



# **Mid Year Review of Performance 2018/19**

**October 2018**

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

**Anyone wanting to comment can contact the Council at:**

**[shapingourservices@cheshireeast.gov.uk](mailto:shapingourservices@cheshireeast.gov.uk)**

# Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 370,000 local people with annual spending of over £740m.

Local government is going through a period of unprecedented change and financial challenge. A combination of increasing demand for services, rising costs and reduced Government grant is creating significant pressures on the Council's revenue budget. The Council's response continues to focus on increasing efficiency and productivity to enable us to deliver a high level of sustainable, quality services.

Demand for Council services is high however, with more individuals and families needing support than ever before. This reflects an increase in population but also reflects changes in demographics. This demand is resulting in revenue pressures of £5.3m (2.0%) against a budget of £269.5m. Robust action is being taken to mitigate this position and deliver a balanced outturn position and protect General Reserves.

To support openness and transparency the report has three main sections, to provide background and context, and then thirteen supporting appendices with detailed information about allocation and management of public money during 2018/19:

**Section 1** provides a summary of Council performance and brings together service achievement highlights against the six Outcomes in the Council's four year Corporate plan.

**Section 2** provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2018/19 is being funded, including the positions on overall service budgets, grants, council tax and business rates, treasury management,

centrally held budgets and the management of the Council's reserves.

**Section 3** provides a summary of the issues relating to the Council's workforce development plan.

- **Appendix 1** shows the Council's six Outcomes.
- **Appendix 2** explains budget changes since the Budget Book.
- **Appendix 3** shows the latest position for Corporate Grants.
- **Appendix 4** shows the revised Capital Programme expenditure.
- **Appendix 5** lists transfers from and to the Capital Addendum.
- **Appendix 6** lists approved Supplementary Capital Estimates up to £500,000 and Capital Virements up to £1,000,000.
- **Appendix 7** lists requests for Supplementary Capital Estimates over £500,000 and Capital Virements over £1,000,000 for Cabinet approval.
- **Appendix 8** lists requests for Supplementary Capital Estimates over £1,000,000 and Virements over £5,000,000 for Council approval.
- **Appendix 9** lists Capital Budget reductions.
- **Appendix 10** provides details of Treasury Management investments.
- **Appendix 11** lists requests for allocation of additional Grant funding.
- **Appendix 12** analyses the position on Outstanding Debt.
- **Appendix 13** lists details of Earmarked Reserves.

## Jan Willis

Interim Executive Director of Corporate Services (Section 151 Officer)

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# 2018/19 Outturn Forecast at Mid Year Review - Financial Position

2018/19 Mid Year Review (GROSS Revenue Budget £616.0m)	Revised Budget (NET) £m	Forecast Actual Outturn £m	Forecast Over / (Underspend) £m	Change in Over / (Underspend) from MYR £m	For further information please see the following sections
<b>SERVICE DIRECTORATES</b>					
People	163.7	166.6	2.9	2.9	Section 1 - Paragraphs 140-159
Place	74.8	76.4	1.6	1.6	Section 1 - Paragraphs 160-166
Corporate	22.0	22.8	0.8	0.8	Section 1 - Paragraphs 167-174
<b>Total Services Net Budget</b>	<b>260.5</b>	<b>265.8</b>	<b>5.3</b>	<b>5.3</b>	
<b>CENTRAL BUDGETS</b>					
Capital Financing	10.0	10.0	-	-	Section 2 - Paragraphs 214-223
Transfer to/(from) Earmarked Reserves	(1.2)	(1.2)	-	-	Section 2 - Paragraph 224
Corporate Contributions / Central Budgets	0.2	0.2	-	-	Section 2 - Paragraph 224
<b>Total Central Budgets</b>	<b>9.0</b>	<b>9.0</b>	<b>-</b>	<b>-</b>	
<b>TOTAL NET BUDGET</b>	<b>269.5</b>	<b>274.8</b>	<b>5.3</b>	<b>5.3</b>	
Business Rates Retention Scheme	(43.0)	(43.0)	-	-	Section 2 - Paragraphs 195-199
Revenue Support Grant	(5.4)	(5.4)	-	-	Section 2 - Paragraph 181
Specific Grants	(13.7)	(13.7)	-	-	Section 2 - Paragraphs 175-182
Council Tax	(206.4)	(206.4)	-	-	Section 2 - Paragraphs 184-194
Sourced from Collection Fund	(1.0)	(1.0)	-	-	
<b>CENTRAL BUDGETS FUNDING</b>	<b>(269.5)</b>	<b>(269.5)</b>	<b>-</b>	<b>-</b>	
<b>FUNDING POSITION</b>	<b>-</b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	
	<b>Planned Contribution 2018/19 £m</b>	<b>Forecast Variance Mid Year £m</b>	<b>Forecast Impact on Reserves Mid Year £m</b>		
Impact on Reserves	-	(5.3)	(5.3)		
<b>General Reserves Balance</b>	<b>2018/19 Budget (estimated) £m</b>	<b>Mid Year Forecast £m</b>			
Opening Balance April 2018	10.3	Actual	10.3		
2018/19 Impact on Reserves (see above)	-	Forecast	(5.3)		Section 2 - Paragraphs 226-227
Closing Balance March 2019	10.3	Forecast	5.0		

# Overview of Performance

## ACHIEVING THE COUNCIL'S SIX OUTCOMES

Cheshire East Council provides in the region of 500 services, supporting over 370,000 residents, and over 18,500 businesses.

### 1 ~ Our local communities are strong and supportive

- The Community Grant Scheme was relaunched as the Early Help and Community Grant Scheme
- 14 community venues have celebrated becoming Connected Communities Centres
- The anti-social behaviour team implemented an anti-social behaviour alert system, enabling the Council to better collaborate with Police colleagues

### 2 ~ Cheshire East has a strong and resilient economy

- New figures for the value of the visitor economy in Cheshire East again hit new records at £921m
- The procurement of the next Highway Services Contract was agreed
- Connecting Cheshire has now ensured that 95% of Cheshire East has the infrastructure to access superfast broadband

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

- 98.5% have been offered a place at a school of their choice for September 2018, up by 0.6% on last year
- Secondary school pupils achieved success with an excellent set of provisional GCSE results
- Entries of 1,430 sixth form students resulted in a provisional pass rate of 99%, which is likely to be above the national rate

### 4 ~ Cheshire East is a green and sustainable place

- 95% of major and 90% of non-major planning applications were determined within timescales
- The Environmental Hub is now fully open, ending landfill as the primary means of disposal for Cheshire East
- During the first half of the year we anticipate collecting around 34,000 tonnes of waste for recycling
- The Council again achieved Green Flag awards, for eight of its outstanding parks

### 5 ~ People live well and for longer

- Attendances at the Council's leisure facilities saw a 4% increase to 913,830
- 209 new affordable homes were provided in the first quarter
- A Care Concern Pilot was successfully completed with 10 Care Home Providers
- The Council has remodelled its Care at Home services to maximise service users' independence

### 6 ~ A Responsible, Effective and Efficient Organisation

- The Council's new vision, behaviours and employee deal were launched as part of its Brighter Future Together Culture Programme
- A new e-payments system has been rolled out, which will save both time and money, enabling staff to access their payslips 24 hours a day

## FINANCIAL STABILITY

Cheshire East Council has a strong track record of sound financial management. Nevertheless, pressures on our revenue budget are intensifying.

- At mid year there is a potential forecast overspend of £5.3m against a revenue budget of £269.5m (2.0%).
- A full mitigation plan is in progress to ensure delivery of a balanced outturn position by the year end.
- **Service Budgets** – a forecast overspend of £5.3m is reported.
- **Central Budgets** – are currently forecast to be on budget.
- The Council is among the top third of Unitary Councils in terms of **Council Tax collection**. Over 99% of Council Tax and Business Rates are collected within three years.
- **Council Tax** increased by 5.99% in 2018/19 which includes a 3% increase relating to the Adult Social Care precept.
- **Investment income** is £148,000 which is lower than budget at mid year. The average rate earned on investments (1.92%) is higher than the London Inter Bank 7 day rate.
- **General Reserves** - a potential overspend of £5.3m is within the original forecast risks parameters. Further action during the year is expected to maintain general reserves at expected levels by year end.
- **Capital Programme** – total capital expenditure of £137m is forecast in 2018/19, which is an increase of £10m since the original budget following prior year carry forwards and a review of in-year forecasts.
- For monitoring purposes, the in-year capital budget for schemes committed or in progress is £119.7m. The in-year forecast has been revised to £119.7m.
- Outstanding **Debt** (excluding local taxation) is £7.9m, an increase of £1.7m since year end. Debt over 6 months old stands at 4.8m (around 6.8% of total debt raised annually) and this is covered by provisions to meet potential write-offs.

# 1. Summary of Council Performance

## Introduction

1. Cheshire East Council is responsible for delivering in the region of 500 local public services across an area of over 1,100km<sup>2</sup> for over 375,000 residents. The budget to deliver these services in the period April 2018 to March 2019 is £616m, which is raised from a combination of local taxes, national taxes (in the form of Government Grants) and payments direct from service users. In terms of core spending power per head, Government figures highlight the impact of different levels and sources of funding on total Council spending:

Funding per Head Comparisons 2018/19			
	Cheshire East £	Rural East Riding of Yorkshire £	Urban Liverpool £
Grants (budgeted grants including schools)	691	896	1,429
Council Tax (excluding Parish Precepts)	545	479	340
Retained Business Rates	113	208	560
<b>Total</b>	<b>1,349</b>	<b>1,583</b>	<b>2,329</b>

2. The Council's Corporate Plan 2018-2021, which was agreed by Council on 23rd February 2018, has six Outcomes that will focus service delivery in the medium term (see **Appendix 1**). This section of the report highlights progress towards achieving each of the six outcomes.
3. This report reflects activity that has taken place mostly in the period April 2018 to July 2018. Commentary is also provided on the financial impacts (both revenue and capital) of this activity.

## 1 ~ Our local communities are strong and supportive

### Active, Resilient and Connected Communities where people want to live

4. The Communities team has worked with 78 volunteers to enable several projects and events including the Poynton health walk, Weston family fun event, self-care champions and at the Green in the Corner community café on the Hurdsfield estate in Macclesfield. Volunteers are also an integral part of the work in Connected Communities Centres with many people giving their time to help with open day events. Recently featured on Signal FM and Communities Facebook page, Charlotte Bramall, volunteer at Jubilee House, Connected Communities Centre in Crewe leads programmes for young people at the centre. Charlotte is autistic and with support of Cheshire East services and Jubilee House has gone from a withdrawn and depressed young person to a valued volunteer, being in employment, recently married and a role model for other youngsters.

5. The Community Grant Scheme has been under review and was recently relaunched as the Early Help and Community Grant Scheme, encouraging community groups to apply for a grant of up to £5,000 to invest in support, training and equipment which will help to improve the quality of life for the local community.
6. Around 3,500 people have been engaged with over 14 events/activities during this spring and summer including:
  - 200 people at dementia awareness activities involving local schools in the Knutsford area
  - 80 people at Weston family fun event in Macclesfield
  - 2,150 adults and children at Crewe and Congleton Playdays
  - 800 attendees at an National Health Service (NHS) careers event at Primary College, South Cheshire
  - The team helped to support the NHS 70th Birthday celebrations at 30 local primary schools
  - The team support regular clean and green events and groups including several sessions at Jubilee Gardens, Valley Park, Bright Street in Crewe, Milton Park, allotment, Wood Park and Cranberry Moss in Alsager
  - The team supported the community response where the CORE (Church of the Resurrection) Connected Communities Centre was a focus point for the community to come together following a tragic death on the Upton Priory estate in Macclesfield
7. 73 awareness events were supported or led by the team engaging around 700 people. The majority were focused around health and wellbeing, promoting prevention and early intervention advice and services on a range of health related topics including self-care workshops, diabetes essentials, first aid and CPR, substance abuse awareness, food hygiene and mental health awareness. Employment related support includes supporting the Barclays Bank Eagles who are working with the Salvation Army locally around financial inclusion, enabling the most vulnerable access to bank accounts and other financial products which can be key to helping them into accommodation and employment. The Communities team also supported sessions run by the Job Centre in Macclesfield to help people find work and training to improve their employment prospects.
8. 14 community venues have celebrated becoming Connected Communities Centres. The initiative is designed to offer the right services, in the right places, at the right times. Each centre is given a grant of £2,500 from Cheshire East Council to enable local services to be developed in consultation and collaboration with the local community. A number of services are now being delivered from the centres including:
  - Resident-led coffee and chat sessions on the Hurdsfield and Weston estates in Macclesfield, providing social support for residents, helping to reduce isolation and identifying needs so that people are able to get early help and preventative support and services
  - The Green in the Corner community café is now up and running with the help of local volunteers and is now able to sustain a paid staff member now that the café is generating a £150 a week surplus income
  - Carers Hub holding weekly drop-in sessions and Police Community Support Officers (PSPOs) holding surgeries at several centres
9. There are now 18 neighbourhood partnerships across the Borough. All have action plans that set out local priorities. Action plans are published on the [Communities pages of the Cheshire East website](#).
10. The Communities team recently hosted the 'Connected to Health and Wellbeing' conference at Holmes Chapel Community Leisure Centre. This was the second Connected

Communities Conference, where around 60 people were invited to get more involved in connecting to, delivering and sharing the [Cheshire East Health and Wellbeing Strategy](#). We also asked for feedback on the Connected Communities initiative and experiences so far. There were very positive comments as well as identifying areas of improvement and challenges.

11. The Communities team are developing a Cheshire East Integration strategy and are currently engaging stakeholders to ensure that as many people, groups and organisations are able to contribute and be involved in helping to ensure we achieve community cohesion across the Borough. A key focus will be to ensure that the Cheshire East website is a trusted source of information for all communities.
12. £123,000 of funding was secured from Ministry of Housing, Communities and Local Government to support schools in Crewe to accommodate children who don't speak English as their first language. With over 100 languages spoken in Cheshire East and a significant majority of new migrant residents in the Crewe area, schools need additional staff who are multi-lingual to help integrate children and their families both within school and the community. Activities will include English classes for parents, homework clubs for children, community liaison officers and 1,000 family information packs distributed through schools.
13. The Communities team facilitated an arts project between Manchester Metropolitan University, Crewe art students and Crewe schools. The project theme was 'Life in Crewe as a migrant'. Our volunteer community connectors provided migrant stories on life in Cheshire East which were performed by the schools at MMU Arts theatre. They also delivered workshops on cohesion and engaged over 100 young people in schools.

14. The Communities team have generated 11 positive media releases since April across a range of services. Over 50,000 people have been reached by the Communities Facebook page, sharing positive and engaging content across a range of services and subjects. 18 short videos have been published to the Council's YouTube channel featuring staff and members of the community.

### **Communities where you are Safe, and feel Safe**

15. The anti-social behaviour team has recently implemented an anti-social behaviour alert system which enables the Council to better collaborate with Cheshire Police to target and deal with anti-social behaviour especially amongst young people. Safely sharing information between authorities helps to make early intervention and prevention work more effective. The Council will take strong action such as court orders where necessary but will always seek other measures first so as not to criminalise young people.
16. **Public Spaces Protection Order (PSPO)** – the Congleton market area was identified by local people and Police as a hot spot for anti-social behaviour, particularly amongst young people. Youngsters were also being targeted here by older teenagers to get them involved in substance abuse or crime. Following public consultation, a PSPO was introduced prohibiting a number of behaviours and activities in the market area in Congleton town centre. The PSPO allows the Police or Council officers to issue a Fixed Penalty Notice of £100 if a breach occurs.
17. The trading standards community protection team have carried out a number of operations since April including:
  - Operation Fly – a joint operation with Cheshire Police to tackle rural fly-tipping hotspots in Sutton, Wildboardclough, Rainow and Kettlethulme. A total of 14 vehicles were

stopped and checked, with all drivers receiving information and advice and two being asked to produce correct waste carrying certificates within seven days.

- Operation Max (Illegal Tobacco Seizure) – the trading standards team seized over 50,000 cigarettes worth around £12,000 found hidden in properties in Crewe and Macclesfield. The team used sniffer dogs to find the hauls which were concealed behind light fittings, wall panels and under floorboards.
  - Operation Magenta – during August, the team and young volunteers tested 15 premises for which we had intelligence to suggest that premises were selling products to the underaged. One nicotine e-liquid was sold in Congleton by a trader already under investigation, one nicotine e-liquid was sold in Handforth and one aerosol spray paint was sold in Alsager. Age restrictions are in place to protect young people and children from harm and health risks
18. The trading standards team organised another successful rogue trader operation across Macclesfield, Poynton, Bollington and Pott Shrigley areas. The operation involves both trading standards and community enforcement officers together with the support of Cheshire Police. 20 vehicles were stopped which resulted in a number of follow-up trading and vehicle checks to ensure that all activities were legal. Operations such as this also give public reassurance that we are tackling these problematic issues.
19. Community enforcement officers patrol and investigate across the whole Borough and deal with a wide range of issues including fly-tipping, abandoned vehicles, litter and dog fouling. So far this year:
- two fixed penalty notices (FPNs - £100) were issued for abandoned vehicles
  - 713 FPNs were issued for littering offences
  - four FPNs were issued for breaching the PSPO for dog fouling which was introduced across the Borough in November 2017
  - 8 formal warnings were given for fly-tipping
  - 24 verbal warnings were given on a range of environmental issues
  - 66 education visits were undertaken
  - 399 preventative measures were put in place to prevent environmental crime e.g. ordering replacement bins, giving waste and recycling information and putting signs out to let people know that monitoring of the area is taking place.
  - 320 prosecutions at Magistrates Court for non-payment of FPNs (for non-payment of FPN of £100, courts are generally awarding £220 fines, £130 costs and £30 victim surcharge)
20. During recent hot weather, one of our community enforcement officers was called to an abandoned vehicle which was in fact being lived in by a homeless couple in their sixties. The officer gave information, wellbeing supplies and ensured that relevant Council services were aware so the couple could be supported.
21. The introduction of the SCOOT radio system linked to our CCTV control room has increased use of radio by over 40% to report suspicious activity or crime by retailers and public houses in the north of the Borough. Radio connection can increase the speed at which incidents can be dealt with and prevent crime from being committed.
22. Sergeant Simon Degg of Cheshire Police sent in thanks to the CCTV operators who helped to identify drivers under the influence of drink and drugs and driving without insurance: “Can I pass on my thanks for the due diligence of the Macclesfield CCTV operators for spotting a suspicious incident (vehicle related) on Mill Street, Macclesfield. The

condition of one of the drivers was so poor that he was a clear danger to other people using the road. None of the drivers would have been stopped without the support of the operators.”

