The provisional settlement has confirmed previous indications that RSG will be phased out, and that no payments will be received in 2019/20.

17. The substantial reduction in RSG, from £26.3m to £13.4m, has been partially offset in later years by a small decrease in the Business Rate tariff. However, this remains a significant challenge and means that all grants rolled into RSG, including Social Care new burdens, and previous Council Tax Freeze Grants, will also be nil in 2019/20. Any further changes to the amount of Business Rates retained are expected to come with additional responsibilities.

18. Transitional grants to town and parish councils for the implementation of the local Council Tax support scheme are due to cease in 2017/18 following consultation as part of the previous business planning cycle. The Council has communicated this message to all Town and Parish Councils so that they could plan for this reduction in setting their financial plans for 2017/18.

Unring-fenced Specific Grants

19. A number of separately identified but unring-fenced Specific Grants have been retained totalling £16.9m in 2017/18. The detailed list is shown in **Annex 8** and summarised in **Table 3**.

20. Other than RSG, the list of Specific Grants mainly relates to funding for the New Homes Bonus and Social Care Grants. Together they equate to 63% of the total unring-fenced specific grants expected in 2017/18.

21. A new one off Adult Social Care Grant was announced as part of the Provisional Finance Settlement in December 2016. The allocation for Cheshire East is £1.5m which is payable in 2017/18 only. This, along with increased council tax raising powers for adult social care use, is designed to reduce the impact of growth demand in this area on local authorities and Cheshire East Council will allocate this grant accordingly.

Table 3 - Specific grants and RSG have decreased by 33.0%	2016/17	2017/18	Overall Change	Overall Change
	£m	£m	£m	%
Revenue Support Grant	-26.4	-13.4	-	-
New Homes Bonus	-9.2	-8.3	-	-
Transitional Funding	-3.0	-3.0	-	-
Social Care Grants	-0.9	-2.3	-	-
Independent Living Fund	-0.9	-0.9	-	-
Education Services Grant	-2.9	-0.7	-	-
Other Grants	-1.9	-1.7	-	-
Total Specific Grants	**-45.2**	**-30.3**	**-14.9**	**-33.0%**

Sources: Cheshire East Finance
Department for Communities and Local Government
Education Funding Agency

22. New Homes Bonus (NHB) funding is provided to the Council based on the net increase in properties and affordable homes. The scheme is now completing its final year of a six year rolling programme. Cheshire East anticipates unring-fenced funding of £8.3m for 2017/18. This is a £1m reduction compared to anticipated levels before the Provisional Finance Settlement announcements in December 2016.

23. In 2016, the Government launched a review of the scheme with potential changes to the NHB that would free up at least £800m nationally by the end of the Parliament to help meet the rising costs of Adult Social Care in England. The Provisional Settlement in December confirmed the changes to the scheme as follows. It is these restrictions on the scheme that has resulted in the reduction of £1m for Cheshire East for 2017/18:

    a. Reducing the number of years the NHB is paid from 6 to 4 years with an interim period to smooth the transition (5 years worth of payments in 2017/18 and 4 years from 2018/19 onwards)
    b. Introduction of a 0.4% threshold in growth before the bonus becomes payable

24. These changes have been factored into the future funding estimates included within this document.

25. Education Support Grant (ESG) was previously allocated as an unring-fenced grant from the Department for Education (DfE) to local authorities and to academies proportionate to the number of pupils for which they are responsible. In recent years the grant has been split between a retained duties element and a general rate element.

26. In 2016/17 the retained duties rate was paid to local authorities to fund services to both maintained schools and academies (at £15 per pupil). A 'general rate' was paid to local authorities or academies depending on where the pupils are located to fund certain services (at £77 per pupil in 2016/17). The Council is due to receive a total of £2.7m for ESG in 2016/17 (slight reduction on budget due to academy conversions).

27. For 2017/18 the general rate has been removed as part of national austerity savings and the retained rate has been transferred into the ring-fenced Dedicated Schools Grant (DSG). Transitional Funding has also been made available to reflect the intended start date of September 2017. The distinction between services within the retained and general rates was released in mid-December 2016 to help inform how those services are treated.

28. **Table 4** summarises the amount of ESG received in 2017/18. The relatively short notice period for the change in grant, split of functions and transitional funding means that further work is required to clarify the position regarding budgets and services that need to continue via DSG, be traded or be reduced. This relates to services within both Children and Families Services, in the People Directorate as well as a number of services in the Corporate Directorate.

Table 4 - Education Services Grant	Estimated £m
ESG retained duties transferred to DSG	0.8
Transitional Grant (one off)	0.7
Total Receiveable	**1.5**

Sources: Cheshire East Finance
Education Funding Agency

Ring-fenced Specific Grants

Dedicated Schools Grant (DSG)

29. The Government announced the indicative allocations of DSG for 2017/18 in December 2016. DSG is a ring-fenced grant provided to the Council to meet certain educational costs. Following national funding reforms several years ago DSG continues to be allocated in notional funding blocks, namely the Schools Block, Early Years Block and High Needs Block.

30. The Schools Block is based on the schools block units of funding (SBUF) released in July 2016. The SBUF has been multiplied by the pupil numbers from the October 2016 school census and the January 2016 alternative provision census, plus the reception uplift, minus high needs places.

31. The Early Years Block is mainly comprised of:
- Funding for the universal 15-hour entitlement for all three- and four-year-olds
- Funding for the additional 15 hours for three- and four-year-old children of eligible working parents
- Funding for the Early years pupil premium plus a few other areas

32. This area has been the subject of a national consultation to address the increase from 15 to 30 hours free childcare for working parents in terms of how funding is allocated to the authority and how that is distributed to providers. The Council is currently consulting on proposed methods of distributing funding to providers and will be formally reporting the results.

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

34. For 2017/18 the high needs block is made up of each local authority's 2016/17 high needs block baseline, based on the information local authorities returned to the Education Funding Agency through the 2016/17 baselines exercise early in 2016.

35. Both the schools block and high needs block are subject to current consultations which will change the way they operate from 2018/19.

36. **Table 5** shows the actual DSG received for 2016/17, the indicative DSG for 2017/18, the actual guaranteed unit of funding (GUF amount per Pupil) received for 2016/17 and the Block GUFs to be received for 2017/18 (excluding the adjustment for Academy recoupment).

Table 5 - Dedicated Schools Grant are allocated in three notional blocks from 2016/17	Actual 2016/17 £m	Estimated 2017/18 £m	Change £m	Change %
Total Dedicated Schools Grant	246.0	255.0	9.0	3.66%
Comprising:				
Schools Block (notional)	195.8	205.5	9.7	4.95%
Early Years Block (notional)	16.4	19.7	3.3	20.12%
High Needs Block (notional)	33.8	29.8	-4.0	-11.83%
New responsibilities	0.1	0.0	-0.1	-100.00%
Per Pupil Funding	**£ / pupil 2016/17**	**£ / pupil 2017/18**		
Dedicated Schools Grant:				
Schools Block (notional)	4,206	4,340		
Early Years Block (notional)	4,048	4,085		
Figures quoted are before the Academy recoupment				

Sources: Cheshire East Finance
Education Funding Agency

37. 92% of Dedicated Schools Grant (DSG) is passported directly through to schools.

Dedicated Schools Grant (DSG) ~ Academy Funding

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

39. The Schools Block funding receivable for the 62 academies which opened before or during 2017/18 has not been removed from the total DSG award to be received (as reflected in **Table 5**). The funding for these academies of approximately £112.5m will be deducted from the Authority's DSG as part of the academy recoupment process (see **Annex 8**).

Sixth Form Funding

40. Total sixth form funding of £4.1m is receivable for maintained schools (this is an estimated figure to be confirmed when actual sixth form pupil numbers are known). In 2016/17 a balance of £12m was allocated directly to academies by the Education Funding Agency. The allocation for 2017/18 is not yet known.

Pupil Premium Grant & Pupil Premium Plus

41. The indicator for eligibility will be Free School Meals received in any of the prior six years by any pupil. The allocations for 2017/18 are the same as in 2016/17 at £1,320 for primary-aged pupils and £935 for secondary-aged pupils for every eligible child in both maintained schools and academies. All looked after children, adopted children and children with guardians will attract funding of £1,900 and children whose parents are in the armed forces continue to attract £300 per annum. It is estimated that Cheshire East Council will receive £5.3m in relation to the Pupil Premium for 2017/18. The use of this funding is under review.

Physical Education Grant

42. The Council expects to receive £0.8m for 2017/18. This is an estimate after any reduction for academies.

Universal Infant Free School Meals (UIFSM)

43. The Council expects to receive £2.9m for 2017/18. This is an estimate for maintained schools. The figure is normally based on a set amount per eligible pupil. The grant is paid directly to local authorities or academies. The Council will comply with the requirement to pass on the grant to maintained schools in full.

School Improvement Monitoring and Brokering Grant

44. This is a new grant from September 2017 for local authorities to continue to monitor and broker school improvement provision for low-performing maintained schools and intervene in certain cases, nationally £50m is being allocated with the first £30m allocated in September 2017. The Council expects to receive £0.2m for 2017/18 based on 89 maintained schools. This will be adjusted for any further conversions prior to being paid.

SEND Implementation Grant

45. The allocations were released on 9th January. The Council expects to receive £0.2m for 2017/18. This is to assist the conversion of all eligible children to an Education, Health and Care Plan.

Public Health Grant

46. Central Government transferred the responsibility of commissioning and delivering public health services from Health to Local Authorities from April 2013.

47. Public Health responsibilities cover a wide range of services including: sexual health services; NHS Health Check programmes; Drug Misuse; Alcohol Misuse and Obesity.

48. Public Health grant will remain ring-fenced for the first five years as a minimum, so expenditure is incurred in line with the definition of public health.

    Funding from Public Health England for the first five years is shown below:

    - 2013/14 – originally £12.7m subsequently revised to £13.8m.
    - 2014/15 - £14.3m.
    - 2015/16 – originally £14.3m then increased by £2.4m for 0-5 year olds new responsibility (half year funding) and reduced by £1.1m in year. Total £15.6m.
    - 2016/17 – Originally £15.6m then increased by £2.4m for the remaining six months of 0-5 year old funding, reduced by £0.4m in year and reduced by £0.3m transfer of base funding to EC CCG for Community special school nursing
    - Total £17.3m
    - 2017/18 - anticipated original funding £17.3m then reduced by £0.4m. Total £16.9m.
    - During 2018/19 and 2019/20 if PHE grant funding continues the assumption would be a yearly reduction of 2.6% (assumed in this report). However, if business rates are used to fund PH the assumption is funding would remain at £16.9m

49. For 2017/18, confirmation of the grant is expected before the end of March 2017 and the grant is expected to be ring-fenced until 2018/19.

Collecting Local Taxes for Local Expenditure

Business Rate Retention Scheme (BRRS)

50. The Council anticipates collection of approximately £140.5m in business rates in 2016/17 (based on the Council's NNDR1 return to the DCLG 31st January 2016). Under the BRRS arrangements 50% of this funding is paid to Government with 49% being retained specifically to support Cheshire East Council services. 1% is paid to the Fire Authority. In addition to this reduction a tariff of £29.1m must be paid to government which is used to top-up funding allocations to other local authorities.

51. Up to and including 2016/17, the Council continued to use the DCLG Business Rates baseline figures, plus levy savings as a result of being in the Greater Manchester Pool, for budget setting purposes. This was slightly below the NNDR 1 level reflecting a prudent approach to business rates growth.

52. For 2017/18 this approach has been maintained. However, in addition to the forecast £0.7m levy saving (as a result of being in the Pool), a further £0.5m in retained business rate growth income is being forecast (see **Table 6**).

Table 6 - Business Rates Retention	2016/17 £m	2017/18 £m	Change £m	Change %
Business Rate Retention Scheme	-39.7	-40.9	**1.2**	**3.0%**

Source: Cheshire East Finance

53. Growth in business rates can increase local funding, but this does take time and recent trends in rateable values have remained at a constant level. The Council's reaction is to promote inward investment to the area. There are positive signs of investment and **Annex 6** sets out the forecasts for business rate growth over the medium term.

54. During 2016/17, the Council continued to be part of a BRRS Pool with Greater Manchester authorities (and Cheshire West and Chester: new member for 2016/17). This allows the authorities included within the pool to be treated as one entity for the purposes of tariff / top up and levy / safety net payments potentially reducing the amounts to be paid over to Central Government.

55. The Pool has been selected as a pilot for a 100% growth retention scheme. This will allow growth above 0.5% to be retained in full if achieved. Further information on business rates growth is set out in **Annex 6**.

56. The Impact Assessment at **Annex 3** (Page 107) identifies how changes in business rates could affect local business.

Council Tax

57. Locally collected taxes that are directly retained by the Council will provide over 88% of the Council's net funding in 2017/18. The Council therefore takes a very careful approach to managing the domestic and commercial taxbases in a way that reflects local growth ambitions and supports sustainable services in the medium term.

58. The Council had not increased Council Tax for the five consecutive years up to and including 2015/16. In response to changes in government funding for local authorities in 2016/17, the Council Tax charge was increased by 3.75% (2% was ring-fenced specifically for use within the Adult Social Care area).

59. With the increase in demand for services, such as Social Care and Waste Collection, spending on local services is expected to remain consistent. Grant reductions over the four year period take into account the Council's ability to raise Council Tax levels, which remains part of Central Governments key funding policy.

60. The ability to raise additional ringfenced council tax for use solely on Adult Social Care (ASC) has been increased further for 2017/18 with the measures announced as part of the Provisional Settlement in December 2016. Local authorities are now able to raise a maximum of 6% over the three year period from 2017/18 to 2019/20. Cheshire East are proposing to apply this increase equally over the coming two years. As such it is recommended that Council Tax is increased by 4.99% (including the 3% rise for ASC) to give a Band D charge of £1,324.92 for 2017/18.

61. The proposed increase for 2018/19 is therefore 4.99% (including 3% for ASC) and 1.99% (no additional ASC element) for 2019/20 at this time.

The calculation of the Council Tax for 2017/18 is shown in **Table 7**.

Table 7 - The calculation of the Cheshire East Council Band D Council Tax		**2017/18 £m**	**2017/18 £m**
Total Net Revenue Budget 2017/18			263.8
Specific Grants			16.9
Revenue Budget recommended to Council on 23rd February 2017			246.9
Less:			
Business Rates Retention Scheme	16.6% [1]	41.0	
Revenue Support Grant	5.4% [1]	13.4	54.4
Surplus on Council Tax	0.6% [1]	1.4	1.4
Amount to be Raised from Council Tax	**77.4%** [1]		**191.1**
No. of Band D Equivalent Properties			144,201.51
Band D Council Tax			**£1,324.92**

[1] Percentage of Cheshire East net budget

Source: Cheshire East Finance

The impact on each Council Tax Band and the number of dwellings in each band is shown in **Table 8**.

Table 8 - Impact of Council Tax on each Band				
Band	**A**	**B**	**C**	**D**
Council Tax £	883.28	1,030.49	1,177.71	1,324.92
No of Dwellings	30,230	35,492	33,564	25,134
Band	**E**	**F**	**G**	**H**
Council Tax £	1,619.35	1,913.77	2,208.20	2,649.84
No of Dwellings	19,429	13,302	11,996	1,795

Source: Cheshire East Finance

Council Tax Base

62. The Council Tax Base quantifies the number of properties from which the Council is able to collect Council Tax. The tax base is presented as an equivalent number of domestic properties in Council Tax Band D terms after adjusting for relevant discounts and exemptions (for example a Band H property counts as two Band D properties, whereas a Band A property counts as two thirds of a Band D). The level of Council Tax multiplied by the tax base equals the expected income from local taxation.

63. The gross tax base for 2017/18 (before making an allowance for non-collection) is calculated as 145,658.09. After taking into account current high collection rates, the non-collection rate has been reduced to 1.00% (from 1.25%) for 2017/18. This results in a final tax base of **144,201.51** Band D equivalent domestic properties.

64. The tax base for 2017/18 reflects an increase of 1.4% on the 2016/17 equivalent position. This reflects the overall increase in properties in Cheshire East after allowing for the impact of Council Tax Support. The Council Tax Base was approved by Council on 15th December 2016.

65. Cheshire East has a relatively high Council Tax Base compared to its nearest neighbours. This is partly due to the much higher proportion of properties in Bands F to H in the Cheshire East area (16% in Cheshire East compared to the England average of 9% based on 2013/14 data).

The impact of the Council Tax Support Scheme

66. From 1st April 2013 the Council Tax Benefit system was replaced by a locally designed Council Tax Support Scheme. Claimants under this scheme receive appropriate discounts to their bills depending on their circumstances. It is important to note that pensioner claimants remain unaffected by this change.

67. The impact of Council Tax Support reductions is decreasing in Cheshire East, reflecting a positive trend away from a dependence on support from the local authority. The local Council Tax Support Scheme was reviewed and consulted on during 2015 and a revised scheme was implemented from April 2016.

68. Cheshire East compensated local town and parish councils for reductions in tax base as a result of the Council Tax Support Scheme up to an including 2016/17 (with a reduction of 50% in the level of support during 2016/17). This funding has been removed fully for 2017/18.

Collection Fund

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

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

71. The estimated balance on the Council Tax Collection Fund has been forecast to be a £1m surplus at 31st March 2017. £0.85m of this surplus is retained by the Council and is factored in to the 2017/18 budget.

72. The year-end balance on the Business Rates Collection Fund is estimated to be a cumulative deficit position of £4.5m. This is derived from the carried forward deficit from 2015/16 of £14.7m, less the in-year repayment of £7.6m plus the 2016/17 predicted in-year surplus of £2.5m. This carried forward deficit equates to 3.2% of the net rates forecast to be received for 2016/17 (£140.5m).

73. The main reason for the carried forward position on the fund has been due to much larger than anticipated appeals for rateable valuation reductions being successful. This will continue to be managed through the earmarked reserve. The in year surplus has resulted from growth in the Rateable Value of businesses which is a positive sign that regeneration plans and the drive for local growth is starting to come on stream.

74. The forecasts for the use of the Collection Fund Management earmarked reserve reflect a risk based approach to future BRRS income streams. At this time it is estimated that £0.5m can be released from the reserve into the revenue account for use in 2017/18.

Council Tax on Second Homes

75. During 2006 the Cheshire Local Government Association (LGA) agreed to reduce the level of discount on Second Homes across Cheshire from 50% to 25% on the basis that the additional funds would be utilised as follows:-

    - 50% to be retained by local authorities.
    - The balance to be paid over to Local Crime and Disorder Reduction Partnerships (CDRPs) for local activities including the appointment of Community Support Officers.

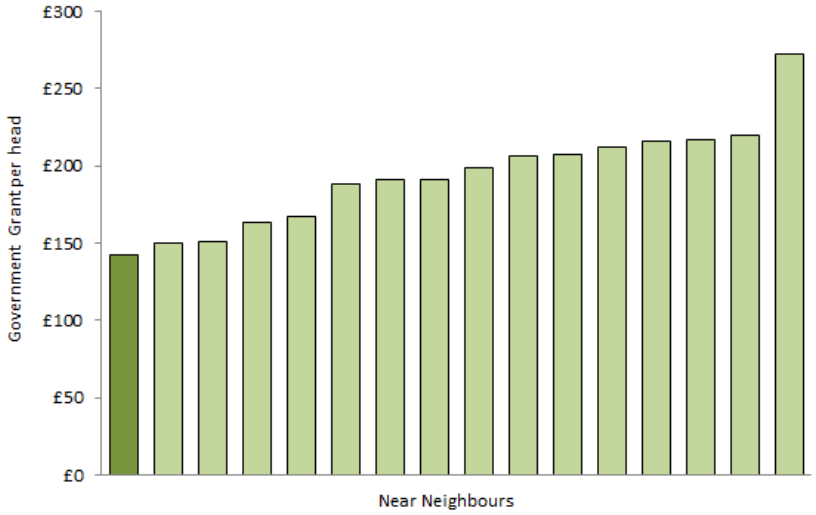
76. The final figures cannot be calculated until each authority has set its 2017/18 Council Tax. Contributions under the Second Homes agreement to the CDRP from the Police and Crime Commissioner and Cheshire Fire and Rescue Authority will be made during 2017/18 by adjusting the precept payments to those authorities. The provisional contribution from Cheshire East Council is £188,000.

77. Any further changes to Second Homes discounts are not part of the local agreement and therefore the additional income from any change is not included in the figure shown.

Funding Comparisons to similar Councils

78. Comparisons, based on available data, add context to Cheshire East's funding position. For further analysis of the Council's financial position please refer to the Council's Value for Money document.

Chart 2
Cheshire East Council receives the lowest level of Government Grant per head compared to its Near Neighbours.



Sources: Cheshire East Finance
CIPFA Council Tax Demands and Precept Statistics 2016/17
Department for Communities and Local Government

What is the Council doing about it?

79. There are several areas where the Council is attempting to ensure its voice is heard. These are:

Responding to Key Consultations

80. 2016/17 has seen several consultations on changes to local government finance. The Council has had the opportunity to input into the relevant responses collated by the Society of County Treasurers and the Local Government Association (Cheshire East Council is a member of both) and therefore, in some cases, relied on their collective responses to make any relevant comments. The Council also joined the Society of Unitary Treasurers in 2015 to assist with influencing collective messages. The consultations that have taken place so far in 2016/17 are as follows:

- Rates Retention and Formula Grant
  - Self-Sufficient Local Government: 100% Retention (closed Sept 2016)
  - Fair Funding Review: Needs and Redistribution (closed Sept 2016)
  - 2017/18 Local Government Finance Settlement (closed Oct 2016)
  - 2017 Provisional Local Government Finance Settlement (closed Jan 2017)

- Adult Social Care
  - Former Independent Living Fund (ILF) Recipient Grant (closed Mar 2016)

- Schools and Academies
  - Early Years Funding: changes to funding for 3 and 4 year olds (closed Sept 2016)
  - Schools Fair Funding: Stage 1 (closed Apr 2016)
  - High Needs National Funding Formula: Stage 1 (closed Apr 2016)
  - School National Funding Formula: Stage 1 (closed Apr 2016)
  - 30 hours of Childcare Entitlement (closed Nov 2016)
  - High Needs National Funding Formula: Stage 2 (closes Mar 2017)
  - School National Funding Formula: Stage 2 (closes Mar 2017)

- Local Taxation
  - Business Rates: Delivering more frequent revaluations (closed Jul 2016)
  - Transitional arrangements for the 2017 business rates revaluation (closed Oct 2016)
  - Reforming Business Rates Appeals (closed Oct 2016)

- Pensions
  - Local Government Pension Scheme Regulations (closed Aug 2016)
  - Developing an insolvency regime for the further education and sixth-form sector (closed Aug 2016)

- General
  - New Homes Bonus (closed March 2016)
  - Shale Wealth Fund (closed Oct 2016)
  - Draft legislation: regulations for the calculation, payment and recovery of the Apprenticeship Levy: Stage 1 (closed Nov 2016)
  - Local Audit (Public Access to Documents) Bill (closed Dec 2016)
  - Draft legislation: regulations for the calculation, payment and recovery of the Apprenticeship Levy: Stage 2 (closes Feb 2017)

Membership of Collective Groups

81. The Council has membership of several collective groups which provide a stronger voice at a national level. They are:

  - The Local Government Association
  - The Society of County Treasurers
  - The Society of Unitary Treasurers
  - The Sparse Rural Network
  - The F40 Group

82. The Council is also making use of the CIPFA / Pixel Financial Management Service to assist with financial forecasts and strategy.

Monitoring Developments

83. The Council is monitoring news alerts and public sector journals for any developments with Business Rates and grant funding arrangements. There are various authorities involved in the pilot scheme to trial the 100% business rates retention scheme early. The results of these pilots will be closely followed.

On-going briefing with Members of Parliament

84. The Council provides an update on key issues to local MPs on a regular basis, or when special updates are required. At certain times these focus on the Budget and funding issues.

Charges to Local Service Users

85. In some key service areas the Council makes a charge directly to the service user. The prices charged will sometimes be set nationally, but should always be related to recovering some or preferably all of the Council's costs in delivering discretionary services.

86. Approximately 8.2% of the Council's gross income is received through Fees & Charges and the prices are reviewed at least annually.

