

CHESHIRE EAST COUNCIL

Minutes of a meeting of the Cabinet

held on Tuesday, 4th February, 2014 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Jones (Chairman)
Councillor D Brown (Vice-Chairman)

Councillors Rachel Bailey, J Clowes, J P Findlow, B Moran, P Raynes,
D Stockton and D Topping

Members in Attendance

Councillors Rhoda Bailey, L Brown, S Corcoran, K Edwards, I Faseyi,
R Fletcher, S Gardiner, S Hogben, P Hoyland, W Livesley, P Mason, R
Menlove, A Moran, B Murphy, L Smetham, A Thwaite and
S Wilkinson

Officers in Attendance

Mike Suarez, Peter Bates, Lorraine Butcher, Anita Bradley, Caroline
Simpson, Heather Grimbaldston, Tony Crane, Julie Davies and
Paul Mountford

Apologies

Councillors L Gilbert and P Groves

The Chairman welcomed Anita Bradley to her first Cabinet meeting as the
Council's new Head of Legal Services and Monitoring Officer.

118 DECLARATIONS OF INTEREST

Councillor S Gardiner declared a non-pecuniary interest in part of Item 3,
relating to a supplementary capital estimate for Manor Park Primary
School, Knutsford, as a governor of the school.

Councillor S Hogben declared a non-pecuniary interest in Item 12, relating
to Alternative Service Delivery Vehicles, as a Director of Ansa
Environmental Services Limited.

Councillor D Brown declared a non-pecuniary interest in Item 16, relating
to a proposal to prohibit the use of electronic cigarettes in Council
buildings, as a user of electronic cigarettes.

119 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public wishing to speak.

QUESTIONS TO CABINET MEMBERS

Councillor A Moran sought clarification of the Council's position on fracking in Cheshire East. The Leader of the Council responded that the Council's preference was for geothermal energy but fracking would not be ruled out if it could be done safely. His aim was to have a coherent energy policy which addressed energy poverty and the Council would be looking at whether it should have its own energy company.

Councillor S Corcoran asked if leisure centre staff had been asked to take a pay cut. The Leader responded that this was not the case but that staff who worked in the evenings and at weekends were receiving premium payments compared with staff who worked at other times. This was considered an inequitable situation which needed to be redressed. However, it had not been pursued following discussions with trade unions.

Councillor P Mason asked if there had been any further progress in attracting new jobs and businesses to Alderley Park. The Leader responded that there was now a preferred bidder and that the Council's aspiration was to have about 7,000 jobs at the site and to make it the premier biotech centre in Europe.

Councillor K Edwards asked about the future arrangements for the management of animals at Alderley Park and whether this would go forward as a standalone business. The Leader responded that he was concerned about the safety aspects but that the matter was under consideration.

121 MINUTES OF PREVIOUS MEETING**RESOLVED**

That the minutes of the meeting held on 7th January 2014 be approved as a correct record.

122 THIRD QUARTER REVIEW OF PERFORMANCE 2013/2014

Cabinet considered a report on the Council's financial and non-financial performance at the three quarter year stage of 2013/2014.

Annex 1 to the report gave summary and detailed information about the Council's financial and non-financial performance at the three-quarter year stage of 2013/2014. There had been significant improvement in the financial position since the second quarter, and there was substantial improvement compared to this position in previous years.

The information in Annex 1 was set out in three sections:

- § Summary of Council Performance
- § Financial Stability
- § Workforce Development

The report identified where any approvals were required for revised estimates or virements.

RESOLVED

That

1. the following be noted:

- § the summary of performance against the Council's 5 key outcomes;
- § the projected service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's general reserves position;
- § the delivery of the overall Capital Programme;
- § approved supplementary capital estimates and virements up to £250,000 in accordance with Finance Procedure Rules;
- § Treasury Management investments and performance;
- § the Council's invoiced debt position; and
- § workforce development and staffing issues; and

2. the following be approved:

- § supplementary capital estimates and virements over £250,000 for inclusion in the Capital Programme to be approved by Council as part of the Medium Term Financial Strategy 2014/2017 report (Appendices 6 and 7 of the report); and
- § the allocation of additional specific grant (Appendix 9).