23. CCTV operators also helped to identify a woman who was at high risk of harm after she went missing from her home. Thankfully, she was returned quickly and further safeguarding measures were put into place.
24. Spring and summer tend to be busy times for gypsies and travellers to be in the Borough. During July and August, there were 15 encampments, 12 on public land and three on private land. The team applied for six court orders and Section 77 notices to ensure vacation of the land. The team are working closely with Cheshire East Property and Highways services to look at ways to improve layout and design of sites so that access and security is improved to help to prevent illegal encampments.
25. Recently, £20,000 of funding has been allocated by Safer Cheshire East Partnership to invest in computer/digital equipment that will enable ‘Get Safer Online’ community training sessions, tackling digital inclusion and online safety. Community awareness training sessions were carried out in Crewe and Macclesfield to give residents, services, voluntary and community groups information about how they can keep themselves, customers, friends, family and neighbours safe whilst online, particularly from scams, rogue traders and other fraudsters. 54 people attended across the two sessions including staff from Cheshire Police, our library service, NHS staff, Peaks and Plains Housing Trust and our adult social care teams.

## **2 ~ Cheshire East has a strong and resilient economy**

### **Culture, Heritage and Tourism**

26. New figures for the value of the visitor economy in Cheshire East again hit new records at £921m. The detailed analysis of the latest figures (for 2017) shows a 69.3% increase in the value of the visitor economy to Cheshire East since the Borough came into being in 2009. Overnight stays in 2017 injected £200m into the hotel industry – an increase of 3.9% on the previous year, and figures show more people are staying overnight than ever before. With continuing investment in the Borough’s heritage attractions and with HS2 on the horizon; this could lead to a further boost in numbers as the projects develop.
27. The new figures also show 17.63 million visitor days were spent in Cheshire East in 2017; a very slight decrease from the previous year. However, figures do show that visitors are spending more in the Borough each year. Overall since the Council was formed in 2009 the number of visitor days has increased by over 34%.

### **Business Growth and Inward Investment**

28. Connecting Cheshire is Cheshire East’s sub-regional digital infrastructure project, delivered by Openreach, and in partnership with Cheshire West and Cheshire, Warrington and Halton councils. The project has now ensured that 95% of Cheshire East has the infrastructure to access superfast broadband, should residents choose to sign up, with over 102,000 premises impacted by new fibre infrastructure across the sub-region. Its promotional activity has ensured that over 54,000 household and business premises have connected to this new infrastructure. Additional funding has enabled approximately 15 masterclasses to be delivered to

Cheshire East businesses, offering practical advice and guidance to secure digital-led business growth. More masterclasses are scheduled throughout 2018/19. Work is currently being carried out to see if an additional project can be launched to attempt to connect those areas not yet reached, known as 'not-spots'.

29. The Council has continued to focus on the delivery of the Crewe Town Centre Regeneration Programme, which includes the Royal Arcade redevelopment scheme and Crewe Market Hall redevelopment. Dialogue has continued with the Council's preferred development partner, Peveril Securities, in relation to the detailed terms of the proposed development agreement, as well as the specifications for a new bus station, car park and public realm improvements. In line with the plans, the vast majority of premises have been secured in readiness for redevelopment, with support to affected tenants provided through Crewe Town Council and South Cheshire Chamber of Commerce. Wider engagement and communication with key stakeholders is ongoing.
30. Positive progress has also been made with plans for the redevelopment of Crewe Market Hall. A principal contractor, Parkinsons, has been selected in readiness for works to commence this autumn and, in advance of this, the Council has obtained planning consent and secured possession of most of the building. Work is also well advanced in the preparation of documents in readiness to procure a new commercial operator for Crewe Markets who will commence once redevelopment has been completed later next year.
31. The Council has also worked alongside other Council departments, as well as Crewe Town Council, ANSA and others, in addressing more immediate issues and opportunities in the town centre, including matters relating to infrastructure requirements, public realm, signage, security, event planning and promotion. It has also co-ordinated inputs into wider strategic issues for Crewe including plans relating to the new HS2 station and other developments which have a significant bearing on the economic future of Crewe and South Cheshire.
32. The Council also continues its focus on Macclesfield. It is working with designers and engineers appointed to develop detailed designs for a public realm scheme on Castle Street to improve the pedestrian experience, improve quality of place, facilitate alfresco activity and encourage private investment in the town centre. A consultation has taken place with stakeholders of Castle Street and designs are to be amended to reflect the responses.
33. The Heritage Asset Regeneration Plan was produced identifying key underutilised heritage buildings in the town centre offering scope for regeneration benefits and producing building condition surveys, heritage appraisals and options reports to facilitate owners in bringing forward schemes which can conserve the heritage significance of these buildings and enhance town centre vitality.
34. The Macclesfield Shop Front Grant Scheme (Phase Two) continues to help independent businesses in the Lower Mill Street/Park Green area of the town to enhance their shop fronts through a grant support scheme, aiming to improve the visual impact of this part of town. Higher quality shop frontages will make the area feel more welcoming to local residents and visitors, improve the image and contribute towards a stronger sense of identity. There are now 11 fully completed schemes delivered by independent owners and occupiers, with a further five due to start. All schemes have secured at least 25% match funding from the business owners/tenants.

35. A Project Team has been established to explore in detail potential mechanisms to secure the reuse of the Old Macclesfield Borough Police Station and better utilise the adjoining Butter Market. A marketing brochure has been produced to go out to market with a view to receiving Expressions of Interest for potential proposals for the building/s.
36. Following on from last year's draft five year town centre regeneration plan that was produced and put out to public consultation and the subsequent announcement of a HS2 Hub for Macclesfield, we are now looking at the possibility of bringing forward a more ambitious regeneration plan for the town centre through a Strategic Regeneration Framework.
37. The Council welcomes the £11m private sector investment in the upgrading and expansion of the Grosvenor Centre delivered by owners Eskmuir Securities Ltd with the key anchor TK Maxx having recently opened in August.
38. The Council continues its rolling programme of reviewing surplus assets to generate a capital receipt for the authority, which it can invest back into new infrastructure programmes, or to transfer out the asset out so it can be better used or managed, or unlock regeneration and development opportunities. This year it aims to generate in excess of £3.9m through its disposals, including a complex contaminated former gasworks ready for a mixed use development, and to date has delivered £1.9m in capital receipts.
39. Cheshire East's development company, Engine of the North, focuses on some of Council's more strategic sites and have secured £41.7m in housing infrastructure funding (subject to contract) to help unlock Garden Village, Leighton Green and its surrounding areas, and South Macclesfield Development

Area where a delivery strategy has been agreed, including Compulsory Purchase Orders/acquisitions, approach to collaboration, an infrastructure plan and disposal of the first phase sites.

### **Highways and Infrastructure**

40. The procurement of the next Highway Services Contract was agreed at June Cabinet. Demobilisation of the current contract is progressing and mobilisation arrangements for the new contract are being prepared in readiness for October commencement.
41. The number of potholes reported in quarter one was 3,705, compared to 1,312 pothole enquiries from the same period last year. During this quarter the team completed 7,196 pothole repairs, including both reported potholes and those discovered by the service during highway inspections. This is an increase of 124% on the same period in 2017/18 where 3,206 repairs were made. 368 new claims were submitted in quarter one compared to 130 claims during the same period last year. The increase in claims has resulted from the bad winter of 2017/18 which resulted in a higher rate of pothole-related claims followed by the prolonged period of hot and dry weather, which has seen an increase in tree and subsidence claims.
42. The LED Street Lighting programme is in its final year, focusing on the Macclesfield, Wilmslow, Handforth, Bollington and Alderley Edge areas. During this programme 8,397 lanterns will be replaced with Light Emitting Diode technology. To date 4,019 (48%) lanterns have been replaced. The Structural Column Replacement Programme has identified 2,077 columns to be replaced due to life expiry or being defective. To date 1,078 (52%) of the identified columns have

been replaced. Both Street Lighting programmes should be completed by mid-September.

43. The Green Claims Team has worked tirelessly to maximise the return from incidents and events that fall under the green claims banner. From contract commencement to date (Oct 2011 to August 2018) the team have invoiced a total of £2,918,810 (to third parties) for incidents resulting in damage to the highway infrastructure. Figures for the Green Claims Team are reported annually (January to December). To date, 2018 has achieved the highest invoiced value since contract commencement, with a total of £1,002,141.
44. During quarter one, the Highways Service received 10,388 enquiries. The number of enquiries received in quarter one was 41% higher than those received in the same period last year (7,385). The top five Highways enquiries within the reporting system in quarter one were 'Potholes' (3,705 enquiries), 'Carriageway' (774 enquiries), 'Hedge / Tree Maintenance' (769 enquiries), 'Gully / Drainage' (625 enquiries) and 'Light out' (475 enquiries). Enquiries were integrated as appropriate into the service's schedule of work, and during the first quarter work undertaken included 16,771m<sup>2</sup> of Level 2 patching repairs, 338,475m<sup>2</sup> of Level 3 surface treatments, 16,073 gullies / drains emptied, and 580 lighting repairs.
45. **Crewe Green Roundabout** – highway works began construction earlier in 2018, with completion scheduled for November 2018. The traffic lights from the roundabout have been removed and the new sections of roads required for the new roundabout have been completed. The new roundabout layout is currently in partial operation with a single lane open for traffic so that construction works can continue. The new layout will be fully operational upon completion of the scheme. The finished scheme will incorporate a combined footway and

cycleway separated from the carriageway around the perimeter of the roundabout with dedicated crossing points at all road junctions. The scheme is progressing to schedule and is on track to meet the completion date in November 2018. The Crewe Green Roundabout team have engaged with local communities and schools, delivering educational activities to young people around the construction industry and site safety. A monthly newsletter is produced to provide updates on the construction of the scheme with the Crewe Green webpage updated on a regular basis.

46. **A500 Dualling** – the Outline Business Case funding bid for the upgrade of the section of the A500 between M6 junction 16 and the B5472 was submitted to the Department for Transport at the end of June. We are bidding for funding through either the Large Local Programme or the Major Routes Network. The planning application for the scheme was also submitted in July. It is expected that the outcome of these two key decisions will be known towards the end of this year. In the meantime, approval was given at the June Informal Cabinet to further progress the scheme, with the preparation of Orders, preparations to engage a contractor, and progress the design for statutory undertakers' work.
47. The **Sydney Road Bridge Scheme** involves the complete replacement of the single carriageway bridge over the West Coast Main Line with a wider, two-way bridge. Preparatory works beneath the bridge on the railway commenced in April 2018 and are scheduled to be completed in September. The main bridge works, including the temporary closure of Sydney Road, is scheduled to commence in October with completion scheduled for May 2019.
48. **Congleton Link Road** – the Council issued notices confirming the Compulsory Purchase Orders needed to obtain the land to build the Link Road in March 2018. A General

Vesting Declaration will be made and Notices to Treat issued in September 2018 so that the land can be entered to begin construction in December 2018. Following completion of the procurement process, a preferred contractor was chosen in June and a start date on site is expected late 2018 / early 2019. The Final Business Case was submitted to the Department for Transport in June 2018 and confirmation of £45m funding from them was received on 20th August.

49. **Middlewich Eastern Bypass** will provide a new road to relieve traffic congestion in Middlewich town centre and enable access to the Midpoint 18 strategic employment site. The Middlewich Transport Consultation (September 2016) and a further public consultation in April 2018 demonstrated considerable local public support for the proposals. Work has been continuing throughout the period on progressing the design towards a planning application in autumn 2018 and on the land acquisition processes.
50. **Poynton Relief Road** – following the publication of a Compulsory Purchase Order (CPO) for the scheme in November 2017, the delivery team have continued to work with affected landowners to remove objections to the CPO. A public Inquiry into the Orders will be held between 20th and 27th November 2018. Work has also continued on preparation of contract documents to allow the scheme to be tendered via a design and build procurement exercise and for a contractor to be appointed to construct the relief road. The procurement exercise will commence in October 2018.
51. **North West Crewe Package (NWCP)** is a package of highway works to improve highway infrastructure in the North West of Crewe and support housing growth allocated with the Local Plan. NWCP will provide a north-south spine road, the realignment of Smithy Lane and new access to Leighton Hospital, an east-west link road and a series of junction

improvements. The highways will provide increased capacity to meet the additional demands on the highway network and support the development of Local Plan sites 4 and 5. A public engagement exercise was held in March 2018, and a report is currently being compiled on the feedback received at the engagement events. A planning application for the scheme will be submitted in autumn 2018. The Council is working with developers to deliver a road that accommodates the traffic and facilitates all future developments. Contractors have been engaged to provide pre-construction advice and design is progressing for the planning submission. Stakeholder meetings have been arranged with all interested parties to report on the programme and progress. Land negotiation is ongoing with land owners and a compulsory purchase process is running in parallel.

52. **HS2** – since the Department for Transport published the results of the Crewe Hub consultation in March 2018, which demonstrated overwhelming support to the Council's vision for a Crewe Hub, the Council has continued to work collaboratively with Government, Network Rail and other partners to further develop the concept for an enhanced Crewe Hub Station. An update on these developments will be reported to Cabinet later this year. The Council submitted a petition to the HS2 Phase 2a hybrid bill in February 2018, and was able to withdraw its petition ahead of appearing before the HS2 Select Committee following receipt of a Ministerial assurance and the granting of an £850,000 fund to provide additional environmental and ecological mitigation along the line of route within the Borough.
53. Further information on all major schemes can be found on the scheme website at:  
[https://www.cheshireeast.gov.uk/highways\\_and\\_roads/roadworks/major-projects/major-projects.aspx](https://www.cheshireeast.gov.uk/highways_and_roads/roadworks/major-projects/major-projects.aspx)

### 3 ~ People have the life skills & education they need in order to thrive

#### Securing the Best Start in Life

54. **30 Hours Childcare** – Cheshire East has been recognised as a high performing Council by the Department for Education, who in June awarded the Council an additional £100,000 to expand our free childcare offer to families. This revenue and capital grant was awarded to support the delivery of the 30 hours free childcare offer to enable the local authority to create (directly or indirectly) new places for the 2018 summer term. We were already performing very well compared to our peers in respect of entitled families getting the support they need thanks to the hard work and dedication of our Early Years team. The additional funding will enable us to boost our offer further and enable improved access to childcare places across Cheshire East.
55. The Council has worked with local schools to offer first preference places for more than 92% of primary school applicants from Cheshire East this year. The figure (92.75%) is an increase on last year's figure of 92.18%. In total, 98.5% of Cheshire East residents have been offered a place at a school of their choice for September 2018. This is up by 0.6% on last year.

#### Highest Achievement for All Learners

56. In the last academic year, we have achieved excellent education results across our Key stages, GCSEs and A Levels.
57. **Key stage results** – Primary pupils in Cheshire East achieved an impressive set of end of key stage results in 2018. From the end of the Early Years Foundation Stage

through to the end of Key Stage 2, schools across the Borough have produced outcomes where 18 out of the 21 national indicators have improved in 2018 compared to last year. The other three indicators remained unchanged. This year, one of the key achievements at the end of Key Stage 2 was seen in the reading test, where 81% of pupils attained the expected standard or higher – this is five percentage points above last year's figure. In writing, 80% achieved the expected standard, which was a four percentage point increase on the previous year. One of the most important national indicators is the combined outcomes in reading, writing and maths at the end of Key Stage 2. In 2018, results showed 67% of learners achieved the expected level or better, compared with 64% in the previous year. Provisional national data shows that our achievements are three percentage points above the figure for all schools in England for this indicator.

58. **GCSE Results** – Cheshire East secondary school pupils achieved success with an excellent set of provisional GCSE results in 2018. Provisional figures show that 70% of pupils achieved a 'standard pass' or better in English and maths with 49% achieving the 'strong pass'. What is worth noting this year is the increase in the higher pass rate, which is two percentage points above last year's figure. Cheshire East is likely to be well above the national rate. In English, more than 80% of Cheshire East pupils gained the standard pass or better with 67% achieving a stronger pass. In maths, 75% of Cheshire East pupils gained the standard pass or better, with 55% achieving a stronger pass. It is again encouraging to see the improvement in outcomes for boys, especially in maths, with boys now outperforming the girls. In addition, the performance of disadvantaged pupils has improved in English and maths.

59. **A Level results** – Again, A-Level students in Cheshire East achieved results that are above the national average. This is the second year of the new A-level and AS level qualifications being taken following the phasing in of revised syllabuses. Entries of 1,430 sixth form students resulted in a provisional pass rate of 99%, which is likely to be above the national rate. The further breakdown of grades shows that the proportion of students achieving grades A\* to A was 25%, which is higher than the proportion nationally and over half (51%) achieved an A\* to B grade.
60. Cheshire East works to strengthen pathways to work for its young people by providing employer assistance through its Skills and Growth Company (SAGC) so they can tap into government programmes and support to access a broader talent pool than they might otherwise consider. For example, South Cheshire College has launched the Risual Microsoft academy to offer a focused learning path into the ICT sector. SAGC also works with 17 of the 26 Cheshire East secondary schools / colleges assigning them local business mentors to actively enhance the employability of education leavers.