87. The Cheshire East Council pricing structure has over 1,500 different charges. With the overall objective to reduce subsidy in charged for

services some prices rises may exceed inflation in the medium term. In such cases users are consulted and alternative service options are discussed.

88. To assist officers and Members to recover full cost, the Council has produced a Charging and Trading Strategy to provide the relevant guidance to be applied. This document is available on request.

89. The fees and charges list is subject to review given the change in commissioning arrangements in some areas. A revised version will be available in due course.

Investment, Borrowing and the Capital Programme

90. The capital programme is intentionally aspirational, reflecting the Council's priority to promote local economic wellbeing. To support this ambition the Council actively pursues funding from private sector organisations and government as well as attempting to maximise receipts from asset sales. Resources will be utilised accordingly to allow flexibility within the overall programme. Major highway infrastructure projects, for example, may require Council resources before capital receipts and developer contributions can be realised and therefore the funding requirement for future years will be updated as plans and funding streams are secured.

91. The Council has continued its policy of utilising investment balances instead of taking out new external borrowing in order to finance capital expenditure. This has allowed external loans amounting to £28m to be repaid since 2009. Together with debt restructuring this has reduced external interest costs by £2m per year.

92. The Treasury Management Strategy aims to hold net capital financing requirements at £14m per year in the medium term. Over time the percentage of the net revenue budget required for capital financing will show as an increase, but this reflects the Council's significant capital ambitions for local investment and the fact the actual net budget is reducing. This is acceptable as the Council targets investment in infrastructure that can support the local economy and provide future revenue savings or additional income.

93. The capital financing budget for 2017/18 is shown in **Table 9**. This includes repayment of debt and interest payable on the Council's long-term loans. Costs are partly offset by the interest earned on the Councils investments. This approach is strategically designed to retain CFR at £14m.

Table 9 - Capital Financing Budget	2017/18 £m
Repayment of Outstanding Debt	11.2
Contribution re: Schools Transforming Learning Communities Schemes	-0.9
Interest on Long Term Loans	4.0
Less: Interest Receivable on Cash Balances	-0.3
Net Capital Financing Budget	**14.0**

Source: Cheshire East Finance

94. Charges for the amount borrowed are made to the Council's income and expenditure account and, for 2017/18, comprise of the following elements:

- **For borrowing incurred prior to April 2008:** Cost is calculated as 4% of the outstanding balance at 31st March 2016.

- **For borrowing incurred after April 2008:** Cost is calculated as equal instalments over the anticipated life of the asset. These periods vary from five years to 50 years depending on the type of expenditure funded from the borrowing.

95. Details of the Council's Minimum Revenue Provision Policy are shown at **Annex 10**.

96. The amount of interest paid on the Council's portfolio of long-term loans is mainly at a fixed rate of interest (circa 3.9%). This provides a degree of certainty to the capital financing budget.

97. Currently, long-term fixed interest rates are around 3.1%.

98. The rate of interest to be earned on the Council's cash balances that are temporarily invested is budgeted to be £0.3m.

99. The Council will continue to use cash balances to fund capital expenditure. This strategy is sound, particularly with the 1% margin on Public Work Loan Board rates, low-investment yields and on-going concerns regarding credit risk.

100. The Council sets out the approach to these issues in its Treasury Management Strategy which is also being reported to Cabinet and Council in February 2017.

Capital Programme Planning

101. The 2016/19 capital programme was approved by Council on 25th February 2016. Updates have been provided via quarterly reports to Cabinet during 2016/17.

102. The Third Quarter Review of Performance and the revised profile of spend for 2017/18 onwards forms the base for the 2017/20 programme, which is detailed in **Annex 12**.

103. Capital commitments have been reviewed to identify the profile of expenditure. There is recognition that the complexities around planning applications, public consultation and dependencies on third parties for external funding can mean that projects are delayed from one year to the next.

104. Services are required to provide business cases in accordance with the HM Treasury five case model. Schemes are also assessed for technical viability by the Technical Enabler Group (TEG) and then reviewed and challenged by a member led Executive Monitoring Board (EMB).

105. Spending plans are monitored to ensure a robust quality assurance framework is followed for each project. The governance arrangements safeguard against projects proceeding where costs may escalate beyond budgets. Potential variances from approved budgets may become subject to supplementary approval in accordance with financial regulations.

Capital Programme Financing

106. The level of resources required to fund capital investment in the medium term is set out in **Table 10** and is based on the level of borrowing that the Council can undertake on a prudential basis, the level of Government grant, the level of capital receipts and external contributions that can be generated over the period.

Table 10 - Capital Programme Summary	2017/18	2018/19	2019/20	Total 2017/20
	£m	£m	£m	£m
Committed Schemes	84.8	104.2	68.5	257.5
New Schemes	31.5	31.8	11.7	75.0
Total Capital Programme	116.3	136.0	80.2	332.5
Financing				
Prudential Borrowing	60.6	14.3	7.6	82.5
Government Grants	39.2	105.6	23.0	167.7
Capital Receipts	10.4	13.1	17.2	40.7
External Contributions	5.6	3.0	32.5	41.0
Other Revenue Contributions	0.6	0.0	0.0	0.6
Total Sources of Funding	116.3	136.0	80.2	332.5
Source: Cheshire East Finance				

Source: Cheshire East Finance

107. The Council will attempt to maximise external resources such as grants and external contributions in the first instance to fund the capital programme. Where the Council resources are required the preference will be to utilise capital receipts from asset disposals. The forecast for £40.7m capital receipts for the period 2017-20 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

108. The schemes in the Capital Programme, both existing and new proposals, have been through a challenge process to ensure they represent value for money, attract external funding or alternatively will not breach the capital financing budget cap by committing the Council to additional debt repayments that are not affordable in the medium term.

109. The budget process identified a number of new projects that are to be included in an addendum to the programme reflecting their strategic importance to the Council but also their current state of development.

110. Detailed business cases will be developed for schemes listed in the addendum as the precise details are not yet known. Before work can commence, on schemes listed on the addendum, the business case will be required to provide significant certainty linked to:

- Strategic impact of the scheme
- Expenditure profiles
- Funding sources or associated return on investment

111. The schemes separately identified on the Addendum to the capital programme are still submitted for approval; subject to them meeting the above requirements in the future. At the stage where the business cases are sufficiently robust and are deemed to be affordable the Portfolio Holder for Finance & Assets and the Chief Operating Officer will provide the additional approval for these schemes to proceed and form part of the main capital programme. Updates on these schemes will be provided to Cabinet through the quarterly reporting process. As detailed in **Table 11**:

Table 11 - Capital Programme Summary - ADDENDUM	2017/18	2018/19	2019/20	Total 2017/20
	£m	£m	£m	£m
Directorate				
People	1.7	12.6	0.0	14.3
Place	15.8	64.2	92.3	172.2
Corporate	4.5	2.5	9.6	16.6
Total Capital Schemes	**22.0**	**79.3**	**101.9**	**203.1**
Financing				
Prudential Borrowing	17.9	49.1	38.9	105.9
Government Grants	0.8	17.1	38.1	56.0
Capital Receipts	3.4	9.6	6.3	19.3
External Contributions	0.0	3.4	18.5	21.9
Total Sources of Funding	**22.0**	**79.3**	**101.9**	**203.1**

Source: Cheshire East Finance

Borrowing for Capital Expenditure

112. The Council's capital investment complies with the "Prudential Code for Capital Finance in Local Authorities". Under the Code, local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver their capital programmes.

113. The level of Prudential Borrowing required in 2017/18 and in future years is detailed in **Annex 11** Prudential Borrowing Indicators. The revenue consequences have been considered as part of the medium term strategy to ensure they can be afforded in future years.

Government Capital Grants

114. Government capital grants are generally allocated by specific Government departments to fund projects either as part of a block allocation or following a specific application process. The Council must therefore allocate such funding to support the spending programmes for which they are specifically approved.

115. The Council seeks to maximise allocations of grant, developing appropriate projects and programmes which reflect Government-led initiatives and agendas but address priority needs for local residents. Overall Government funding has reduced in recent years but the Council still receives external support towards a number of projects such as school improvements and major highways infrastructure. Over the medium term these resources equate to £222m, which is 41% of the total Capital Programme. **Annex 9** provides a list of Government Grants that are supporting the Cheshire East capital programme.

Capital Receipts

116. A capital receipt is an amount of money which is generated from the sale of an asset. The asset rationalisation process is managed by the Asset Management Service and continues to explore opportunities to generate capital receipts by disposing of surplus property assets after considering potential development opportunities. An asset disposal schedule is maintained to indicate the timing and estimated values of future receipts.

117. Capital receipts are pooled in the Council's capital reserve and are allocated each year in line with corporate priorities. Asset disposals also have revenue benefits by reducing the costs relating to retaining assets, such as business rates, insurance and utility costs.

118. Guidance, issued by the government in 2016/17, allows the Council to fund certain costs of efficiency from Capital Receipts. At present, the Council's 2017/18 budget does not rely on this flexibility to balance the revenue budget. If this opportunity would benefit the longer term financial stability of the Council then the quarterly reporting cycle will be used to raise awareness with members and seek appropriate Council approval based on the value for money associated with the approach.

External Contributions to Capital Expenditure

119. The Council receives contributions from developers towards the provision of public assets or facilities, such as Section 106 contributions to mitigate the impact of their developments.

120. Section 106 agreements are drawn up during the planning process which identifies and addresses the local needs of the community in relation to new developments. The agreement obligates the developer to provide a sum of money to enable the provision of facilities such as play areas and open spaces, increased education placements and road improvements.

121. As at 31st March 2016 the authority held Section 106 balances totalling £8.6m. The use of the funding is restricted by the terms of the original agreement and the timing of developer contributions is less predictable than other sources.

Other Revenue Contributions to Capital Expenditure

122. Capital expenditure may be funded directly from revenue, but not vice-versa. Overall financial pressure on the Council makes returns on capital investment a key element of the overall financial stability of the Medium Term Financial Strategy. Business cases for schemes with revenue returns will be monitored throughout the year to ensure revenue returns are realised.

Other Economic Factors

123. The Council makes an assessment of its financial position over the next three years by using a model known as the financial scenario. It is based on a series of planning assumptions which were published in the Pre-Budget Consultation 2017-20 issued in November 2016, and updated through the year via the Central Finance Group. Allowance will be made in the 2017/18 budget for other economic factors, such as inflation and pension costs, totalling **£5.5m**.

124. The Budget Report for 2016/17 continues the theme of not including any central allowance for non-pay inflationary pressures on the basis this is being mitigated by service efficiency proposals, increased charges or specifically bid for as a separate policy proposal.

Employer Pensions Contributions

125. The Workforce Planning section (**Annex 4)** provides further details on the Pensions provision.

Managing the Reserves Position

126. The Council Reserves Strategy 2017/18 states that the Council will maintain reserves to protect against risk and support investment. The strategy is updated each year and latest update is provided in the MTFS 2017-20 Report at **Annex 13.**

127. The Strategy identifies two types of reserves:

General Reserves

128. Balances in this category are not identified for specific purposes, but will be used to cushion against the impact of emerging events or genuine emergencies.

Earmarked Reserves

129. Balances in this category have been set aside for a specific purpose and will either be spent on that purpose or otherwise returned to General Reserves.

130. Further details, such as opening and closing balances and protection against financial risks, are contained within the strategy.

Summary of Financial Stability

131. **Table 12** summarises the position for 2017/18 to 2019/20.

Table 12 - Summary position for 2017/18 to 2019/20	Estimated Net Budget 2017/18 £m	Estimated Net Budget 2018/19 £m	Estimated Net Budget 2019/20 £m
Outcome 1 - Our Local Communities are strong and supportive	25.0	25.3	25.7
Outcome 2 - Cheshire East has a strong and resilient economy	30.0	28.1	28.1
Outcome 3 - People have the life skills and education they need in order to thrive	33.8	32.5	32.7
Outcome 4 - Cheshire East is a green and sustainable place	29.8	30.0	29.1
Outcome 5 - People live well and for longer	96.5	96.4	95.8
Outcome 6 - Efficiency	33.6	32.8	32.8
Total Outcomes	248.7	245.1	244.2
Corporate Contributions and Adjustments	1.2	1.2	1.2
Capital Financing	14.0	14.0	14.0
Use of / Contribution to Earmarked Reserve	-0.1	-0.1	-0.1
TOTAL:	263.8	260.2	259.3
CENTRAL BUDGETS			
Business Rate Retention Scheme	-41.0	-42.7	-41.8
Revenue Support Grant	-13.4	-5.4	0.0
Specific Grants	-16.9	-9.8	-9.4
Council Tax	-191.1	-202.3	-208.1
Sourced from Collection Fund	-1.4	0.0	0.0
TOTAL: Central Budgets	-263.8	-260.2	-259.3
Funding Position	**0.0**	**0.0**	**0.0**

132. Service expenditure for 2017/18 is shown as **£263.8m**. This represents a decrease of £2.9m (0.1%) on the Budget at the Three Quarter Year Review position.

133. The Funding Available to Services in 2017/18 is estimated at **£263.8m** to give a balanced position.

134. Proposals were received in a Better Business Cases Five Case Model format, with associated Equality Impact Assessment, and were subject to detailed scrutiny by corporate enabling services through several iterations before being accepted into this budget; these business cases will be developed into the delivery phase and are subject to oversight and assurance from the Executive Monitoring Board.

Balancing the Medium Term Budget 2017/18 to 2019/20

135. The Council has a track record of balancing the revenue budget, spending in-line with the budget and maintaining adequate reserves to protect against risk and provide necessary investment.

136. Work with other organisations, as detailed from Para 79 (the "What are we doing about it?" section), will primarily aim to lengthen the planning process. The overall approach to funding is sound, and has been for some time, in that local sources such as Council Tax and Business Rates will fund a greater share of local costs in the future so a pro-growth approach is appropriate.

137. Council funding is now guaranteed to reduce over the medium term and it is almost certain that inflationary pressure on services will continue to increase.

138. The Medium Term Financial Strategy reflects a balanced position for 2017/18 with a mix of specific policy proposals in each Service.

139. The position for 2018/19 and 2019/20 is provisionally balanced as per the estimates in this document. However, this position will continue to be monitored during 2017/18 as changes are bedded in and cost pressures are firmed up.

140. The Council adopts a standard five measures approach to balancing the budget and each measure is explored in relation to the medium term balancing of the MTFS. The measures are :

Measure	Description
Measure One ~ Challenge Financial Assumptions	Estimates related to Government funding and inflation in particular are checked against up to date indices and policies.
Measure Two ~ Review Local Taxation	Flexibility in Council Tax and Business Rates is explored in relation to emerging Government policy, demographic changes, local service ambitions and growth in the taxbase.
Measure Three ~ Manage Reserves	The impact of the Council's Reserves Strategy is analysed, particularly in relation to risk and investment.
Measure Four and Five ~ Manage Cost Drivers & Income	Options for future service delivery are challenged to ensure outcomes will be achieved in a cost effective and efficient way.

Options related to each of the five measures are set out below:

Measure	Table 13 – Balancing the Medium Term Budget
Measure One Challenge Financial Assumptions	- In December 2016 the Government issued provisional Core Spending Power figures for the next three years (2017/18 to 2019/20). This confirmed the estimates set out in the 2016/17 Final Settlement released in February 2016 and, due to the submission of our 4-Year Efficiency Plan in October 2016, guarantee the central funding levels for the medium term. - The overall ambition, within the announcements from government, is to maintain core spending over the life of the parliament in cash terms. - Core Spending Power includes: o **Business Rates** - Business Rate income will rise with inflation, as controlled by the government set multiplier. Above inflation increases of £0.5m per annum have been factored in to the Cheshire East medium term financial plans. The increase is prudent due to the current significant risk associated with business rates income. Government are consulting on changes to the scheme, appeals against rates payable still distort annual payments and there is a national revaluation of non-domestic premises being implemented in April 2017 which can increase appeals levels further. - The business rates baseline will increase in later years of the settlement as new burdens are added in the move towards 100% retention of business rates. For example Public Health Grant, currently provided as a separate grant from government, could be funded from business rates instead. This may increase the level of business rates retained, but makes no actual difference in the level of core funding for the Council.

Measure	Table 13 – Balancing the Medium Term Budget
Measure One Challenge Financial Assumptions	○ **Revenue Support Grant (RSG)** - RSG will reduce to nil by 2019/20 for Cheshire East Council. The government settlement continues to assume authorities can replace an element of lost grant with Council Tax increases, however this is a local discretion. ○ **New Homes Bonus (NHB)** - NHB funding is provided to the Council based on the net increase in properties and affordable homes. The scheme is now completing its final year of a six year rolling programme. Cheshire East anticipates unring-fenced funding of £8.3m for 2017/18. - During 2016/17, the Government launched a review of the scheme with potential changes to the NHB that would free up at least £800m by the end of the Parliament to help meet the rising costs of Adult Social Care. The Provisional Settlement in December confirmed the changes to the scheme as follows – - Reducing the number of years the NHB is paid from 6 to 4 years with an interim period to smooth the transition (5 years worth of payments in 2017/18 and 4 years from 2018/18 onwards) - Introduction of a 0.4% threshold in growth before the bonus becomes payable. ○ **Specific Grants** - These remain subject to ad-hoc information releases from Government departments. Where no information is available assumptions are used based on the reductions in general funding levels or past trends.

Measure	Table 13 – Balancing the Medium Term Budget
Measure Two Review Local Taxation	The Council retains the opportunity to review current funding assumptions: - Council Tax will rise in line with Government policy and to support Adult Social Care (4.99% in total). - Increases for later years will be reviewed annually but current assumptions are for 4.99% and 1.99% increases per annum in 2018/19 and 2019/20 respectively. - The Council will continue to maximise its tax base through any further flexibility made available by legislation. The potential for development in the area, backed by the Council's continued support for economic growth, is also likely to increase the domestic and non-domestic tax bases over time. - Impacts from the continuation of the local Council Tax Support (CTS) Scheme will be reviewed and scrutinised during the medium term. The scheme may be amended where appropriate, but overall the ambition is to reduce claimant numbers in relation to out of work residents through the promotion of economic growth in the area. A further £0.5m reduction in the CTS budget has been included for 2017/18. - Increasing employment opportunities – through economic growth, resulting in fewer people relying on welfare benefits from the Council and releasing funding for further improvements. - As the potential benefits of investment in local infrastructure are realised local business may engage with the Council to consider the introduction of a Business Rate Supplement to raise funds for specific local purposes. For example, if businesses opted to pay an additional rate of 1p on the rating multiplier they could raise as much as £2.1m each year, this level of funding could support a 15% increase in the Council's Capital funding costs for an agreed scheme. - There is potential to work with local businesses to introduce business improvement districts for specific purposes. - Continued high collection rates may result in a surplus that can be released to support investment in improved services in the local area.

Measure	Table 13 – Balancing the Medium Term Budget
Measure Three Manage Reserves	- The Council adopts a rigorous approach to managing in year expenditure. Service heads will sign off their Budget allocations to endorse accountability. In-year reporting will identify variances to budget. - The robustness of the proposals in the budget will improve budget management, significantly reducing the risks of unforeseen budget pressure. - The Reserves Strategy for 2017-20 aims to maintain adequate reserve levels over the medium term, although emerging risks or opportunities may require short-term use of reserves.
Measures Four and Five Manage Cost Drivers and Income	The Council's current proposals for change are contained within **Section 1** of the Medium Term Financial Strategy. Although the financial implications focus on 2017/18, many of these programmes will deliver further savings through to 2019/20 as highlighted by further savings figures in the later two years. Some of the financial areas being reviewed by budget holders and the Finance Team are: - Pay Inflation will continue to be assumed at 1% in the medium term in line with government projections. - Reviewing management control and staffing structures. Expenditure on employees accounts for c.35% of the Council's expenditure on services, and the reviews will look to ensure that the Council operates an effective commissioning model that focuses best fit service providers while achieving cost benefits and efficiency. - Ensuring Corporate Services, which account for c.15% of the Council's net budget, continue to reflect changes that are making the Council a smaller organisation. - Challenging discretionary services to ensure these meet priority needs, are paid for in the most effective way or are instead ceased or transferred to alternative providers. - Review and challenge of all Council contracts to ensure the most cost effective services are procured.

Measure	Table 13 – Balancing the Medium Term Budget
Measures Four and Five	- Maximising development opportunities from the increasing broadband coverage. Increasing commercial development located in Cheshire East would see returns from Business Rate Retention. For example a 1% increase in Business Rates would realise c.£0.3m of additional income per year.
Manage Cost Drivers and Income	- Exploring opportunities to improve health and reduce dependency through integration of the local health programme with key partners. Net expenditure on Adult Services is continues to account for c.38% of the Council's budget. This is the largest budget area so managing costs in this area is essential. - Engaging with community groups and local town and parish councils to explore ways of maintaining service delivery at a local level. There are c.300 such groups already financially engaged with Cheshire East Council. The third sector is a powerful economic partner, employing nearly 4,000 staff and generating an income of over £125m per annum, the vast proportion of which is invested back into our local communities and economies. Further opportunities will be explored as part of the Council's Corporate Plan. - Carrying out a further Capital Challenge to ensure the benefits of the ambitious programme are realised. - Promoting "Digital Customer Services" approach across the Council where suitable to improve access to services. - Continuing to rationalise the Council's assets to minimise costs associated with utilities and rates and maximise receipts that can support economic growth outcomes. - Making sure that ways of working maximise the technology we have within the organisation and helping staff to take advantage of expertise and development opportunities that can increase productivity.

Annexes to the Medium Term Financial Strategy Report 2017/20

February 2017

1. Corporate Plan 2017 to 2020

2. Business Planning Process - Engagement

Introduction

1. Cheshire East Council is conducting an engagement process on its Medium Term Financial Plans through a number of stages running from November 2016 to Council in February 2017, and beyond that as proposals are implemented.

2. The Pre-Budget Consultation, published on the 4th November 2016, included details of the proposals from each service area for the next three years. This report was made available to various stakeholder groups and through a number of forums.

3. Where consultation with specific stakeholder groups is required in relation to specific proposals, this is being identified as part of the proposal's High Level Business Case. Therefore, some of the major proposals remain "subject to consultation", that is further targeted consultation activity will be undertaken in advance of those specific proposals being implemented.

4. The Council acknowledges that such consultation activity may alter the outcome of the final proposal and mean the expected financial impact included within the budget is subject to change. The Council deals with financial risk by factoring into its minimum level of reserves an allowance for negative changes to proposals arising from consultation or delayed implementation.

Background

5. Local authorities have a statutory duty to consult on their Budget with certain stakeholder groups including the Schools Forum and businesses. In addition, the Council chooses to consult with other stakeholder groups. The Council continues to carry out stakeholder analysis to identify the different groups involved in the budget setting process, what information they need from us, the information we currently provide these groups with, and where we can improve our engagement process.

6. This analysis helps to inform the consultation process for each Budget and continues to identify additional channels of communication which are used to facilitate consultation with more of our stakeholder groups.

Business Planning Process

7. The Business Planning Process for 2017-20 followed the standard timescale for consultation and allowed nearly four months for consultation on the Pre-Budget Consultation. The engagement exercise used existing meetings, as well as specific events, to provide a briefing on the Council's Priorities, Outcomes, the Budget Setting Process, and updates on progress for various stakeholder groups. It was based around the proposals that were published in the Council's Pre-Budget Consultation 2017-20, issued on 4th November 2016 and shared with Corporate Overview and Scrutiny Committee on 3rd November 2016. An All Member Finance Briefing was organised for the 12th January 2017.

8. The key events are outlined in **Table 1**.

9. All the feedback received by the Council, including the use of an online survey, is set out in detail in **Appendix C** to The Council's Corporate Plan 2017/20 and Medium Term Financial Strategy 2017/20 Report.