123 THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY 2014/17

Cabinet considered the Leader's report and the Budget report on the Medium Term Financial Strategy for 2014/2017.

The 2013/2014 Budget was being achieved against a backdrop of reducing government grants, and this formed the solid base to manage expenditure in the medium term. The 2014/2015 Budget was balanced, including provision to freeze Council Tax for a fourth consecutive year. Medium term deficits, caused through on-going reductions in public sector spending, would be addressed through a continued focus on efficiency, local service delivery and a drive towards economic prosperity.

The report included, as appendices, the two documents which made up the Medium Term Financial Strategy (MTFS) for the period 2014/2015 to 2016/2017, namely:

The Leader's Report 2014/2017
The Budget Report 2014/2017

Both documents were the result of the Business Planning Process led by the Council from July 2013 to February 2014.

The business planning process would involve considerable engagement with local people and organisations and details of how this process was being managed were included in Appendix A of the report.

RESOLVED

That Council be recommended to

1. note the ongoing Budget Engagement exercise being undertaken by the Council as set out in Appendix A, Annex 4 to the report;
2. note the comments of the Council's Chief Operating Officer (Section 151 Officer) contained within the Budget Report regarding the robustness of estimates and level of reserves held by the Council based on the budget proposals (Appendix B);
3. approve the 2014/2017 Leader's Report (Appendix A) as part of the Medium Term Financial Strategy Report;
4. approve the 2014/2017 Budget Report (Appendix B), which presents the overall financial estimates related to the revenue and capital service proposals in the Medium Term Financial Strategy;
5. note the ambition and future spending plans of the capital programme, which is designed to flex as funding opportunities allow whilst ensuring that prudential borrowing remains within affordable limits;
6. approve a Band D Council Tax of £1,216.34 (no change from 2013/2014) (Appendix B);
7. approve the recommended Reserves Strategy and the proposal to create an earmarked investment reserve for £5.3m to improve the financial sustainability of the Council in the medium term;
8. note the 2014/2015 non-ring-fenced Specific Grants, and that any amendments to particular grants in the light of further information received from Government Departments or other funding bodies will be reported to Council (Appendix B, Annex 3);

9. agree the 2014/2015 Dedicated Schools Grant of £184.8m and the associated policy proposals (Appendix B, Annex 6);
10. authorise the Children and Families Services and Rural Affairs Portfolio Holder to agree any necessary amendment to the DSG position in the light of further information received from DfE, pupil number changes, further academy transfers and the actual balance brought forward from 2013/2014;
11. approve the recommended Prudential Indicators for Capital Financing (Appendix B, Annex 5).
12. note the risk assessment detailed in the Budget Report (Appendix B, Section 4); and
13. note the steps to becoming a commissioning council.

124 **TREASURY MANAGEMENT STRATEGY AND MINIMUM REVENUE PROVISION POLICY STATEMENT 2014/15**

Cabinet considered the 2014/15 Treasury Management Strategy Statement, incorporating the Minimum Revenue Provision Policy Statement, the Investment Strategy and Prudential and Treasury Indicators.

Strong financial management had strengthened the balance sheet, enabling the Council to continue its policy of utilising investment balances instead of taking out new external borrowing in order to finance capital expenditure. This had meant that the loans portfolio had not increased from the inherited position of the former County Council. This, along with a number of key decisions taken since 2009, including debt restructuring, repayment of prior years' debt using available reserves, rigorous daily investment decisions and the monitoring of available cash flows had enabled the Council's cash resources to be used to optimum benefit.

The Council remained committed to delivering appropriate levels of capital investment to support service improvement and local economic growth. It would continue to minimise the net cost of borrowing by ensuring that the capital programme could be funded without the need for additional external borrowing.