### **Inclusion**

61. Following a week-long inspection (12th to 16th March 2018) of services for children and young people with special educational needs and disabilities (SEND), Ofsted and the Care Quality Commission sent an outcome letter to Cheshire East Health and local authority in May. This set out a requirement for the local area to produce and submit a Written Statement of Action (WSOA) to Ofsted. Work has taken place across the 0-25 SEND Partnership to produce the WSOA, involving engagement with key stakeholders, including parent/carers and young people. This document has been sent to Ofsted for comment and the final WSOA will be

published on the Council's website following approval by Ofsted.

62. The Children and Families Overview and Scrutiny Committee completed a task and finish report on SEND with a set of recommendations which Cabinet welcomed as part of the wider journey of improving services for all our children and young people with SEND.
63. The performance of disadvantaged learners is a key priority for the local authority and the successful bid for **Strategic School Improvement Funding** (SSIF) has a clear focus on improving the outcomes of this vulnerable group. Provisional GCSE outcomes show an early indication that the gap between disadvantaged learners and their peers has closed by four percentage points. The 20 Cheshire East schools within the SSIF programme will continue to receive targeted support over the coming 12 months to continue to focus on outcomes for disadvantaged learners and maths.
64. **Pupil Place Planning** – Significant work continues to take place across the Borough to increase the sufficiency of places in schools in areas where there are forecast shortages of places due to additional housing. The more recent schemes which are now progressing include additional work at Disley Primary School, a new build at Oakfield Lodge School (Pupil Referral Unit) and expansions at Wilmslow High and Brine Leas School (secondary provision). Through a structured programme of submitted applications from schools, over 40 schools will benefit from capital investment of £1.5m to improve the condition and suitability of school buildings. This work includes specific capital funding to improve SEN provision.
65. The Cheshire East Lifelong Learning Service worked with providers to deliver 57 different accredited learning courses to

475 individuals in 2017/18. Over 99% completed their course and over 97% achieved their qualification. In addition the service delivered 28 community learning courses across multiple venues within Cheshire East from August 2017 to July 2018. There were 3,000 enrolments on these courses.

#### 4 ~ Cheshire East is a green and sustainable place

##### Sustainable Development

66. High level performance continued on the determination of major planning applications with 95% of major planning applications (ahead of the 90% target) and 90% of non-major planning applications (on target) being determined within timescales during the first quarter. The processes in the team and performance monitoring are well embedded to ensure continued success.
67. Continued submission of a large number of major development proposals (55 during quarter one) means that the demands on the department remain high. Likewise, the volume of smaller scale planning applications registered by the Council remains at a consistent and high level, with 870 received during quarter one.
68. During the first part of 2018/19, the Council prepared to launch the next phase of the Development Plan, the approved framework for housing, employment, and other key infrastructure sites up to 2030.
69. The Site Allocations and Development Policy Document (SAPDP) will follow a similar pathway to the Local Plan Strategy, with two rounds of six-week public consultations, supported by a range of evidence documents and followed up with a series of public hearings chaired by a government planning inspector. When adopted, the SAPDP will replace

the legacy policies of the three former Borough local plans, covering Macclesfield, Congleton and Crewe and Nantwich.

##### Waste Management

70. **Waste & Landfill** – The Environmental Hub is now fully open, ending landfill as the primary means of disposal for Cheshire East. Landfill tonnages have reduced in the first half of the year from 30,000 tonnes last year to around 8,000 tonnes in the same period. This was a key waste strategy objective that has been facilitated by the Hub's ability to process our black bin and household waste recycling centre waste into a fuel for use in Waste to Energy plants, outside the Borough. We are estimating around 36,000 tonnes will be diverted away from landfill to an energy from waste facility compared with only 12,700 tonnes last year. A no guaranteed tonnage, landfill contract has been maintained, as a reserve, in case of operational issues at the energy plants and for disposal of Sunday, out of hours waste, or waste unsuitable for waste to energy.
71. **Reuse and Recycling** - During the first half of the year we anticipate collecting around 34,000 tonnes of waste for recycling through the silver and green bin schemes and from our Household Waste Recycling Centres. These tonnages are consistent with those collected in 2017/18 and hence on track to maintain our recycling rate above the government's 50% target. Around 700 tonnes of the material is reused through charitable partnerships and the recycling centres. As part of our waste minimisation responsibilities, we are working in partnership with Ansa on a 'life with less plastic' campaign over the autumn period targeted to reduce the use of single use plastics.
72. **Composting Plant** – the Council has a contract with Biowise to allow food waste recycling, in the garden waste bin, by mid-

2019. As part of enabling food waste recycling, Biowise will build and operate a facility at Leighton Grange Farm, Crewe. Following the award of planning permission the project will now move into the construction phase.

73. The Communities team have been working on improving investigation techniques to deal with fly-tipping with a view to improving detection and prosecution rates. The team follow robust procedures to make house to house enquiries and gather local intelligence, sift and search through waste, involve support of CCTV, use evidential tape to ensure people are aware that we are investigating fly-tipped waste before it is cleared away by Ansa. The team is developing signage which can be used, similar to accident/incident signage that the Police use, which helps raise awareness and encourages reporting. Signage also has a deterrent effect and gives high visibility of the work Cheshire East Council is doing to tackle this issue which is very important to residents.

74. In July, the Council announced a £100,000 investment to refresh the 'No Rubbish Excuses' campaign. With a strong focus on fly-tipping, the campaign will include a range of measures:

- £18,800 to refresh the publicity campaign for 12 months with renewed emphasis on education, engagement and enforcement. More work will be done to engage with diverse communities such as material in several languages, via community groups on social media and through our volunteer community contacts. Landlords and letting agents will also be targeted
- £74,400 to support Crewe Town Council with the dedicated 'Waste Clean Team', such as targeted clean-ups and work with businesses
- £5,000 will provide specialist bin identification equipment to clearly link bins to properties

The campaign is being funded from fines received during 2017/18 for environmental crimes such as fly-tipping, littering and dog fouling.

75. In 2018, Cheshire East once again received eight 'Green Flag' Awards, an international standard and the only national award for parks. The following parks were awarded Green Flag status:

- Bollington Recreation Ground
- Brereton Heath Local Nature Reserve
- Congleton Park
- Queens Park
- Sandbach Park
- Tatton Park
- Tegg's Nose Country Park
- The Moor, in Knutsford

76. Tatton Park, in Knutsford, and Queens Park, in Crewe, also achieved a Green Heritage Award each, with Tatton receiving both awards for the 15th year in a row. Green Heritage site accreditation is judged on the treatment of the site's historic features and the standard of conservation.

77. Progress is being made towards the delivery of the key objectives of the **Municipal Parks Strategy**. Works include:

- A new data management system in operation for our trees. The system will help to record all works and tree surveys, supporting the planning and coordination of tree maintenance and safety work on our public open spaces
- We continue to work in partnership with local members and local community groups (Friends of Parks) to deliver park and open space enhancement schemes across the Borough

78. Orbitas provide **bereavement services** for the authority. They carried out 343 burials and 2,910 cremations in

2017/2018. A draft Cemeteries Strategy has been produced and is currently out for public consultation. This will ensure adequate burial capacity in the Borough. The Handyperson Service, which helps early discharge from hospital and maintain people in their own homes, again exceeded targets, with jobs completed growing by 10%.

### **Affordable Energy, Growing Energy Businesses, Independent Energy**

79. The Council continues to deliver its energy programme with support from European Local Energy Assistance (ELENA). This is funding technical assistance for energy efficiency and renewables projects, with the aim of leveraging investment across the Borough. The programme is currently focused on smart energy, lighting systems and heat network optimisation, and will be further developed to build energy resilience to support local growth and regeneration priorities.
80. The Safe and Well partnership between Cheshire Fire and Rescue Service, Energy Projects Plus and the unitary authorities including Cheshire East has been recognised in the National Energy Action (NEA) Energy Impact Awards for its work to identify fuel poverty and tackle issues with affordable warmth. By extending the scope of the Safe and Well visits to include affordable warmth, an extra 354 people were able to access help in the first three months of this year.

## **5 ~ People live well and for longer**

### **Empowering people to live independent, healthier and more fulfilled lives**

81. **Congleton Leisure Centre redevelopment** – the project to upgrade the leisure centre including the design and building of a replacement swimming pool continues. Most recently the

Council appointed Pulse Design and Build as its preferred development partner. The Council's project team will now work with them to undertake necessary preparatory work, consultation and surveys leading to the submission of a full planning application. This is due to be concluded by March 2019. Redevelopment works are due to be completed by autumn 2020.

82. **Macclesfield Leisure Centre redevelopment** – following the successful delivery of Crewe Lifestyle Centre, and the progress at Congleton Leisure Centre, the Council - working with Everybody Leisure - will shortly be undertaking a programme of up to £4m to improve the offer including new gym, fitness studio spaces, spa and swimming pool changing village. The initial work is programmed to be complete in late autumn with the remaining programme by the end of the current financial year.
83. **Alsager Leisure Centre & Outdoor Sports Hub** – As a result of planning approval for housing on the former Manchester Metropolitan University site a range of new and redeveloped facilities have been commenced. These include an enhanced gym (now complete and open) and two new fitness studios (shortly to be commenced). Whilst commenced in May there will also be the creation of a new outdoor sports hub across from the leisure centre, which when complete later in the autumn will include new 3G all-weather football pitch, new all-weather hockey pitch, five new grass pitches plus supporting changing pavilion and car parking, all of which will bring a significant addition to facilities for residents of Alsager.
84. In addition to its capital build programme for Congleton Leisure Centre the Council continues to work in partnership with the Leisure Trust to invest in improving the quality of facilities for users. Most recently this has included the Trust investing in state of the art "Speedflex" gym equipment at

Wilmslow Leisure Centre (value £150,000) which opened in July and is already gaining much interest as a new leisure concept.

85. During the first quarter, attendances at the Council's leisure facilities saw a 4% increase to 913,830 against a target of 877,637. This figure increases further to 945,639 when attendances at the Holmes Chapel Community Centre are also taken into account.
86. Performance on the Bikeability indicator again remained strong during the first quarter with 1,753 young people being trained on bike proficiency against a target of 1,520.
87. Once again there was also an increase in the time dedicated to the crucial role of support to local sports clubs and events with 1,991 volunteer hours being given against the target of 1,766 hours.
88. The legislative changes for licensing of Houses in Multiple Occupation (HMOs) have been announced by Government. Plans are now being implemented at a local level to make landlords and communities aware of the regulations, with an increase in staffing resources and a comprehensive communications plan in place. The Portfolio Holder has approved the revision of fees and charges for HMO licences to better reflect the cost of licensing and to pass the cost of this to the licence holder.
89. 209 new affordable homes were provided in the first quarter, well above target. Projections show that the delivery of new affordable homes for 2018/19 will be well above target.
90. The **Cheshire East Substance Misuse Service** has been recommissioned and from the 1st November 2018 Change, Grow, Live (CGL) will begin to deliver the new integrated drug

and alcohol treatment and recovery service for young people and adults across Cheshire East. CGL are the lead provider overseeing the local Substance Misuse Service who will also be working with Emerging Futures and Recovery Works. CGL are a registered charity who provides a range of drugs and alcohol treatment and recovery services for young people and adults. Emerging Futures have worked with CGL across England and Wales since 2014, and they aim to inspire individuals who have experienced substance or alcohol misuse, with the hope and ambition to change and improve their lives and make a positive contribution to their community. Emerging Futures will be providing group-based recovery support via their Foundations of Recovery programme, as well as leading on the development of the visible recovery community in Cheshire East. Recovery Works are an employment and training organisation who will provide intensive case management for service users into local employment, volunteering and training programmes, providing expert help to those facing barriers to employment. The new service will have a greater focus on recovery outcomes as well as a whole family approach, and the hidden harm on family members, including children and young people.

91. On the 30th September 2015, Wirral Community Trust was awarded the **0 -19 Healthy Child Programme** contract for an initial three year period. In accordance with the terms and conditions of the contract this term has been extended until the end of September 2020. The 0-19 Healthy Child Programme is a universal offer available to all children and young people, aiming to ensure that every child gets the good start they need to lay the foundations of a healthy life. The programme recognises the importance of building on the support in the early years and sustaining this across the life course for school-aged children and young people to improve outcomes and reduce inequalities through universal provision

and targeted support. The 0-19 Healthy Child Programme was commissioned alongside the immunisations and vaccination services under a Memorandum of Understanding with NHS England to provide a range of vaccinations to children. A review of the programme will start in autumn 2018 to allow for the service to be recommissioned for the 1st of October 2020.

92. The Council is now involved in a programme to collectively develop and promote **Making Every Contact Count (MECC)** across organisations throughout Cheshire East, working collaboratively with the Cheshire and Merseyside Public Health Collaborative. An eLearning programme is available for staff and MECC champions will be developed and receive training from December 2018. The aim of MECC is to use every opportunity of a contact with a client or service user to offer advice regarding healthy lifestyles, encouraging individuals to review their lifestyle choices and make changes where that would be of benefit to their health and wellbeing.
93. Cheshire East collaborated with partners on a full week of events in a joint campaign for Mental Health Awareness Week which began on 14th May. A variety of co-ordinated activities were facilitated for staff and the public during the week and press releases, tweets and campaigns messages were shared.
94. The collaborative campaign 'Know Your Numbers Week' commenced on 10th September. Blood Pressure checks were offered to staff in the workplace and in the Connected Community Centres for the public. Other testing centres were held in community and leisure venues during the week and through Healthy Living Pharmacies.

## **Information, Advice & Guidance, Prevention and Early Intervention**

95. **Youth Connect 5** – This wellbeing and resilience course for the parents of 10-18 year old children has been delivered to 180 trainers across Cheshire and Merseyside. Courses are now underway and can be found on the new website: <https://youthconnect5.org.uk/>. An evaluation will be published in the New Year which has been undertaken by John Moores University Liverpool.
96. **Suicide Prevention Gatekeeper Training** – Over 250 people in Cheshire East have trained to become 'Gatekeepers' reducing stigma and encouraging people to talk about their feelings and spot the signs of a person who may take their own life.

## **Accessible high quality services, Information & Advice**

97. The Housing Enforcement Policy has been updated to incorporate new powers to strengthen regulation of the private rented sector, including banning orders and use of the rogue landlord database.
98. Waiting times have now been eliminated for the Early Intervention service for Disabled Facilities Grants, and referral pathways set up with dementia reablement services and falls prevention services, keeping more people independent at home for longer.
99. The above mentioned recommissioned Substance Misuse Service will have a greater focus on early intervention and prevention, with a particular focus on prevention and early intervention with young people. The Healthy Child Programme also has a focus to provide early intervention and preventative information, advice and guidance.

100. **Suicide Prevention** – the Pilot of the ‘Gatekeeper’ Training is now complete with a total of 401 people from frontline services trained in suicide prevention. A report is being taken to the Directors of Public Health in Cheshire and Merseyside outlining future commissioning options. Gatekeeper training for 26 secondary schools is now underway with 63 members of staff from Cheshire secondary schools and colleges trained to date. A Suicide Safer Accreditation bid has been submitted for Cheshire and Merseyside regions. An audit of suicides in Cheshire East has been completed with two years of data. The learning will inform practices and improve service delivery across Cheshire and Merseyside.
101. A British Heart Foundation bid has been submitted which, if successful, will provide for blood pressure testing equipment and training to be embedded into the Cheshire East Connected Community Centres.
102. The Council’s **‘Time to Change’** Action Plan has been well received and accepted by the ‘Time to Change’ organisation. This focuses attention on reducing any stigma associated with mental health in the workplace and sets out a series of actions that will be progressed over the next 12 months. The ‘Time to Change Pledge’ will be signed on 10th October to coincide with World Mental Health Day, and the action plan publicised to share the details of what is being developed to support staff with their mental health and wellbeing.
103. A survey of all our primary schools has shown that 50% of our schools are undertaking some form of children walking a mile a day during school hours. From September 2018, the remaining schools we be supported in implementing the ‘Make the Mile’ initiative.
104. The Public Health Team have been providing support to other teams and working groups across the Place directorate in

order to embed physical, mental and emotional health and wellbeing into wider policy work, such as the local transport plan.

### **Accessible high quality services, Information & Advice**

105. Earlier this year saw the launch of the new structure, ICT system and processes to reflect the requirements of the Homelessness Reduction Act. This is a huge learning curve for all officers, and all are adapting very well, showing really positive team spirit in their learning.
106. The Council has remodelled its Care at Home (domiciliary care) services. The new place-based model for the service will help to facilitate an asset-based approach which aims to maximise service users’ independence and enable them to continue to live in their own homes for as long as possible. The new service will commence in quarter three.
107. An e-brokerage system is under development to support the sourcing and allocation of Adults and Children’s Social Care services. The system is designed to offer a greater choice of commissioned care services that can meet individual needs. It is anticipated that the new system will be operational for most services in quarter three of this year.
108. A new operating model is confirmed for the newly formed Learning Disability team. Among other matters, the operating model includes a commitment to a seamless transition process for young people from children’s to adult services. Also confirmed for Community Mental Health Teams is a model that will see the full implementation of the Care Act in Mental Health, requiring a new way of working with Cheshire and Wirral Partnership.

109. A Dynamic Purchasing System has been developed to increase the quality of provision, and promote choice and control for individuals with complex care needs. The system is due to go live in November.
110. Continuing Health Care (Social Care) team members have now been recruited with the aim of being operational for October in time for the new NHS Continuing Health Care National Framework implementation. Continuing Health Care joint procedures with the Clinical Commissioning Groups are being reviewed to promote more effective joint working and ensure patients receive timely assessments under Continuing Health Care.
111. Cheshire East are working collaboratively with Halton, Cheshire West & Chester and Warrington Councils on a new proposal for the Police and Crime Commissioner to commission a more effective Appropriate Adult service for our residents.
112. New Practice Managers are working together as a cohesive group with a focus on developing their new teams and strengthening links with community-based health professionals. We have successfully implemented First Point of Contact Teams in both South and East regions which has resulted in less work being passed to Community Teams, enabling them to focus on more complex work. Occupational Therapy Teams have been successfully integrated into Community Social Work teams resulting in a more efficient process with less transferring of cases between teams. Cheshire East have achieved Delayed Transfer of Care targets.
113. Provider Led Reviews, guidance to providers on undertaking reviews on residents settled in residential, supported living and extra care housing settings, have been agreed. This is to

be implemented along with the new contract in October. Also included is new guidance for social care staff to enable more proportionate recording on individuals where care and support arrangements have not changed significantly.