Table 1 – Key Engagement Events

Event	Date	Comments
Corporate Leadership Team / Cabinet Away Day	15th June 2016	First consideration of budget changes being proposed.
Cabinet	12th July 2016	Revenue 2015/16 Outturn.
Corporate Leadership Team / Cabinet Away Day	5th September 2016	Further update on the process and revisiting of the proposals being considered for consultation.
Cabinet	13th September 2016	Receive First Quarter Review of Performance.
Team Voice	2nd November 2016	Issued to all staff and Members to headline release of Pre-Budget Consultation.
Corporate Overview and Scrutiny Committee	3rd November 2016	Received Pre-Budget Consultation and Mid-Year Review of Performance.
Cheshire East Council website	4th November 2016	Pre-Budget Consultation placed on Council's website and Centranet to launch consultation exercise.
Cabinet	8th November 2016	Received the Mid-Year Review of Performance Report.
Trades Unions	14th November 2016	Considered Pre-Budget Consultation.
Town and Parish Councils	28th November 2016	Considered Pre-Budget Consultation.

Event	Date	Comments
Conference		
Schools Forum	1st December 2016	Considered Pre-Budget Consultation.
Cabinet	6th December 2016	Consider the Domestic and Non-Domestic Tax Base for recommendation to Council.
Council	15th December 2016	Agree the Domestic and Non-Domestic Tax Bases.
Funding announcements	15th December 2016	From Government
Third Quarter Review of Performance – Challenge sessions	12th to 21st December 2016	Provided updated baseline spending calculations for services and potential impact on calculations proposed within the MTFS.
All Member Briefing	12th January 2017	Considered Pre-Budget Consultation including an overview of the Council's Finances and the impact of the Provisional Settlement.
South Cheshire Chambers of Commerce	12th January 2017	Considered Pre-Budget Consultation.
Macclesfield Chamber of Commerce Business Event	26th January 2017	Considered Pre-Budget Consultation.
Corporate Overview and Scrutiny Committee	2nd February 2017	Receive MTFS Report / Review Budget Proposals
Cabinet	7th February 2017	Consider MTFS Report and recommend proposals to Council
Council	23rd February 2017	Debate and approval of 2017/18 budget

3. Impact Assessment

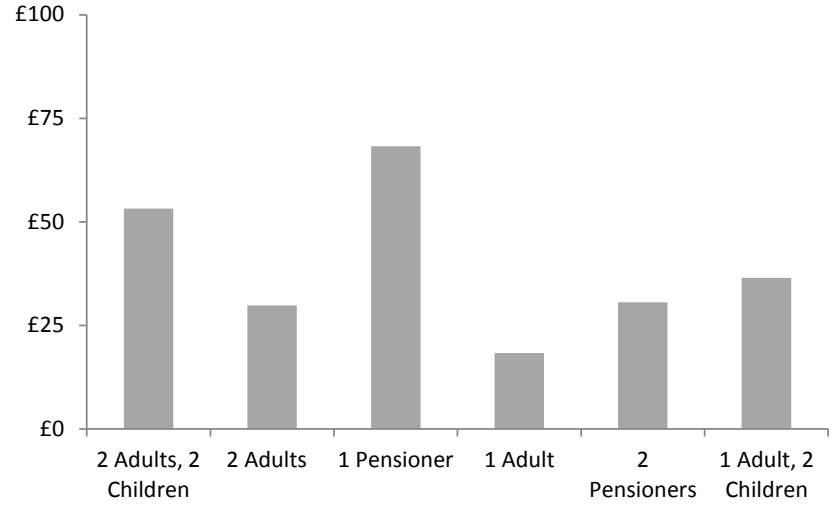
Household Calculator

The 2017/18 Budget is the result of a major process to set a balanced budget that can meet the needs of local people in the local environment. The details of the Budget have been set out in previous sections in terms of financial stability and allocation to services. This section considers the impact of the Budget on typical groups of service users in terms of the changes they may see and the charges they may pay.

1. A number of assumptions must be made in relation to property sizes and service usage. The Council uses existing data to inform this process.

2. **Chart 3** below illustrates the annual impact on six typical households accessing a variety of different services if a blanket increase in line with Retail Price Index (RPI), as at December 2016, were to be applied.

Chart 3
Without a strategic approach households could face £18 to £68 increases in costs if simple inflation was applied to charges



Source: Cheshire East Finance

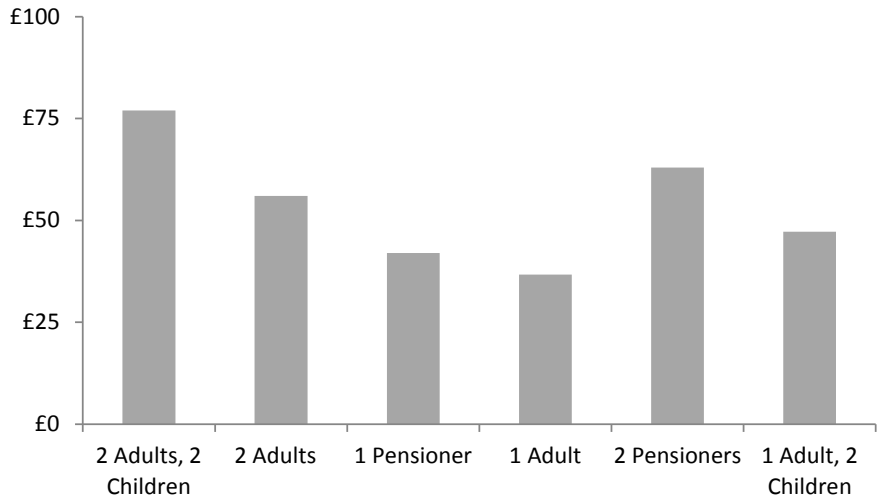
3. Every service within the Authority is refining and updating a Charging and Trading Strategy which sets out the rationale for setting / changing fees and charges within that area.

4. The Strategies calculate full cost of the service being provided and therefore set out the resulting subsidy or surplus each time a charge is made. This will then be used to inform the setting of

future levels of fees and charges to ensure fairness and that the Council meets any statutory obligations.

5. **Chart 4** below illustrates the anticipated annual increases per household when applied to the same variety of services.

Chart 4
Forecast increases in costs are split appropriately across all groups



Source: Cheshire East Finance

6. The anticipated average increase per household is £54. This is higher than an average increase of £39 if RPI at 1.6% had been applied across all services. This is due wholly to the Council Tax charge increase of 4.99%. Fees and charges in these typical household examples are not forecast to rise for 2017/18. These increases do not however exceed the financial impact from current pay inflation and index linked increases in state benefits on average household income in Cheshire East.

Note:

Typical households are made up as follows:

- 2 Adults with 2 Children living in a Band E property
- 2 Adults no Children living in a Band C property
- 1 Pensioner living in a Band D property
- 1 Adult (not Pensioner) living in a Band B property
- 2 Pensioners living in a Band D property
- 1 Adult with 2 Children living in a Band D property.

Each household average is based on typical use of chargeable services expected for that category such as school meals, libraries and environmental, and leisure services.

7. Further details on the impact on businesses, communities and the environment are shown in **Table 1** on the following pages.

Table 1: Impact of the 2017/18 Budget Proposals on Businesses

Typical Facts:

- Non Domestic Rates are set by Government
- Supplementary Rates could be set by Cheshire East Council
- Businesses are liable to pay some Fees and Charges (for example licensing)

Working with Businesses

The Council takes a pro-active role in engaging with and supporting local businesses. They are the engines of our economy, and the borough's future prosperity is driven by their capacity to thrive and grow. Cheshire East Council has established The Skills and Growth Company to deliver business support services in the borough. It also takes the leading role in promoting regeneration across the Borough, creating the conditions for job creation and economic growth, by working closely with other teams across the Council (e.g. planning, licensing, trading standards) and partners from the business community, voluntary and wider public sectors.

The Skills and Growth Company Engages provides support though,

- A team of dedicated business advisors that engage with 500 businesses per annum, focussing on the Science, Energy and Technology sectors.
- A programme of business engagement events covering procurement, sustainable transport, sustainable energy solutions, apprenticeships, commercial property and access to finance.
- Specialist support to access new markets, improve productivity and develop new products.
- A dedicated programme of activity to assist rural businesses.

The Council has a strong commitment to the development and regeneration of our town centres. This will be supplemented further over the 2017-20 period, through further investment in its regeneration programme, alongside the strategic use of its own land and property, to lever in additional private sector investment. This will enhance the attractiveness of our towns to residents and visitors, and increase confidence in the developer and investor communities.

Government sets new Business Rates multipliers for 2017/18

- The multiplier will reduce to ensure that the revaluation does not raise any more money in rates. Using the latest data from the revaluation (draft rating list published on 30th September 2016 and RPI inflation for September) the multiplier will fall.
    - Provisional 2017/18 Standard Multiplier at 47.9p* in the £.
    - Provisional Small Business Multiplier 46.6p** in the £.

* Includes supplement to fund small business relief.

** All occupied properties with a rateable value below £51,000 are charged using the lower multiplier – except for those ratepayers receiving mandatory rate relief.

New Transitional Scheme for 2017 rating list

- The Government is putting in place measures to help businesses that would face a large increase or decrease in their rates payable following the revaluation. Any relief under the new transition scheme will be automatically calculated and will appear on rate demands issued from 1st April 2017.

Small Business Rate Relief (SBRR)

- The Government announced in the budget in March 2016 that SBRR will permanently double.
- The 6,000 and 12,000 thresholds for relief to increase to 12,000 and 15,000 respectively, therefore properties with RV below 12,000 where the ratepayer meets the criteria will receive 100% relief and properties between 12,000 to 15,000 will receive tapered relief.
- Continuation of amended SBRR criteria to allow businesses in receipt of SBRR to keep it for one year when they take on an additional property that would currently cause them to lose SBRR, in order to help small businesses with expansion costs.

Rural Rate Relief

The Government have announced in the autumn statement that mandatory relief for rural businesses will increase from 50% to 100%.

Supplementary Business Rates

There are no proposals for Cheshire East Council to charge supplementary rates in 2017/18.

Local Retention of Business Rates

From 1st April 2013 Cheshire East Council will retain c.28% of any local growth in the rates generated through increased occupancy of commercial premises subject to certain tolerances. This may take several years to stabilise but will assist funding for the Council's activities over time. The Medium Term Financial Strategy sets out the Council's ambition to promote economic development.

Local Discretionary Rate Relief

Cheshire East Council has the discretion to award rate relief to any ratepayer. Applications are considered on an individual basis. Relief would only be awarded where it was in the Council Tax payer's interest to do so.

Other measures to support local businesses with business rates

Continuation of the option to spread business rates bills over 12 months rather than 10 months.

Council Partners and Stakeholders

Councillor Olivia Hunter was appointed as Mayor on 11th May, she is Cheshire East's eighth Mayor and represents the High Legh Ward.

For Example:
Town and Parish Councils, Health, Fire, Police, Schools, Colleges, Universities, Community, Voluntary and Faith Organisations, Housing Providers, Community Partnerships.

The Council proactively works with partners to deliver services in Cheshire East. We seek to commission and deliver jointly with our partners, both across Cheshire East and at a local level. We are working with partners to focus our joint resources on early intervention and prevention, and supporting the development of resilient, self-reliant communities.

The Council will continue its work with Town and Parish Councils to develop local service delivery options including the transfer of assets and devolution of services where appropriate. The budget includes the planned phasing out of payments to Town and Parish Councils which supported changes in funding arising through Council Tax Support. This reflects the reductions that Cheshire East is facing in its own central support funding.

The Council is committed to further developing and managing collaborative partnership working in local areas to deliver services as locally as possible and to develop strong communities. We are leading activity to secure outcomes based on understanding the needs of the community through:

- Developing our strategic partnerships across Cheshire East to enable joint commissioning and improve integration of local services.
- Bringing local partners together to better share resources and redesigning public sector services across Cheshire East to better meet local needs.
- Connecting Communities through our new and ambitious approach agreed by Cabinet in Dec 2016.
- This connecting communities approach will enable us to:
  - Engage communities to identify and be involved in addressing their local issues.
  - Promote and support community networks, neighbourhood and town partnerships to further develop communities with a stronger sense of neighbourliness.
  - Deliver differently in neighbourhoods which provide services where local people will use them, so that services are delivered in the way which gives best value for local people.
  - Work collaboratively with partners to deliver against our joint rural priorities, and to rural proof key decisions.
  - Work with partners and communities to ensure that local people feel safe and are safe in their communities.
  - Develop positive relationships between the Council and the community, voluntary and faith sector, at both a local and strategic level, and supporting the sectors to become commissioning ready.
  - Invest in our Community Grants scheme to ensure communities can develop their initiatives.

The Local Environment

Cheshire East Council is committed to continuing to reduce its energy consumption and carbon emissions from its buildings and will continue to develop strategies during 2017/18, and beyond, to reduce the environmental impact of its activities.

The Council has achieved its Carbon Management Plan target of reducing carbon emissions by 25% by March 2016 - a full two years early. The target for reducing energy use in its corporate buildings was increased to 35% by 2016. The Council has embedded carbon reduction into its service delivery and continues to improve by undertaking carbon reducing projects:

- Energy saving measures and property rationalisation in our own Council buildings to continue to reduce our carbon footprint including the major refurbishment of heating and ventilation equipment in two leisure centres
- Reducing carbon emissions from its own vehicles by undertaking a whole fleet review, installing technology and educating staff to reduce fuel consumption.
- The Highway service carbon reduction programme set a target of a 27% reduction in carbon from street lighting by March 2016 supported by the Council's £5.2m capital investment in street lighting. The target was exceeded with 31% savings achieved from two completed initiatives:
  1. a borough wide replacement of traffic signal lamps with LEDs. Carbon reduction delivered - 6%.
  2. the conversion of traditional street lights to LED on the Borough's inter urban routes. Carbon reduction delivered - 25%.

  The programme continues to make good progress with a three year programme (2016 – 2019) to convert 24,000 street lights to LED in residential areas. Ongoing (Year 1 of 3) with a target to deliver a further reduction in carbon of 27%.
- Reducing the impact of our staff travel through a number of measures including changes to staff travel rates and promotion of alternatives to single car occupancy.

Equality and Diversity	The Council recognises that promoting equality and diversity will improve public services for everyone. Cheshire East wants to be an area of equal opportunity, where everyone has a fair chance and people from all backgrounds take part in community life. The aim, therefore, is to make equality an integral part of the way the Council works by putting it at the centre of everything it does. It is important to consider all individuals when carrying out day-to-day work. To ensure this, services provide equality analysis for everything carried out as a way of considering the effect on different groups protected from discrimination by the Equality Act 2010. The Equality Impact Assessment (EIA) process helps to consider if there are any unintended consequences for each of the 'protected characteristics' of age, disability, gender reassignment, marriage and civil partnership, maternity and pregnancy, race, religion or belief, sex and sexual orientation. An EIA is carried out on: • new functions, policies, procedures and services as they are developed • significantly altered functions, policies, procedures and services • Overtime, on existing functions and policies. For all of the budget proposals an EIA has been carried out where appropriate. For some of the proposals presented it is recognised that these are still very much at a concept stage, therefore for these an initial screening has been carried out with the expectation that a full and detailed EIA will be completed in due course.

4. Workforce Strategy

Complex world

We are living and working in a complex world where residents and communities have high expectations of both business and public services.

Greater resident and community choice and control is driving the shape of public services, with a growing public expectation that services will meet their needs, helping them achieve personal goals and aspirations. This becomes even more challenging within this era of austerity and the significant financial pressures that all public services face.

Doing more of the same won't work. Increasing demand, greater complexity, rising expectations and severe financial constraints mean that the current situation is not sustainable. Tomorrow's solutions will need to engage people as active participants, delivering accessible, responsive services of the highest quality. We don't have all of the answers to the challenges that we face. We need to work closely with other partners and providers in all sectors to find new ways to design and deliver services across the public sector and to seize the opportunities as they emerge.

As the rules of delivering public service are being re-written, making people and relationships the key to sustainable success is more important than ever. Only through deepened relationships with and between employees, partners, residents and communities will the Council innovate and adapt fast enough whilst maintaining service delivery. Tomorrows solutions will need to bring together the diverse skills and talents and unlock the potential of people across the public sector.

Connected Council

Consciously building and strengthening connections in the way we lead, manage and work together within and across the Council, with members, partners and our communities is at the heart of our workforce strategy. We aim to build a more connected Council and workforce through:

1. **Purpose and direction** – ensuring our workforce have a common understanding of why they exist as an entity, a clear sense of what they are trying to achieve and the strategy to get there around which people can unite and flourish.
2. **Authenticity** - leaders who act in a way that is in line with our FIRST values and who build relationships of trust and respect.
3. **Devolved decision making** – the sharing of power across the organisation with decisions being made as close to the customer as possible, whilst key strategic decisions are made centrally.

4. **Collaborative achievement** – close working within and across teams and organisations, so that end to end processes work efficiently and effectively.
5. **Agility** – colleagues are encouraged to share what they learn and to operate in a culture that supports experimentation.

People Plan 2017/18

Recognising the complex world we operate within, placing the right people in the right places at the right times, is at the heart of the Council's success. To support and enable the delivery of the Council's ambitious plans, eight inter-connected workforce priorities come together to form the basis of the Council's People Plan. These priorities are:

1. **Organisation Design** – to provide change management support to services, enabling our workforce to be flexible and adaptable in a rapidly changing local, regional and national environment.
2. **Recruitment, Resourcing and Retention** – to deliver a strategic workforce assessment and plan that ensures the Council has the right people with the right capabilities, skills and attitudes in the right places at the right time to deliver organisational objectives.
3. **Leadership** – to develop and implement a connected leadership and management model and strategy which increases leadership presence, governance and accountability.
4. **Employee Development** – to continue to develop highly skilled and competent professionals who operate safe practice and risk awareness and can work effectively across internal and external boundaries as the structure and form of public service changes.
5. **Engagement and Wellbeing** – to build from the findings of the Staff Survey 2016 with particular focus on improving staff wellbeing, resilience and attendance management, to ensure our workforce are engaged and performing at the highest level.
6. **Employee Rewards** – to review and further develop financial and non financial rewards and employee benefits, whilst meeting equal pay and gender pay gap requirements.
7. **Service Delivery** – to enable staff to work in a safe, healthy and supportive environment, which equips the workforce to contribute effectively, reach their potential and put residents first.
8. **HR Business Development** – to ensure the Councils HR service is in the best position to fully support the delivery of business priorities and exploit further business opportunities.

Productivity improvements

A key outcome of the People Plan for 2017/18 will be the programme of work to realise £5m savings outlined in the budget report through a combination of a reduction in consultancy and agency requirements and core staffing costs, alongside increased productivity and further workforce initiatives. Working closely with Members, Trade Unions and staff, consultation will take place to ensure that resources are maximised and service changes are based on resident and community need. As the Council's workforce is a major component in delivering our Corporate Plan and Residents First outcomes we have to ensure our resources are sufficient to deliver our outcomes through increased productivity and workforce planning, whilst meeting our statutory obligations regarding pay inflation and ensuring non-essential staff, travel and supplies are minimised. Any business change or efficiency proposal with a FTE impact will be shared and consulted on with the relevant staff and Trade Unions at the appropriate time.

Living Wage

The Council implemented on the 1st November 2015 a "local" Living Wage of £7.85 an hour for directly employed staff (excluding apprentices, work placements and traineeships, which have been created to enable access to work place training and job opportunities). The National Living Wage will rise to £7.50 from April 2017 and is due to rise to £9 an hour in 2020. The Council will continue to monitor its position in relation to the National Living Wage.

National Pay

Local government national pay negotiations for JNC and NJC Officers have concluded for the period 1st April 2016 to 31st March 2018. The individual basic salaries and salary scales of officers within scope have and will increase by 1.0% with effect from 1st April 2016 and 1.0% with effect from 1st April 2017.

As part of these pay negotiations a review of the national NJC Pay Spine was agreed. The purpose being to consider its ability to respond to the future needs of the sector and the progressive impact of the National Living Wage. The NJC pay spine review is expected to conclude by 30th June 2017 and before any final agreement is reached, the proposed restructured pay spine will be subject to consultation. It is anticipated that a restructured pay spine will incur some additional cost.

Apprenticeship levy

The Government is committed to significantly increasing the quantity and quality of apprenticeships in England and achieving three million apprenticeships by 2020. In order to achieve this, a number of new measures are being introduced from April 2017.

The first of these is a levy on UK employers to help fund growth in the apprenticeship programme. The levy will come into effect from April 2017, at a rate of 0.5% of pay bill, paid through PAYE. It applies to employers in all sectors with an annual pay bill of more than £3m. The Council's total liability in terms specifically of the payment of the levy (including maintained schools and our ASDVs) is approximately £0.9m per annum. As an employer who pays the levy, we will benefit from a 10% 'top-up' of this figure, which will be paid for by Central Government. This money will then be made available for the Council to spend on the training of apprentices.

The second major incoming change is a public sector target for apprentices. This set's out that 2.3% of our total workforce should be made up of apprentices. Based on headcount figures from September 2016, this indicates our incoming target for apprentices as 187. Apprenticeships will be available to existing employees as well as new employees.

These large scale changes to apprenticeships offer a range of development opportunities for staff but also have a potential knock-on effect for salary costs and in terms of the administration that will be required to support the new levy.

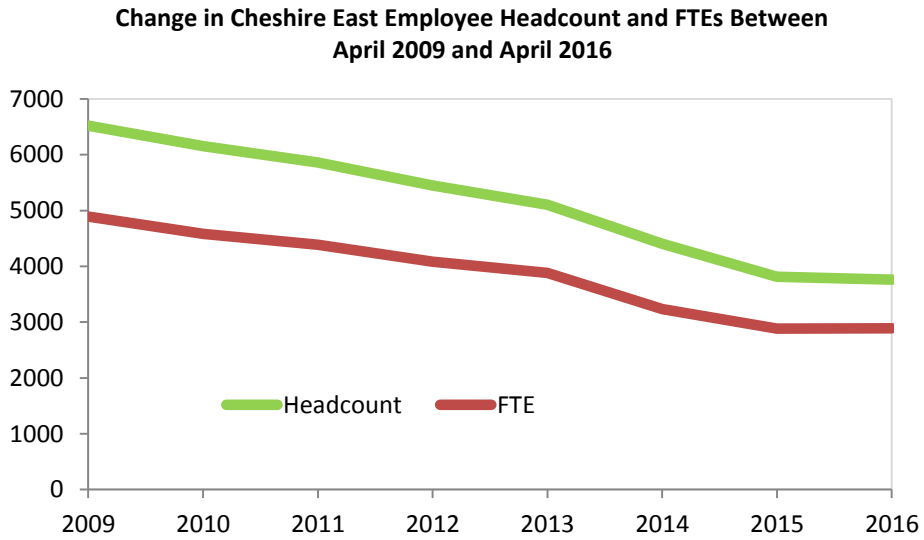
Pension – employer contribution review

A valuation of the Cheshire Pension Fund has been completed to determine the employer contribution rates for the Local Government Pension Scheme which will come into effect from 1st April 2017. Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council must make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee.

The rate of contribution is set by the Actuary advising the Cheshire Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The Actuary provides the Council with a certified primary employer contribution rate and also a certified monetary amount which needs to be paid to the Fund to cover the past service deficit. The results of the recent valuation have resulted in an increased primary rate of 17.2% payable from 1st April 2017 (up from 16.4% in 2016/17) and a past service deficit cash contribution of £14m. The two are combined to give a total employer contribution rate of 30.5% in 2017/18.

Headcount analysis and trend

Headcount Analysis and Trend



Source: Cheshire East Human Resources

Between April 2009 and December 2016 the Cheshire East Council employee headcount has reduced by 43%, (equivalent to a 41% reduction in full time equivalent employees). This is mainly attributable to the restructuring of services and the TUPE transfer of staff to Alternative Service Delivery Vehicles.

Measuring success

Measuring the effectiveness of the workforce strategy will be tracked through a small number of macro performance indicators such as:

- Employee engagement index.
- Employee turnover.
- Sickness absence.
- Ratio of agency workers to employed staff.
- Number of staff with performance development plans and performance ratings.
- Reasons for leaving.