RESOLVED

That Council be recommended to approve the Treasury Management Strategy and the Minimum Revenue Provision Statement for 2014/15.

125 **THE STRATEGIC DIRECTION OF TRAVEL FOR ADULT SOCIAL CARE SERVICES - PROMOTING OPEN CHOICE**

Cabinet considered a report on the strategic direction of travel for regulated social care services.

The briefing paper 'Strategic Direction of Travel for Adult Social Care Services – Promoting Open Choice', which was attached at Appendix 1 to the report, focused on the strategic direction of travel and the market development of regulated social care services for older people in Cheshire East.

The briefing paper explained how by 'doing things differently' the Council would do more for less, enable individuals to control their own care and support, and increase opportunities for local businesses. The Council, working with its partners, would stimulate the market to encourage innovation and new ways of delivering services.

RESOLVED

That

1. the strategic direction of travel for regulated social care services be endorsed and officers be authorised to take all necessary steps to develop the market of social care services for older people in Cheshire East; and
2. Cabinet support 'doing things differently' by doing more for less, enabling individuals to control their own care and support and increasing opportunities for local businesses.

126 **ADULT SOCIAL CARE - STRATEGIC DIRECTION OF TRAVEL - INFORMAL SUPPORT TO ADDRESS PREVENTION AND EARLY INTERVENTION**

Cabinet considered the proposed strategic direction of travel for informal support to address prevention and early intervention for people with social care eligible needs.

The vision for the future was for the Council and partners to enable adults to be self-reliant and healthy for as much of their lives as possible. In this context the informal support for vulnerable adults and their carers needed to change to maximise the opportunities for self-reliance, independence, and healthy lives.

The report summarised the proposed strategic direction of travel for informal support to address prevention and early intervention for adults with social care eligible needs.

RESOLVED

That

1. the proposed strategic direction of travel for informal support for adults with social care eligible needs as outlined in the report be endorsed; and
2. officers be authorised to take all necessary steps to implement the proposed strategic direction of travel.

127 **PAY POLICY STATEMENT 2014/15**

Cabinet considered the recommendations of the Staffing Committee regarding the draft Pay Policy Statement for 2014/15.

The draft Pay Policy Statement for 2014/15, which reflected the position as at 1st April 2014, was attached at Appendix 1 to the report. The Statement had been updated to reflect the changes following the senior management review.

The Staffing Committee had considered the draft Statement at its meeting on 16th July and had recommended two minor amendments to the draft Pay Policy Report as follows:

- § Section 8: Publication and Access to Information - the Council should publish the data relating to employees with a salary of £50,000 and above.
- § Section 12: Re-Employment/Re-Engagement of Former Employee – delete “truly” so that it read “...not be re-employed or re-engaged in any capacity, except in exceptional circumstances ...”

RESOLVED

That it be recommended to Council that

1. Section 8 of the draft Pay Policy Statement be amended in accordance with the recommendation of the Staffing Committee, but the wording of Section 12 remain unchanged; and
2. the draft Pay Policy Statement as amended be approved.

128 **BUSINESS CASES FOR ALTERNATIVE SERVICE DELIVERY VEHICLES**

Cabinet considered a report on progress towards the Council becoming a strategic commissioning authority. The report included the formal business

cases for Ansa Environmental Services Ltd, Orbitas Bereavement Services Ltd and Everybody Sport and Recreation Services Ltd.

In February 2013 the Council had set out its three year plan to becoming a strategic commissioning council. This consisted of 29 major change programmes covering 8 key priorities. The plan set out the core purpose of the Council, and identified the need to redefine its role in core place-based services.

The move to a strategic commissioning model ensured a measured approach to achieving the Council's ambitions and provided a platform for the Council to redefine and reinvent services, avoiding 'salami' slicing, and to sustain quality services to residents and businesses. The intention to become a strategic commissioning council was supported by a clear strategic framework.

