

Cabinet Agenda

Date: Tuesday, 3rd February, 2009
Time: 2.00 pm
Venue: Council Chamber, Municipal Buildings, Earle Street, Crewe
CW1 2BJ

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any personal and/or prejudicial interests in any item on the agenda

3. **Public Speaking Time/Open Session**

In accordance with Procedure Rules Nos.11 and 35 a total period of 10 minutes is allocated for members of the public to address the Cabinet on any matter relevant to its work.

Individual members of the public may speak for up to 5 minutes but the Chairman will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers.

Note: In order for officers to undertake any background research it would be helpful if questions were submitted at least one working day before the meeting.

4. **Minutes of Previous meeting** (Pages 1 - 8)

To approve the minutes of the meeting held on 6 January 2009.

Please contact Cherry Foreman on 01270 529736
E-Mail: cherry.foreman@cheshireeast.gov.uk with any apologies or requests for further information or to give notice of a question to be asked by a member of the public

5. **Key Decision CE11 Human Resources Flexible Working Policies** (Pages 9 - 20)

To consider flexible working policies which will support service delivery and provide benefits for employees in Cheshire East.

6. **Redundancy Provisions** (Pages 21 - 22)

To confirm the arrangements in relation to severance provisions for non-teaching employees in the new Council.

7. **People into Jobs** (Pages 23 - 30)

To consider match funding from April 2009 to December 2010 in support of the People into Jobs Bid.

8. **Responding to the Recession** (Pages 31 - 40)

To identify the likely impact of the recession on both Cheshire East as an area and on the new Council and to start to develop a whole Council response.

9. **Housing Benefit Local Scheme** (Pages 41 - 44)

To consider the amount of pension to be disregarded when calculating entitlement to Housing Benefit and Council Tax Benefit for people in receipt of income from War Widows (Widowers) and War Disablement Pensions and the Armed Forces and the Reserved Forces Compensation Scheme.

10. **Draft Finance and Contract Rules of Procedure**

To consider the proposed framework for Finance and Contract Procedure Rules.

11. **Section 24 Schedules of Consent**

To note any Section 24 Specific Consent Applications dealt with under delegated powers since the last meeting.

(Report to follow)

12. **Progress Report**

To receive an update on the Local Government Reorganisation programme, with particular focus on Customer Access and Staffing issues, and key milestones, and to note the steps to be taken in the coming months.

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Tuesday, 6th January, 2009 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor W Fitzgerald (Chairman)
Councillor R Domleo (Vice-Chairman)

Councillors D Brickhill, D Brown, P Findlow, F Keegan, A Knowles, J Macrae
and B Silvester

In attendance:
Councillors R Fletcher, B Neilson, A Richardson, L Smetham and A Thwaite,

126 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor P Mason.

127 DECLARATIONS OF INTEREST

Members gave a general declaration of personal interest in respect of every item on the agenda where an individual member was a Member of Cheshire County Council and/or of one of the Current Borough Councils. In accordance with the Code of Conduct they remained in the meeting during consideration of the relevant items.

128 PUBLIC SPEAKING TIME/OPEN SESSION

There were no questions from members of the public.

129 MINUTES OF PREVIOUS MEETING

RESOLVED

The minutes of the meeting held on 17 December 2008 were approved as a correct record.

130 NOTICE OF MOTION - SUSTAINABLE COMMUNITIES ACT

Consideration was given to the Notice of Motion proposed by Councillor R Fletcher, seconded by Councillor D Neilson, submitted to the Council at its meeting on 9 December 2008.

Cabinet welcomed the views expressed in points (i), (ii), (iii) and (iv) of the motion which it considered supported the aims of Cheshire East Council in respect of sustainable communities. With regard to point (v) Cabinet confirmed that this was an area that would be pursued further at a later

date, once the Council had been operational for a reasonable period of time, with a view to seeking additional funding and support for work in the communities. Cabinet considered that the actions set out in point (vi) were already adequately covered by existing ways of working and consultation measures and did not need to be reiterated further.

RESOLVED

For the reasons now given: -

That points (i), (ii), (iii) and (iv) of the Notice of Motion be approved.

131 KEY DECISION CE28 CULTURE AND VALUES

Consideration was given to a final set of core organisational values for Cheshire East, on which staff had been consulted, and to ways in which they could be embedded as an important step towards building a high performance culture for the new Council.