Workforce ***Increasing productivity through workforce planning whilst meeting our statutory obligations regarding pay inflation and ensuring non essential staff travel and supplies are minimised.***	**2017/18** **£m***	**2018/19** **£m***	**2019/20** **£m***
Budget reductions resulting from Productivity / Staffing Efficiencies (Revenue Savings) (130)			
We are expecting to see significant cumulative cash reductions over the three year period 2017 to 2020. This will have a significant impact on us as an organisation and the ways we deliver services. While we will make every effort to save through other efficiencies, such as improving productivity and by seeking to reduce agency staff costs and consultancy spend, these measures alone will not be enough to reduce the potential gap. We have an average staff turnover of around 5% per year – this should offer opportunities for review and we will work with staff and trade union representatives to redesign services and structures to achieve the required savings.			
PEOPLE	**-2.100**	**-2.100**	**-2.100**
PLACE	**-1.500**	**-1.500**	**-1.500**
CORPORATE	**-1.400**	**-1.400**	**-1.400**
Impact on Cross Service Budgets =	**-5.000**	**-5.000**	**-5.000**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*			

Workforce ***Increasing productivity through workforce planning whilst meeting our statutory obligations regarding pay inflation and ensuring non essential staff travel and supplies are minimised.***	**2017/18** **£m***	**2018/19** **£m***	**2019/20** **£m***
Allocation of cross service savings relating to staff travel (Revenue Savings) (131) Cross authority saving of c.£150,000 split between all relevant areas from the reduction in staff mileage claims on the back of introducing new technology to facilitate digital meetings. *Impact on Cross Service Budgets =*	**-0.150**	**-0.150**	**-0.150**
Car Mileage Review (Revenue Savings) (132) To undertake a review of current mileage rates paid to Cheshire East Council employees when undertaking business mileage. This review will consider reducing the current rates paid to reduce mileage costs. This review will need to be undertaken with the Trade Unions and would require a formal change to the Harmonisation Agreement before potential savings can be realised. *Impact on Cross Service Budget =*	**-0.100**	**-0.100**	**-0.100**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17.* *Values are not cumulative*			

Workforce ***Increasing productivity through workforce planning whilst meeting our statutory obligations regarding pay inflation and ensuring non essential staff travel and supplies are minimised.***	**2017/18** **£m***	**2018/19** **£m***	**2019/20** **£m***
Pay and Pensions Allocation (Revenue Investment) (133)			
Increases in employee related costs over the medium term. Items covered by this proposal include spinal point incremental increases for eligible staff, annual nationally negotiated pay awards of 1%, and annual employer pension contribution increases of 0.5%. An element of the increases will be offset by vacancy provisions therefore an overall increase of 1% on pay budgets has been provided for.			
PEOPLE	**+1.510**	**+3.020**	**+4.530**
PLACE	**+0.460**	**+0.920**	**+1.380**
CORPORATE	**+1.550**	**+3.100**	**+4.650**
Impact on Cross Service Budgets =	**+3.520**	**+7.040**	**+10.560**
Apprentice Levy (Revenue Investment) (134)			
The Government has set a target of three million new apprenticeship starts by 2020 and new legislation has been put in place in relation to help achieve this. From April 2017, an 'apprenticeship levy' is to be introduced, payable by employers on 0.5% of pay bill. This will be supported by an incoming public sector target of 2.3% of the total workforce to be made up of apprentices.			
Impact on Cross Service Budgets =	**+0.460**	**+0.460**	**+0.460**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2016/17. Values are not cumulative*			

5. Risk Management

The Council recognises that there are risks involved in everything it does and that it has a duty to manage threats and opportunities in a balanced, structured and cost effective way. In doing this the Council is better placed to achieve its objectives and enhance the services it provides.

The Council's risk management arrangements were recently reviewed and a new Risk Management Policy Statement and Strategy was approved by Cabinet in February 2016.

The policy statement formally acknowledges the Council's commitment to the effective management of risks, both threats and opportunities. The aim of the Policy is not to have risk eliminated completely from Council activities, but rather to ensure that every effort is made to maximise potential opportunities and minimise the adverse effects of risk.

Supporting the policy statement is the strategy, which gives the scope, direction and priorities for risk management activity across the Council.

Underpinning the strategy and policy are risk management procedures articulated in a framework document. Taken together, the documents provide practical guidance to assist Officers and Members in the identification, evaluation and control of risks that may impact upon the achievement of corporate and service level objectives and priorities.

The Corporate Assurance Group (CAG) and Risk Management Sub Group (which include officer and portfolio holder representation) were involved in the development of the policy, strategy and procedures within the framework.

Further work is ongoing to integrate risk management into service planning and decision making to ensure that:

- Risks are recognised and responded to appropriately throughout business management and decision making lifecycles.
- Risk activity is focused on the delivery of key organisational objectives.
- Risk registers are critically examined and refreshed throughout the year.

Against the backdrop of continued fiscal austerity, the Council is looking to the future with a sense of confidence in its ability to deliver on an ambitious agenda. As we look to 2020, there will also be new threats and opportunities arising and so the Council's corporate risk register has been updated. Corporate Leadership Team and Cabinet were included as part of the process to identify existing, new and emerging risks.

There will likely be new threats arising:-

- from the shift from grant funding to a reliance on self-funding and in rethinking sources of income
- from a focus on delivering outcomes rather than services alone
- from the need for reinvestment in resources and services, ranging from health and social care to education and infrastructure
- from the potential and power of digital and data to transform services and engage businesses, residents and communities and opportunities arising
- from devolution to deliver both growth and whole system reform
- from influencing debate on legislative agendas

- from new collaborations across the public and private sector
- from ambitious regeneration projects to stimulate local growth

A risk around financial resilience is included as a corporate risk and general reserves are focused on the Council's potential exposure to risk. In addition, where a particular area has been identified as specific risk or investment opportunity, then an amount will be earmarked for that specific purpose.

6. Business Rates – Forecasting over the medium term

1. The Government introduced the Business Rates Retention Scheme on 1st April 2013. There has been much uncertainty around the scheme as a result of appeals to the local list. This has resulted in the need to create and build upon a specific earmarked reserve and provision for appeals to protect against large fluctuations in any given year. This Annex provides an illustration of how the scheme has worked over time and what changes are likely over the medium term including estimates of future income.

2. The basic concept is that a baseline position is established and an element of growth over and above that can be retained. The DCLG set the baseline over which growth is measured but the Council can budget on locally set figures. This can be informed by the NNDR1 form which contains estimates that must be provided to Government at the end of January each year.

3. As part of the MTFS 2016-19, growth estimates were calculated and the taxbase has been monitored over the last year to assess the robustness of those estimates. This has proved to be reasonably accurate so for 2017/18 and beyond the methodology is being used to estimate growth and this income has been included in the funding assumptions contained within this document. The methodology has been set out below.

4. For 2016/17 the NNDR1 return is forecasting retained rates above the DCLG baseline for Cheshire East to be £1.3m. The assumption was still to use the baseline for budgeting purposes due to the inherent volatility in the business rates tax base which can be affected substantially, if a large business moves out of the area or an approach to valuing business rates is successfully challenged.

5. This year has also seen the introduction of a new Enterprise Zone on the former Astra Zeneca site in Alderley Edge. The special rating that was given to the large pharmaceutical company has been transferred out and replaced by many small businesses that can all gain from being part of an Enterprise Zone. There was much estimation around the value of these new businesses however which also dictated the decision to budget on the DCLG baseline level.

6. A Non Domestic taxbase for 2017/18 was formally reported to Cabinet and Council in December 2016 which included current hereditaments valued at 2017 levels due to the national revaluation due to be implemented in April 2017. This saw Cheshire East hereditaments increase by 1.0%. Work has been carried out to estimate new business growth in the area and this was included in the calculation for the taxbase. More information on the Business Rates taxbase for 2017/18 is available in the report that was approved at Council on 15th December 2016.

7. The use of the Collection Fund Management Earmarked Reserve, to hold differences between the NNDR1 and the baseline budget, continues to provide an element of protection against future risks.

Available Data

8. The Council has gathered information from several sources to judge likely levels of economic growth including:
   a. Information from the business engagement team.
   b. Data from the Council's planning system.
   c. Data from the team working to generate capital receipts.
   d. Data from the Revenues collection service in terms of appeals and expected growth.
   e. Data from the valuation office.
   f. Financial Strategy & Reporting knowledge of the BRRS calculations.

Method

9. This available data has been reviewed to generate broad estimates of the potential increase in Rateable Value (RV) over the medium term.

10. An allowance has been made for the average impact of timing delays, on appeals, on other RV nearby (displacement) and likely loss of RV.

11. The end result has been converted to business rates and processed via a BRRS model developed and maintained by Strategy Finance.

12. This model also takes account of any impact of pooling or additional growth retention (from being a pilot for the new 100% growth retention scheme).

Results

13. **Table 1** sets out the results.

14. As expected there is more knowledge around likely local developments in the first two years.

15. Retained rate income forecast from growth in the taxbase for 2017/18 is forecast to be £2m. After the central share and levy payments have been made it results in a net increase for Cheshire East of £0.78m as per **Table 1**.

16. The mix of data sources and balance of results provides a good indication that this methodology is creating a reliable baseline for future estimates in this area. Therefore the prudent estimate of **£0.5m** growth per annum (incremental basis) has been factored into the medium term budget forecast based on the information below.

Table 1 - Estimated Increased Net Business Rates Income (incremental)

Business Type	2017/18 £m	2018/19 £m
Retail	0.31	1.13
Other	0.39	0.00
Manufacturing	0.52	0.18
Offices	0.73	0.00
Industrial	0.02	0.00
Leisure	0.07	0.00
Total Net Growth	**2.04**	**1.30**
Total Retention for Cheshire East	**0.78**	**0.75**

Source: Cheshire East Finance

7. The Budget Setting Process

Set Parameters	Gather Evidence	Consult and refine	Approve
May to June 2016	July 2016 to September 2016	November 2016 to January 2017	February 2017

Assumptions reported to Cabinet / Council in Feb 2016:

Revenue Budget 2017/18	£m	
Cost of services	261.6	→
Council Tax	-180.7	→
Government Funding	-72.0	→
Total	8.9	

Develop Pre-Budget Consultation:

Review Assumptions	£m	
Growth Pressures (including Pay, and demand growth)	+10.9	→
Draft Proposals for 2017/18	-11.2	→
Est Domestic Tax Base increases (new props / cts reduction)	-0.8	→
Estimated Non Domestic Tax Base increases	-0.5	
Increase in Council Tax charge (3.99%)	-7.8	→
ESG	+0.5	
Total	-8.9	

Changes post Pre-Budget Consultation:

Confirm Proposals	£m	
Proposed changes following consultation	+3.7	→
Tax base agreed / Council Tax increased by 4.99%	-1.8	→
Funding estimates further refined following Prov Settlement	-0.5	→
Use of Council Tax Surplus	-1.4	→
Total	0.0	

Budget Report:

Latest Position	£m
Cost of services	263.8
Council Tax	-191.1
Government Funding	-71.3
Council Tax Collection Fund	-1.4
Total	0.0

8. Grant Funding Details

Corporate Grants Register 2017/18	Revised Budget 2016/17 £000	Forecast 2017/18 £000	Forecast 2018/19 £000	Forecast 2019/20 £000
SPECIFIC USE (Held within Services)				
Schools				
Dedicated Schools Grant	246,241	255,016	255,373	255,373
Less Academy Recoupment	106,489	112,470	114,470	116,470
Dedicated Schools Grant (Cheshire East)	139,752	142,546	140,903	138,903
Pupil Premium Grant (maintained schools only)	4,366	4,366	4,366	4,366
Pupil Premium Plus (maintained schools only)	964	964	964	964
Sixth Form Funding (maintained schools only)	4,115	4,115	4,115	4,115
Physical Education Grant	774	774	774	774
Universal Infant Free School Meals	2,940	2,940	2,940	2,940
School Improvement Monitoring and Brokering Grant		169	290	290
SEND Implementation Grant	215	239		
High Needs Strategic Planning Fund	147			
Total Schools	**153,273**	**156,113**	**154,352**	**152,352**
Housing Benefit Subsidy	78,150	78,068	78,068	78,068
Public Health	17,258	16,833	16,395	15,969
TOTAL SPECIFIC USE	248,681	251,014	248,815	246,389

Corporate Grants Register 2017/18	Revised Budget 2016/17 £000	Forecast 2017/18 £000	Forecast 2018/19 £000	Forecast 2019/20 £000
GENERAL PURPOSE (Held Corporately)				
Central Funding				
Revenue Support Grant	26,340	13,415	5,416	0
PEOPLE - Children and Families				
Troubled Families	875	110	110	110
Troubled Families - Co-ordinator		85	85	85
Youth Justice Grant	264			
Youth Rehabilitation Order - Junior Attendance Centre	35			
Staying Put Grant	109			
Remand Funding	18			
PEOPLE - Adult Social Care and Independent Living				
Local Reform and Community Voices	198			
Independent Living Fund	948	917	888	861
Adult Social Care		1,457		
Social Care in Prison Grant	73			

Corporate Grants Register 2017/18	Revised Budget 2016/17 £000	Forecast 2017/18 £000	Forecast 2018/19 £000	Forecast 2019/20 £000
PLACE				
Skills Funding Agency	763	706	706	706
Extended Rights to Free Transport	118			
Capacity Support for Self Build and Custom House Building Register	6			
Property Search Fees New Burdens	22			
Lead Local Flood Authorities	1	14	15	16
CORPORATE - Customer Operations				
Housing Benefit and Council Tax Administration	1,336	1,209	1,209	1,209
NDR Admin Allowance	562	506	456	410
Business Rates Revaluation 2017 - S31 Grant Reimbursement	1			
CORPORATE - Chief Operating Officer				
New Homes Bonus / Affordable Homes - ALL YEARS	9,293	8,253	6,310	6,050
Education Services Grant	2,689			
Education Services Grant - Transitional Funding		678		
Transitional Funding	2,973	2,974		
Individual Electoral Registration	58			
Additional Election Funding	46			
Local Government Transparency Code 2016	13			
TOTAL GENERAL PURPOSE	**46,741**	**30,324**	**15,195**	**9,447**
TOTAL GRANT FUNDING	**295,422**	**281,338**	**264,010**	**255,836**

9. Capital Grants

	Prior Years Grant Received	Expected Receipt 2017/18	Application of Grants in 2017/18	Expected Receipt 2018/19	Application of Grants in 2018/19	Expected Receipt Future Years	Application of Grants in Future Years
	£000	£000	£000	£000	£000	£000	£000
SPECIFIC PURPOSE (Held Corporately)							
PEOPLE							
Adults Social Care							
Social Care Capital Grant	680		680				
Children's Social Care							
Short Breaks Disabled Children Grant	30		30				
Education and 14-19 Skills							
School Condition Grant 2017/18		2,774	2,774				
School Condition Grant 2018/19				2,774	2,774		
Department for Education Grant 17/18		150	150	4,250	4,250		
Capital Maintenance Grant 2014/15	2,000		2,000				
Capital Maintenance Grant 2015/16	3,144		3,144				
Universal Infant School Meals 2014/15	37		37				
Devolved Formula Capital 2016/17	541		541				
Devolved Formula Capital 2017/18		571	59		512		
Devolved Formula Capital 2018/19				571	21		550
Basic Need Grant 2015/16	1,914		1,914				
Basic Need Grant 2016/17	2,937		2,937				
Basic Need Grant 2017/18		6,286	2,344		3,942		
Basic Need Grant 2018/19				15,055	15,055		
TOTAL PEOPLE	11,283	9,781	16,610	22,650	26,554	0	550

	Prior Years Grant Received £000	Expected Receipt 2017/18 £000	Application of Grants in 2017/18 £000	Expected Receipt 2018/19 £000	Application of Grants in 2018/19 £000	Expected Receipt Future Years £000	Application of Grants in Future Years £000
SPECIFIC PURPOSE (Held Corporately)							
PLACE							
Growth and Regeneration							
Disabled Facilities Grant 2017/18		1,500	1,500				
Disabled Facilities Grant 2018/19				1,500	1,500		
Crewe Town Centre Regeneration / Local Growth Fund				3,075	3,075	6,925	6,925
Gypsy Traveller Sites/ Housing Communities Agency		900	900				
Rural and Green Infrastructure							
Rights of Way Improvement Plan Cycle/Walking Schemes		189	189				
Tatton Vision / Heritage Lottery Funding		782	782				
Client Commissioning							
Connecting Cheshire Phase 1 & 2 and Digital 2020 - Super Fast Broadband		1,663	1,663	3,300	3,300	3,100	3,100

	Prior Years Grant Received	Expected Receipt 2017/18	Application of Grants in 2017/18	Expected Receipt 2018/19	Application of Grants in 2018/19	Expected Receipt Future Years	Application of Grants in Future Years
	£000	£000	£000	£000	£000	£000	£000
Infrastructure and Highways							
A6 MARR CMM / Department for Transport		46	46	15	15		
A34 Corridor Improvements / Department for Transport				250	250	9,200	9,200
Archives				400	400	3,625	3,625
Crewe Green Roundabout / Local Growth Fund		1,773	1,773	1,527	1,527		
Crewe Transformation Project / Phase 3				6,000	6,000	2,368	2,368
Congleton Relief Road / Local Growth Fund		1,511	1,511	41,958	41,958	1,531	1,531
King Street Enhancement / Department for Transport				1,500	1,500		
Macclesfield Movement Strategy / Local Growth Fund	100		100				
NorthWest Crewe Package		600	600	1,900	1,900	16,000	16,000
Poynton Relief Road / Local Growth Fund		264	264	16,960	16,960	6,776	6,776
Sydney Road Bridge / Local Growth Fund				5,586	5,586		
Integrated Transport Block 2016/17 / Department for Transport	180		180				
Integrated Transport Block 2017/18 / Department for Transport		2,000	2,000				
Incentive Fund 2017/18 / Department for Transport		1,000	1,000				
Maintenance Block 2017/18 / Department for Transport		9,000	9,000				
Maintenance Block 2018/19 / Department for Transport				9,000	9,000		
Integrated Transport Block 2018/19 / Department for Transport				2,000	2,000		
Incentive Fund 2018/19 / Department for Transport				1,000	1,000		
Maintenance Block 2019/20 / Department for Transport						8,200	8,200
Integrated Transport Block 2019/20 / Department for Transport						2,000	2,000
Incentive Fund 2019/20 / Department for Transport						800	800
A500 Dualling		1,815	1,815	153	153		
TOTAL PLACE	**280**	**23,043**	**23,323**	**96,124**	**96,124**	**60,525**	**60,525**
TOTAL SPECIFIC PURPOSE - CAPITAL GRANT FUNDING	**11,563**	**32,824**	**39,933**	**118,774**	**122,678**	**60,525**	**61,075**

10. Minimum Revenue Provision

1. The annual Minimum Revenue Provision (MRP) Statement sets out the Council's responsibility to ensure it makes adequate provision for funding the consequences of its capital investment decisions.

2. Capital expenditure is expenditure that provides on-going benefits to the Council for a period of longer than one year. Accounting rules require that where this capital expenditure is not funded through external contributions, external grants, capital receipts or contributions from revenue budgets it must be charged against the Council's General Fund Balances. The period over which this charge is made should reflect the length of time that the expenditure will provide benefits to the Council.

3. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2012.

4. Prior to 2010 the major proportion of MRP relates to the more historic debt liability that was outstanding at the time the Guidance was adopted. This will continue to be charged at the rate of 4%, in accordance with Option 2 of the Guidance *(England and Wales).*

5. New capital expenditure for each subsequent year will in general be charged in accordance with Option 3 of the Guidance, which recommends that the annual charge should broadly equate to the anticipated life, or period of benefit, which is reflective of the nature of the expenditure. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

6. Charges to the revenue budget will commence in the year following the creation of the asset, i.e., in the asset's first full year of operation. This allows the Council to constantly review the most cost effective way of funding capital expenditure.

7. For those types of capital expenditure incurred by the Council which are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure.

8. For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

9. For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

10. The MRP Statement will be submitted to Council before the start of the 2017/18 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement will be put to Council at that time.

11. Prudential Borrowing Indicators

Prudential Indicators revisions to: 2016/17 and 2017/18 – 2019/20, and future years

Background

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.

Gross Debt and the Capital Financing Requirement

2. This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

3. If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with gross external debt.

4. The Chief Operating Officer reports that the Authority had no difficulty meeting this requirement in 2016/17, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

Estimates of Capital Expenditure

5. This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

Table 1 - Capital Expenditure	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	Future Years Estimate £m
Total	92.9	116.3	136.0	56.4	23.8

Source: Cheshire East Finance

6. Capital expenditure will be financed or funded as follows:

Table 2 - Capital Financing	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	Future Years Estimate £m
Capital Receipts	10.8	10.4	13.1	17.2	0.0
Government Grants	26.7	39.2	105.6	23.0	0.0
External Contributions	7.4	5.6	3.0	10.8	21.6
Revenue Contributions	1.1	0.6	0.0	0.0	0.0
Total Financing	**46.0**	**55.7**	**121.6**	**50.9**	**21.6**
Prudential Borrowing	46.9	60.6	14.3	5.5	2.2
Total Funding	**46.9**	**60.6**	**14.3**	**5.5**	**2.2**
Total Financing and Funding	**92.9**	**116.3**	**136.0**	**56.4**	**23.8**

Source: Cheshire East Finance

7. The above table shows how the capital expenditure plans of the Authority will be funded.

Ratio of Financing Costs to Net Revenue Stream

8. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

9. The ratio is based on costs net of investment income.

Table 3 - Ratio of Financing Costs to Net Revenue Stream	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
Total	5.65	5.67	5.59	5.60

Source: Cheshire East Finance

Capital Financing Requirement

10. The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

Table 4 - Capital Financing Requirement	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
Total	256	274	293	324

Source: Cheshire East Finance

Actual External Debt

11. This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit. Since 1 April 2009 the level of external debt has reduced by £28m from £137m.

Table 5 - Actual External Debt as at 31st March 2016	£m
Borrowing	109
Other Long-term Liabilities	30
Total	**139**

Source: Cheshire East Finance

Incremental Impact of Capital Investment Decisions

12. This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Table 6 - Incremental Impact of Capital Investment Decisions	2017/18 Estimate £	2018/19 Estimate £	2019/20 Estimate £
Band D Council Tax	12.15	15.17	7.30

Source: Cheshire East Finance

Authorised Limit and Operational Boundary for External Debt

13. The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.

14. The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

15. The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

16. The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

17. The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Table 7	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
Authorised Limit for Borrowing	240	260	275	310
Authorised Limit for Other Long-term Liabilities	30	28	27	25
Authorised Limit for External Debt	**270**	**288**	**302**	**335**
Operational Boundary for Borrowing	230	250	265	300
Operational Boundary for Other Long-term Liabilities	30	28	27	25
Authorised Limit for External Debt	**260**	**278**	**292**	**325**

Source: Cheshire East Finance

Adoption of the CIPFA Treasury Management Code

18. This indicator demonstrates that the Authority has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 23rd February 2012

19. The Authority has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

20. These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).

21. The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

Table 8	Existing Level (or Benchmark level) at 31/03/2017 %	2016/17 Approved %	2016/17 Revised %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100%	100%	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure	0%	100%	100%	100%	100%	100%

Source: Cheshire East Finance

22. The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by

expectations of anticipated interest rate movements as set out in the Authority's Treasury Management Strategy.

Maturity Structure of Fixed Rate borrowing

23. This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

24. It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

25. The Lenders Option Borrowers Option (LOBO) is classified as maturing on the next call date i.e. the earliest date that the lender can require repayment. As all LOBOs can be called within 12 months the upper limit for borrowing maturing within 12 months has remained at 35% to allow for the value of LOBOs and any potential short term borrowing that could be undertaken in 2015/16.

Table 9 - Maturity structure of fixed rate borrowing	Level as at 31st March 2017 (based on Current Borrowing) %	Lower Limit for 2017/18 %	Upper Limit for 2017/18 %
Under 12 months	23	0	35
12 months and within 24 months	6	0	25
24 months and within 5 years	11	0	35
5 years and within 10 years	0	0	50
10 years and within 20 years	26	0	100
20 years and within 30 years	9	0	100
30 years and within 40 years	23	0	100
40 years and within 50 years	2	0	100
50 years and above	0	0	100

Source: Cheshire East Finance

Credit Risk

26. The Authority considers security, liquidity and yield, in that order, when making investment decisions.

27. Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk.

28. The Authority also considers alternative assessments of credit strength, and information on corporate developments and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

The only indicators with prescriptive values remain credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

12. Financial Summary Tables

Note: the 2016/17 Budget, shown as the starting point in the following tables, takes account of any permanent changes made during the 2016/17 financial year to date. There may be differences from the budget position at the Three Quarter Year Review which includes both permanent and temporary budget changes. The table below summarises these changes. Further details are available on request.