114. Ten sections have been created or updated and published on the Joint Strategic Needs Assessment (JSNA) website during this period. The work of the JSNA programme helps to inform local planned projects and priorities. The new sections include Childhood Maltreatment (abuse and/or neglect), Carers, Suicides and Overview of all Cancers.
115. The 2018 Pharmaceutical Needs Assessment (PNA) was published. This is produced every three years. It informs the local NHS in its provision of pharmacy providers to serve our communities. The Council has a duty to develop the PNA and NHS England has a duty to take its findings into account in their planning for our residents.

### **Public Protection, Health Protection & Safeguarding**

116. We have successfully completed a Care Concern Pilot with 10 Care Home Providers. The pilot has introduced new ways of working with Providers and thresholds for reporting concerns. The impact of this way of working has reduced the number of First Account Referrals to the Community Teams by 50% and the Providers feel more confident in reporting mechanisms. We now have an Electronic First Account Form available on the 'LIVE WELL' and Safeguarding Adults Board Website.
117. The Safeguarding Board, which meets quarterly, have introduced a new two-part model to Board meetings: Part A being a confidential meeting of statutory partners to review responsibilities and responses to investigations and statutory safeguarding duties; with Part B focussing on themes and

bringing the frontline experience of frontline workers to the Board which encourages learning for both Practitioners and Board Members. Themes and Deep Dives have focused on domestic abuse and self-neglect.

118. The Safeguarding Adults Board and Children's Board are inviting nominations for Safeguarding and Dignity Awards. A ceremony is being held in November to recognise how individuals and teams have responded to vulnerable children and adults at risk. Recruitment to the new Safeguarding Team commenced in August 2018.
119. The Council has produced a range of communications from social media and press releases to articles in The VoiCE Magazine geared towards protecting the health of the public. In particular communications have focussed on measles, including promoting the MMR vaccine, and despite outbreaks across the UK and Europe we have not had an outbreak in Cheshire East due to our high MMR vaccine uptake.
120. The Council's flu vaccination programme for staff achieved approximately a 20% uptake in its first year. This is high compared to uptakes achieved in other councils and represents a strong start for the programme, which will be continued this year.
121. The number of **cared for children** stood at 496 at the start of September 2018, having stayed at broadly around 470 since July 2017. This is compared to 387 in March 2016 and 422 in March 2017. The number started to increase from April 2018, but it is not due to an increase in admissions. We had 100 children and young people enter care between 1st April 2017 and 10th August 2017 and so far this year for the same period we have had 75 children enter care. Most children enter care due to neglect and abuse, with most children being made the subject of applications to the Family Courts to secure their

welfare. Only 9% of children are in care and subject of a voluntary arrangement. Clearly with the number of cared for children rising, once children enter care they are staying longer. Since April 2018, 7 children have been adopted and there are 40 children with a plan of adoption.

122. The Council increased funding for cared for children in 2018/19 by £3m to meet the demand levels at that time and to ensure our cared for children and care leavers achieve the best possible outcomes. This has had the positive effect of significantly suppressing the budget pressure; however, costs have continued to rise as a result of providers increasing their costs, especially for residential care.
123. The increase in cared for children will push us closer to our statistical neighbour group and nationally for the rate of cared for children (per 10,000). A number of initiatives have been taken forward to reduce the pressures such as re-commissioning residential children's homes, providing intensive support to children in need, restructuring our edge of care and family support teams to provide more effective support, joining a regional adoption agency and going live with our shared fostering marketing and recruitment hub with Cheshire West, Warrington and Halton Councils in April. The number of fostering enquiries has increased by 50%. Whilst the 2018/19 Budget provides additional funding to address the pressures from additional children in care, there are pressures to deliver further budget savings and this is more challenging as budgets reduce.
124. The Council commissioned a whole family domestic abuse service from 1st April 2016 to 31st March 2019, providing interventions for children, those who harm and those who are harmed. The three year initial term of this contract will end on 31st March 2019 and therefore Cabinet agreed in July 2018 to re-commission for the service rather than taking the option

to extend, as this will allow the Council greater flexibility to change the delivery model to meet need. Local people have been safer as a result of this commission, but learning from contract management, consultation with a wide range of stakeholders and changes in local and sub regional provision indicate that re-commissioning is required to achieve best value for the Council and best support for its citizens to live free from abuse and its effects. The commissioning of whole family domestic abuse services has a positive impact on the safety, health and wellbeing of our adults and children, and supports our local communities to be strong and supportive. The procurement process will ensure that the Council continues to deliver efficiency and effectiveness through its commissioning activity. This specialist commission works within the context of other services with a focus on domestic abuse and in partnership with other agencies. In September, we will be launching the new domestic abuse campaign, 'Open the Door' <http://www.openthedoorcheshire.org.uk/> with a focus on the significant role friends, family and the community, can play in preventing and responding to domestic abuse.

125. On 12th July 2018 Cheshire East care leavers led an event with partner agencies and officers from the Council to co-produce a range of support and services for care leavers referred to as the 'local offer'. The event was extremely well attended by partners such as the Department for Work and Pensions (DWP) and large corporate organisations such as Ringway Jacobs. The event celebrated the achievements of our care leavers and also produced a list of pledges from each service and partner area in the development of a stronger offer to care leavers. These pledges included prioritisation of care leavers within voluntary mental health services and free access to parks and green spaces for all cared for children and care leavers to name but a few. The service will publish its local offer for care leavers in October

2018. This will be reviewed annually and these annual events, led by care leavers, will continue to strive for better outcomes.

## **6 ~ A Responsible, Effective and Efficient Organisation**

126. Culture and workplace wellbeing continues to be an area of significant focus. Following publication of the recommendations of the independent culture review by the Local Government Association, a programme of staff engagement is in place as part of the Brighter Future Together Programme which has already resulted in 1,017 employees and elected members contributing to the development of a vision and behavioural framework for our workplace culture.
127. As part of the Brighter Future Together Programme, the new vision, behaviours and employee deal were launched on 26th July 2018 with simultaneous events at each of our main buildings. Embedding of these will continue throughout 2018 with our Brighter Future Champions hosting 'What's the Conversation?' events within each team, where the focus is to understand what the vision, behaviours and employee deal mean for all staff and teams.
128. The Wellbeing in Work programme continues to support and strengthen wellbeing within the workplace. Focused around five strands of wellbeing, several initiatives are in place joining work from across the Council including building a cohort of Mental Health First Aiders, promoting the Council's Employee Assistance Programme, implementing the 'Cheshire East Team Challenge' and continuing to hold regular Wellbeing in Work forums and communications.
129. A number of process improvements are underway to help to ensure compliance with policy and procedures. This has involved an in-depth analysis of the use of different payment

methods and the introduction of new systems and approaches.

130. Supplier terms of trade are being harmonised and there will be a reduced number of supplier payments runs (three per week). Also the number of supplementary pay runs for payroll payments are being reduced. This will save both time and money.
131. The Demand Management project looks at the different payment methods and ensuring the correct methods are used, reducing unnecessary demand and associated costs. Improvement of up to 87% has been achieved. Additionally, a new electronic TM11 payment form is being rolled out.
132. Two new systems have been rolled out: the E-payslips system, to enable staff to access their payslips 24 hours a day and for three months after leaving the organisation; and the Disclosure and Barring Service system which is a new and improved system.
133. Two new policies are under development: the Pcard Policy with new processes to improve and ensure control and security; and the Travel Policy, which sets out the new

procedures to book travel to ensure correct approvals are in place and any fraudulent travel claims are avoided.

134. The Insurance team have completed work on developing reports on a specific service base to provide information on insurance claims within separate service areas. The reports are complete and will be rolled out later in 2018/19 once appropriate communication options are established.
135. The Asset Management Service's Property Projects team have work valued at £75.2m underway on the Council's assets. £23m projects were completed this quarter including Macon House and Crewe Library - Demolition Feasibility; Crewe Crematorium Refurbishment; St Michaels Macclesfield - Retaining Walls; Environmental Hub Middlewich; Coronation Valley Restoration; and Crewe History Centre site selection study. They are currently overseeing £27m of construction projects – 11 out of 13 being classroom/education facility extensions, aiming to be delivered in the summer break. The Property Services team continue to work through a high volume of transactional enquiries, whilst bringing in over £550,000 rental on its current property and land assets this reporting period.

# 2. Financial Stability

## Introduction

136. The Council has a strong track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of increased costs, growing demand and reducing Government grant. The pressures are most intense in Children's and Adults Social Care.
137. A full mitigation plan is in progress to address the forecast overspend and ensure that the General Reserves are protected. Given the scale of the financial pressures achieving a balanced budget position this year will be extremely challenging.
138. **Table 1** provides a service summary of financial performance at mid year. The current forecast is that services will overspend by £5.3m in the current year. The Financial Narratives provide further details and changes to service net budgets since mid year review are analysed in **Appendix 2**.
139. Further items impacting on the level of the Council's balances are detailed in the paragraphs below on Central Contingencies and Contributions.

**Table 1 - Service Revenue Outturn Forecasts**

2018/19 Mid Year Review (GROSS Revenue Budget £616.0m)	Revised Budget (NET) £m	Forecast Actual Outturn £m	Forecast Over / (Underspend) £m
<b>SERVICE DIRECTORATES</b>			
Directorate	0.6	0.7	0.1
Children's Social Care	36.0	37.3	1.3
Education & 14-19 Skills	11.6	12.2	0.6
Prevention & Support	8.8	9.1	0.3
Adult Social Care - Operations	23.8	26.5	2.7
Adult Social Care - Commissioning	80.3	78.2	(2.1)
Public Health and Communities	2.6	2.6	-
<b>People</b>	<b>163.7</b>	<b>166.6</b>	<b>2.9</b>
Directorate	0.2	0.2	-
Planning & Sustainable Development	3.2	3.2	-
Infrastructure & Highways (incl Car Parking)	12.4	12.5	0.1
Growth & Regeneration	17.1	17.0	(0.1)
Rural & Cultural Economy	3.0	3.1	0.1
Customer Services	8.4	8.7	0.3
Client Commissioning			
Leisure	2.0	2.0	-
Environmental & Bereavement	28.5	29.7	1.2
<b>Place</b>	<b>74.8</b>	<b>76.4</b>	<b>1.6</b>
Directorate - Former Professional Services	1.4	1.4	-
Directorate - Business Manager	0.9	1.0	0.1
Directorate - Unallocated	(1.0)	-	1.0
Legal Services	6.0	6.0	-
Human Resources	2.3	2.4	0.1
Finance & Performance	6.1	5.7	(0.4)
ICT	5.7	5.7	-
Communications	0.6	0.6	-
<b>Corporate</b>	<b>22.0</b>	<b>22.8</b>	<b>0.8</b>
<b>Total Services Net Budget</b>	<b>260.5</b>	<b>265.8</b>	<b>5.3</b>

## Financial Narratives

### People Directorate

140. Children's services across the country are under pressure and Cheshire East Council is no different. We have some fantastic services that support our children and young, but with demand increasing and funding arrangements ever changing we cannot be complacent.
141. As corporate parents the numbers of our children in care continues to rise in addition to supporting our families across the continuum of need. We have enjoyed great exam results again in Cheshire East; however, our schools will again be reviewing how much money they have to spend on pupils as the impact of the National Funding Formula is on the horizon.
142. Supporting our most vulnerable children and families remains a priority and achieving this continues to be a challenge for all service areas.
143. Children and Families is reporting a forecast outturn of +£2.3m at this first formal review stage. The key issues for the service are set out below.

### Children's Social Care – pressure of £1.3m

144. The number of cared for children is 496 at the start of September representing an additional 23 children since March 2018.
145. Most children enter care due to neglect and abuse with increasing numbers of children being made the subject of applications to the Family Courts to secure their welfare. In the period April 2018 to July 2018, 80 children and young people entered care and 57 left care as a result of Special Guardianship, Adoption, returning home or moving to independent living.

146. A number of initiatives are being taken forward to reduce the pressures such as commissioning residential children's homes, providing intensive support to children in need, joining a regional adoption agency, and setting up a shared fostering marketing and recruitment hub with Cheshire West, Warrington and Halton Councils. From 2019/20 the Council is looking to develop a more intensive support offer for families with issues that are resulting in repeated care proceedings.
147. Key issues relate to the pressure on the agency placements budget and the delay in delivery of the children's residential contract. Those two issues resulted in a pressure of £3.2m at year end 2017/18.
148. The 2018/19 budget was increased by £3m to help address these on-going pressures in the service and as a result the first review period is reflecting a net pressure of £0.2m.
149. Other key pressures relate to:
- Special Guardianship Allowances £0.3m – where a higher volume than normal has been experienced resulting in higher level of payments to the carers.
  - Challenges in delivering efficiency savings in staffing and travel etc £0.4m.
  - Staffing pressures £0.2m within the cared for children teams.
  - Higher number of children supported in level 3 and 4 of the continuum of need.
  - Pressure on the commissioning budget of £0.2m from a delay in delivery of budget savings.
150. The service continues to take steps to manage these cost pressures.

### **Prevention and Support – pressure of £0.3m**

151. The service has undergone a significant reorganisation which has been implemented in September 2018 with an ambition to achieve efficiency savings of £1.2m. At mid year point the service is forecasting a pressure of £0.3m mainly due to the need to find the costs of voluntary redundancy within the same financial year. We anticipate ongoing vacancy management and more efficient procurement should make inroads to manage this pressure.
152. Following the Ofsted and CQC (Care Quality Commission) inspection investment in timeliness of EHCP's (Education Health and Care Plans) is a priority as is the development of an up to date Autism Strategy and a unified clinical and social model of care and support.
153. This service also includes the Special Educational Needs and Disabilities Service. SEN placements are funded through Dedicated Schools Grant and there are pressures on that grant of £2.5m from placements with independent providers and with other local authorities. This is not included in the base figure but will use up the Council's DSG reserve at the end of March 2019. The service is taking forward plans to enhance gatekeeping, review placement costs and the basis for the local payment rates and develop more local provision.

### **Education and Skills – pressure of £0.6m**

154. Key issues for the service relate to:
- Transport – the Council's transport provider (Transport Service Solutions) is currently forecasting an overspend. The Council has taken a number of steps to support TSS to deliver within the management fee, including a business process review to ensure efficiencies in back office arrangements, particularly commissioning, and the implementation of revised travel policies. Given there was an end of year overspend of £0.6m TSS will be challenged

to further mitigate that position. Therefore, it is forecast that an overspend of £0.4m will be achieved for 2018/19. This will continue to be monitored to ensure efficiencies are achieved.

- Catering – due to increasing costs of food etc the service is unable to generate additional income from schools giving a pressure of £0.2m. However, the service aims to break even at the end of the year.

### **Directorate – pressure of £0.1m**

155. The key issue relates to a cross service efficiency saving from business administration that is still to be achieved.

### **Adult Social Care, Public Health and Communities**

156. Adult Social Care, Public Health and Communities budgets remains under continued pressure locally and across the country. The pressure here in Cheshire East comes from the combination of factors, which have been building over a number of years. These relate to meeting the needs of our most vulnerable residents in the community, those in long term care and hospital. Demand for services creates pressure in all areas which means practitioners time assessing needs, commissioners time targeting needs and support staff time enabling needs becomes a sometimes daily and weekly prioritisation. Sometimes we are able to offer information and advice which enables people to access the right services but on other occasions we are duty bound to provide services which meet the eligible needs of our residents. We are commissioning new services to help care providers who are struggling to respond to request for placements, however, providing care packages remains a daily challenge.
157. Adult Social Care Commissioning is responding to this challenge by commissioning the care home and care at home market to ensure there is a more outcomes focused offer to service users and more certainly for providers. In addition to

this the Adult Social Care Commissioners have also introduced an Early Help Framework to support better outcomes in the Voluntary, Community and Faith sectors and a new substance misuse contract.

158. We are seeing additional support requirements across the age spectrum. It is a source of great celebration that our population continues to live longer, but not everyone can do this without significant care and support. There are many more people coming through transitions as young people into adulthood with many more complex needs. Equally the need for services to support our aging population continues to rise and those people of adult age have many more complex health and care needs now. This is of course all against the backdrop of our local NHS financial challenges and the interdependencies between health and social care which can be seen in our planning for winter which is our most challenging time of the year.
159. The department continues work on transforming the offer to these people who rely on Adult Social Care, Public Health and Communities services. This is supported by some very targeted actions aimed at reducing the extent of any adverse pressure to the budget and continue to meet the needs with positive outcomes. Measures that deliver savings based on service redesign with the person always in mind whilst ensuring a safe service is at the heart of what we are doing. A further financial risk at the present time relates to the current financial position of the Council's largest partner the local NHS who are already reducing direct funding to both the Council and key partners in the sector which can further add to the Council's financial pressure. These actions which are being implemented in order to produce a balanced position but are only likely to increase the demand for Adult Social Care. The Adult Social Care, Public Health & Communities service is reporting a £0.6m overspend at mid year against a

gross budget of £162m. Overspending for the People Directorate is therefore forecast at £2.9m at Mid-Year as identified in Table 1 (above).