RESOLVED

For the reasons set out in the report: -

1. That approval be given to the adoption of the revised ASPIRE core values framework in Appendix 2 of the report.
2. That approval be given to the development of a Values based performance management framework to be introduced from day one as outlined in Section 12 of the report.
3. That approval be given to the introduction of the Values through communications and the development of induction processes.

132 KEY DECISION CE52 DISAGGREGATION OF THE COUNTY BALANCE SHEET

Consideration was given to the report of the Borough Treasurer and Head of Assets, a copy of which was circulated at the meeting. The report detailed the agreement reached between Cheshire East Council and Cheshire West and Chester Council with regard to the disaggregation of the Cheshire County Council Balance Sheet, in accordance with the Department of Communities and Local Government deadline of 31 December 2008, and also the work that remained to be completed in order to achieve a full Local Agreement by 31 March 2009.

RESOLVED

For the reasons set out in the report: -

1. That the agreement made between Cheshire East Council and Cheshire West and Chester Council submitted to the Department of Communities and Local Government on 19 December 2008 with

regard to the disaggregation of Cheshire County Council's balance sheet, detailed in Section 5 of the report, be noted.

2. That it be confirmed that the delegation of the local agreement of the County Balance Sheet disaggregation package to the Borough Treasurer and Head of Assets, in consultation with the Portfolio Holder for Resources, the Leader of the Council and the Performance and Capacity Portfolio Holder, will continue up to 31 March 2009.

133 **KEY DECISION CE56 CRIMINAL RECORDS BUREAU AND INDEPENDENT SAFEGUARDING AUTHORITY**

Consideration was given to this report on the implications of the Criminal Records Bureau and Independent Safeguarding Authority requirements for the new Council. Cabinet expressed concern at the resulting cost to this and other Council's of carrying out these checks and registration checks, to the potential duplication of work entailed in respect of those people who might require both to be carried out or for them to be carried out by more than one Council, and also to the position regarding foreign nationals. It was requested that a further report be prepared on these areas of concern.

RESOLVED

For the reasons set out in the report and as now given: -

1. That approval be given for Back Office Shared Services, if agreed by Cheshire East and Cheshire West and Chester, to manage the processes on behalf of Cheshire East.
2. That approval be given for candidates, employees, and Members not to be required to pay for the cost of any required CRB checks or ISA registration and that the financial consequences of this decision be noted.
3. That approval be given for the Head of Human Resources, in liaison with the Director of People, to be accountable for ensuring that the Council complies with CRB and ISA requirements.
4. That approval be given for the Head of Human Resources to develop the Council's approach to supporting voluntary bodies in relation to CRB and ISA and to develop the necessary policies which will be required in relation to CRB checks and ISA requirements.

(Councillor R Domleo left the meeting prior to consideration of the remaining items on the agenda and did not return.)

134

PRIVATE SECTOR HOUSING RENEWAL POLICY

Consideration was given to this report seeking approval for the draft interim Cheshire East Private Sector Assistance Policy to be circulated for public response, and for approval in principle to be given to the Policy subject to no significant changes arising as a result.

RESOLVED

For the reasons set out in the report: -

That approval be given to circulate the Interim Cheshire East Private Sector Assistance Policy for public response and that it be approved in principle subject to there being no significant changes as a result.

135

CABINET DECISION MAKING ARRANGEMENTS

Consideration was given to the report of the Monitoring Officer on options for Cabinet arrangements for the Council from 1 April 2009. It was reported that following circulation of the report further consideration had been given to the decision requested; a revised wording had subsequently been prepared and a copy of this was circulated and agreed by the Cabinet, subject to further consideration being given to the definition of a key decision.

RESOLVED

For the reasons set out in the report and as now given: -

That the Governance and Constitution Committee recommend to Council that, with effect from Vesting Day:

1.The Council shall have a Leader and Cabinet form of executive arrangements, these to include the “Strong Leader” model in, in respect of which, and amongst other things, the Leader:

- a. is elected by Council;
- b. is empowered to appoint Members of the Council to and remove Members of the Council from the Cabinet, subsequent notification being given to Council;
- c. is empowered to determine the extent of the decision-making powers of Cabinet Members and other executive decision-making bodies.