Service	Current Net Budget 2016/17 at Three Quarter Review £m	Less Temporary Specific Grants Allocations £m	Less Other Temporary In Year Budget Adjustments £m	Permenant Base Budget Carried Forward to 2017/18 £m	Virements since TQR £m	Permenant Base Budget Carried Forward to 2017/18 (adjusted) £m
SERVICE DIRECTORATES						
Directorate	0.8	0.0	0.0	0.8	9.2	10.0
Children's Social Care	32.0	-0.3	0.0	31.7	0.0	31.7
Education & 14-19 Skills	2.4	0.0	0.0	2.4	0.0	2.4
Prevention & Support	10.4	-0.8	-0.3	9.3	0.0	9.3
Adult Social Care	94.0	-0.1	-0.1	93.9	0.0	93.9
Public Health	0.0	0.0	0.0	0.0	0.0	0.0
Community & Partnerships	4.3	0.0	0.0	4.3	0.0	4.3
People	143.9	-1.2	-0.4	142.4	9.2	151.6

Service	Current Net Budget 2016/17 at Three Quarter Review £m	Less Temporary Specific Grants Allocations £m	Less Other Temporary In Year Budget Adjustments £m	Permenant Base Budget Carried Forward to 2017/18 £m	Virements since TQR £m	Permenant Base Budget Carried Forward to 2017/18 (adjusted) £m
SERVICE DIRECTORATES						
Directorate	0.4	0.0	0.0	0.4	0.0	0.4
Planning & Sustainable Development	0.6	-0.2	0.0	0.5	-0.1	0.4
Infrastructure & Highways (incl Car Parking)	22.4	-0.1	0.0	22.3	-9.3	13.0
Growth & Regeneration	6.1	-0.2	-0.1	5.8	0.1	5.9
Rural & Green Infrastructure	2.8	0.0	0.0	2.8	0.0	2.8
Place	32.3	-0.5	-0.1	31.7	-9.2	22.5
Directorate	0.1	0.0	0.4	0.6	0.0	0.6
Client Commissioning	29.5	0.0	0.0	29.5	0.1	29.6
Customer Operations	9.1	-0.1	0.0	9.1	0.0	9.1
Legal Services	4.4	0.0	0.0	4.4	0.0	4.4
Democratic Services	4.0	-0.1	0.0	3.9	0.0	3.9
Human Resources	2.7	0.0	0.0	2.7	0.0	2.7
Finance & Performance	3.2	0.0	0.0	3.2	0.0	3.2
Professional Services	13.9	0.0	0.0	13.9	0.0	13.9
ICT	6.7	0.0	0.0	6.7	0.0	6.7
Communications	0.6	0.0	0.0	0.6	0.0	0.6
Corporate	74.3	-0.2	0.5	74.6	0.1	74.7
Total Services Net Budget	**250.5**	**-1.8**	**0.0**	**248.7**	**0.1**	**248.8**

Note: £9.3m transferred from Place to People for share of Transport budget

Cheshire East Council Revenue Budget Summary — REVENUE

	2017/18 Budget Calculation			2018/19 Budget Calculation			2019/20 Budget Calculation		
	Previous Balance Brought Forward								
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
People	362,617	-211,014	**151,603**	369,192	-214,179	**155,013**	365,723	-212,080	**153,643**
Place	40,347	-17,889	**22,458**	39,707	-18,539	**21,168**	38,527	-19,079	**19,448**
Corporate	187,565	-112,871	**74,694**	185,305	-112,821	**72,484**	184,695	-112,821	**71,874**
Base Budget	**590,529**	**-341,774**	**248,755**	**594,204**	**-345,539**	**248,665**	**588,945**	**-343,980**	**244,965**
	Changes to Budget Requirement								
People	6,575	-3,165	**3,410**	-3,469	2,099	**-1,370**	-2,566	2,326	**-240**
Place	-640	-650	**-1,290**	-1,180	-540	**-1,720**	-770	-310	**-1,080**
Corporate	-2,260	50	**-2,210**	-610	0	**-610**	460	0	**460**
Financial Impact of Policy Proposals	**3,675**	**-3,765**	**-90**	**-5,259**	**1,559**	**-3,700**	**-2,876**	**2,016**	**-860**
Total Cost of Service	**594,204**	**-345,539**	**248,665**	**588,945**	**-343,980**	**244,965**	**586,069**	**-341,964**	**244,105**

Executive Director Summary: People — REVENUE

	2017/18 Budget Calculation			2018/19 Budget Calculation			2019/20 Budget Calculation		
	Previous Balance Brought Forward								
	Expenditure £000	**Income £000**	**Net £000**	**Expenditure £000**	**Income £000**	**Net £000**	**Expenditure £000**	**Income £000**	**Net £000**
Schools	153,273	-153,273	**0**	156,113	-156,113	**0**	154,352	-154,352	**0**
Directorate	11,122	-1,100	**10,022**	10,262	-1,000	**9,262**	10,362	-1,000	**9,362**
Strategic Director Adult Social Care, Health and Communities	151,824	-53,634	**98,190**	155,019	-53,889	**101,130**	153,591	-53,551	**100,040**
Children's Social Care	33,289	-1,586	**31,703**	35,029	-1,696	**33,333**	34,649	-1,696	**32,953**
Education and 14-19 Skills	3,411	-1,027	**2,384**	3,271	-1,067	**2,204**	3,271	-1,067	**2,204**
Children's Prevention and Support	9,698	-394	**9,304**	9,498	-414	**9,084**	9,498	-414	**9,084**
Base Budget	**362,617**	**-211,014**	**151,603**	**369,192**	**-214,179**	**155,013**	**365,723**	**-212,080**	**153,643**
	Changes to Budget Requirement								
Schools	2,840	-2,840	**0**	-1,761	1,761	**0**	-2,000	2,000	**0**
Directorate	-860	100	**-760**	100	0	**100**	1,350	0	**1,350**
Strategic Director Adult Social Care, Health and Communities	3,195	-255	**2,940**	-1,428	338	**-1,090**	-1,916	326	**-1,590**
Children's Social Care	1,740	-110	**1,630**	-380	0	**-380**	0	0	**0**
Education and 14-19 Skills	-140	-40	**-180**	0	0	**0**	0	0	**0**
Children's Prevention and Support	-200	-20	**-220**	0	0	**0**	0	0	**0**
Financial Impact of Policy Proposals	**6,575**	**-3,165**	**3,410**	**-3,469**	**2,099**	**-1,370**	**-2,566**	**2,326**	**-240**
Total Cost of Service	**369,192**	**-214,179**	**155,013**	**365,723**	**-212,080**	**153,643**	**363,157**	**-209,754**	**153,403**

Schools: Grant Funded Expenditure (Memorandum Page) REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Dedicated Schools Grant (DSG) Allocation before Academy School Block recoupment	3	246,241		**246,241**	255,016		**255,016**	255,373		**255,373**
Academy Schools Block Recoupment	3	-106,489		**-106,489**	-112,470		**-112,470**	-114,470		**-114,470**
Pupil Premium Grant (maintained schools only)	3	4,366		**4,366**	4,366		**4,366**	4,366		**4,366**
Pupil Premium Plus (maintained schools only)	3	964		**964**	964		**964**	964		**964**
Sixth Form Funding (maintained schools only)	3	4,115		**4,115**	4,115		**4,115**	4,115		**4,115**
Physical Education Grant	3	774		**774**	774		**774**	774		**774**
Universal Infant Free School Meals	3	2,940		**2,940**	2,940		**2,940**	2,940		**2,940**
School Improvement Monitoring and Brokering Grant	3			**0**	169		**169**	290		**290**
SEND Implementation Grant	3	215		**215**	239		**239**			**0**
High Needs Strategic Planning Fund		147		**147**			**0**			**0**
DSG and Specific Grants Budget		**153,273**	**0**	**153,273**	**156,113**	**0**	**156,113**	**154,352**	**0**	**154,352**
Changes to Budget Requirement										
DSG Growth - Schools Block	3	8,991		**8,991**	-4,653		**-4,653**			**0**
DSG Growth - New Central Schools Block	3			**0**	2,901		**2,901**			**0**
DSG Growth - Early Years Block 3-4 Year Old's	3	263		**263**			**0**			**0**
DSG Growth - Early Years Block Additional 15 hours	3	2,953		**2,953**	2,109		**2,109**			**0**
DSG Reduction - Early Years Block Pupil Premium	3	-92		**-92**			**0**			**0**
DSG Growth - Early Years Block 2 Year Old's	3	188		**188**			**0**			**0**
DSG Growth - Early Years Block Disability Access Fund	3	62		**62**			**0**			**0**
DSG Growth - High Needs Block	3	-2,450		**-2,450**			**0**			**0**
ESG Retained Duties funded through DSG	3	773		**773**			**0**			**0**
High Needs Place deductions (movement)	3	-1,846		**-1,846**			**0**			**0**
In Year Academy Conversions	3	-6,048		**-6,048**	-2,000		**-2,000**	-2,000		**-2,000**
SEND Implementation Grant	3	24		**24**	-239		**-239**			**0**
High Needs Strategic Planning Fund	3	-147		**-147**			**0**			**0**
School Improvement Grant	3	169		**169**	121		**121**			**0**
Financial Impact of Policy Proposals		**2,840**	**0**	**2,840**	**-1,761**	**0**	**-1,761**	**-2,000**	**0**	**-2,000**
Total Cost of Service		**156,113**	**0**	**156,113**	**154,352**	**0**	**154,352**	**152,352**	**0**	**152,352**

People Directorate — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Directorate - Children and Families	3 / 5	1,680	-1,100	**580**	2,380	-1,000	**1,380**	1,380	-1,000	**380**
Directorate - Communities	1	139		**139**	139		**139**	139		**139**
Directorate - Client Commissioning: Transport	3	9,303		**9,303**	8,913		**8,913**	8,503		**8,503**
Directorate - Cross Cutting	1 / 3 / 5	0		**0**	-1,170		**-1,170**	340		**340**
Base Budget		**11,122**	**-1,100**	**10,022**	**10,262**	**-1,000**	**9,262**	**10,362**	**-1,000**	**9,362**
Changes to Budget Requirement										
Directorate - Children and Families:										
Complex Dependency Programme	3 / 5		100	**100**			**0**			**0**
End of Early Intervention short term funding allocation (non Public Health element)	3 / 5			**0**	-1,000		**-1,000**			**0**
Cared for Children and Care Leavers	3 / 5	700		**700**			**0**			**0**
Transport policy review	3	-390		**-390**	-410		**-410**	-160		**-160**
***Cross Service Savings:**										
Car Mileage	6	-60		**-60**			**0**			**0**
Staff Travel	6	-90		**-90**			**0**			**0**
Post and Print	6	-70		**-70**			**0**			**0**
Productivity	6	-2,100		**-2,100**			**0**			**0**
Contracts	6	-560		**-560**			**0**			**0**
Pay and Pensions	6	1,510		**1,510**	1,510		**1,510**	1,510		**1,510**
Apprenticeship Levy	6	200		**200**			**0**			**0**
Financial Impact of Policy Proposals		**-860**	**100**	**-760**	**100**	**0**	**100**	**1,350**	**0**	**1,350**
Total Cost of Service		**10,262**	**-1,000**	**9,262**	**10,362**	**-1,000**	**9,362**	**11,712**	**-1,000**	**10,712**

* To be allocated out over People services

Strategic Director Adult Social Care, Health and Communities Summary — REVENUE

		2017/18 Budget Calculation			2018/19 Budget Calculation			2019/20 Budget Calculation		
		Previous Balance Brought Forward								
	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Adult Social Care - Operations	5	127,161	-34,774	**92,387**	130,851	-35,274	**95,577**	129,941	-35,374	**94,567**
Adult Social Care - Commissioning	5	1,480	0	**1,480**	1,480	0	**1,480**	1,480	0	**1,480**
Public Health	5	17,549	-17,549	**0**	17,124	-17,124	**0**	16,686	-16,686	**0**
Communities	1	5,634	-1,311	**4,323**	5,564	-1,491	**4,073**	5,484	-1,491	**3,993**
Base Budget		**151,824**	**-53,634**	**98,190**	**155,019**	**-53,889**	**101,130**	**153,591**	**-53,551**	**100,040**
		Changes to Budget Requirement								
Adult Social Care - Operations	5	3,690	-500	**3,190**	-910	-100	**-1,010**	-1,490	-100	**-1,590**
Adult Social Care - Commissioning	5	0	0	**0**	0	0	**0**	0	0	**0**
Public Health	5	-425	425	**0**	-438	438	**0**	-426	426	**0**
Communities	1	-70	-180	**-250**	-80	0	**-80**	0	0	**0**
Financial Impact of Policy Proposals		**3,195**	**-255**	**2,940**	**-1,428**	**338**	**-1,090**	**-1,916**	**326**	**-1,590**
Total Cost of Service		**155,019**	**-53,889**	**101,130**	**153,591**	**-53,551**	**100,040**	**151,675**	**-53,225**	**98,450**

Adult Social Care - Operations and Commissioning — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Adult Social Care	5	13,888	-418	**13,470**	13,598	-418	**13,180**	13,698	-418	**13,280**
Adults Commissioning	5	1,480	0	**1,480**	1,480	0	**1,480**	1,480	0	**1,480**
Care packages	5	81,095	-19,837	**61,258**	86,275	-20,337	**65,938**	86,765	-20,437	**66,328**
Care4CE (Internal Care Provision)	5	17,422	-1,500	**15,922**	16,222	-1,500	**14,722**	14,722	-1,500	**13,222**
Prevention	5	11,050	-5,879	**5,171**	11,050	-5,879	**5,171**	11,050	-5,879	**5,171**
Better Care Fund	5	2,595	-7,140	**-4,545**	2,595	-7,140	**-4,545**	2,595	-7,140	**-4,545**
Care Act Funding	5	1,111	0	**1,111**	1,111	0	**1,111**	1,111	0	**1,111**
Base Budget		**128,641**	**-34,774**	**93,867**	**132,331**	**-35,274**	**97,057**	**131,421**	**-35,374**	**96,047**
Changes to Budget Requirement										
Deprivation of Liberty Safeguards	5	-190		**-190**			**0**			**0**
Commissioning all services currently provided by our in-house provider Care4CE	5	-1,200		**-1,200**	-1,500		**-1,500**	-1,500		**-1,500**
Increase Income	5		-500	**-500**		-100	**-100**		-100	**-100**
Operational Pathway Redesign	5	-940		**-940**	-440		**-440**			**0**
Growing Demand in Adult Social Care	5	6,700		**6,700**	960		**960**	40		**40**
Reducing Agency Spend	5	-100		**-100**	100		**100**			**0**
Commissioning Ideas	5	-550		**-550**			**0**			**0**
Independent Living Fund - Attrition Factor Reductions	5	-30		**-30**	-30		**-30**	-30		**-30**
Financial Impact of Policy Proposals		**3,690**	**-500**	**3,190**	**-910**	**-100**	**-1,010**	**-1,490**	**-100**	**-1,590**
Total Cost of Service		**132,331**	**-35,274**	**97,057**	**131,421**	**-35,374**	**96,047**	**129,931**	**-35,474**	**94,457**

Public Health — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Public Health	5	17,549	-17,549	**0**	17,124	-17,124	**0**	16,686	-16,686	**0**
Base Budget		**17,549**	**-17,549**	**0**	**17,124**	**-17,124**	**0**	**16,686**	**-16,686**	**0**
Changes to Budget Requirement										
Reduction in Grant funding		-425	425	**0**	-438	438	**0**	-426	426	**0**
Financial Impact of Policy Proposals		**-425**	**425**	**0**	**-438**	**438**	**0**	**-426**	**426**	**0**
Total Cost of Service		**17,124**	**-17,124**	**0**	**16,686**	**-16,686**	**0**	**16,260**	**-16,260**	**0**

Communities — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Regulatory Services and Health	1	2,562	-970	**1,592**	2,552	-1,150	**1,402**	2,552	-1,150	**1,402**
Partnerships and Communities	1	3,072	-341	**2,731**	3,012	-341	**2,671**	2,932	-341	**2,591**
Base Budget		**5,634**	**-1,311**	**4,323**	**5,564**	**-1,491**	**4,073**	**5,484**	**-1,491**	**3,993**
Changes to Budget Requirement										
Public Health Funding for specialist environmental health team	1		-180	**-180**			**0**			**0**
Cessation of the Regulatory Services Out of Hours Service	1	-10		**-10**			**0**			**0**
Council Tax Support Grant as agreed	1	-150		**-150**			**0**			**0**
Review Environmental Enforcement Service based on outcomes (Summer 17) of Flytipping pilot and procurement of patrol company pilot	1			**0**	-120		**-120**			**0**
Transfer of CEC managed community centres to local management arrangements	1	-20		**-20**			**0**			**0**
CCTV Fibres	1	30		**30**			**0**			**0**
GTLO Court Costs	1	20		**20**			**0**			**0**
Increase Community Grants	1	60		**60**	40		**40**			**0**
Financial Impact of Policy Proposals		**-70**	**-180**	**-250**	**-80**	**0**	**-80**	**0**	**0**	**0**
Total Cost of Service		**5,564**	**-1,491**	**4,073**	**5,484**	**-1,491**	**3,993**	**5,484**	**-1,491**	**3,993**

Children's Social Care — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Social Care - Cared for Children	5	22,265	-1,116	**21,149**	24,205	-1,226	**22,979**	23,875	-1,226	**22,649**
Social Care - Child Protection / Children in Need	5	5,523		**5,523**	5,523		**5,523**	5,523		**5,523**
Safeguarding incl Domestic Abuse	5	3,291	-470	**2,821**	3,241	-470	**2,771**	3,241	-470	**2,771**
Children's Commissioning	5	1,578		**1,578**	1,428		**1,428**	1,378		**1,378**
Head of Service	5	632		**632**	632		**632**	632		**632**
Base Budget		**33,289**	**-1,586**	**31,703**	**35,029**	**-1,696**	**33,333**	**34,649**	**-1,696**	**32,953**
Changes to Budget Requirement										
Social Care										
Sub-regional collaborations	3	-100		**-100**	-130		**-130**			**0**
Redesign of short break provision for children with disabilities	3	-100		**-100**	-200		**-200**			**0**
Housing related accommodation and support facilities	5	80		**80**			**0**			**0**
Cared for Children & Care Leavers	5	2,100		**2,100**			**0**			**0**
Realignment of Children's Services funding streams and review of policy around charges and exemptions in relation to Children's Social Care	5	-40	-110	**-150**			**0**			**0**
Safeguarding							**0**			**0**
Sub-regional collaborations or efficiency	5	-50		**-50**			**0**			**0**
Children's Commissioning										
Creating efficiencies in Children's Commissioned Services	3	-150		**-150**	-50		**-50**			**0**
Financial Impact of Policy Proposals		**1,740**	**-110**	**1,630**	**-380**	**0**	**-380**	**0**	**0**	**0**
Total Cost of Service		**35,029**	**-1,696**	**33,333**	**34,649**	**-1,696**	**32,953**	**34,649**	**-1,696**	**32,953**

Education and 14-19 Skills — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Head of Service and Legacy Pension Costs	3	2,193		**2,193**	2,193	-40	**2,153**	2,193	-40	**2,153**
Education Participation and Pupil Support	3	640	-51	**589**	500	-51	**449**	500	-51	**449**
Education Infrastructure & Outcomes	3	578	-976	**-398**	578	-976	**-398**	578	-976	**-398**
Base Budget		**3,411**	**-1,027**	**2,384**	**3,271**	**-1,067**	**2,204**	**3,271**	**-1,067**	**2,204**
Changes to Budget Requirement										
Realignment of Children's Services funding streams and review of policy around charges and exemptions in relation to Children's Social Care	3	-110	-40	**-150**			**0**			**0**
Redesign of service provision for children with disabilities	3	-30		**-30**			**0**			**0**
Financial Impact of Policy Proposals		**-140**	**-40**	**-180**	**0**	**0**	**0**	**0**	**0**	**0**
Total Cost of Service		**3,271**	**-1,067**	**2,204**	**3,271**	**-1,067**	**2,204**	**3,271**	**-1,067**	**2,204**

Children's Prevention and Support — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Early Intervention and Prevention	3	7,514	-81	**7,433**	7,464	-101	**7,363**	7,464	-101	**7,363**
Youth Engagement Service	3	1,135	-63	**1,072**	1,045	-63	**982**	1,045	-63	**982**
Children's Development and Partnerships	3 / 5	299	-250	**49**	239	-250	**-11**	239	-250	**-11**
SEND / Education Psychologists	3	750	0	**750**	750	0	**750**	750	0	**750**
Base Budget		**9,698**	**-394**	**9,304**	**9,498**	**-414**	**9,084**	**9,498**	**-414**	**9,084**
Changes to Budget Requirement										
Early Intervention and Prevention										
Early Help and Prevention Management Review	3	-50	-20	**-70**			**0**			**0**
Youth Engagement Service										
Early Help and Prevention Management Review	3	-90		**-90**			**0**			**0**
Children's Development and Partnerships										
Sub-regional collaborations	3	-60		**-60**			**0**			**0**
Financial Impact of Policy Proposals		**-200**	**-20**	**-220**	**0**	**0**	**0**	**0**	**0**	**0**
Total Cost of Service		**9,498**	**-414**	**9,084**	**9,498**	**-414**	**9,084**	**9,498**	**-414**	**9,084**

Executive Director Summary: Place — REVENUE

	2017/18 Budget Calculation			2018/19 Budget Calculation			2019/20 Budget Calculation		
	Previous Balance Brought Forward								
	Expenditure £000	**Income £000**	**Net £000**	**Expenditure £000**	**Income £000**	**Net £000**	**Expenditure £000**	**Income £000**	**Net £000**
Directorate	365	0	**365**	-1,995	0	**-1,995**	-1,535	0	**-1,535**
Planning and Sustainable Development	5,482	-5,074	**408**	6,582	-5,074	**1,508**	6,802	-5,074	**1,728**
Infrastructure and Highways	17,713	-4,678	**13,035**	18,843	-5,098	**13,745**	17,213	-5,098	**12,115**
Growth and Regeneration	9,252	-3,347	**5,905**	8,892	-3,647	**5,245**	8,692	-4,147	**4,545**
Rural and Green Infrastructure	7,535	-4,790	**2,745**	7,385	-4,720	**2,665**	7,355	-4,760	**2,595**
Base Budget	**40,347**	**-17,889**	**22,458**	**39,707**	**-18,539**	**21,168**	**38,527**	**-19,079**	**19,448**
	Changes to Budget Requirement								
Directorate	-2,360	0	**-2,360**	460	0	**460**	460	0	**460**
Planning and Sustainable Development	1,100	0	**1,100**	220	0	**220**	-1,000	0	**-1,000**
Infrastructure and Highways	1,130	-420	**710**	-1,630	0	**-1,630**	-50	0	**-50**
Growth and Regeneration	-360	-300	**-660**	-200	-500	**-700**	-100	-250	**-350**
Rural and Green Infrastructure	-150	70	**-80**	-30	-40	**-70**	-80	-60	**-140**
Financial Impact of Policy Proposals	**-640**	**-650**	**-1,290**	**-1,180**	**-540**	**-1,720**	**-770**	**-310**	**-1,080**
Total Cost of Service	**39,707**	**-18,539**	**21,168**	**38,527**	**-19,079**	**19,448**	**37,757**	**-19,389**	**18,368**

Place Direcorate — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Directorate	2	365		**365**	365		**365**	365		**365**
Directorate - Cross Cutting	2 / 4	0		**0**	-2,360		**-2,360**	-1,900		**-1,900**
Base Budget		**365**	**0**	**365**	**-1,995**	**0**	**-1,995**	**-1,535**	**0**	**-1,535**
Changes to Budget Requirement										
***Cross Service Savings:**										
Car Mileage	6	-10		**-10**			**0**			**0**
Staff Travel	6	-20		**-20**			**0**			**0**
Post and Print	6	-50		**-50**			**0**			**0**
Productivity	6	-1,500		**-1,500**			**0**			**0**
Contracts	6	-1,300		**-1,300**			**0**			**0**
Pay and Pensions	6	460		**460**	460		**460**	460		**460**
Apprenticeship Levy	6	60		**60**			**0**			**0**
Financial Impact of Policy Proposals		**-2,360**	**0**	**-2,360**	**460**	**0**	**460**	**460**	**0**	**460**
Total Cost of Service		**-1,995**	**0**	**-1,995**	**-1,535**	**0**	**-1,535**	**-1,075**	**0**	**-1,075**