RESOLVED

That

1. the progress being made towards becoming a strategic commissioning Council be noted;
2. the business cases for change appended to the report for the following Council services to trade as wholly-owned companies be approved:

Ansa Environmental Services Limited; and
Orbitas Bereavement Services Limited.

3. approval be given for Everybody Sport and Recreation Services Limited (ESAR) to trade as a wholly-owned company of Cheshire East Council, if necessary, as a precautionary measure as it was expected that ESAR would become a registered charity before it took up any trading activity.

129 STRATEGIC JOINT COMMISSIONING FOR IMPROVED OUTCOMES AND VALUE FOR MONEY

Cabinet considered a report seeking approval to extend a number of contracts until a commissioning review aimed at improving health and wellbeing outcomes had been completed.

The Council's stated intention was to focus skills and capacity on the ambitious transformation of the use of resources to improve outcomes for citizens and local business and improve value for money.

The joint proposal from adults, children's and Public Health was that a group of existing contracts would not be re-tendered until there had been a whole system redesign across public health, adult social care, children's services, CCGs and other partners. Contracts for social care and health

would be awarded without competition to current providers. This approach would require a waiver from the Council's Contract Procurement Rules as contracts would be extended with current providers without a competitive tender for a limited and defined period.

RESOLVED

That

1. there be a waiver from following Contract Procurement Rules for the group of contracts that fulfilled the spend areas listed in the report;
2. the decisions relating to those contracts be delegated to the relevant Directors in consultation with relevant portfolio holders; and
3. officers be authorised to take all necessary steps to implement the proposal.

130 PROCUREMENT OF FRESH PRODUCE

Cabinet considered a proposed procurement route for fresh produce.

Cheshire East Catering currently spent about £460,000 per annum on Fresh Fruit, Vegetables, Milk, Dairy and Bread Products. These items were used primarily in schools in the preparation of school meals. The provision was currently provided via a framework agreement which was due to end at the end of February 2014.

The proposal was to run a Cheshire East 'own tender' procurement exercise separating the region into "Lots", to enable smaller businesses to show an interest in tendering for this provision, thus supporting the Local economy. The contract term was proposed to run from March 1st 2014 for three years with options to extend for two 12 month periods.

RESOLVED

That

1. the proposed procurement route be approved; and
2. authority be delegated to the Chief Operating Officer in consultation with the relevant Portfolio Holder to award a single or multiple contracts to the highest scoring bidder for each Lot.

131 THE ENGLISH NATIONAL CONCESSIONARY TRAVEL SCHEME 2014/2016

Cabinet considered a revised concessionary travel scheme for the period 1st April 2014 to 31st March 2016.

The English National Concessionary Travel Scheme provided free travel on local bus services to qualifying concessionaires. Local bus operators were reimbursed by local authorities so that they were left financially no better or worse off from the concession.

Cheshire East residents also had the opportunity to use the Flexible Demand Responsive Transport Service available in both the North and South of the Borough. Passengers on this pre-bookable service were also entitled to travel within the concessionary fare scheme as a discretionary enhancement offered by Cheshire East.

The current reimbursement scheme was due to expire on 31st March 2014. The report recommended the adoption of a revised scheme for the period 1st April 2014 – 31st March 2016.

RESOLVED

That

1. the revised reimbursement calculation for 2014-2016, which is likely to deliver an annual reduction of around £400,000 gross in annual reimbursement to bus companies, be approved;
2. the likely impact on bus services and individual bus companies that may result from the changes in reimbursement calculation as outlined in the report be noted;
3. authority be delegated to the Transport Manager, in consultation with the Portfolio Holders for Environment and Finance, to determine the detailed arrangements for scheme publication and administration, with day to day operation delivered on behalf of the Council by Cheshire West and Chester Council; and
4. the Portfolio Holder for Environment be given delegated authority, in consultation with local ward members, to approve changes to expenditure on local bus support in light of any de-registrations of local bus services that may result.

132 **PROPOSED AMENDMENT TO SMOKE FREE POLICY**

Cabinet considered a proposal that the current Council Smoke-Free Policy be amended to include electronic cigarettes.