### **Place Directorate**

160. Place is reporting a pressure of £1.6m against a budget of £74.8m at Mid Year Review. This is predominantly made up of two items: Digital and Environmental Operations.
161. There has been a delay in achieving the £0.9m budgeted digital savings in year due to duplications with other savings initiatives, inaccurate or unrealistic assumptions in benefit calculations and technically infeasible solutions proposed in the original business case.
162. £0.4m of digital savings are expected to be made in 2018/19 against the target of £0.9m, resulting in a forecast £0.5m pressure in year. It is forecast that the remaining £0.5m saving will be met in 2019-20.
163. Overall, Environmental Operations, including Bereavement is currently reporting a £1.2m overspend for 2018/19 against a net £28.5m budget.
164. There are two main pressures contributing to this overspend. Firstly, there has been a change in the timing of the savings programme associated with the planned waste collection route and rota optimisation project, so that this is now aligned with commencement of food waste recycling in 2019.
165. Secondly, following a review of Household Waste Recycling Centres by external consultants and subsequent public consultation in 2016/17, a number of efficiencies and improvements were introduced in 2017/18 delivering substantial savings. Based on full implementation of these proposals, however, the savings delivered remain below the

consultants' initial estimates resulting in the need to adjust future budgets to actual savings achieved.

166. Excluding Digital and Environmental Operations, the rest of Place is forecasting a small underspend of £0.1m. Pressures on Strategic Infrastructure, Car Parking and Assets budgets have been offset by underspends on Facilities Management, Regeneration, Benefits Administration and Transport Service Solutions commissioning.

### **Corporate Directorate**

167. The budget for services within the Corporate Directorate, including the Mutually Agreed Resignation Scheme (MARS) savings, is forecast to overspend by £0.8m.
168. MARS savings were set at £1.5m in 2018/19, the actual saving achieved from staff leaving under the scheme was £0.5m leaving a shortfall of £1.0m.
169. The Directorate is forecast to underspend by £188,000. Former Professional Services are overspending by approximately £57,000 due to overspends within the shared service (TSC) of £150,000 partially offset by additional income from charging to capital projects. There is also pressure from unachieved restructure and Admin Review Savings which are being offset by an underspend in the Executive Support Office and additional budget taken from Contingency.
170. ICT is forecasting a balanced position, although there is some risk around non achievement of contract and agency savings (£350,000 within ICT Strategy and £100,000 within Service Delivery). All endeavours will be made to control spend and maximise income with the aim to achieving an overall net nil without compromising service delivery.

171. The mid-year forecast for Legal & Democratic Services is an underspend of £19,000. Legal Services is overspending by £161,000, mainly due unbudgeted staffing cost pressures which are being partially offset by additional Legal income. Compliance is also overspending by £48,000 due to unbudgeted staff costs. The overspends in Legal Services and Compliance are being offset by underspends within Democratic Services. Underspends in the Democratic Business Support Unit are offsetting overspending in the Civic Office (net £79,000 underspend). Additionally, income from the Police and Crime Panel of £52,000 and an underspending in the Democratic Services Admin Team of £16,000 are contributing to the overall projected underspend in this area. The Coroners Service hosted by Warrington Council is also projected to underspend by £76,000.

172. Finance and Performance is projecting an underspend of £383,000 due staff vacancies across the service including £290,000 in Audit, £50,000 in Accountancy, and a reduction in council self insurance costs £220,000 which are being offset slightly by overspending in Project Management Office and Procurement.

173. The Strategic HR Service is forecasting an overspend of £74,000 mainly as a result of staffing overspends and loss of schools buy back income which is being partially offset by unused strategic project budgets held on the Head of Service cost centre.

174. The Communications Team are reporting a balanced position. Supplies and services pressures are being offset by an underspend against the staffing budget and increased income.

## Government Grant Funding of Local Expenditure

175. Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2018/19 was £272.4m.
176. In 2018/19, Cheshire East Council's specific use grants held within the services was budgeted to be £254.0m based on Government announcements to February 2018.
177. Mid year has seen a decrease in specific use grants of £4.9m. This is mainly due to a reduction in Housing Benefit Subsidy owing to the continued implementation of Universal Credit and the conversion of three schools to academies during the year to date reducing the Dedicated Schools Grant. A budget transfer of £0.7m from unringfenced grants held centrally for Adult Skills grant is requested in **Appendix 10**. This grant has been identified as specific and should be held in the relevant service area.
178. A funding bid of £561,000 has been submitted to Public Health England (PHE) to support children of dependent drinkers and alcohol dependent parents. If successful this will support priorities within the existing Substance Misuse Service.
179. Spending in relation to specific use grants must be in line with the purpose for which the funding is provided.
180. General purpose grants were originally budgeted to be £18.4m, but further in-year grant announcements have increased this figure to £24.9m at mid year.
181. Additional general purpose grants of £6.5m have been received during the year to date. These include an additional

£0.5m in respect of Children & Families related grants and £0.1m for additional costs of Electoral Registration. Business Rates Retention S31 Compensation grants to be received of £6.1m as per the NNDR1 2018/19, which was submitted to the Ministry of Housing, Communities and Local Government (MHCLG) in January 2018 and is due to be transferred to the Collection Fund Earmarked Reserve. Requests for the allocation of the additional grants received are detailed in **Appendix 11**.

182. **Table 2** provides a summary of the updated budget position for all grants in 2018/19. A full list is provided at **Appendix 3**.

**Table 2 – Summary of Grants to date**

	2018/19 Original Budget	2018/19 Revised Forecast MYR	2018/19 Change
	£m	£m	£m
<b>SPECIFIC USE</b>			
Held within Services	254.0	250.3	-3.7
<b>GENERAL PURPOSE</b>			
Revenue Support Grant	5.4	5.4	0.0
<u>Service Funding:</u>			
People - Children and Families	0.9	0.7	-0.2
People - Adult Social Care and Independent Living	1.8	2.2	0.4
Place	0.1	0.1	0.0
Place – Customer Operations *	1.6	1.7	0.1
Corporate – Chief Operating Officer	8.6	8.7	0.1
Central Items	0.0	6.1	6.1
Total Service Funding	13.0	19.5	6.5
<b>Total General Purpose</b>	<b>18.4</b>	<b>24.9</b>	<b>6.5</b>
<b>Total Grant Funding</b>	<b>272.4</b>	<b>275.2</b>	<b>2.8</b>

\* Customer Operations is now reported under Place Directorate (formerly Corporate)

## Collecting Local Taxes for Local Expenditure

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

### Council Tax

184. Council Tax is set locally and retained for spending locally. Council Tax was set for 2018/19 at £1,404.28 for a Band D property. This is applied to the taxbase.

185. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect Council Tax from (after adjustments for relevant discounts, exemptions and an element of non-collection). The taxbase for 2018/19 was agreed at 147,003.80 which, when multiplied by the Band D charge, means that the expected income for the year is £206.4m.

186. In addition to this, Cheshire East Council collects Council Tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £250.8m.

187. This figure is based on the assumption that the Council will collect at least 99% of the amount billed. The Council will always pursue 100% collection, however to allow for non-collection the actual amount billed will therefore be more than the budget.

188. This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £252.8m.

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

	£m
Cheshire East Council	206.4
Cheshire Police and Crime Commissioner	25.9
Cheshire Fire Authority	11.1
Town and Parish Councils	7.4
<b>Total</b>	<b>250.8</b>

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

**Table 4 – Over 99% of Council Tax is collected within three years**

Financial Year	CEC Cumulative			
	2014/15	2015/16	2016/17	2017/18
	%	%	%	%
After 1 year	97.9	98.1	98.3	98.2
After 2 years	98.9	99.0	99.1	**
After 3 years	99.3	99.3	**	**

\*\*data not yet available

190. The Council Tax in-year collection rate for 2018/19 is 38.8%, a small decrease on the previous year.

191. Council Tax support payments (including Police and Fire) were budgeted at £16.2m for 2018/19 and at the end of the June the total council tax support awarded was £15.0m. The Council Tax Support caseload has reduced since April 2014 and there have been more reductions in the Council Tax Support awards in the year than increased or new awards.

192. No changes were made to the Council Tax Support scheme for 2018/19. The scheme was confirmed unchanged by full Council in December 2017.

193. Council Tax discounts awarded are £22.9m which is broadly in line with the same period in 2017/18.

194. Council Tax exemptions awarded total £4.6m which is broadly in line with the same period in 2017/18.

### Non-Domestic Rates (NDR)

195. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief.

196. The small business multiplier applied to businesses which qualify for the small business relief was set at 48.0p in 2018/19. The non-domestic multiplier was set at 49.3p in the pound for 2018/19.

197. Cheshire East Council continues to be in a pooling arrangement with the Greater Manchester (GM) Authorities (also includes Cheshire West and Chester for 2016/17) for the purposes of Business Rates Retention. The purpose of the pool is to maximise the retention of locally generated business rates to further support the economic regeneration of Greater Manchester and Cheshire Councils. As a pool the

members will be entitled to retain the levy charge on growth that would normally be paid over to Central Government. Cheshire East will retain 50% of this levy charge locally before paying the remainder over to the pool.

198. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

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

Financial Year	CEC Cumulative			
	2014/15	2015/16	2016/17	2017/18
	%	%	%	%
After 1 year	98.1	98.1	97.7	98.3
After 2 years	99.3	99.1	99.2	**
After 3 years	99.7	99.5	**	**

\*\*data not yet available

199. The business rates in-year collection rate for 2018/19 has decreased to 39.7% compared to 38.8% for the same period in 2017/18.

### Capital Programme 2018/21

200. At the Mid Year review stage the overall programme has increased by £59.5m as shown in the table below. A summary of the capital programme and funding is shown at table 6.

**Table 6 – Summary Capital Programme**

	Original Budget	Amendments to Original Budget	Amended MYR Budget	Transfers to/from Addendum	Budget Reductions	SCE's	Revised MYR Budget
	2018/21 £m	2018/21 £m	2018/21 £m	2018/21 £m	2018/21 £m	2018/21 £m	2018/21 £m
People Directorate	35.2	1.1	36.3	0.6	-	0.1	37.0
Place Directorate	250.0	64.0	314.0	6.6	(0.1)	2.8	323.3
Corporate Directorate	40.9	(15.6)	25.3	-	-	-	25.3
	326.1	49.5	375.6	7.2	(0.1)	2.9	385.6

201. A number of projects have been approved at the Finance Portfolio holder meeting to move budgets from the Capital Addendum to the main capital programme totalling £7.2m. This amount primarily relates to Middlewich Eastern Bypass £2.3m and Macclesfield Leisure Centre improvements £4.0m.
202. There was slippage of £26.0m where budgets have been carried forward at Outturn this relates to £19.1m from within the Place Directorate and £5.6m from within the Corporate Directorate.
203. The £20.0m that was approved at Outturn for the South Macclesfield Development area also slipped in 2018/19. There have also been a small number of projects that have been approved via an Officer Decision Record since Outturn but are not required to be approved as part of the Mid Year Review totalling £3.5m.
204. Due to the recent restructure of where budgets are reported for management purposes there has also been a movement within the Place and Corporate Directorates to re-align those budgets which totalled £9.7m.

205. There are a number of Supplementary Estimates that require approval at Mid Year Review of £2.9m. This relates in the main to an increase in funding from the Department of Transport for the Pothole Action Fund of £1.038m and £1.6m for the Sustainable Travel (Active Travel) project funded by the Local Enterprise Partnership.

206. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 7**.

**Table 7 – Capital Funding Sources**

	Original Budget	Revised MYR Budget	Change
	2018/21	2018/21	2018/21
	£m	£m	£m
Grants	169.8	182.0	12.2
External Contributions	49.8	47.3	-2.5
Cheshire East Resources	106.5	156.3	49.8
	<b>326.1</b>	<b>385.6</b>	<b>59.5</b>

### Capital Budget 2018/19

207. At the Mid Year Review stage the Council has forecast in year expenditure of £137.1m against a revised in year budget of £137.1m also. This includes the slippage of £46.0m.

**Appendix 4** gives a summary of the Capital Programme and **Appendix 5** shows transfers from and to the Capital Addendum.

208. Since the start of 2018/19, slippage on the capital programme has been measured on schemes that are at the Gateway 2 stage. These are classed as committed schemes as these

schemes should have commenced prior to or during 2018/19 and have a detailed forecast expenditure plan in place. Schemes have been monitored on their progress during the year and re-categorised quarterly. This includes the net impact of 2018/19 supplementary capital estimates, virements and budget reductions listed in **Appendices 6 to 9**.

209. **Table 8** shows the actual expenditure incurred on those schemes against the revised Outturn Budget.

**Table 8 – 2018/19 Revised Budget compared to Mid Year**

Committed Schemes	Original Budget	Revised MYR Budget	Forecast Expenditure	Current Over / Underspend
	£m	£m	£m	£m
People Directorate	22.2	13.4	13.4	-
Place Directorate	49.0	87.1	87.1	-
Corporate Directorate	23.9	19.2	19.2	-
<b>Total Committed Schemes</b>	<b>95.1</b>	<b>119.7</b>	<b>119.7</b>	<b>-</b>

210. At the Mid Year Review stage forecast expenditure of £119.7m has been predicted. The main changes since the original budget are due to £14.8m budget carried forward from last year and £11.8m of the new schemes have changed status to committed schemes. Leisure and Environmental schemes that were in the Corporate Directorate are now in the Place Directorate.

211. **Appendix 6** details requests of Supplementary Capital Estimates (SCE) up to and including £500,000 and Capital Virements up to and including £1,000,000 approved by delegated decision which are included for noting purposes only.

212. **Appendix 8** details requests of Supplementary Capital Estimates (SCE) over £1,000,000 which is for the increase in budget on the Highways Investment Programme for the additional Pothole Action funding of £1.038m and £1.6m for the Sustainable Travel (Active Travel) project funded by the Local Enterprise Partnership.

213. **Appendix 9** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

## Central Adjustments

### Capital Financing Costs and Treasury Management

214. The capital financing budget includes the amount 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 interest the Council earns from the investment of its cash balances during the year. The capital financing budget of £10m accounts for 4% of the Council's net revenue budget.

215. Treasury investment income to July 2018 is £148,000 which is lower than the £173,000 budgeted income for the period. Offsetting the income are costs of £173,000 (budget for period £182,000) arising from temporary borrowing and interest paid on funds held on behalf of the Cheshire & Warrington Local Enterprise Partnership. The level of cash balances is expected to fall throughout 2018/19 resulting in a continued need to borrow. The level of temporary borrowing has been in excess of immediate cash needs but this allows a liquidity safety net and maintenance of investments in the Churches Charities and Local Authorities (CCLA) Investment Management Ltd property fund and other funds which pay a higher return than the cost of borrowing.

- The average lend position (the 'investment cash balance') including managed funds up to the end of July 2018 is £24.3m
- The average annualised interest rate received on in-house investments during 2018/19 is 0.58%
- The average annualised interest rate received on the externally managed property fund during 2018/19 is 4.69%
- The average temporary borrowing position during 2018/19 is £45.2m
- The average annualised interest rate paid on temporary borrowing during 2018/19 is 0.62%

216. The Council's total average interest rate on all investments in 2018/19 is 1.92%. The returns continue to exceed our benchmark, the London Inter-bank Bid Rate for 7 days at 0.60%, and our own performance target of 1.00% (Base Rate + 0.50%) now 1.25% following base rate increase in August.

**Table 9 – Interest Rate Comparison**

Comparator	Average Rate to 31/7/2018
Cheshire East	1.92%
LIBID 7 Day Rate	0.60%
LIBID 3 Month Rate	0.83%
Base Rate	0.50%
Target Rate	1.00%

217. Temporary borrowing has decreased since the start of the year in line with normal cash flow patterns. The current level of borrowing will continue throughout 2018 and increase between January and March 2019. At the moment the

intention is for this to continue to be met by temporary borrowing from other Local Authorities which is considerably cheaper than other sources of borrowing. If the predicted interest environment changes or the availability of temporary borrowing reduces then this strategy will be re-assessed.

218. The Council continues to benefit from the revised approach to calculating the Minimum Revenue Provision (MRP) adopted in 2017/18 which will result in lower MRP costs in 2018/19. However, these costs will increase in future years.

219. Capital Financing is dependent on achieving capital receipts of £4.9m in 2018/19 to finance capital expenditure. To date, six property assets have been sold generating total receipts of £1.9m. Other indirect property related capital receipts have been received of £1.0m giving a total at Mid Year Review of £2.9m.

220. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement approved by Council on 22nd February 2018. Further details of counterparty limits and current investments are given in **Appendix 10**.

221. The Council has maintained the £7.5m investment in the CCLA managed property fund. The underlying value of this fund had been devalued following the 'Brexit' referendum but has since been increasing in value. The current value of the units in the fund if sold is £7.9m. The fund has also generated income of 4.69% so far in 2018/19.

222. Most other investments currently held are short term for liquidity purposes. The exception is £2.5m held in a Royal London enhanced cash fund which is returning around 1.00% between April and July 2018. This fund combined with the property fund ensures the Council maintains an investment

portfolio above £10m which is a pre-requisite for the Council to maintain professional investor status. This means more investment options may be open to us and administration is reduced.

223. Full details of investments as at 31st July 2018 are shown in **Appendix 10**.

### **Central Contingencies and Contributions**

224. It is currently forecast that there will be no variance to budget on the central budget. This includes a budget of £0.2m held to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. Also budgeted transfers of £1.2m from earmarked reserves will take place in year as planned. Grants relating to business rates have been received centrally in-year that are additional to budget which will be transferred to reserves for future use.

### **Debt Management**

225. The balance of outstanding debt has increased by £1.7m since March 2018 mainly due to the increase in Adult Social Care outstanding debt. Balances remain within forecast levels and adequate provisions have been made. Details of the Council's invoiced debt position are contained in **Appendix 12**.

### **Outturn Impact**

226. The impact of the projected service outturn position is to decrease balances by £5.3m as reported above (**para 138**).

227. As there is no variance forecast within the central budget items detailed above (**para 224**), the financial impact could result in a reduction in balances of £5.3m as shown in **Table 10**.