* to be allocated out over Place services

Planning and Sustainable Development — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Director of Planning and Sustainable Development	4	312		**312**	312		**312**	312		**312**
Spatial Planning	4	612	-20	**592**	1,422	-20	**1,402**	1,642	-20	**1,622**
Neighbourhood Planning	4	117	-86	**31**	117	-86	**31**	117	-86	**31**
Development Management	4	2,650	-3,213	**-563**	2,940	-3,213	**-273**	2,940	-3,213	**-273**
Building Control	4		-1,755	**-1,755**		-1,755	**-1,755**		-1,755	**-1,755**
Client Commissioning - Civicance	4	1,791		**1,791**	1,791		**1,791**	1,791		**1,791**
Base Budget		**5,482**	**-5,074**	**408**	**6,582**	**-5,074**	**1,508**	**6,802**	**-5,074**	**1,728**
Changes to Budget Requirement										
Planning reserve for Spatial Planning	4	680		**680**	220		**220**	-900		**-900**
Planning reserve for Development Management	4	100		**100**			**0**	-100		**-100**
Planning and Sustainable Development Budget Realignment (Spatial Planning)	4	130		**130**			**0**			**0**
Planning and Sustainable Development Budget Realignment (Development Management)	4	190		**190**			**0**			**0**
Financial Impact of Policy Proposals		**1,100**	**0**	**1,100**	**220**	**0**	**220**	**-1,000**	**0**	**-1,000**
Total Cost of Service		**6,582**	**-5,074**	**1,508**	**6,802**	**-5,074**	**1,728**	**5,802**	**-5,074**	**728**

Infrastructure and Highways — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Highways	4	10,963		**10,963**	10,923		**10,923**	10,873		**10,873**
Strategic Infrastructure	2	498		**498**	498		**498**	498		**498**
Car Parking	2	1,174	-4,678	**-3,504**	1,494	-5,098	**-3,604**	1,494	-5,098	**-3,604**
Client Commissioning - Transport	2	5,078		**5,078**	5,928		**5,928**	4,348		**4,348**
Base Budget		**17,713**	**-4,678**	**13,035**	**18,843**	**-5,098**	**13,745**	**17,213**	**-5,098**	**12,115**
Changes to Budget Requirement										
Increased Parking Enforcement	2	320	-420	**-100**			**0**			**0**
Reduce subsidised Bus Service	2			**0**	-1,580		**-1,580**			**0**
Street Lighting improvements	4	-50		**-50**	-50		**-50**	-50		**-50**
Increased support re GHA coaches	2	850		**850**			**0**			**0**
Lead Local Authority Flood Grant Funding	4	10		**10**			**0**			**0**
Financial Impact of Policy Proposals		**1,130**	**-420**	**710**	**-1,630**	**0**	**-1,630**	**-50**	**0**	**-50**
Total Cost of Service		**18,843**	**-5,098**	**13,745**	**17,213**	**-5,098**	**12,115**	**17,163**	**-5,098**	**12,065**

Growth and Regeneration — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Assets	2	2,214	-1,993	**221**	2,214	-2,243	**-29**	2,214	-2,743	**-529**
Regeneration	2	716	-175	**541**	716	-175	**541**	716	-175	**541**
Strategic Housing	5	3,242	-482	**2,760**	3,202	-532	**2,670**	3,202	-532	**2,670**
Farms	2	320	-697	**-377**	320	-697	**-377**	320	-697	**-377**
Skills and Lifelong Learning	2	982		**982**	862		**862**	862		**862**
Client Commissioning - Skills and Growth	2	1,778		**1,778**	1,578		**1,578**	1,378		**1,378**
Base Budget		**9,252**	**-3,347**	**5,905**	**8,892**	**-3,647**	**5,245**	**8,692**	**-4,147**	**4,545**
Changes to Budget Requirement										
Create a new Investment Portfolio	2		-250	**-250**		-500	**-500**		-250	**-250**
Removal of one off investment Empty Homes Review	2	-40		**-40**			**0**			**0**
Lifelong Learning	2	-120		**-120**			**0**			**0**
Home Adaptations	5		-50	**-50**			**0**			**0**
Removal of one off investment in Skills and Growth	2	-200		**-200**	-200		**-200**	-100		**-100**
Financial Impact of Policy Proposals		**-360**	**-300**	**-660**	**-200**	**-500**	**-700**	**-100**	**-250**	**-350**
Total Cost of Service		**8,892**	**-3,647**	**5,245**	**8,692**	**-4,147**	**4,545**	**8,592**	**-4,397**	**4,195**

Rural and Green Infrastructure — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Visitor Economy	2	491	-194	**297**	301	-4	**297**	261	-4	**257**
Cultural Economy	2	1,005	-74	**931**	975	-84	**891**	985	-84	**901**
Tatton Park	2	4,590	-4,244	**346**	4,590	-4,284	**306**	4,590	-4,324	**266**
Public Rights of Way	2	478	-83	**395**	548	-153	**395**	548	-153	**395**
Countryside	2	971	-195	**776**	971	-195	**776**	971	-195	**776**
Base Budget		**7,535**	**-4,790**	**2,745**	**7,385**	**-4,720**	**2,665**	**7,355**	**-4,760**	**2,595**
Changes to Budget Requirement										
Tatton Vision Phase 1	2		-40	**-40**		-40	**-40**		-40	**-40**
Cheshire East Reflects	2	-10		**-10**	20		**20**	-50		**-50**
Reduce Archive Shared Service	2	-20		**-20**			**0**			**0**
Increase Public Rights of Way Fees and Charges	2	70	-70	**0**			**0**		-20	**-20**
Increase Events Management Income	2		-10	**-10**			**0**			**0**
Reduce funding to Macclesfield Silk Heritage Trust	2			**0**	-10		**-10**			**0**
Transfer of Visitor Information Centres to Town Councils	2	-190	190	**0**	-20		**-20**	-30		**-30**
Marketing Cheshire	2			**0**	-20		**-20**			**0**
Financial Impact of Policy Proposals		**-150**	**70**	**-80**	**-30**	**-40**	**-70**	**-80**	**-60**	**-140**
Total Cost of Service		**7,385**	**-4,720**	**2,665**	**7,355**	**-4,760**	**2,595**	**7,275**	**-4,820**	**2,455**

Executive Director Summary: Corporate — REVENUE

	2017/18 Budget Calculation			2018/19 Budget Calculation			2019/20 Budget Calculation		
	Previous Balance Brought Forward								
	Expenditure £000	**Income £000**	**Net £000**	**Expenditure £000**	**Income £000**	**Net £000**	**Expenditure £000**	**Income £000**	**Net £000**
Directorate	602	0	**602**	-2,208	0	**-2,208**	-2,168	0	**-2,168**
Legal Services	5,932	-1,534	**4,398**	5,932	-1,534	**4,398**	5,932	-1,534	**4,398**
Customer Operations	92,888	-83,810	**9,078**	93,138	-83,830	**9,308**	93,088	-83,830	**9,258**
Finance and Performance	4,076	-872	**3,204**	4,076	-872	**3,204**	4,076	-872	**3,204**
Human Resources	3,594	-875	**2,719**	3,594	-875	**2,719**	3,594	-875	**2,719**
Professional Services	16,048	-2,126	**13,922**	16,048	-2,126	**13,922**	16,048	-2,126	**13,922**
Democratic Services	5,047	-1,186	**3,861**	5,047	-1,186	**3,861**	5,047	-1,186	**3,861**
ICT Services	25,844	-19,104	**6,740**	25,844	-19,104	**6,740**	25,844	-19,104	**6,740**
Communications	753	-128	**625**	753	-128	**625**	753	-128	**625**
Client Commissioning	32,781	-3,236	**29,545**	33,081	-3,166	**29,915**	32,481	-3,166	**29,315**
Base Budget	**187,565**	**-112,871**	**74,694**	**185,305**	**-112,821**	**72,484**	**184,695**	**-112,821**	**71,874**
	Changes to Budget Requirement								
Directorate	-2,810	0	**-2,810**	40	0	**40**	850	0	**850**
Legal Services	0	0	**0**	0	0	**0**	0	0	**0**
Customer Operations	250	-20	**230**	-50	0	**-50**	10	0	**10**
Finance and Performance	0	0	**0**	0	0	**0**	0	0	**0**
Human Resources	0	0	**0**	0	0	**0**	0	0	**0**
Professional Services	0	0	**0**	0	0	**0**	0	0	**0**
Democratic Services	0	0	**0**	0	0	**0**	0	0	**0**
ICT Services	0	0	**0**	0	0	**0**	0	0	**0**
Communications	0	0	**0**	0	0	**0**	0	0	**0**
Client Commissioning	300	70	**370**	-600	0	**-600**	-400	0	**-400**
Financial Impact of Policy Proposals	**-2,260**	**50**	**-2,210**	**-610**	**0**	**-610**	**460**	**0**	**460**
Total Cost of Service	**185,305**	**-112,821**	**72,484**	**184,695**	**-112,821**	**71,874**	**185,155**	**-112,821**	**72,334**

Corporate Directorate — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Executive Director - Corporate	6	389	0	**389**	389	0	**389**	389	0	**389**
Transitional funding	1	473	0	**473**	3	0	**3**	3	0	**3**
Directorate - Cross Cutting	1 / 4 / 6	0	0	**0**	-1,540	0	**-1,540**	-1,500	0	**-1,500**
Corporate Unallocated	6	-260	0	**-260**	-1,060	0	**-1,060**	-1,060	0	**-1,060**
Base Budget		**602**	**0**	**602**	**-2,208**	**0**	**-2,208**	**-2,168**	**0**	**-2,168**
Changes to Budget Requirement										
Removal transitional funding	3 / 5	-470		**-470**			**0**			**0**
Reduce costs of core processes (Oracle system review)	6			**0**	-250		**-250**	-250		**-250**
Digital Customer Services	6			**0**	-1,260		**-1,260**	-450		**-450**
ESG Funded services to be transferred to DSG (to be determined)	6	-800		**-800**						
***Cross Service Savings:**										
Car Mileage	6	-30		**-30**			**0**			**0**
Staff Travel	6	-40		**-40**			**0**			**0**
Post and Print	6	-130		**-130**			**0**			**0**
Productivity	6	-1,400		**-1,400**			**0**			**0**
Contracts	6	-1,690		**-1,690**			**0**			**0**
Pay and Pensions	6	1,550		**1,550**	1,550		**1,550**	1,550		**1,550**
Apprenticeship Levy	6	200		**200**			**0**			**0**
Financial Impact of Policy Proposals		**-2,810**	**0**	**-2,810**	**40**	**0**	**40**	**850**	**0**	**850**
Total Cost of Service		**-2,208**	**0**	**-2,208**	**-2,168**	**0**	**-2,168**	**-1,318**	**0**	**-1,318**

* to be allocated out over Corporate services

Legal Services — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Monitoring Officer	6	155	0	**155**	155	0	**155**	155	0	**155**
Legal Services	6	2,182	-457	**1,725**	2,182	-457	**1,725**	2,182	-457	**1,725**
Audit	6	496	-31	**465**	496	-31	**465**	496	-31	**465**
Risk Management	6	68	0	**68**	68	0	**68**	68	0	**68**
Insurance	6	2,491	-1,046	**1,445**	2,491	-1,046	**1,445**	2,491	-1,046	**1,445**
Compliance	6	397	0	**397**	397	0	**397**	397	0	**397**
Scrutiny	6	143	0	**143**	143	0	**143**	143	0	**143**
Base Budget		**5,932**	**-1,534**	**4,398**	**5,932**	**-1,534**	**4,398**	**5,932**	**-1,534**	**4,398**
Changes to Budget Requirement										
No change proposals				**0**			**0**			**0**
Financial Impact of Policy Proposals		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Cost of Service		**5,932**	**-1,534**	**4,398**	**5,932**	**-1,534**	**4,398**	**5,932**	**-1,534**	**4,398**

Customer Operations — REVENUE

	Outcome Reference	2017/18 Budget Calculation			2018/19 Budget Calculation			2019/20 Budget Calculation		
		Previous Balance Brought Forward								
		Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Customer Services Management	6	153	0	**153**	153	0	**153**	153	0	**153**
Customer Services	6	2,322	-11	**2,311**	2,342	-11	**2,331**	2,342	-11	**2,331**
Library Services	6	3,828	-511	**3,317**	3,828	-511	**3,317**	3,828	-511	**3,317**
Revenues	6	1,567	-1,155	**412**	1,567	-1,155	**412**	1,567	-1,155	**412**
Benefits	6	84,091	-82,116	**1,975**	84,321	-82,116	**2,205**	84,271	-82,116	**2,155**
Service Development and Systems	6	759		**759**	759	0	**759**	759	0	**759**
Emergency Planning	6	168	-17	**151**	168	-37	**131**	168	-37	**131**
Base Budget		**92,888**	**-83,810**	**9,078**	**93,138**	**-83,830**	**9,308**	**93,088**	**-83,830**	**9,258**
		Changes to Budget Requirement								
Welfare Reform and Reducing Demand	6	-70		**-70**			**0**			**0**
Local Welfare Safety Net	6	300		**300**	-50		**-50**			**0**
Security at Crewe Customer Service Centre	6	20		**20**			**0**			**0**
Emergency Planning increased cost recovery	6		-20	**-20**			**0**			**0**
Universal Information and Advice Service	6			**0**			**0**	10		**10**
Financial Impact of Policy Proposals		**250**	**-20**	**230**	**-50**	**0**	**-50**	**10**	**0**	**10**
Total Cost of Service		**93,138**	**-83,830**	**9,308**	**93,088**	**-83,830**	**9,258**	**93,098**	**-83,830**	**9,268**

Finance and Performance — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Financial Strategy and Reporting	6	1,415	-64	**1,351**	1,415	-64	**1,351**	1,415	-64	**1,351**
Finance Partnering and Accountancy	6	1,707	-772	**935**	1,707	-772	**935**	1,707	-772	**935**
Projects Finance	6	254	-30	**224**	254	-30	**224**	254	-30	**224**
Performance Strategy and Reporting	6	52		**52**	52	0	**52**	52	0	**52**
Business Intelligence - People	6	337		**337**	337	0	**337**	337	0	**337**
Business Intelligence - Place and Corporate	6	311	-6	**305**	311	-6	**305**	311	-6	**305**
Base Budget		**4,076**	**-872**	**3,204**	**4,076**	**-872**	**3,204**	**4,076**	**-872**	**3,204**
Changes to Budget Requirement										
No change proposals				**0**			**0**			**0**
Financial Impact of Policy Proposals		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Cost of Service		**4,076**	**-872**	**3,204**	**4,076**	**-872**	**3,204**	**4,076**	**-872**	**3,204**

Human Resources — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Head of Human Resources	6	108		**108**	108		**108**	108		**108**
HR Strategy and Policy	6	228		**228**	228		**228**	228		**228**
Unison	6	124	-40	**84**	124	-40	**84**	124	-40	**84**
Health and Safety	6	318	-208	**110**	318	-208	**110**	318	-208	**110**
Occupational Health	6	210	-151	**59**	210	-151	**59**	210	-151	**59**
Organisational Development	6	495		**495**	495		**495**	495		**495**
Workforce Development	6	1,163	-61	**1,102**	1,163	-61	**1,102**	1,163	-61	**1,102**
HR Delivery Non-Schools	6	599	-15	**584**	599	-15	**584**	599	-15	**584**
HR Delivery Schools	6	349	-400	**-51**	349	-400	**-51**	349	-400	**-51**
Base Budget		**3,594**	**-875**	**2,719**	**3,594**	**-875**	**2,719**	**3,594**	**-875**	**2,719**
Changes to Budget Requirement										
No change proposals				**0**			**0**			**0**
Financial Impact of Policy Proposals		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Cost of Service		**3,594**	**-875**	**2,719**	**3,594**	**-875**	**2,719**	**3,594**	**-875**	**2,719**

Professional Services — REVENUE

	Outcome Reference	2017/18 Budget Calculation			2018/19 Budget Calculation			2019/20 Budget Calculation		
		Previous Balance Brought Forward								
		Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Procurement	6	565	-127	**438**	565	-127	**438**	565	-127	**438**
Facilities Management	6	13,645	-1,301	**12,344**	13,645	-1,301	**12,344**	13,645	-1,301	**12,344**
Business Solutions	6	372	-13	**359**	372	-13	**359**	372	-13	**359**
Project Management Office	6	1,060	-645	**415**	1,060	-645	**415**	1,060	-645	**415**
Business Improvement	6	294	-40	**254**	294	-40	**254**	294	-40	**254**
Professional and Commercial Services Manager	6	112		**112**	112		**112**	112		**112**
Base Budget		**16,048**	**-2,126**	**13,922**	**16,048**	**-2,126**	**13,922**	**16,048**	**-2,126**	**13,922**
		Changes to Budget Requirement								
No change propsals				**0**			**0**			**0**
Financial Impact of Policy Proposals		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Cost of Service		**16,048**	**-2,126**	**13,922**	**16,048**	**-2,126**	**13,922**	**16,048**	**-2,126**	**13,922**

Democratic Services — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
		Previous Balance Brought Forward								
Business Support and Civic Office	6	304	-10	**294**	304	-10	**294**	304	-10	**294**
Chief Executive Office	6	543		**543**	543		**543**	543		**543**
PA Pool	6	503	-40	**463**	503	-40	**463**	503	-40	**463**
Democratic Services	6	482	-50	**432**	482	-50	**432**	482	-50	**432**
Members Services	6	1,405		**1,405**	1,405		**1,405**	1,405		**1,405**
Coroners	6	567		**567**	567		**567**	567		**567**
Elections Service	6	540		**540**	540		**540**	540		**540**
Registrations Service	6	703	-1,086	**-383**	703	-1,086	**-383**	703	-1,086	**-383**
Base Budget		**5,047**	**-1,186**	**3,861**	**5,047**	**-1,186**	**3,861**	**5,047**	**-1,186**	**3,861**
		Changes to Budget Requirement								
No change proposals				**0**			**0**			**0**
Financial Impact of Policy Proposals		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Cost of Service		**5,047**	**-1,186**	**3,861**	**5,047**	**-1,186**	**3,861**	**5,047**	**-1,186**	**3,861**

ICT Services — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
ICT Strategy	6	8,755	-2,091	**6,664**	8,755	-2,091	**6,664**	8,755	-2,091	**6,664**
ICT Service Delivery	6	17,089	-17,013	**76**	17,089	-17,013	**76**	17,089	-17,013	**76**
Base Budget		**25,844**	**-19,104**	**6,740**	**25,844**	**-19,104**	**6,740**	**25,844**	**-19,104**	**6,740**
Changes to Budget Requirement										
No change proposals				**0**			**0**			**0**
Financial Impact of Policy Proposals		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Cost of Service		**25,844**	**-19,104**	**6,740**	**25,844**	**-19,104**	**6,740**	**25,844**	**-19,104**	**6,740**

Communications — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Communications and Media Relations	6	753	-128	**625**	753	-128	**625**	753	-128	**625**
Base Budget		**753**	**-128**	**625**	**753**	**-128**	**625**	**753**	**-128**	**625**
Changes to Budget Requirement										
No change proposals				**0**			**0**			**0**
Financial Impact of Policy Proposals		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Cost of Service		**753**	**-128**	**625**	**753**	**-128**	**625**	**753**	**-128**	**625**

Client Commissioning — REVENUE

	Outcome Reference	2017/18 Budget Calculation Expenditure £000	Income £000	Net £000	2018/19 Budget Calculation Expenditure £000	Income £000	Net £000	2019/20 Budget Calculation Expenditure £000	Income £000	Net £000
Previous Balance Brought Forward										
Environmental (incl. Bereavement)	4	30,521	-3,236	**27,285**	30,821	-3,166	**27,655**	30,221	-3,166	**27,055**
Leisure	5	2,260		**2,260**	2,260		**2,260**	2,260		**2,260**
Base Budget		**32,781**	**-3,236**	**29,545**	**33,081**	**-3,166**	**29,915**	**32,481**	**-3,166**	**29,315**
Changes to Budget Requirement										
Environmental (incl. Bereavement)										
Review of Cheshire East Household Waste Recycling Centre Provision	4	-150		**-150**	-580		**-580**			**0**
Ansa - Dry Recycling Contract	4	1,290		**1,290**			**0**			**0**
Ansa - Efficiencies and productivity improvements	4	-700		**-700**	-120		**-120**	-400		**-400**
Ansa - Further savings	4	-200		**-200**	100		**100**			**0**
Environment Commissioning - small growth items	4	60		**60**			**0**			**0**
Environment Commissioning - S106 income not achieveable	4		70	**70**			**0**			**0**
Financial Impact of Policy Proposals		**300**	**70**	**370**	**-600**	**0**	**-600**	**-400**	**0**	**-400**
Total Cost of Service		**33,081**	**-3,166**	**29,915**	**32,481**	**-3,166**	**29,315**	**32,081**	**-3,166**	**28,915**

CAPITAL PROGRAMME 2017/18 - 2019/20

Glossary of Terms

Approval is being sought for all items of Capital expenditure as detailed in the following tables. Estimates for capital expenditure may vary even during the lifetime of the project but particularly where a project is still being developed.

The following categories, used within the tables overleaf, describe the current status of the financial estimates:

Committed Schemes - In Progress
The project is established and activity is on-going. Expenditure is expected to occur in line with the value and timing described in this report and funding has been identified to manage that expenditure.

New Schemes
Project details have been drafted. Expenditure levels, and the timing of expenditure, may be subject to change based on final estimates, the securing of available funding and workforce capacity.

Any necessary variations to capital spending requirements will be reported and approved in line with the Council's financial procedure rules.