The Smoke Free Policy had been adopted in November 2009. Following consultation, it was proposed that the Policy be amended to include electronic cigarettes. The use of 'e-cigarettes' had been noted in Council offices and other locations and was causing some concern amongst staff. The lack of reference to e-cigarettes in the current Policy was leading to a lack of clarity as to the acceptability of their use. It was proposed that the indoor use of e-cigarettes be banned in all Council premises and vehicles.

It was proposed to update the Policy at the same time, removing references to the Primary Care Trust.

RESOLVED

That

1. an amendment be made to the Smoke Free Policy to include reference to e-cigarettes and to ban their use from all Council premises and vehicles;
2. references to the 'Primary Care Trust' in the Policy be removed and replaced as appropriate; and
3. the Policy be reviewed in 2016 when e-cigarettes are licensed.

133 COUNCIL SUPPORT FOR CHESHIRE NEIGHBOURS CREDIT UNION

The Leader was of the opinion that this matter should be considered at the meeting as a matter of urgency in order to prevent any further delay in considering the recommendations of the Finance Policy Development Group. Consideration of the matter had been deferred at the previous meeting because the Group's Chairman, Councillor F Keegan, had been unable to attend.

Councillor Keegan was present at the meeting and, at the invitation of the Chairman, presented the report. Mr John Weir, the Chairman of the Cheshire Neighbours Credit Union, was also present and was afforded the opportunity to speak on the matter.

The report presented the recommendations of the Finance Policy Development Group in relation to Council support for Cheshire Neighbours Credit Union (CNCU). The recommendations had not been fully considered in terms of legal, financial, risk management and policy implications and further work was needed to consider whether the actions recommended were viable.

A variety of initiatives had recently been implemented by the Council to discourage residents from turning to payday lenders for high interest, short term loans that could lead to significant fees that people were unable to afford, causing them considerable financial difficulty. The Group's aim in making the recommendations had been to create a viable and ethical alternative to pay day lenders for residents across Cheshire East that provided quality services and was financially sustainable. Further details were contained in the report.

RESOLVED

That

1. the report of the Finance Policy Development Group be noted;
2. the Policy Development Group's recommended aims and objectives for the Credit Union as set out in section 11 of the report be endorsed;
3. the following recommendations, and the suggested approach to implementation in paragraph 13.1 of the report, be approved:
 - (a) that CNCU be given access to the libraries in Nantwich, Middlewich, Alsager, Sandbach and Macclesfield for at least two hours per week to increase visibility and to improve public access to its services. This would include, where possible, access to private meeting rooms for interviews and confidential discussions with members;
 - (b) that library staff in the libraries listed above be enabled to handle enquiries and general information requests about CNCU by receiving a training brief from CNCU;
 - (c) that consideration be given to providing CNCU with access to suitable Council owned office premises in Crewe, free of charge if possible. Ideally the office would allow public to access services from the street as well as storage space and access to private meeting rooms for interviews and confidential meetings;
 - (d) that the payroll deduction scheme offered by CNCU be promoted to Cheshire East employees via the CEntranet and Staff Notice Boards;
 - (e) that recruitment of volunteers from within the Council with marketing, finance or IT skills to help CNCU be carried out via CEntranet, Staff Notice Boards and the Council Website;
 - (f) that Cheshire East Councillors be encouraged to support credit unions by promoting them within their communities and sharing expertise through volunteering;
 - (g) that the Council encourage partners such as Citizens Advice Bureau, Registered Social Landlords and Community Groups to support and promote CNCU within their memberships;
 - (h) that links to CNCU's website be included on the Council's website;
and
 - (i) that a scheme to provide Cheshire East Care Leavers with membership to CNCU be initiated including funding for membership fees.

At the conclusion of the meeting, the Chairman announced that the full consultation on HS2 was now on the Council's website.

The meeting commenced at 2.00 pm and concluded at 4.00 pm

M Jones (Chairman)