**Table 10 – Impact on Balances**

	£m
Service Net Budget Outturn	(5.3)
Central Budgets Outturn	0.0
Specific Grants Outturn	0.0
<b>Total</b>	<b>(5.3)</b>

### Management of Council Reserves

228. The Council's Reserves Strategy 2018/21 states that the Council will maintain reserves to protect against risk and support investment. The Strategy forecast that the risk assessed level of reserves is currently £10.0m.

229. The opening balance at 1st April 2018 in the Council's General Reserves was £10.3m as published in the Council's Statement of Accounts for 2017/18.

230. A mitigation plan is in progress to deliver a balanced revenue outturn position and maintain General Reserves at or close to the level planned in the 2018/21 Reserves Strategy. Overall the Council remains in a strong financial position relative to most Councils.

231. The Council also maintains Earmarked Revenue reserves for specific purposes. At 31st March 2018 balances on these reserves stood at £47.0m, excluding balances held by Schools.

232. During 2018/19, an estimated £10.9m will be drawn down and applied to fund service expenditure specifically provided for. Service outturn forecasts take account of this expenditure and funding. Where appropriate, further earmarked reserves will be re-allocated to General Reserves to maintain an adequate level of General Reserves overall.

233. A full list of earmarked reserves at 1st April 2018 and estimated movement in 2018/19 is contained in **Appendix 13**.

# 3. Workforce Development

234. This section sets out the Council’s activities and progress in relation to HR, Organisational Development, Health and Safety and Workforce Development plans and changes for the first and second quarters 2018/19.

## Culture and Values

235. Following the Local Government Association’s independent culture review and acceptance of the report recommendations, the Brighter Future Transformation Programme is underway. The programme focuses on defining the Council’s vision for workplace culture and behaviours, aligned to the Council’s values and developing an employee deal that clearly outlines what an employee can expect from working at Cheshire East Council.

236. In the first quarter the Council initiated a conversation with the organisation as to what they want the “tone” and culture to be. All staff were invited to join in; 205 staff and 25 members participated in the “Starting the Conversation” sessions and contributed to developing the vision for workplace culture, behaviours and employee deal. A further 787 staff provided their feedback via a survey.

237. The vision, behaviours and employee deal were launched on 26th July 2018 and are now being communicated across the organisation via our Brighter Future Champions and will be implemented and embedded throughout the remaining calendar year.

238. To help to ensure staff feel valued and recognised the Making a Difference monthly scheme reopened in February. In the first quarter a total of 30 nominations were received and 13 nominations have been received to date to the end of July. Made my Day instant recognition continues to be popular with 45 being received April to June 2018 and 208 received to date in the second quarter.

239. To support and inform the Council’s commitment to wellbeing in work, the staff wellbeing forum and the wellbeing contributors group continue to meet on a quarterly basis. The staff forum has seen individuals taking responsibility for starting local wellbeing initiatives within their own place of work. The focus in the first quarter was physical and mental wellbeing and taster sessions in yoga, mindfulness and relaxation massage have been set up. As part of the Council’s Active Workplace pledge the first Cheshire East Team Challenge is planned for September 2018 which aims to get staff physically active to improve their overall wellbeing and build relationships through healthy competition between the directorates. Four editions of the staff wellbeing in work newsletter have been published and this continues to be improved and developed.

## Building Capability and Capacity

240. The Corporate Training Programme and Continuous Professional Development Portfolios ensure that the Council creates a workforce which is safe, knowledgeable and competent in performing their duties to the highest possible

standard, providing the best quality services to the residents and businesses.

241. Since April 2018, 53 courses across 94 sessions have been offered to CEC employees. A further ten employees successfully secured funding approval via the Continuous Professional Development Panel for role specific development and qualifications in quarter four, seeing over £15,000 investment.
242. A new cohort of ILM level five qualifications, funded via the apprenticeship levy began in April. The first cohort of 10 project management apprentices also started in June. An audit of leadership and management skills across the organisation has been carried out with analysis currently underway. A series of leadership and management behavioural workshops has also been scheduled as part of the Brighter Future Together (Culture) Programme for the Autumn.
243. Opportunities for staff development are wide-ranging including internal sharing of good practice, comprehensive e-learning packages, commissioning of external experts to deliver internal courses and opportunities to attend external courses and conferences. Employees also have access to Continuous Professional Development in the form of qualifications to meet professional requirements. Ensuring employees feel supported at all stages of their career, the Workforce Development Team maintains close relationships with partner universities and Further Education colleges supporting placements for work experience, work based placements, graduate schemes and mentoring opportunities for career starters and changers. Further networks are embraced to provide opportunities for staff engagement and development for example in guest lecturing and joint practice initiatives.

## **Resourcing and Talent**

244. The ongoing programme of course placements within Children's and Adult Social Care teams continues to thrive with several previous graduates securing permanent social work roles within Cheshire East Council. The Workforce Development Team are working with partner Universities to confirm around 20 new social work student placements for the Autumn term along with joining cohort six of the successful 'Step Up to Social Work' scheme run by the Department for Education. Two existing Skills for Care Graduate Management Candidates continue to excel in their placements, starting their NHS short secondment to share skills and will be joined in October 2018 by two more promising candidates following a rigorous selection process.
245. Building on the first year of implementation of the apprenticeship levy, there have been 49 new apprenticeship starts since April 2018.
246. The Council continues to offer opportunities for team development and staff progression. Maturity matrices have been completed by several teams, identifying their current and aspirational positions on four areas of measurement which allows bespoke development plans to be put in place including progression planning, talent management, succession planning alongside training plans. These tailored approaches align with the Brighter Future Together (Culture) Programme and Corporate Training opportunities.

## **Reward and Recognition**

247. To enhance the range of employee benefits an online "Rewards Centre" continues to be well received with more than 1,500 staff (35%) now signed up. Further work is

planned to publicise the platform to continue to increase take up over the coming months.

### **Education HR Consultancy**

248. An improved package (including Employee Assistance Programme Offer, free mediation and Barred List check service) was offered to schools and academies for 2018/19 recognising the increasingly competitive market within which the Council is offering the buy-back of Education HR Consultancy Services. Buy back has reduced due to the increasing number of Multi Academy Trusts, with their own HR Function. A number of new Training Interventions have been offered aimed at increasing income, as part of the Corporate Governor Training Programme as well as specific / focused Training.

### **Health and Safety**

249. Work continues on refreshing Corporate Health and Safety guidance notes.

### **Staffing Changes**

250. As shown in the table below, Cheshire East Council's overall headcount has increased during the first quarter of 2018-19, although the number of full time equivalent (FTE) employees has remained relatively constant over the same period.

**Table 11: Cheshire East Council Employee Headcount and FTE Figures**

Executive Directorate & Service	Employee Headcount April 2018	Employee Headcount June 2018	Employee FTE April 2018	Employee FTE June 2018
Corporate	529	529	488.0	485.6
Audit	9	9	7.3	7.3
B4B / Business Development	12	12	10.2	10.2
Business Management	20	20	19.0	19.0
Communications & Media	10	10	9.9	9.9
Finance & Performance	101	100	98.8	97.7
Human Resources	48	48	43.0	43.2
ICT	193	190	185.7	182.9
Legal Services	119	123	97.6	99.0
Procurement	14	14	13.5	13.5
<b>People</b>	<b>2168</b>	<b>2208</b>	<b>1621.0</b>	<b>1621.4</b>
Adult Social Care & Health	1047	1076	840.4	845.1
Children's Services	1119	1130	778.6	774.4
<b>Place</b>	<b>890</b>	<b>923</b>	<b>715.5</b>	<b>715.0</b>
Customer Services	349	357	278.9	276.7
Growth & Regeneration	188	195	148.3	148.3
Infrastructure & Highways	58	58	56.0	55.0
Planning & Sustainable Development	137	139	130.0	132.0
Rural & Cultural Economy	155	177	99.3	100.0
<b>Cheshire East Council Total</b>	<b>3587</b>	<b>3662</b>	<b>2824.5*</b>	<b>2824.0*</b>

**\*Note:** The Chief Executive has not been included in any of the Directorate / Service information, but is counted in the overall Cheshire East Council headcount and FTE figures; similarly Executive / Directors and/or “Business Managers” will not appear in the “Service” totals but will appear in the overall “Directorate” figures. Employees with multiple assignments across services will appear in the headcount figures for each service, but will only be counted once in the total CEC headcount figure; where an employee has multiple assignments in the same service they will appear in the overall headcount figure only once for that service.

## Agency workers

251. Agency workers are a valuable component of the Council's workforce, providing short term cover, project work and flexible specialist skills to maintain service delivery in areas such as social services, ICT and other professional services. The table below provides a summary of active agency worker assignments at the end of April and June 2018, together with agency worker assignments as a percentage of all active workforce assignments (excluding casuals) at the end of each specified month.

**Table 12: Active agency worker assignments**

	Active C.Net Assignments on 30.04.18	Active C.Net Assignments on 30.06.18	% of all Workforce Assignments on 30.04.18	% of all Workforce Assignments on 30.06.18
People	57	52	2.5%	2.3%
Corporate	50	63	5.3%	6.6%
Place	7	8	1.2%	1.4%
<b>Total</b>	<b>114</b>	<b>123</b>	<b>3.0%</b>	<b>3.2%</b>

252. The number of agency assignments has remained relatively stable between April and June 2018 for Cheshire East Council overall. There has been a slight increase during the reporting period due to new assignments being placed in the Corporate Directorate, specifically within ICT and Customer Services. Conversely, the number of active assignments has reduced in the People Directorate; in Adult Social Care & Health there were 35 active assignments at the end of April which fell to 17 at the end of June. However, this significant decline has been negated by 13 new assignments in Children's Services, taking the number of active assignments from 22 in April to 35 in June.

## Absence

253. The absence figure for quarter one 2018-19 is lower than it has been for the same period over the last four financial years. Analysis of absence on a rolling 12 month basis reveals that absence rates are also lower between 1st July 2017 and 30th June 2018, at 10.85 days lost per FTE employee. By comparison, there were 11.21 days lost per FTE employee during the 12 month period that concluded on 30th June 2017. This is a positive trend towards the Council's target of 10.00 days lost at the end of the 2018-19 financial year.

**Table 13: Days lost to sickness absence per FTE employee**

Cheshire East Council (excluding Schools)	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Q1 Absence</b>	2.91	2.61	2.61	2.48	2.39
<b>Full Financial Year Absence</b>	11.97	11.14	11.14	11.18	

## Voluntary Redundancies

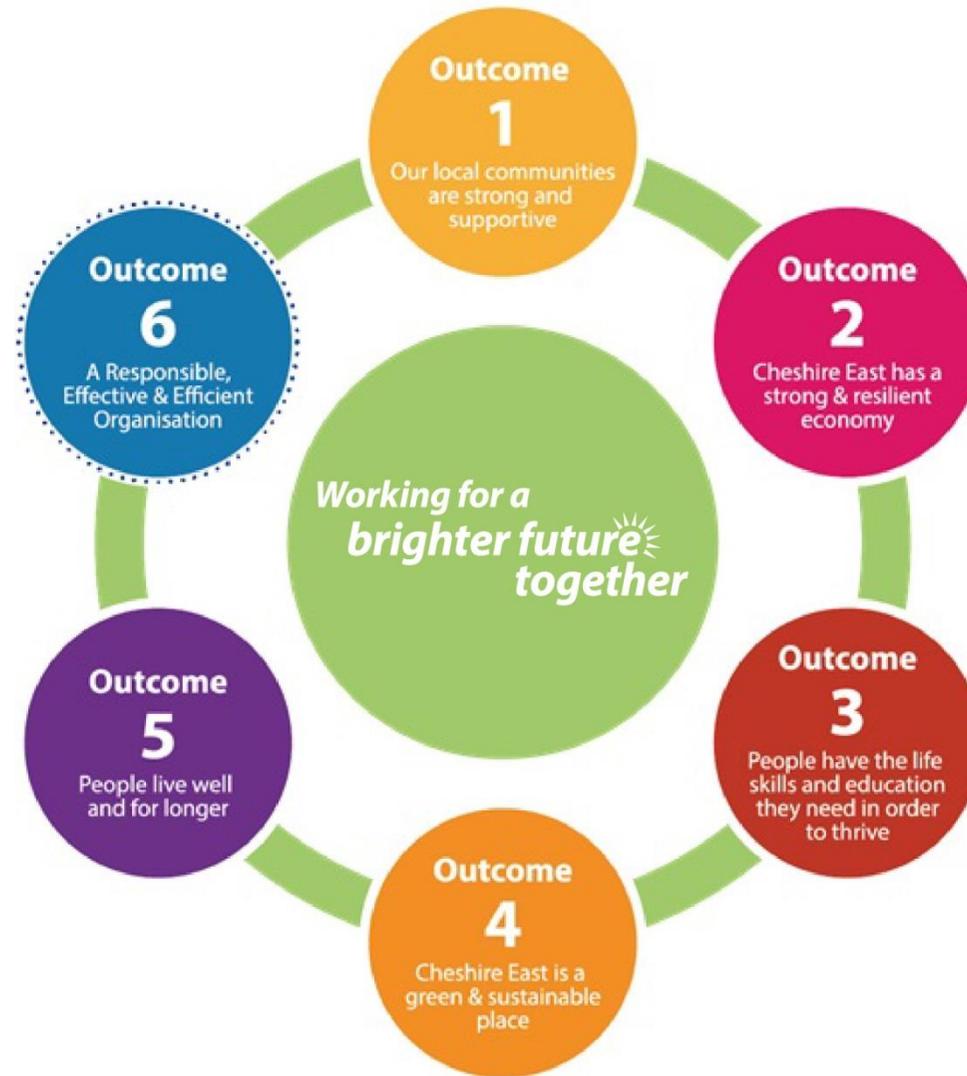
254. The Council's voluntary redundancy scheme continues to support organisational change and the delivery of the planned programme of change in the Council Plan. The effective use of voluntary redundancy in this way enables the Council to achieve its planned savings and efficiencies and also helps to maintain good employee relations within the Authority and minimises the prospect of compulsory redundancy.

255. Two people have left the Council under voluntary redundancy terms in the period 1st April to 31st July 2018. The total severance cost was £54,687 inclusive of redundancy and actuarial costs. Over the next five years, this reduction is estimated to save the Council over £150,307.

# **Appendices to Mid Year Review of Performance 2018/19**

**October 2018**

# Appendix 1 Cheshire East Council Strategic Outcomes



# Appendix 2 Changes to Revenue Budget 2018/19 since Budget Book

	Budget Book Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Mid Year Net Budget £000
<b>PEOPLE</b>				
Directorate	1,809	-	(1,212)	597
Children's Social Care	35,078	129	742	35,949
Education & 14-19 Skills	12,120	203	(694)	11,629
Prevention & Support	8,175	177	449	8,801
Adult Social Care Operations	27,463	-	(3,652)	23,811
Adult Social Care Commissioning	75,714	65	4,499	80,278
Public Health & Communities	2,508	75	32	2,615
	162,867	649	164	163,680
<b>PLACE</b>				
Directorate	202	-	(16)	186
Planning & Sustainable Development	2,982	40	213	3,235
Infrastructure & Highways	12,141	-	245	12,386
Growth & Regeneration	17,386	-	(250)	17,136
Rural & Cultural Economy	2,976	-	(9)	2,967
Customer Services	-	63	8,292	8,355
Client Commissioning :				
Leisure	-	-	2,019	2,019
Environmental	-	-	28,466	28,466
	35,687	103	38,960	74,750

	Budget Book Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Mid Year Net Budget £000
<b>CORPORATE</b>				
Directorate	528	-	(528)	-
Directorate - Former Professional Services	-	-	1,379	1,379
Directorate - Business Manager	-	-	855	855
Directorate - Unallocated	-	-	(951)	(951)
Customer Services	8,441	-	(8,441)	-
Legal Services	5,724	133	115	5,972
Human Resources	2,419	-	(122)	2,297
Finance & Performance	6,099	-	67	6,166
ICT	5,779	-	(63)	5,716
Communications	603	-	-	603
Client Commissioning :				
Leisure	2,106	-	(2,106)	-
Environmental	28,557	-	(28,557)	-
	60,256	133	(38,352)	22,037
<b>TOTAL SERVICE BUDGET</b>	<b>258,810</b>	<b>885</b>	<b>772</b>	<b>260,467</b>
<b>CENTRAL BUDGETS</b>				
Capital Financing	10,000	-	-	10,000
Corporate Contributions	263	-	-	263
Contribution to / from Reserves	(306)	-	(907)	(1,213)
	9,957	-	(907)	9,050
<b>TOTAL BUDGET</b>	<b>268,767</b>	<b>885</b>	<b>(135)</b>	<b>269,517</b>

	<b>Budget Book Net Budget £000</b>	<b>Additional Grant Funding £000</b>	<b>Restructuring &amp; Realignments £000</b>	<b>Mid Year Net Budget £000</b>
<b>CENTRAL BUDGETS FUNDING</b>				
Business Rates Retention Scheme	(42,967)	-	-	(42,967)
Revenue Support Grant	(5,416)	-	-	(5,416)
Specific Grants	(12,950)	(885)	135	(13,700)
Council Tax	(206,434)	-	-	(206,434)
Sourced from Collection Fund	(1,000)	-	-	(1,000)
<b>TOTAL CENTRAL BUDGETS FUNDING</b>	<b>(268,767)</b>	<b>(885)</b>	<b>135</b>	<b>(269,517)</b>
<b>FUNDING POSITION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Appendix 3 Corporate Grants Register