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2017/18 - 2019/20

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Committed Schemes - In Progress					
People	11,697	12,767	3,314	550	**16,631**
Place	160,836	36,753	81,260	59,050	**177,064**
Corporate	72,794	35,260	19,595	8,930	**63,786**
Total Committed Schemes - In Progress	**245,327**	**84,781**	**104,170**	**68,530**	**257,481**

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2017/18 - 2019/20

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
New Schemes					
People	0	4,500	19,200	0	**23,700**
Place	0	25,000	12,400	11,500	**48,900**
Corporate	0	2,000	200	150	**2,350**
Total New Schemes	**0**	**31,500**	**31,800**	**11,650**	**74,950**
Total	**245,327**	**116,281**	**135,970**	**80,180**	**332,431**

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2017/18 - 2019/20

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Funding Requirement					
Indicative Funding Analysis: (See note 1)					
Government Grants	116,620	39,183	105,553	22,957	**167,693**
External Contributions	15,952	5,551	3,014	32,462	**41,027**
Revenue Contributions	892	553	0	0	**553**
Capital Receipts	29,195	10,414	13,070	17,165	**40,650**
Prudential Borrowing (See note 2)	82,669	60,581	14,333	7,595	**82,509**
Total	**245,327**	**116,281**	**135,970**	**80,180**	**332,431**

Notes:

1. The funding requirement identified in the above table represents a balanced and affordable position, in the medium term. The Council will attempt to maximise external resources such as grants and external contributions in the first instance to fund the capital programme. Where the Council resources are required the preference will be to utilise capital receipts from asset disposals. The forecast for capital receipts over the next three years 2017-20 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

2. Appropriate charges to the revenue budget will only commence in the year following the completion of the associated capital asset. This allows the Council to constantly review the most cost effective way of funding capital expenditure (See Minimum Revenue Provision ~ **Annex 10**)

CAPITAL PROGRAMME 2017/18 - 2019/20

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Committed Schemes - In Progress					
Adult Social Care					
Community Capacity / Social Care Capital Grant	0	680	0	0	**680**
Childrens Social Care					
Short Breaks for Disabled Children	207	30	0	0	**30**
Children and Families					
Adelaide Academy	50	115	0	0	**115**
DFC Grant	4,230	600	540	550	**1,690**
Disley Primary School (Basic Needs)	90	360	0	0	**360**
Foster Carer Capacity Scheme	278	357	0	0	**357**
Hungerford Primary School	200	2,201	0	0	**2,201**
Kitchens block (Gas interlock)	541	71	0	0	**71**
Mablins Lane Primary School - Phase 2	1,300	200	0	0	**200**
Monks Coppenhall Primary School - Basic Needs	200	2,127	0	0	**2,127**
Poynton HS - Condition Works	401	101	0	0	**101**
Pupil Referral Unit - New Site	425	1,655	0	0	**1,655**
Scholar Green Primary School	143	7	0	0	**7**
Schools Condition Capital Grant	180	2,928	2,774	0	**5,702**
Suitability/Minor Works/Accessibility Block Provision	1,376	30	0	0	**30**
The Dingle Primary School	575	20	0	0	**20**
Underwood West	10	480	0	0	**480**
Universal free school meals	72	42	0	0	**42**
Wyche PS - Condition Works	495	8	0	0	**8**
Prevention and Support					
Free Early Years Education for 2 year Olds	640	509	0	0	**509**
Purchase of Multi Purpose Vehicles - Working on Wheels	180	180	0	0	**180**
Community & Partnership					
CCTV - Infrastructure Rationalisation	102	66	0	0	**66**
Total Committed Schemes - In Progress	**11,697**	**12,767**	**3,314**	**550**	**16,631**

CAPITAL PROGRAMME 2017/18 - 2019/20

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
New Schemes					
Chelford Planning Area (Primary Schools - 30 Places)	0	100	200	0	**300**
Shavington Planning Area (Primary Schools - 210 Places)	0	700	1,700	0	**2,400**
Alsager Planning Area (Primary Schools - 105 Places)	0	400	800	0	**1,200**
Alsager Planning Area (Secondary Schools - 150 Places)	0	500	1,200	0	**1,700**
Nantwich Planning Area (Primary Schools - 105 Places)	0	400	800	0	**1,200**
Nantwich Planning Area (Secondary Schools - 300 Places)	0	1,000	2,400	0	**3,400**
Sandbach Planning Area (Primary Schools - 105 Places)	0	400	800	0	**1,200**
Sandbach Planning Area (Secondary Schools - 300 Places)	0	1,000	2,400	0	**3,400**
Future Years Basic Need - Nantwich Primary schools - Kingsley Fields, Wilmslow and Congleton Areas	0	0	8,900	0	**8,900**
					0
Total New Schemes	**0**	**4,500**	**19,200**	**0**	**23,700**
Total	**11,697**	**17,267**	**22,514**	**550**	**40,331**

CAPITAL PROGRAMME 2017/18 - 2019/20

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Funding Requirement					
Indicative Funding Analysis:					
Government Grants	10,903	15,633	22,304	550	**38,487**
External Contributions	31	499	210	-	**709**
Revenue Contributions	383	532	-	-	**532**
Capital Receipts	-	-	-	-	**-**
Prudential Borrowing	380	603	-	-	**603**
Total	**11,697**	**17,267**	**22,514**	**550**	**40,331**

CAPITAL PROGRAMME 2017/18 - 2019/20

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Committed Schemes - In Progress					
Infrastructure & Highways					
A500 Dualling scheme	360	1,955	153	0	**2,108**
A556 Knutsford to Bowdon	143	130	231	0	**361**
A34 Corridor - Option Development	100	250	250	0	**500**
A51/A500 Corridor Nantwich - Option Development	100	150	0	0	**150**
A6 MARR CMM - Disley	100	900	900	222	**2,022**
A6 MARR CMM - Handforth	153	347	0	0	**347**
Alderley Edge Bypass Scheme Implementation	59,987	2,396	728	0	**3,125**
Asset Management Invest to Save	125	200	150	0	**350**
Congleton Link Road	7,083	3,243	41,958	38,460	**83,661**
Congleton Public Realm	225	1,049	10	0	**1,059**
Crewe Green Link Road Phase 2	23,974	1,100	673	0	**1,773**
Crewe Green Roundabout	376	1,773	2,851	0	**4,624**
Macclesfield Movement Strategy - Option Development	0	300			**300**
North-West Crewe Package	293	1,707	0	0	**1,707**
Residents First LED Lighting	2,240	2,260	0	0	**2,260**
Road Network and Linked Key Infrastructure	8	250	0	0	**250**
Road Safety Schemes Minor Works	3,137	380	0	0	**380**
Poynton Relief Road	3,392	1,273	21,160	12,194	**34,627**
Structual Replacement Lighting	3,910	1,360	0	0	**1,360**
Sydney Road Bridge	982	472	5,703	3,344	**9,519**

CAPITAL PROGRAMME 2017/18 - 2019/20

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Committed Schemes - In Progress					
Growth and Regeneration					
Astbury Marsh Caravan Site	100	100	0	0	**100**
Cororate Landlord Model - Non-Operational	382	2	0	0	**2**
Crewe Town Centre Regeneration	6,808	195	0	0	**195**
Disabled Facilities Grants	6,191	1,500	1,500	0	**3,000**
Farms Strategy	905	356	389	1,730	**2,475**
Gypsy and Traveller Sites	946	2,562	0	0	**2,562**
Highways Section 106 & 278 Schemes	0	398	34	0	**432**
Housing Development Fund	180	1,334	0	0	**1,334**
Housing Delivery	0	150	0	0	**150**
Modular Construction	62	1,717	0	0	**1,717**
Regeneration & Development Programme	1,621	1,787	0	0	**1,787**
Private Sector Assistance	1,542	150	150	0	**300**
Rural and Green Infrastructure					
Archives Option Development	50	100	125	0	**225**
Countryside Vehicle Replacement	319	135	165	0	**300**
ROWIP Cycle/Walking Schemes	930	189	0	0	**189**
Rural & Green Section 106 Schemes	1	118	0	0	**118**
Tatton Vision - Field to Fork Project	150	1,000	199	0	**1,199**
Client Commissioning					
Connecting Cheshire	30,349	135	0	0	**135**
Connecting Cheshire Phase 2	3,614	2,290	631	0	**2,921**
Connecting Cheshire Digital 2020	0	1,000	3,300	3,100	**7,400**
Supplier Park	0	40	0	0	**40**
Total Committed Schemes - In Progress	**160,836**	**36,753**	**81,260**	**59,050**	**177,064**

CAPITAL PROGRAMME 2017/18 - 2019/20

	Outcome	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
New Schemes						
Infrastructure & Highways						
Integrated Block - LTP		0	2,000	2,000	2,000	**6,000**
Maintenance Block - LTP		0	9,000	9,000	8,200	**26,200**
Incentive Fund - LTP		0	1,000	1,000	800	**2,800**
Alderley Road, Wilmslow – A34 Junction and pedestrian		0	300	400	500	**1,200**
Managing & Maintaining the Highways Network			10,000	0	0	**10,000**
						0
Growth and Regeneration						
Starter Homes - Phase 1			900	0	0	**900**
Volumetric Construction			1,800	0	0	**1,800**
Total New Schemes		**0**	**25,000**	**12,400**	**11,500**	**48,900**
Total		**160,836**	**61,753**	**93,660**	**70,550**	**225,964**

CAPITAL PROGRAMME 2017/18 - 2019/20

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Funding Requirement					
Indicative Funding Analysis:					
Government Grants	99,929	22,723	83,249	22,407	**128,379**
External Contributions	15,203	4,236	2,804	32,462	**39,502**
Revenue Contributions	291	20	-	-	**20**
Capital Receipts	2,447	4,280	389	8,235	**12,904**
Prudential Borrowing	42,966	30,495	7,218	7,446	**45,159**
Total	**160,836**	**61,754**	**93,660**	**70,550**	**225,964**

CAPITAL PROGRAMME 2017/18 - 2019/20

	Outcome	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Committed Schemes - In Progress						
ICT Services						
Digital Customer Services		3,303	2,196	500	0	**2,696**
Care Act Phase 2		1,179	2,205	1,610	1,320	**5,135**
Enterprise Resource Planning		500	2,550	2,837	0	**5,387**
ICT Infrastructure Investment Prgrammme		14,152	5,400	5,500	2,000	**12,900**
Information Assurance and Data Management		6,965	2,600	1,200	750	**4,550**
Core Financials, HR Services		6,152	780	357	500	**1,637**
Finance & Performance						
Strategic Capital Projects		1,990	5,000	0	0	**5,000**
Professional Services						
Schools Capital Maintenance		1,022	826	0	0	**826**
Septic Tanks North Rode		13	37	0	0	**37**
Premises Capital (FM)		14,281	3,231	2,500	2,500	**8,231**
Minor Works		1,786	774	500	500	**1,774**
Corporate Landlord - Operational		266	512	0	0	**512**

CAPITAL PROGRAMME 2017/18 - 2019/20

	Outcome	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Committed Schemes - In Progress						
Customer Operations						
Next Generation - Self Service		182	144	30	0	**174**
Client Commissioning Leisure						
Peter Mason Leisure Centre		319	3,000	4,341	1,140	**8,481**
Cumberland 3G replacement		24	226	0	0	**226**
Congleton Park Improvements		102	16	0	0	**16**
Client Commissioning Environmental						**0**
Waste Strategy Implementation		19,721	5,375	0	0	**5,375**
Restoration of South Park Lake		147	58	0	0	**58**
Weston Cemetery Extension		40	110	0	0	**110**
Household Bins Schemes		651	220	220	220	**660**
Total Committed Schemes - In Progress		**72,794**	**35,260**	**19,595**	**8,930**	**63,786**

CAPITAL PROGRAMME 2017/18 - 2019/20

	Outcome	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
New Schemes						
Client Commissioning Leisure						
Alsager Leisure Centre Gym Conversion		0	400	0	0	**400**
Sandbach Leisure Centre Gym Conversion		0	400	0	0	**400**
Client Commissioning Environmental						
Review of Household Waste Recycling Centre provision		0	1,000	0	0	**1,000**
Park Development Fund		0	150	150	150	**450**
Playing Fields Fund		0	50	50	0	**100**
						0
Total New Schemes		**0**	**2,000**	**200**	**150**	**2,350**
Total		**72,794**	**37,260**	**19,795**	**9,080**	**66,136**

CAPITAL PROGRAMME 2017/18 - 2019/20					
	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Funding Requirement					
Indicative Funding Analysis:					
Government Grants	5,787	826	-	-	**826**
External Contributions	718	816	-	-	**816**
Revenue Contributions	218	1	-	-	**1**
Capital Receipts	26,747	6,134	12,681	8,930	**27,746**
Prudential Borrowing	39,324	29,483	7,114	150	**36,747**
Total	**72,794**	**37,260**	**19,795**	**9,080**	**66,136**

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY - Addendum

CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
People	581	1,700	12,600	0	**14,300**
Place	7,948	15,800	64,150	92,250	**172,200**
Corporate	150	4,500	2,500	9,600	**16,600**
Total Capital	**8,679**	**22,000**	**79,250**	**101,850**	**203,100**

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY - Addendum

CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2016/19 £000
Funding Requirement					
Indicative Funding Analysis:					
Government Grants	1,988	750	17,125	38,118	**55,993**
External Contributions	0	0	3,390	18,520	**21,910**
Revenue Contributions	0	0	0	0	**0**
Capital Receipts	3,360	3,400	9,600	6,302	**19,302**
Prudential Borrowing	3,331	17,850	49,135	38,910	**105,895**
Total	**8,680**	**22,000**	**79,250**	**101,850**	**203,100**

The addendum includes projects that have been added to the programme owing to their strategic importance to the Council. However detailed business cases are not yet in place as the precise details are not yet known. Work is currently being progressed for these projects, however they will only be commenced once a detailed business case has been completed and approved, the business case will also need to demonstrate the strategic impact of the scheme, an expediture profile and funding sources or associated return on investment to enable the project to be delivered. At the stage where the business cases are sufficiently developed and they are deemed to be affordable the Portfolio Holder for Finance & Assets and the Chief Operating Officer will provide the additional approval for these schemes to proceed and form part of the main capital programme. Updates on these schemes will be provided to Cabinet through the quarterly reporting process.

People Addendum CAPITAL

CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

	Outcome	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Children and Families						
Knutsford Achievement		581	150	9,250	0	**9,400**
To Expand 'in borough' SEN placement Capacity		0	1,300	2,000	0	**3,300**
Prevention and Support						
Development of Hurdsfield Family Centre		0	250	1,350	0	**1,600**
Total		**581**	**1,700**	**12,600**	**0**	**14,300**
Total		**581**	**1,700**	**12,600**	**0**	**14,300**

CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case					
	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Funding Requirement					
Indicative Funding Analysis:					
Government Grants	581	150	4,250	-	**4,400**
External Contributions	-	-	390	-	**390**
Revenue Contributions	-	-	-	-	**-**
Capital Receipts	-	-	-	-	**-**
Prudential Borrowing	-	1,550	7,960	-	**9,510**
Total	**581**	**1,700**	**12,600**	**-**	**14,300**

Place Addendum CAPITAL

CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

	Category	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Infrastructure & Highways						
A34 Corridor		0	0	0	15,500	**15,500**
A51/A500 Corridor Nantwich		0	0	4,000	0	**4,000**
King Street Enhancement Scheme		1	0	2,000	0	**2,000**
Macclesfield Movement Strategy		0	0	6,000	0	**6,000**
Residents First LED Lighting		0	0	2,000	0	**2,000**
Road Network and Linked Key Infrastructure		0	0	2,000	2,000	**4,000**
Active Travel Investment		0	300	300	0	**600**
Managing & Maintaining the Highways Network		0	0	10,000	10,000	**20,000**
Middlewich Eastern Bypass		2,007	800	800	0	**1,600**
**North West Crewe (Leighton West)		0	600	1,900	16,000	**18,500**
**Northern Gateway Infrastructure		0	0	6,000	6,000	**12,000**
Winter Service Facility		0	0	3,000	0	**3,000**
Total Infrastructure & Highways		**2,008**	**1,700**	**38,000**	**49,500**	**89,200**
Growth and Regeneration						
Crewe Town Centre Regeneration		0	0	5,500	19,400	**24,900**
Housing Delivery		0	0	150	150	**300**
Investment in Heritage Assets		880	1,500	1,500	2,500	**5,500**
Strategic Acquisitions		1,500	5,000	6,000	0	**11,000**
Total Growth & Regeneration		**2,380**	**6,500**	**13,150**	**22,050**	**41,700**

CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

	Category	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Rural & Green						
Tatton Park Investment Phase 2		200	1,300	1,600	400	**3,300**
**Archives		0	0	400	13,000	**13,400**
Playing Fields Strategy		0	1,000	0	0	**1,000**
Total Rural & Green		**200**	**2,300**	**2,000**	**13,400**	**17,700**
Client Commissioning						
Strategic Site Development		3,360	3,400	9,600	6,000	**19,000**
Energy Projects		0	1,900	1,400	1,300	**4,600**
Total Client Commissioning		**3,360**	**5,300**	**11,000**	**7,300**	**23,600**
Total		**7,948**	**15,800**	**64,150**	**92,250**	**172,200**

CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Funding Requirement					
Indicative Funding Analysis:					
Government Grants	1,407	600	12,875	38,118	**51,593**
External Contributions	-	-	3,000	10,400	**13,400**
Revenue Contributions	-	-	-	-	**-**
Capital Receipts	3,360	3,400	9,600	6,302	**19,302**
Prudential Borrowing	3,181	11,800	38,675	37,430	**87,905**
Total	**7,948**	**15,800**	**64,150**	**92,250**	**172,200**

The addendum includes projects that have been added to the programme owing to their strategic importance to the Council. However detailed business cases are not yet in place as the precise details are not yet known. Work is currently being progressed for these projects, however they will only be commenced once a detailed business case has been completed and approved, the business case will also need to demonstrate the strategic impact of the scheme, an expediture profile and funding sources or associated return on investment to enable the project to be delivered. At the stage where the business cases are sufficiently developed and they are deemed to be affordable the Portfolio Holder for Finance & Assets and the Chief Operating Officer will provide the additional approval for these schemes to proceed and form part of the main capital programme. Updates on these schemes will be provided to Cabinet through the quarterly reporting process.

**In addition those schemes asterisked will be subject to external funding bids; or can only be commenced if there is confidence about how they will deliver capital receipts in the future.

CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

	Outcome	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
ICT Services						
Regulatory Services and Environmental Health System Replacement		0	800	0	0	**800**
Revenues and Benefits Document Management System Replacement		0	2,000	0	0	**2,000**
Elections Systems Replacement		0	500	0	0	**500**
Planning and Sustainable Development System Replacement		0	1,000	0	0	**1,000**
Client Commissioning Environmental						
Anaerobic Digestion Project		150	200	2,500	9,600	**12,300**
Total		**150**	**4,500**	**2,500**	**9,600**	**16,600**

CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case					
	Prior Years £000	Budget 2017/18 £000	Budget 2018/19 £000	Budget 2019/20 £000	Total Budget 2017/20 £000
Funding Requirement					
Indicative Funding Analysis:					
Government Grants	-	-	-	-	**0**
External Contributions	-	-	-	8,120	**8,120**
Revenue Contributions	-	-	-	-	**0**
Capital Receipts	-	-	-	-	**0**
Prudential Borrowing	150	4,500	2,500	1,480	**8,480**
Total	**150**	**4,500**	**2,500**	**9,600**	**16,600**

13. Reserves Strategy

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Executive Summary

Cheshire East Council is maintaining adequate reserves for two main purposes:

1. **To protect against risk, and;**
2. **To support investment**

This strategy reflects how these two purposes are intrinsically linked as financial risks can be reduced through appropriate investment in schemes that generate sustainable returns. When sustainable returns are achieved overall reserve levels can reduce. Early intervention in social care and improved productivity from new systems are a feature of the Medium Term Financial Strategy and I do not forecast any requirement to increase General Reserves.

The Reserves Strategy presents information about the requirements to maintain financial reserves and provides statements on the types of reserves and current and predicted balances.

The strategy is revised annually, in line with the process to determine the Council's Budget, and sets out a clear purpose for the holding of reserves, using risk assessments and setting out principles for the management of balances in the medium term.

Cheshire East Council's Reserve Strategy was last approved at Council on 26th February 2016.

The quarterly performance review process informs the Council's thinking on reserves and an updated Reserves Strategy is reported to Cabinet and Council in February each year.

This strategy represents the latest position, based on third quarter forecasts and, following a review of the balances held, to ensure they meet the needs of Cheshire East Council in the medium term.

Additional detailed analysis of trends within the Council's finances is provided in the Council's Value for Money publication demonstrating the sound financial position of the Council.

P J Bates

Peter Bates CPFA CIPD MBA

Chief Operating Officer
(Section 151 Officer)

Note: The strategy follows guidance issued by the Chartered Institute of Public Finance & Accountancy ~ LAAP Bulletin 55 – February 2003: Guidance Note on Local Authority Reserves and Balances. Compliance with the guidance is recommended in the Institute's 2003 Statement on the Role of the Finance Director in Local Government and the regulatory framework and role of the Section 151 Officer are set out in **Annex A**.

1. Introduction

Types of Reserves

1. When reviewing medium term financial plans and preparing annual budgets the Council considers the establishment and maintenance of reserves. Two types of Revenue Reserves will be held:

General Reserves (see Section 2)

This represents the non-ringfenced balance of Council funds. There are two main purposes of general reserves: firstly to operate as a working balance to help manage the impact of uneven cash flows and avoid unnecessary temporary borrowing, and; secondly to provide a contingency to cushion the impact of emerging events or genuine emergencies. The target level of reserves retained will be risk based. General Reserves must be adequate and will increase and decrease as follows:

Increasing General Reserves

- Planned repayment as set-out in the Medium Term Financial Strategy, usually to recover to an adequate level in relation to a detailed risk assessment, or to prepare in advance for future risks or investment.
- Allocation of an operating surplus at the close of the financial year.

Decreasing General Reserves

- Planned draw-down of reserves to create investment, and to counteract the possibility of over-taxing in any financial year.
- Allocation of an operating deficit at the close of the financial year.

Earmarked Reserves (see Section 3)

These provide a means of building up funds, for use in a later financial year, to meet known or predicted policy initiatives. Discipline is required around setting up and maintaining earmarked reserves, and this strategy sets out the Council's approach to this. Earmarked reserves will increase through decisions of the Council and will decrease as they are spent on specific intended purposes.

Assessing the Adequacy of Reserves

2. In order to assess the adequacy of unallocated general reserves when setting the budget, the Section 151 Officer will take account of the strategic, operational and financial risks facing the Authority. The Council will therefore adopt formal risk management processes. The Audit Commission Codes of Audit Practice make it clear that it is the responsibility of the audited body to identify and address its operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. The financial risks will be assessed in the context of the Authority's overall approach to risk management.

3. There is a requirement for local authorities to include an Annual Statement of Governance with the Statement of Accounts. The Section 151 Officer ensures that the Authority has put in place effective arrangements for internal audit of the control environment and systems of internal control, as required by professional standards.

4. Setting the level of general reserves is just one of several related decisions in the formulation of the medium term financial strategy and the budget for a particular year. Account will also be taken of the key financial assumptions underpinning the budget alongside a consideration of the Authority's financial management arrangements.

5. **Table 1** sets out the significant budget assumptions that are relevant when considering the adequacy of reserves, in addition to the issue of cashflow.

6. These factors can only be assessed properly at a local level. A considerable degree of professional judgment is required. The Section 151 Officer may choose to express advice on the level of balances in cash and / or as percentage of budget (to aid understanding) so long as that advice is tailored to the circumstances of the Authority for that particular year.

7. Advice will be set in the context of the Authority's process to manage medium term financial stability and not focus on short term considerations, although balancing the annual budget by drawing on general reserves may be a legitimate short term option. However, where reserves are to be deployed to finance recurrent expenditure this should be made explicit, and will occur only to pump prime investment and not to regularly support such costs. Advice will be given on the adequacy of reserves over the lifetime of the Medium Term Financial Strategy.

Table 1: Holding adequate reserves will depend on a number of key factors
Budget Assumptions
- The treatment of inflation and interest rates - Estimates of the level and timing of capital receipts - The treatment of demand led pressures - The treatment of planned efficiency savings / productivity gains - The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments - The availability of other funds to deal with major contingencies and the adequacy of provisions
Financial Standing and management
- The overall financial standing of the Authority (including: level of borrowing, debt outstanding and Council Tax collection rates) - The Authority's track record in budget and financial management including the robustness of the medium term plans - The Authority's capacity to manage in-year budget pressures - The strength of the financial information and reporting arrangements - The Authority's virement and end of year procedures in relation to budget under / overspends at authority and service level - The adequacy of the Authority's insurance arrangements to cover major unforeseen risks

Source: CIPFA – LAAP Bulletin 55, 2003

8. The current guidance requires the purpose, usage and the basis of transactions of earmarked reserves to be identified clearly. A review of the levels of earmarked reserves will be undertaken as part of annual budget preparation.

2. General Fund Reserves (Revenue)

Purposes

9. The purpose of general reserves is to minimise the possible financial impacts to the Authority from:

   - Emergencies
   - In-year emerging financial issues
   - Reacting to investment opportunities

10. The Finance Procedure Rules set the parameters for the use of general reserves.

11. The in-year use of general reserves requires Council approval and should not be used to support recurring spending unless that is an intended sustainable strategy within the Medium Term Financial Strategy or a suitable payback period is agreed in advance.

12. In all cases the use of reserves should be approved by the Section 151 Officer.

Opening Balances

13. The 2016/17 Budget anticipated that the Council would hold general reserves of £12.8m. However, an improved final outturn position resulted in a revised balance of £13.0m.

14. In February 2016 Council approved the use of general reserves during 2016/17. Council approved the use of £1m general reserves to be transferred to earmarked reserves to provide for costs associated with the Council's Planning functions.

15. **Table 2** shows the forecast position for 1st April 2017, it is anticipated that the Council will hold general reserves of £10.3m.

Table 2	Estimated Balance 1st April 2017 £m
Amount of General Fund Balance available for new expenditure (Source: 2015/16 Statement of Accounts)	**13.0**
Approved in–year transfer to earmarked reserves	**-1.0**
The impact of performance against the 2016/17 Revenue Budget (Source: 2016/17 Three Quarter Year Review of Performance)	**-1.7**
	10.3

Estimated Movement in Reserves (2016/17 onwards)

16. **Table 3** (overleaf) summarises the current estimated movements in general reserves from 2017 to 2020.

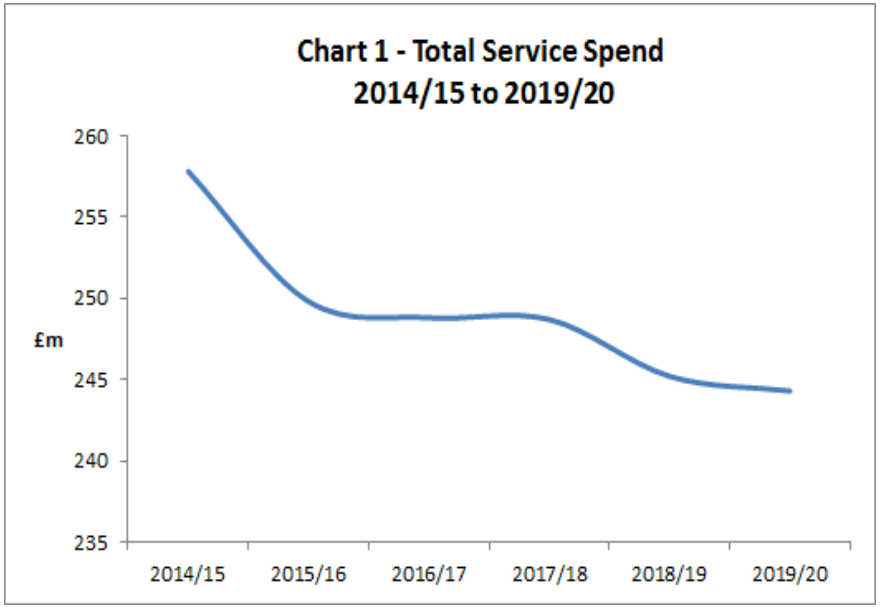
17. The clear assumption is that any in-year, or future, emerging financial pressures will be met from within the Council's in-year funding envelope.

18. The level of reserves needed is assessed each year according to the risks facing the Authority (see **Table 4**: Risk Assessment overleaf).

Table 3 – The level of reserves will be maintained in the medium term	2016/17 £m	2017/18 £m	2018/19 £m	2020/21 £m
Estimated Balance @ 1st April	13.0	10.3	10.3	10.3
Estimated Impact of Spending	-1.7	0.0	0.0	0.0
Planned Contribution to Earmarked Reserves	-1.0	0.0	0.0	0.0
Forecast General Reserves @ 31st March	**10.3**	**10.3**	**10.3**	**10.3**
Risk Assessed Minimum Level – February 2017	11.8	10.1	10.1	10.1

Source: Cheshire East Finance

19. **Chart 1** shows how the medium term financial outlook reflects a reduction in real terms expenditure on Council Services.

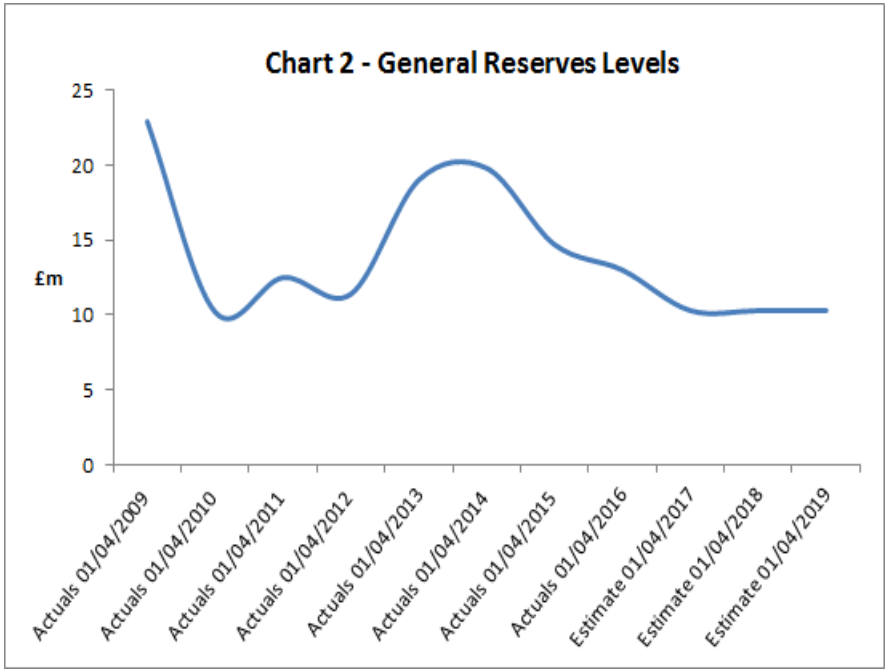


Source: Cheshire East Finance

20. Forecast reductions in net expenditure over the medium term reflects how the Council is reacting to reductions in Government funding. At the same time the Council minimised the impact on local residents by not raising Council Tax for five years up to 2015/16. This approach has required up front investment in change management to sustain the financial resilience of the Council. For example, early intervention in social care requires up front costs, and reducing staffing numbers usually requires expenditure on severance payments. The Council will also be investing in information technology to increase productivity.

21. Strategically the Council has chosen to utilise short-term funding to support investment and change and not to build up reserves balances.

22. **Chart 2** reflects how Cheshire East Reserves are used to support large scale investment, and are being stabilised over the medium term. The level at which reserves are set for 2017/18, reflects the aim of Cheshire East Council to match the Risk Assessed Minimum Level, ensuring reserves are adequate, and provide sufficient flexibility to manage short term cashflow.



Source: Cheshire East Finance

General Fund Reserves – Risk Assessment

23. The risks facing each local area will vary. In the case of Cheshire East, the impact of rising demand for services, especially in social care, emerging Government policies such as changes to business rates, present the potential for significant emerging risk. The financial pressure on public sector partners, especially in the Health Sector, could also create financial risks to the Council.

24. The minimum target level of reserves is quantified by a detailed risk assessment based on the potential of key risks actually causing financial pressure in the medium term. This approach allows the Council to take account of local circumstances and the impact of economic forecasts.

25. Where specific financial liability has not been established, or where outcomes from emerging pressures cannot be detailed, the Council will assume an appropriate level of risk. This reduces the possibility that the Council will be exposed to excessive financial pressure in a single year thereby smoothing the impact on services.

26. Risks are categorised, and potential values are applied to them. This presents the potential exposure to financial risk. **Table 4** shows the risk areas and the level of reserves Cheshire East Council should retain to mitigate that risk. In each case the value of the risk retained has been calculated as a percentage of the potential impact. The percentage is based on the likelihood of the risk actually achieving that total impact in any year.

27. The level of risk in the Medium Term Financial Strategy has reduced based on a trend of achieving of budget targets.

28. The updated Risk Assessment for 2017/18 provides for a reduction in the Minimum Level from £11.8m to £10.1m. This remains a prudent overall target for reserves at 4.1% of the net budget. The certainty of a multi-year agreement from the Government, alongside a balanced Medium Term Financial Strategy, has mitigated significant levels uncertainty when compared to previous budgets.

29. It is possible that a number of events could happen in a single year and the Council could be exposed to new unidentified risks. For this reason the analysis also contains a Strategic Reserve calculated as a percentage of gross expenditure (in this case 0.7%).

30. Risks will be included and managed using the following basic principles:

    a. The risk may impact within the medium term.

    b. Risks are potential one-off events.

    c. The risk will have genuine financial consequences beyond insurance cover.

    d. Mitigating actions will be in place to minimise the potential requirement for financial support.

    e. If a risk becomes 100% likely it will be allocated to earmarked reserves or included within appropriate Revenue Budget estimates.

    f. Emerging risks will be addressed from in-year surplus or virement before any request to allocate general reserves.

Table 4: A robust level of reserves is guided by an assessment of potential risks			
Class of Risk	**Knock on Effects**	**Effect on Budget / Mitigating Action**	**Risk Assessment**
Health & Safety	Major loss of service	Increased cost to reduce further risk of breach / Robust risk assessments	**£100,000**
	Lost reputation / Effect on recruitment	Additional cost of new advertising to regain confidence and recruit staff / Effective Communication Plans and Employment option plans	
Fire / Structural damage	Major loss of service	Premises not operational / Robust disaster recovery plan	**£400,000**
	Epidemic	High staff or resident sickness & absence costs / raise awareness of safety measures and introduce robust emergency response plans	
	Severe Weather	Additional staffing, transport and materials costs / robust emergency plans	
	Insurance claims create rising premiums or cost to insurance reserves	Budget growth to cover premiums or self insurance costs / Good claims management	
Budget Pressures	Opening Balances vary from current predictions	Impact on opening balances / apply prudent assumptions to opening balances	**£4,500,000**
	Efficiency savings challenged by changing priorities, and reduced income from economic downturn and additional VR costs.	Impact of 2016/17 projected outturn / robust remedial plans and monitoring of progress	
		In-Year emerging issues / Robust plans and monitoring of progress	
	Higher than anticipated inflation arising in year	Increased inflation on contracts and services / contract management and robust remedial plans	
	Potential decrease in Council Tax and Business Rates collection rate	Lower than forecast income or increased reliefs/ robust assessment criteria and debt recovery procedures	

Table 4: A robust level of reserves is guided by an assessment of potential risks			
Class of Risk	**Knock on Effects**	**Effect on Budget / Mitigating Action**	**Risk Assessment**
Legal & IT costs	Legal challenges to Council service delivery / charges for services	Court costs and claims for financial settlement / clear processes and good workforce management	**£800,000**
	Data corruption and need to improve security	ICT service days to repair, loss of service / robust security policies and firewalls	
Industrial relations / External organisations	Disruption to service and possible costs of arbitration / tribunal	Loss of income, costs of providing essential services or direct costs of resolution, reduced pay costs / emergency planning	
Strategic Reserve		Strategic / Emergency risk cover, potential further invest to save options and future pay and structure changes	**£4,300,000**
		OVERALL RISKS	**£10,100,000**
		% of Net Revenue Budget	**4.1%**

Source: Cheshire East Finance

31. The outcome of this analysis has been to place an estimated total value on the range of risks that may arise and which are not covered by insurance. This is equivalent in total to £10.1m.

32. It should be noted that these risks reflect the net effect of issues relating to sustainable performance against the 2017/18 Revenue Budget. The key factors are:

- The capacity of the organisation to deliver proposed growth or achieve the proposed level of savings entirely.
- Potential underachievement of cost reduction targets following consultation processes.
- Demand for services rising above estimated trends.
- Changes to Government funding arrangements.

Adequacy of General Reserves

33. A duty of the Section 151 Officer is to comment on the adequacy of financial reserves (see **Annex A**).

34. The estimates contained within the medium term financial strategy must be sufficiently robust to achieve certainty that reserves are adequate. The Section 151 Officer uses information contained within the Reserves Strategy to comment specifically in the annual Budget Report on the adequacy of reserves.

3. Earmarked Reserves (Revenue)

Purpose

35. The purpose of earmarked reserves is:

    a. To prevent an uneven impact from policy options, by allowing balances to be set aside for future year expenditure.

    b. To set aside amounts for projects which extend beyond one year.

36. Once Earmarked reserves have been established by Cheshire East Council it is the responsibility of Chief Officers, in consultation with the Section 151 Officer, to ensure balances are spent in line with their purpose.

37. **Table 5** identifies the most commonly established earmarked reserves and the rationale behind why such reserves are created and maintained.

38. For each earmarked reserve held by Cheshire East Council there will be clear records that set out:

    - the purpose of the reserve,
    - how and when the reserve can be used,
    - procedures for the reserve's management and control,
    - a process and timescale for review of the reserve to ensure continuing relevance and adequacy,
    - clear indication of payback periods and approach (if applicable).

Table 5: All earmarked reserves should have a clear rationale

Category of Earmarked Reserve	Rationale
Sums set aside for major schemes, such as capital developments or asset purchases, or to fund major reorganisations	Where expenditure is planned in future accounting periods, it is prudent to build up resources in advance.
Insurance reserves	An Insurance Fund has been established to meet the potential costs of insurance excesses arising from claims in respect of fire and consequential loss, public and employer liability, and vehicles relating to both Cheshire East Council and the former Cheshire County Council.
Reserves of trading and business units	Surpluses arising from in-house trading may be retained, or may have to be retained by statute to cover potential losses in future years, or to finance capital expenditure.
Reserves retained for service departmental use	Increasingly, authorities have internal protocols that permit year-end surpluses at departmental level to be carried forward.
School Balances	These are unspent balances of budgets delegated to individual schools.

Source: CIPFA – LAAP Bulletin 55, 2003

39. When establishing reserves, Cheshire East Council will ensure that it complies with the Code of Practice on Local Authority Accounting in the United Kingdom and in particular the need to distinguish between reserves and provisions.

40. The protocol for Cheshire East Council earmarked reserves is set out below. The Section 151 Officer will monitor adherence to these protocols. Records of each reserve will be held to demonstrate compliance with the protocols.

41. Earmarked Reserves will be:
    - Set up by Full Council, on recommendation by the Section 151 Officer,
    - Supported by a business case,
    - Normally held for a maximum of 3 years, except where the business case justifies a longer retention,
    - Subject to a minimum value, set initially at £60,000, unless the business case supports a lower level,
    - Be reviewed at least annually.

42. Services may also carry forward balances in accordance with processes set out in the Financial Procedure Rules.

43. Earmarked reserves have the effect of transferring the tax burden across financial years as current taxpayers' funds are being used to support future years' spending. It is therefore recommended that Cheshire East Council's earmarked reserves are subject to annual review, at least as part of the budget-setting process to ensure that they are still appropriate, relevant and adequate for the intended purpose.

Opening Balances

44. At 1st April 2017, it is anticipated that balances on existing earmarked reserves held by Cheshire East Council will be £40.2m. It is estimated that balances will reduce by £5.9m by the end of 2017/18. **Table 6** (overleaf) shows the position on each earmarked reserve.

Table 6: Earmarked Reserves that are statutory or essential have been retained for 2017/18				
Service Description	**Estimated Available Balance at 1 April 2017** £000	**Forecast Movement in 2017/18** £000	**Estimated Balance at 31 March 2018** £000	**Reason / Use**
People				
Adults, Public Health and Communities				
Extra Care Housing PFI	2,060	165	**2,225**	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.
Provider Investment & Fees	450	-450	**0**	Linked to the S256 contribution towards backdated fees, to be used for provider training.
Public Health	257	-257	**0**	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.
Communities Investment	379	-290	**89**	Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.

Table 6: Earmarked Reserves that are statutory or essential have been retained for 2017/18				
Service Description	**Estimated Available Balance at 1 April 2017**	**Forecast Movement in 2017/18**	**Estimated Balance at 31 March 2018**	**Reason / Use**
	£000	**£000**	**£000**	
Place				
Infrastructure and Highways				
Severe Weather	230	0	**230**	To provide for future adverse winter weather expenditure.
Growth and Regeneration				
Royal Arcade Crewe	350	-200	**150**	To provide for future costs relating to the Royal Arcade including repairs an maintenance.
Rural and Green Structure				
Tatton Park	150	0	**150**	Ring-fenced surplus on Tatton Park trading account.
Corporate				
Legal Services				
Insurance & Risk	3,989	-306	**3,683**	To settle insurance claims and manage excess costs.
Democratic Services				
Elections	152	140	**292**	To provide funds for Election costs every 4 years.
Customer Operations				
Emergency Assistance	169	-169	**0**	Carry forward of underspend on previous years' schemes to provide for future hardship payments.
Finance and Performance				
Investment (Sustainability)	863	-863	**0**	To support investment that can increase longer term financial independence and stability of the Council.
Collection Fund Management	8,889	951	**9,840**	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years.
Financing	11,340	0	**11,340**	To provide for financing of capital schemes, other projects and initiatives.
Transforming Services	2,337	-1,360	**977**	Funding for costs associated with service transformation; particularly in relation to staffing related expenditure.
Transitional Funding	1,021	-799	**222**	To provide financial support to services or projects during a period of transition to a lower overall cost base.

Table 6: Earmarked Reserves that are statutory or essential have been retained for 2017/18				
Service Description	**Estimated Available Balance at 1 April 2017**	**Forecast Movement in 2017/18**	**Estimated Balance at 31 March 2018**	**Reason / Use**
	£000	**£000**	**£000**	
Cross Service				
Trading Reserve	1,179	-200	**979**	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives.
Service Manager carry forward	880	-797	**83**	Allocations for Cost of Investment or grant funded expenditure.
Revenue Grants - Dedicated Schools Grant	4,158	-1,000	**3,158**	Unspent specific use grant carried forward into 2017/18.
Revenue Grants - Other	1,395	-455	**940**	Unspent specific use grant carried forward into 2017/18.
Total	**40,248**	**-5,890**	**34,358**	

Source: Cheshire East Council

4. Capital Reserves

45. Capital receipts received in year are fully applied to finance the capital programme and therefore no capital receipts reserves are held by the Council.

46. Where revenue contributions are used to finance capital expenditure these will be held in reserve until such time as the expenditure is incurred.

5. Reserves Strategy Conclusion

47. Overall Cheshire East Council is establishing reserves that match the minimum risk levels while retaining flexibility to react to investment opportunities. This approach can be supported during the medium term based on recent performance against budget.

48. This recognises local issues and allows the Section 151 Officer to comment favourably on the adequacy of reserves.

49. The maintenance of protocols around the use of balances improves control and increases openness in financial reporting and management. This approach assists with financial planning and increases understanding of Cheshire East Council's financial position. Reserves' positions will continue to be reviewed throughout the financial year.

Background Papers

General Fund Reserves – Risk Assessment Working Papers 2016

CIPFA Local Authority Accounting Panel: Bulletin 55, Local Authority Reserves and Balances (2003)

Annex A to Reserves Strategy

Protocols and Controls

The Existing Legislative / Regulatory Framework

1. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

2. There are three significant safeguards in place that militate against local authorities over-committing themselves financially:

    1. The balanced budget requirement.
    2. The Chief Finance Officer's S114 powers.
    3. The External Auditor's responsibility to review and report on financial standing.

3. The balanced budget requirement is reinforced by section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer to report to all the Authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the Authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice cannot be taken lightly and has serious operational implications. The Authority's full Council must meet within 21 days to consider the S114 notice and during that period the Authority is prohibited from entering into new agreements involving the incurring of expenditure.

4. While it is primarily the responsibility of the local authority and its Chief Finance Officer to maintain a sound financial position, External Auditors have a responsibility to review the arrangements in place to ensure that financial standing is soundly based. In the course of their duties External Auditors review and report on the level of reserves taking into account their local knowledge of the Authority's financial performance over a period of time. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.

The Role of the Chief Financial Officer

5. It is the responsibility of the Chief Finance Officer to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. There is no statutory minimum.

6. Local authorities, on the advice of their Chief Finance Officers, are required to make their own judgements on the level of reserves taking into account all the relevant local circumstances. Such circumstances vary. A well-managed authority, for example, with a prudent approach to budgeting should be able to operate with a relatively low level of general reserves. There is a broad range within which authorities might reasonably operate depending on their particular circumstances.

Good Governance

7. It is important that Members take responsibility for ensuring the adequacy of reserves and provisions when they set the budget. CIPFA recommend that the respective roles of officers and Councillors in relation to reserves should be codified locally and given due recognition in the Constitutions. This codification should:

    - State which council bodies are empowered to establish reserves

- Set out the responsibilities of the Chief Finance Officer and Councillor – or group of Councillors – responsible for finance
- Specify the reporting arrangements

A New Reporting Framework

8. The Chief Finance Officer has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

9. The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the Chief Finance Officer. To enable the Council to reach its decision, the Chief Finance Officer should report the factors that influenced his or her judgement and ensure that the advice given is recorded formally. Where the advice is not accepted this should be recorded formally in the minutes of the Council meeting.

CIPFA recommended that:

10. The Business Planning report to the Council should include a statement showing the estimated opening general reserve fund balance for the year ahead, the additional contribution to / withdrawal from balances, and the estimated end of year balance. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure this should be accompanied by a statement from the Chief Finance Officer on the adequacy of the general reserves and provisions in respect of the forthcoming financial year and the Authority's medium term financial strategy.

11. A statement reporting on the annual review of earmarked reserves should also be made at the same time to the Council. The review itself should be undertaken as part of the budget preparation process. The statement should list the various earmarked reserves, the purposes for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions / withdrawals and the estimated closing balances.

14. Abbreviations

This annex provides details of the abbreviations used in the Report in alphabetical order.

Term	Meaning
ASDV	Alternative Service Delivery Vehicles – part of the Council's commissioning approach to funding services.
BRRS	Business Rates Retention Scheme – the system of local authority funding introduced on 1st April 2013.
DCLG / CLG	Department for Communities and Local Government – the Government department responsible for supporting local government.
DSG	Dedicated Schools Grant – grant received from Government to fund schools.
ESG	Education Support Grant – a grant provided to support services the Council provides to schools.
FQR	First Quarter Review of Performance.
HR	Human Resources – one of the Council's corporate service areas under the Chief Operating Officer.
ICT	Information and Communication Technology – the service responsible for computers, networks, software, phones, etc.
MYR	Mid-Year Review of Performance.
NEETs	Not in Education, Employment or Training
NNDR	National Non Domestic Rates – the contribution to general local authority costs by businesses. The rate is set by central Government.
PWLB	Public Works Loan Board – a Government agency providing loans to public bodies for capital works.
RSG	Revenue Support Grant – a grant that forms part of the Business Rate Retention Scheme.
SLE	Separate Legal Entity – a delivery model for delivering services in a different way.
TQR	Third Quarter Review of Performance.

15. Forecasts

Forecasts presented to the Council in February 2016 highlighted potential budget deficits in the medium term.

Proposals in the Pre-Budget Consultation focused on eliminating the medium term deficits, whilst building financial resilience for the future.

	Budget Book 2015/16 (revised at TQR)	Estimated Net Budget 2016/17	Estimated Net Budget 2017/18	Estimated Net Budget 2018/19	Estimated Net Budget 2019/20
	£m	£m	£m	£m	£m
Outcome 1 - Our Local Communities are strong and supportive	26.3	25.6	25.5	25.9	26.3
Outcome 2 - Cheshire East has a strong and resilient economy	33.0	32.8	32.8	33.1	33.5
Outcome 3 - People have the life skills and education they need in order to thrive	12.3	12.1	12.3	12.6	12.9
Outcome 4 - Cheshire East is a green and sustainable place	31.2	31.4	30.4	30.1	30.4
Outcome 5 - People live well and for longer	110.3	111.9	112.1	111.7	113.3
Outcome 6 - Efficiency	37.6	35.0	33.5	34.1	34.7
Total Outcomes	**250.7**	**248.8**	**246.6**	**247.5**	**251.1**
Corporate Contributions and Adjustments	1.1	1.1	1.1	1.1	1.1
Capital Financing	14.0	14.0	14.0	14.0	14.0
Use of / Contribution to Earmarked Reserve		2.8	-0.1	-0.1	-0.1
Additional Reductions to closing Funding Deficit Yr 2/3			*0.0*	*-8.9*	*-22.4*
TOTAL:	**265.8**	**266.7**	**261.6**	**253.6**	**243.7**
CENTRAL BUDGETS					
Business Rate Retention Scheme	-38.6	-39.7	-40.4	-41.6	-40.3
Revenue Support Grant	-39.2	-26.3	-13.4	-5.4	0.0
Specific Grants	-19.2	-18.8	-18.2	-11.2	-10.6
Council Tax	-168.8	-179.4	-180.7	-181.9	-183.2
Collection Fund Surplus	0.0	-2.5	0.0	0.0	0.0
TOTAL: Central Budgets	**-265.8**	**-266.7**	**-252.7**	**-240.1**	**-234.1**
Funding Deficit	**0.0**	**0.0**	**8.9**	**13.5**	**9.6**

Notes:
Including assumption that the Funding (Surplus) / Deficit from previous years is closed and that General Reserves are not used.

16. Feedback

Be involved in decision making in Cheshire East…

If you would like to be involved in consultations undertaken by Cheshire East Council, you can do so by registering for updates on the Consultation pages or joining the Digital Influence Panel. Please use CTRL and Click on the light bulb to join.