Corporate Grants Register 2018/19		Original Budget	Revised Forecast MYR	Change from Original Budget	SRE / Balances (Note 2)
	Note	2018/19 £000	2018/19 £000	2018/19 £000	
<b>SPECIFIC USE (Held within Services)</b>					
<b>PEOPLE</b>					
Schools	1	156,411	151,900	-4,511	
Children & Families		409	1,517	1,108	
Adult Social Care		10,244	10,244	0	
Public Health		16,400	16,400	0	
Public Health - Innovation Fund for Children of Alcohol Dependant Parents (subject to successful bid)		0	561	561	SRE
<b>Total</b>		<b>183,464</b>	<b>180,622</b>	<b>-2,842</b>	
<b>PLACE</b>					
Growth and Regeneration		197	547	350	
Planning and Sustainable Development		0	283	283	
Directorate		0	787	787	
Customer Services		70,391	68,122	-2,269	
<b>Total</b>		<b>70,588</b>	<b>69,739</b>	<b>-849</b>	
<b>TOTAL SPECIFIC USE</b>		<b>254,052</b>	<b>250,361</b>	<b>-3,691</b>	
<b>GENERAL PURPOSE (Held Corporately)</b>					
<b>Central Funding</b>					
Revenue Support Grant		5,416	5,416	0	
<b>Total Central Funding</b>		<b>5,416</b>	<b>5,416</b>	<b>0</b>	

<b>Corporate Grants Register 2018/19</b>		<b>Original Budget</b>	<b>Revised Forecast MYR</b>	<b>Change from Original Budget</b>	<b>SRE / Balances (Note 2)</b>
		<b>2018/19 £000</b>	<b>2018/19 £000</b>	<b>2018/19 £000</b>	
<i>Note</i>					
<b>People - Children &amp; Families</b>					
	Tackling Troubled Families	110	372	262	SRE
	Troubled Families - Co-ordinator	85	0	-85	SRE
	Staying Put Implementation Grant	0	115	115	SRE
	Adult Skills (Lifelong Learning)	706	0	-706	Virement
	Extended Rights to Free Transport (Home to School Transport)	0	132	132	SRE
	Extended Rights to Free Transport (Home to School Transport) - Additional	0	33	33	SRE
	Extended Personal Adviser Duty Implementation	0	14	14	SRE
	Extension of the role of Virtual School Heads	0	38	38	SRE
<b>People - Adult Social Care &amp; Independent Living</b>					
	Independent Living Fund	888	888	0	
	Adult Social Care Support Grant	907	907	0	
	Controlling Migration Fund	0	75	75	SRE
	Local Reform and Community Voices		204	204	SRE/Balances
	Social Care in Prisons		73	73	SRE/Balances
	War Pension Scheme Disregard		59	59	SRE
<b>Place</b>					
	Lead Local Flood Authorities	15	15	0	
	Neighbourhood Planning Grant for Local Planning Authorities	0	40	40	SRE
	Homelessness Reduction Act - new burdens	37	37	0	

<b>Corporate Grants Register 2018/19</b>	<b>Original Budget</b>	<b>Revised Forecast MYR</b>	<b>Change from Original Budget</b>	<b>SRE / Balances (Note 2)</b>
<i>Note</i>	<b>2018/19 £000</b>	<b>2018/19 £000</b>	<b>2018/19 £000</b>	
<b>Place - Customer Operations</b>				
Housing Benefit and Council Tax Administration	1,073	1,082	9	Balances
NNDR Administration Grant	566	566	0	
Universal Support Grant 2017/18	0	-9	-9	Balances
Universal Support Grant 2018/19	0	63	63	SRE
<b>Corporate - Chief Operating Officer</b>				
New Homes Bonus	8,563	8,563	0	
Transition to Individual Electoral Registration 2018/19	0	133	133	SRE
<b>Central Items</b>				
Business Rates 2018/19 Tax Loss Compensation Payment	0	6,131	6,131	Balances
<b>Total Service Funding</b>	<b>12,950</b>	<b>19,531</b>	<b>6,581</b>	
<b>TOTAL GENERAL PURPOSE</b>	<b>18,366</b>	<b>24,947</b>	<b>6,581</b>	
<b>TOTAL GRANT FUNDING</b>	<b>272,418</b>	<b>275,308</b>	<b>2,890</b>	

Notes

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

# Appendix 4 Summary Capital Programme and Funding

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Original	Virements	Virements	In-Year			
	Budget	Reductions	Reductions	Budget	2018/19	2019/20	2020/21 and
2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2019/20	Future Years
£000	£000	MYR	MYR	MYR	£000	£000	£000
<b>People Directorate</b>							
<b>Adults, Public Health and Communities</b>							
Committed Schemes - In Progress	-	3	-	3	3	-	-
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>Children's Social Care (Incl. Directorate)</b>							
Committed Schemes - In Progress	277	(158)	-	119	119	267	-
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>Education and 14-19 Skills</b>							
Committed Schemes - In Progress	21,647	(9,062)	(85)	12,500	12,500	12,840	2,072
New Schemes and Option Developments	8,627	(7,890)	(217)	520	520	7,779	198
<b>Prevention and Support</b>							
Committed Schemes - In Progress	266	487	-	753	753	-	-
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>Total People Directorate</b>	<b>30,817</b>	<b>(16,620)</b>	<b>(302)</b>	<b>13,895</b>	<b>13,895</b>	<b>20,886</b>	<b>2,270</b>
Total Committed Schemes - In Progress	22,190	(8,730)	(85)	13,375	13,375	13,107	2,072
Total New Schemes and Option Developments	8,627	(7,890)	(217)	520	520	7,779	198
<b>Total People Directorate</b>	<b>30,817</b>	<b>(16,620)</b>	<b>(302)</b>	<b>13,895</b>	<b>13,895</b>	<b>20,886</b>	<b>2,270</b>

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Original	Virements	Virements	In-Year			2020/21 and
	Budget	Reductions	Reductions	Budget	2018/19	2019/20	Future Years
	2018/19	2018/19	2018/19	2018/19	£000	£000	£000
	£000	£000	£000	£000			
<b>Place Directorate</b>							
<b>Infrastructure and Highways (inc Car Parking)</b>							
Committed Schemes - In Progress	32,630	27,168	1,028	60,826	60,826	60,884	56,961
New Schemes and Option Developments	19,664	(11,574)	320	8,410	8,410	12,604	12,603
<b>Growth and Regeneration</b>							
Committed Schemes - In Progress	14,512	1,085	637	16,234	16,234	27,158	27,944
New Schemes and Option Developments	1,904	647	-	2,551	2,551	1,750	1,750
<b>Rural and Cultural Economy</b>							
Committed Schemes - In Progress	1,843	317	-	2,160	2,159	1,655	103
New Schemes and Option Developments	-	10	-	10	10	90	-
<b>Customer Operations</b>							
Committed Schemes - In Progress	-	87	-	87	87	30	-
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>Client Commissioning - Environmental</b>							
Committed Schemes - In Progress	-	6,707	(91)	6,616	6,616	9,600	50
New Schemes and Option Developments	-	50	-	50	50	-	-
<b>Client Commissioning - Leisure</b>							
Committed Schemes - In Progress	-	1,193	(1)	1,192	1,194	5,774	2,092
New Schemes and Option Developments	-	4,117	-	4,117	4,117	-	-
<b>Total Place Directorate</b>	<b>70,553</b>	<b>29,807</b>	<b>1,893</b>	<b>102,253</b>	<b>102,254</b>	<b>119,545</b>	<b>101,503</b>
Total Committed Schemes - In Progress	48,985	36,557	1,573	87,115	87,116	105,101	87,150
Total New Schemes and Option Developments	21,568	(6,750)	320	15,138	15,138	14,444	14,353
<b>Total Place Directorate</b>	<b>70,553</b>	<b>29,807</b>	<b>1,893</b>	<b>102,253</b>	<b>102,254</b>	<b>119,545</b>	<b>101,503</b>

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Original	Virements	Virements	In-Year	2020/21 and		
	Budget	Reductions	Reductions	Budget	2018/19	2019/20	Future Years
2018/19	2018/19	2018/19	2018/19	2018/19	2019/20	2020/21 and	
£000	£000	£000	£000	£000	£000	£000	
<b>Corporate Directorate</b>							
<b>Customer Operations</b>							
Committed Schemes - In Progress	30	(30)	-	-	-	-	-
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>Finance and Performance</b>							
Committed Schemes - In Progress	2,383	(1,506)	-	877	877	-	-
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>ICT</b>							
Committed Schemes - In Progress	11,835	6,447	-	18,282	18,282	4,308	-
New Schemes and Option Developments	1,771	42	-	1,813	1,813	-	-
<b>Client Commissioning - Environmental</b>							
Committed Schemes - In Progress	3,710	(3,710)	-	-	-	-	-
New Schemes and Option Developments	-	-	-	-	-	-	-

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Original	Virements	Virements	In-Year			2020/21 and
	Budget	During Quarter	Reductions	Budget	2018/19	2019/20	Future Years
	2018/19	2018/19	2018/19	2018/19	£000	£000	£000
	£000	£000	£000	£000			
<b>Client Commissioning - Leisure</b>							
Committed Schemes - In Progress	6,000	(6,000)	-	-	-	-	-
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>Total Corporate Directorate</b>	<b>25,729</b>	<b>(4,757)</b>	<b>-</b>	<b>20,972</b>	<b>20,972</b>	<b>4,308</b>	<b>-</b>
Total Committed Schemes - In Progress	23,958	(4,799)	-	19,159	19,159	4,308	-
Total New Schemes and Option Developments	1,771	42	-	1,813	1,813	-	-
<b>Total Corporate Directorate</b>	<b>25,729</b>	<b>(4,757)</b>	<b>-</b>	<b>20,972</b>	<b>20,972</b>	<b>4,308</b>	<b>-</b>
<b>Total Capital Programme</b>							
Committed Schemes - In Progress	95,133	23,028	1,488	119,649	119,650	122,516	89,222
New Schemes and Option Developments	31,966	(14,598)	103	17,471	17,471	22,223	14,551
<b>Total Net Position</b>	<b>127,099</b>	<b>8,430</b>	<b>1,591</b>	<b>137,120</b>	<b>137,121</b>	<b>144,739</b>	<b>103,773</b>

Funding Sources	2018/19	2019/20	2020/21 and
	£000	£000	Future Years
			£000
Grants	57,666	103,009	21,363
External Contributions	11,961	2,308	33,034
Cheshire East Council Resources	67,494	39,422	49,376
<b>Total</b>	<b>137,121</b>	<b>144,739</b>	<b>103,773</b>

# Appendix 5 Transfers from and to the Capital Addendum

Service	Capital Scheme	Amount Transferred Mid Year £	Reason / Comment
<b>Budgets Transferred from the Addendum to the Main Capital Programme</b>			
People - Education and 14-19 Skills	Park Lane School 1819 (To Expand 'in borough' SEN placement Capacity)	18,000	Approved transfer to main programme
Place - Infrastructure and Highways (inc Car Parking)	Middlewich Eastern Bypass	2,335,000	Approved transfer to main programme
Place - Infrastructure and Highways (inc Car Parking)	Bollington Bridge	160,000	Approved transfer to main programme
Place - Client Commissioning Environmental	Congleton Household Waste Recycling Centre Development	50,000	Approved transfer to main programme at Outturn 2017/18
Place - Client Commissioning Leisure	Macclesfield Leisure Centre Improvements	4,000,000	Approved transfer to main programme
Corporate - ICT	Elections	42,000	Approved transfer to main programme
<b>Total Budgets Transferred to Main Capital Programme</b>		<b>6,605,000</b>	
<b>Capital Budgets transferred from the Main capital Programme to the Addendum</b>			
Place - Infrastructure and Highways (inc Car Parking)	Town Studies	(17,000)	Full amount of the LTP allocation for Town Studies is not required at this point in time so has been deferred and will be spent in future years .
Place - Growth and Regeneration	Volumetric Construction (Redroofs/Hole Farm)	(17,514)	This project is now been put on hold for future consideration.
<b>Total Capital Budget Transferred to the Addendum</b>		<b>(34,514)</b>	
<b>Net Change to the Addendum</b>		<b>6,570,486</b>	

# Appendix 6 Approved Supplementary Capital Estimates up to £500,000 and Virements up to £1,000,000

Service	Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Summary of Supplementary Capital Estimates and Capital Virements</b>			
<b>Supplementary Capital Estimates that have been made up to £500,000</b>			
People - Education and 14-19 Skills	Schools Condition Capital Grant	27,873	} Revenue contributions by schools towards works being undertaken to improve school facilities.
People - Education and 14-19 Skills	Healthy Pupils Capital Fund	73,397	
Place - Growth and Regeneration	Disabled Facilities	217,387	To increase the budget to align with the amount of actual Disabled Facilities grant received in 2018/19.
<b>Total Supplementary Capital Estimates Requested</b>		<b>318,657</b>	

Service	Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Summary of Supplementary Capital Estimates and Capital Virements</b>			
<b>Capital Budget Virements that have been made up to £1,000,000</b>			
People - Education and 14-19 Skills	Schools Condition Capital Grant	104,275	} Contributions by schools, through their Devolved Formula Capital Allocations, towards works being undertaken to improve school facilities.
People - Education and 14-19 Skills	Healthy Pupils Capital Fund	17,960	
People - Education and 14-19 Skills	Hungerford Primary School	5,000	Virement from Basic Needs Programme to meet the additional costs related to the expansion of Hungerford Primary School.
People - Education and 14-19 Skills	Schools Condition Capital Grant	9,234	Scheme Completed on the programme for Kitchens block (Gas interlock), surplus funds vired back to Schools Condition Capital Grant for re-allocation.
People - Education and 14-19 Skills	Schools Condition Capital Grant	3,970	Scheme Completed on the programme for Suitability/Minor Works/Accessibility Block Provision surplus funds vired back to Schools Condition Capital Grant for re-allocation.
People - Education and 14-19 Skills	Schools Condition Capital Grant	2,115	Scheme Completed on the programme for Universal free school meals, surplus funds vired back to Schools Condition Capital Grant for re-allocation.
People - Education and 14-19 Skills	Schools Condition Capital Grant	32,887	Scheme Completed for works at Poynton High School, surplus funds vired back to Schools Condition Capital Grant for re-allocation.
People - Education and 14-19 Skills	Monks Coppenhall Primary School - Basic Needs	175,000	Virement from the Basic Needs Programme to meet the additional costs related to the expansion of Monks Coppenhall Primary School.
People - Education and 14-19 Skills	Disley Primary School (Basic Needs)	393,000	Virement of budget from the Basic Needs and Schools Condition programmes to support Phase 2 of the Basic Need expansion at Disley Primary School. This virement is fully grant funded, received from the Department of Education.
Place - Growth and Regeneration	Schools Capital Maintenance	420,000	Virement of the funding for the Condition block to be managed by Facilities Management for ring fenced use on Schools and Children's Centres.
<b>Total Capital Budget Virements Approved</b>		<b>1,163,441</b>	
<b>Total Supplementary Capital Estimates and Virements</b>		<b>1,482,098</b>	

# Appendix 7 Request for Supplementary Capital Estimates above £500,000 and Virements above £1,000,000

Service	Capital Scheme	Amount Requested £	Reason and Funding Source
Cabinet are asked to approve the Supplementary Capital Estimates and Virements			
Supplementary Capital Estimates above £500,000 up to and including £1,000,000			
<b>Total Supplementary Capital Estimates Requested</b>		-	
Capital Budget Virements above £1,000,000 up to and including £5,000,000			
<b>Total Capital Budget Virements Requested</b>		-	
<b>Total Supplementary Capital Estimates and Virements</b>		-	

# Appendix 8 Request for Supplementary Capital Estimates above £1,000,000 and Virements above £5,000,000

Service	Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Cabinet are asked to request Council to approve the Capital Virements and SCEs</b>			
<b>Supplementary Capital Estimates over £1,000,000</b>			
Place - Infrastructure and Highways (inc Car Parking)	Highway Investment Programme	1,081,305	To increase the budget to include the full amount of the Pothole Action Fund received from the Department for Transport for 2018/19.
Place - Infrastructure and Highways (inc Car Parking)	Sustainable Travel (Active Travel)	1,600,000	To include in the capital programme a new LEP funded scheme for Sustainable Active Travel.
<b>Total Supplementary Capital Estimates Requested</b>		<b>2,681,305</b>	
<b>Capital Budget Virements over £5,000,000</b>			
<b>Total Capital Budget Virements Requested</b>		<b>-</b>	
<b>Total Supplementary Capital Estimates and Virements</b>		<b>2,681,305</b>	

# Appendix 9 Capital Budget Reductions

Service	Capital Scheme	Approved Budget £	Revised Approval £	Reduction Reason and Funding Source £
<b>Cabinet are asked to note the reductions in Approved Budgets</b>				
Place - Infrastructure and Highways (inc Car Parking)	Digital Solutions - Parking	200,000	140,061	(59,939) The original proposal for this budget included costs which are not of a capital nature and will subsequently be funded by revenue budgets.
Place - Client Commissioning Environmental	Stapeley Play Area Improvement	15,000	9,905	(5,095) Project complete
Place - Client Commissioning Environmental	King George V Pavilion Project	497,480	484,161	(13,319) Project complete
Place - Client Commissioning Environmental	West Congleton Parks	108,302	90,779	(17,523) Project complete
Place - Client Commissioning Environmental	Over Peover Play Area	45,397	26,986	(18,411) Project complete
Place - Client Commissioning Environmental	Bosley Village Play Area Improvements	35,000	28,353	(6,647) Project complete
Place - Client Commissioning Environmental	Weston Community Centre Play Area	29,404	25,200	(4,204) Project complete
Place - Client Commissioning Environmental	Outdoor Gym at Meriton Road Park, Handforth	45,810	24,594	(21,216) Project complete
Place - Client Commissioning Environmental	Play Equipment Rookery Close	29,238	26,941	(2,297) Project complete
Place - Client Commissioning Leisure	Sandbach Utd Football Club	2,294,538	2,293,322	(1,216) Project complete
<b>Total Capital Budget Reductions</b>		<b>3,300,169</b>	<b>3,150,302</b>	<b>(149,867)</b>

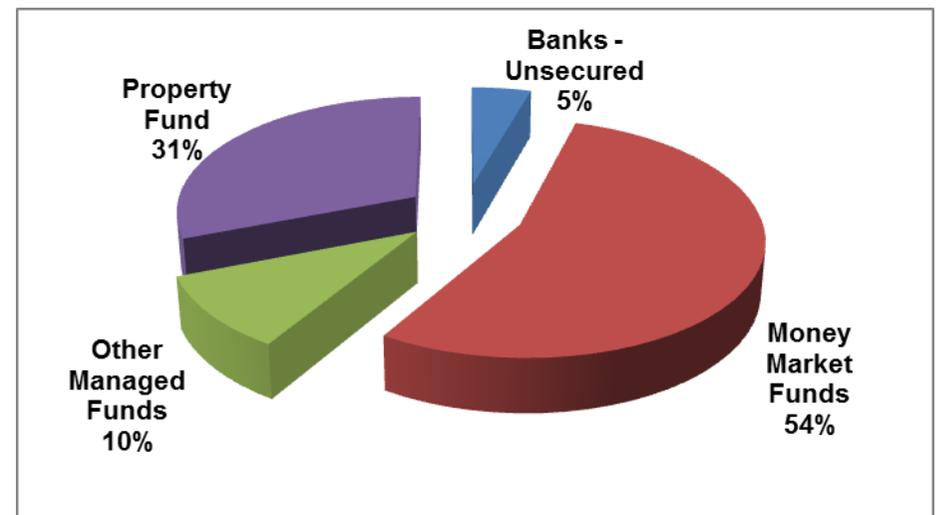
# Appendix 10 Treasury Management

## Counterparty Limits and Investment Strategy

1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. The maximum amount and duration of investments with any institution depends on the organisations credit rating, the type of investment and for banks and building societies, the security of the investment. Generally credit rated banks and building societies have been set at a maximum value of £6m for unsecured investments and £12m for secured investments. Any limits apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £12m per fund with a limit of 50% of total investments per fund. There is also a maximum that can be invested in all Money Market Funds at any one time of £50m. Due to their smaller size, unrated Building Societies have a limit of £1m each.
2. The limits in the Treasury Management strategy also apply to investments in foreign banks with a limit of £12m per country. There were no foreign investments held at 31st July 2018.
3. Due to reduced cash resources and the primary focus now on borrowing, investments now remaining are either strategic due to their high interest earning capability, or just to provide liquidity.
4. Shorter term temporary borrowing is currently much cheaper than long term borrowing. All borrowings have been sourced from other Local Authorities. New borrowings have generally been taken on a month to month basis but with some extending into 2019/20. The cost (including fees) to 31st July 2018 is around 0.68%.

5. The borrowing requirement is expected to continue throughout 2018/19 and beyond. Some borrowing has been fixed through to 2019/20 to provide some certainty and hedge against any further rate increases in 2018/19. The market is expecting a further base rate increase later in 2018 or early 2019.
6. **Chart 1** shows an analysis of the investments by counterparty type. A full analysis of the types of investment and current interest rates achieved is given in **Table 1** with the maturity profile in **Chart 2** which also shows the value of investments potentially subject to bail-in in the event of counterparty failure and those which are exempt from bail in requirements. A full list of current temporary borrowings is shown in **Table 2**.

**Chart 1 – Current Investments by Counterparty Type**



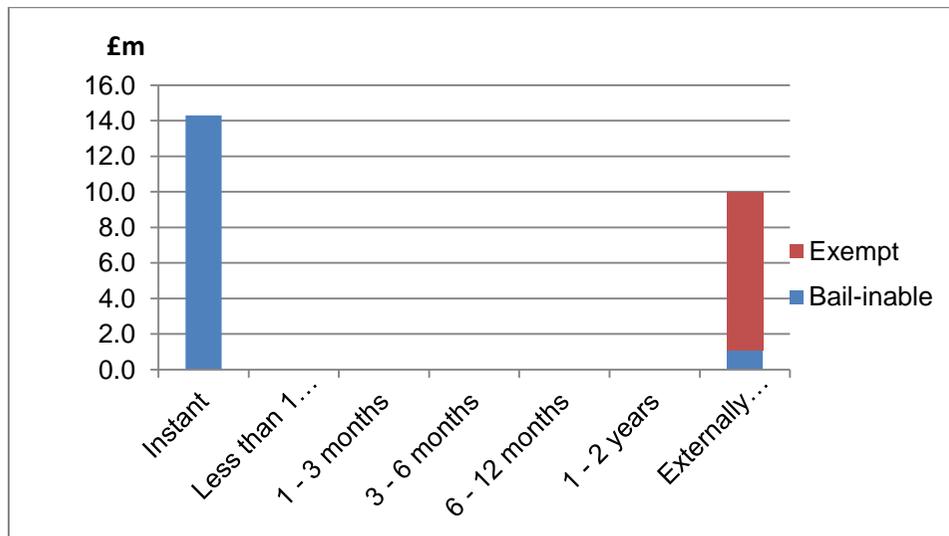
**Table 1 – Types of Investments and Current Interest Rates**

Instant Access Accounts	Average Rate %	£m
Instant Access Accounts	0.25	1.1
Money Market Funds	0.56	13.2
Externally Managed Funds		£m
Property Fund		7.5
Enhanced Cash Plus Fund		2.5
Summary of Current Investments		£m
<b>TOTAL</b>		<b>24.3</b>

**Table 2 – Current Temporary Borrowing**

Lender	Start	Maturity	Rate %	£m
Hastings	19/07/18	20/08/18	0.40	2.0
Manchester City	19/07/18	20/08/18	0.45	5.0
Manchester City	23/07/17	23/08/18	0.45	1.0
Greater Manchester Combined Authority	26/07/17	24/08/18	0.45	8.0
Lincolnshire	20/02/18	08/04/19	0.85	5.0
NE Derbyshire	31/01/18	10/04/19	0.80	1.0
Wychavon DC	25/01/18	12/04/19	0.80	3.0
Renfrewshire	25/01/18	26/04/19	0.77	5.0
Portsmouth	19/02/18	20/05/19	0.84	5.0
<b>TOTAL</b>				<b>35.0</b>

**Chart 2 – Maturity Profile of Investments**



# Appendix 11 Requests for Allocation of Additional Grant

## Funding and Transfers

Service	Type of Grant	£000	Details
People – Children & Families	Extended Rights to Free Transport (Home to School Transport)  (General Purpose)	132	The Department for Education provides additional transport funding to local authorities to support children from low-income families to be able to attend schools further from home than the statutory walking distances. The funding is paid as a non-ring-fenced grant paid via the Department for Communities and Local Government under the Local Services Support Grant (section 31 of the Local Government Act 2003).
People – Children & Families	Extended Rights to Free Transport (Home to School Transport) – Additional Grant  (General Purpose)	33	An additional grant has been received from the Department for Education in respect of funding to local authorities to support children from low-income families to be able to attend schools further from home than the statutory walking distances.
People – Children & Families	Extension of the role of Virtual School Heads  (General Purpose)	38	The Children and Social Work Act 2017 amended the Children Act 1989 to introduce a new duty on local authorities to promote the education of certain previously looked-after children, including appointing an officer (commonly known as a Virtual School Head) to discharge this duty through the provision of information and advice to relevant parties supporting the education of those children. This duty comes into force on 1st September 2018.  The purpose of this grant is to provide support to local authorities in England, to help them meet their duty to appoint a Virtual School Head for previously looked-after children and make information and advice available.

Service	Type of Grant	£000	Details
People – Children & Families	Extended Personal Adviser Duty Implementation  (General Purpose)	14	<p>Purpose of the grant - the Children and Social Work Act 2017 introduced a new duty on local authorities, requiring them to offer Personal Adviser support to all care leavers up to age 25. This duty comes into force on 1st April 2018.</p> <p>The purpose of this grant is to provide support to local authorities in England, to help them to meet the requirements of this duty, in response to young people that may request such support from the local authority after the age of 21 and up to their 25th birthday.</p>
People – Children & Families	Staying Put Implementation  (General Purpose)	115	<p>The purpose of the grant is to provide support for local authorities in England for expenditure lawfully incurred or to be incurred by them, in respect of a young person aged 18 and their former foster carer, who wish to continue living together in a 'Staying Put' arrangement. For the purposes of this grant 'young person' means a former relevant child who was looked after immediately prior to their 18th birthday. This supported arrangement can continue until the young person's 21st birthday.</p>
People – Children & Families	Tackling Troubled Families Grant  (General Purpose)	177	<p>In April 2012, the Government launched the Troubled Families Programme, a £448m scheme to incentivise local authorities and their partners to turn around the lives of 120,000 troubled families by May 2015. This programme worked with families where children are not attending school, young people are committing crime, families are involved in anti-social behaviour and adults are out of work.</p> <p>In June 2013, the Government announced plans to expand the Troubled Families Programme for a further five years from 2015/16 and to reach up to an additional 400,000 families across England. £200 million has been committed to fund the first year of this five year programme. This increased investment is testament to the Government's ongoing commitment to improve the lives of troubled families and as this work is taken to a significantly greater scale, to transform local public services and reduce costs for the long-term.</p>

Service	Type of Grant	£000	Details
People – Adult Social Care & Independent Living	Controlling Migration Fund  (General Purpose)	75	Funding has been granted to provide new ESOL (English for Speakers of Other Languages) classes in 4 primary schools for migrant parents, recruitment of 5 part time bi-lingual Community liaison officers to work within schools and help the local community access services, establish homework clubs in 4 primary schools to help mitigate poor performance, and for 1,000 Information Packs to be printed and disseminated to the schools in Crewe as a resource for parents.
People – Adult Social Care & Independent Living	Local Reform and Community Voices  (General Purpose)	6	Originally budgeted at £198,321 (2018/19). Final allocations for 2018/19 have come in at £204,186.  Local authorities have a duty under the Local Government and Public Involvement in Health Act 2007 (as amended by the Health and Social Care Act 2012) to ensure that an effective local Healthwatch is operating in their area, delivering the activities set out in the legislation. The Local Reform and Community Voices grant provides one element of the non-ring fenced funding provided for local Healthwatch, with the larger proportion having been rolled into the local government settlement in 2011/12.
People – Adult Social Care & Independent Living	War Pension Scheme Disregard  (General Purpose)	59	The Department of Health consulted in November 2016 about the allocation of £14m new funding to disregard (for the purposes of social care charging) all payments made under the War Pension Scheme with the exception of Constant Attendance Allowance. The consultation response was published in February 2017.
Place – Neighbourhood Planning	Neighbourhood Planning Grant for Local Planning Authorities  (General Purpose)	40	The conditions of grant mean that this funding could be used across the wider Spatial Planning area. This level of funding would be intended to support a number of Community Neighbourhood Plans across the borough.

Service	Type of Grant	£000	Details
Place - Customer Services	Universal Support Grant 2018/19  (General Purpose)	63	The purpose of the Grant is to provide funding to the Recipient for the delivery of Personal Budgeting Support and Assisted Digital Support and in accordance with the terms and conditions set out in this Agreement. The Grant shall not be used for any other purpose without the prior written agreement of the Funder.
Corporate - Chief Officer	Additional Costs of Individual Electoral Registration  (General Purpose)	133	The funding is to be used on activities associated with the Individual Electoral Registration (IER) service within the Elections area.
<b>Total Requests for Additional Grant</b>		<b>885</b>	
People – Children & Families	Skills and Lifelong Learning  (Specific)	706	Transfer grant budget for Skills and Lifelong Learning from Central Grants to Education and 14-19 Skills service
<b>Virement Transfer from Central Budget to Service</b>		<b>706</b>	
People – Children & Families	Public Health England (PHE) Innovation Fund for Children of Alcohol Dependent Parents	561	The funding will be used to support children of dependent drinkers and alcohol dependent parents.  If the bid is successful the grant will be awarded to the Council for the period November 2018 to March 2021.
<b>Additional Grant (subject to successful bid)</b>		<b>561</b>	

# Appendix 12 Debt Management

- The balance of outstanding debt has increased by £1.7m since March 2018 mainly due to the increase in Adults Social Care outstanding debt.
- Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates).
- Annually, the Council raises invoices with a total value of over £70m. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including Highways, Property Services, Licensing and Building Control.
- The Council's standard collection terms require payment within 28 days of the invoice date, however, services receive immediate credit in their accounts for income due. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.
- The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor). In 2017/18 the team collected £3.2m on behalf of services.
- After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of July 2018 was £7.9m.
- The total amount of service debt over six months old is £4.8m; provision of £4.8m has been made to cover doubtful debt in the event that it needs to be written off.

## DEBT SUMMARY

	Outstanding Debt £000	Over 6 months old £000	Debt Provision £000
<b>People</b>			
Adults, Public Health and Communities	5,013	3,901	3,916
Children's Social Care (Incl. Directorate)	84	45	45
Education and 14-19 Skills	93	-	-
Prevention and Support	32	3	3
Schools	61	31	16
<b>Place</b>			
Planning and Sustainable Development	96	35	35
Infrastructure and Highways (inc Car Parking)	1,135	324	324
Growth and Regeneration	611	213	213
Rural and Cultural Economy	129	3	3
<b>Corporate</b>			
Customer Operations	4	3	3
Legal & Democratic Services	1	-	-
Human Resources	30	7	7
Finance and Performance	17	7	7
Professional Services	125	1	1
ICT	136	1	1
Communications	-	-	-
Client Commissioning - Environmental	341	184	184
Client Commissioning - Leisure	-	-	-
	<b>7,908</b>	<b>4,758</b>	<b>4,758</b>

# Appendix 13 Earmarked Reserves

Name of Reserve	Opening Balance 1st April 2018 £000	Forecast Movement in 2018/19 £000	Forecast Closing Balance 31st March 2019 £000	Notes
<b>People</b>				
<b>Adults, Public Health and Communities</b>				
ASC Transition Reserve	1,718	(1,148)	570	To support the service with the ongoing transformation work that was started in 2017/18, and to support delivery of the services savings targets.
PFI Equalisation - Extra Care Housing	2,225	148	2,373	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.
Public Health	224	430	654	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	369	(279)	90	Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.
Fixed Penalty Notice Enforcement (Kingdom)	179	(98)	81	Surplus Fixed Penalty Notice receipts to be ring-fenced to provide a community fund to address environmental issues.
Transitional Funding - community cohesion	141	(72)	69	Community Cohesion Strategy and Action Plan
<b>Children's Services</b>				
Domestic Abuse Partnership	144	(70)	74	To sustain preventative services to vulnerable people as a result of partnership funding.
Early Intervention and Prevention Investment	511	(380)	131	To continue the planned use of the Early Intervention short term funding allocation agreed for two years from 2016/17.
Adoption Support Fund	197	(197)	0	To assist with placing children with parents who wish to adopt by meeting certain costs such as therapy.
Transitional Funding-Developing the 'Cheshire East Way'	83	(83)	0	Delivering better outcomes for children and young people.
Transitional Funding-Increase in Establishment	145	(145)	0	Child Protection Social Workers
Transitional Funding-Independent Travel Training	150	0	150	Independent Travel Training

Name of Reserve	Opening Balance 1st April 2018 £000	Forecast Movement in 2018/19 £000	Forecast Closing Balance 31st March 2019 £000	Notes
<b>Place</b>				
Investment (Sustainability)	871	(709)	162	To support investment that can increase longer term financial independence and stability of the Council.
<b>Planning and Sustainable Development</b>				
Trading Standards and Regulations	75	(75)	0	Ongoing Trading Standards prosecution case on product safety
Air Quality	80	(39)	41	Provide funding for a temporary Air Quality Officer post for two years.
Strategic Planning	36	600	636	To meet potential costs within the Planning Service and Investment Service Structure.
Transitional Funding- air quality	47	(47)	0	Air Quality Management
<b>Infrastructure and Highways</b>				
Parking - Pay and Display Machines	100	(100)	0	Purchase of Pay and Display Machines.
Highways Procurement	276	(276)	0	To finance the development of the next Highway Service Contract.
Winter Weather	230	(77)	153	To provide for future adverse winter weather expenditure.
<b>Growth and Regeneration</b>				
Royal Arcade Crewe	500	(500)	0	To provide for future costs relating to the Royal Arcade including repairs an maintenance.
Legal Proceedings on land and property matters	127	(127)	0	To enable legal proceedings on land and property matters.
Skills & Growth	336	(168)	168	To achieve skills and employment priorities and outcomes.
Transitional Funding-Low Carbon Heat Growth Programme	51	(20)	31	Low Carbon Heat Growth Programme
Homelessness & Housing Options	174	(174)	0	To prevent homelessness and mitigate against the risk of increased temporary accommodation costs.

Name of Reserve	Opening Balance 1st April 2018 £000	Forecast Movement in 2018/19 £000	Forecast Closing Balance 31st March 2019 £000	Notes
<b>Corporate</b>				
<b>Legal Services</b>				
Insurance (Cheshire East & Cheshire County Funds)	4,215	(17)	4,198	To settle insurance claims and manage excess costs.
<b>Democratic Services</b>				
Elections	134	200	334	To provide funds for Election costs every 4 years.
<b>Finance and Performance</b>				
Collection Fund Management	5,410	1,635	7,045	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years.
Financing Reserve	12,737	(1,099)	11,638	To provide for financing of capital schemes, other projects and initiatives.
Enabling Transformation	5,825	(1,554)	4,271	Funding for costs associated with service transformation; particularly in relation to staffing related expenditure.
Transitional Funding-External Funding Officer	181	(60)	121	External Funding Officer
<b>Cross Service</b>				
Trading Reserve	1,729	(219)	1,510	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives.
Service Manager carry forward	2,408	(1,607)	801	Allocations for Cost of Investment or grant funded expenditure.
Revenue Grants - Dedicated Schools Grant	2,304	(2,256)	48	Unspent specific use grant carried forward into 2018/19.
Revenue Grants - Other	3,099	(2,347)	752	Unspent specific use grant carried forward into 2018/19.
<b>TOTAL</b>	<b>47,031</b>	<b>(10,930)</b>	<b>36,101</b>	

**Notes:**

1. Figures exclude Schools balances.