2.The Council’s executive arrangements shall comprise those arrangements set out in Appendices A and B to the report, subject to the following changes:

- a. References to Deputy Leader are to be removed from the Adult Services Portfolio and the role of Deputy Leader defined.
 - b. The following functions listed within the Children and Family Services Portfolio to apply, as appropriate, to the Portfolio Holders for Adult Services, Children and Family Services and Health and Wellbeing:
 - i. Liaison with NHS Trusts and Health Authorities;
 - ii. Mental Health and Disability;
 - iii. Health Promotion;
 - iv. Development of Integrated Services with Health Partners.
 - c. The references within the Children and Family Services Portfolio to:
 - i. Mental Health and Disability, to be made specific to Children and Young People; and
 - ii. Connexions, to be removed.
 - d. In respect of the Health and Wellbeing Portfolio:
 - i. Public Rights of Way to be added beneath Countryside.
 - ii. Tourism to become a dependency, rather than being a prime responsibility.
 - e. In respect of the Environmental Services Portfolio:
 - i. Health and Safety enforcement to become a dependency rather than being a prime responsibility;
 - ii. Public Rights of Way Maintenance to be deleted and moved to Health and Wellbeing, as Public Rights of Way.
 - f. The Prosperity Portfolio to include Building Control.
 - g. The Safer and Stronger Communities Portfolio to include Health and Safety enforcement in the list of prime responsibilities.
 - h. The Performance and Capacity Portfolio to include Twinning in the list of prime responsibilities.
3. Further consideration be given to the definition of a Key Decision, to potentially include a financial threshold of £1M, beyond which an executive

decision shall be a Key Decision; and that a report be made to Members on the implications.

4. That the Governance and Constitution Committee recommend to Council that the Monitoring Officer be authorised to make such changes to the Council's emerging Constitution as he considers are necessary to give effect to the wishes of Council.

136 **LOCAL CHOICE FUNCTIONS**

Consideration was given to the report of the Monitoring Officer on options for delivering local functions from 1 April 2009. It was reported that following circulation of the report further consideration had been given to the decision requested; a revised wording had subsequently been prepared and a copy of this was circulated and agreed to by the Cabinet. In addition it was noted that in Section 1: Responsibility for Local Choice Functions the Officer to whom the function of appointing Members to Police Authorities had been left blank but that this would be the Borough Solicitor and Monitoring Officer.

RESOLVED

For the reasons set out in the report: -

That the Governance and Constitution Committee be requested to recommend to Council that:

1. With effect from Vesting Day, the allocation of local choice functions between Cabinet and the Council, and the further delegations to committees and officers, be as set out in the appendices to the report, subject to the Borough Solicitor and Monitoring Officer being responsible for arrangements for questions at Council on Police Authority functions.
2. The Monitoring Officer be authorised to determine the remaining detail of the allocation of local choice functions in consultation with the Leader and appropriate Cabinet Members, and to make such amendments to the Council's emerging Constitution as he considers are necessary to give effect to the decision of Council.

137 **DELEGATION OF EXECUTIVE FUNCTIONS**

Consideration was given to the report of the Monitoring Officer on options for delegating and recording the delegation of executive functions from 1 April 2009. It was reported that following circulation of the report further consideration had been given to the decision requested; a revised wording had subsequently been prepared and a copy of this was circulated and agreed by the Cabinet.

RESOLVED

For the reasons set out in the report: -

That the Governance and Constitution Committee be requested to recommend to Council that:

1. With effect from Vesting Day, the approach set out in the Appendix to the report be adopted as part of Cheshire East's executive arrangements, and that this be reflected in the Council's Constitution.
2. The Monitoring Officer be authorised to determine the remaining detail of the Appendix in consultation with the Leader and appropriate Cabinet Members, and to make such amendments to the Council's emerging Constitution as he considers are necessary to give effect to the decision of Council.

138

CABINET PROCEDURE RULES

Consideration was given to the report of the Monitoring Officer on the Cabinet Procedure Rules which would apply with effect from 1 April 2009. It was reported that following circulation of the report further consideration had been given to the decision requested; a revised wording had subsequently been prepared and a copy of this was circulated. In discussing the options in respect of public speaking at meetings of the Cabinet it was agreed that the period of notice required for the submission of any questions should be 3 working days, in order to allow adequate time in which to prepare a response.

RESOLVED

For the reasons set out in the report and as now given: -

1. That the Governance and Constitution Committee recommend to Council:

- a. That the Cabinet Procedure Rules appended to the report should be adopted by the Council with effect from Vesting Day.
- b. That the issues identified in Appendix A of the report be noted and that the Council shall have a Leader and Cabinet form of executive arrangements, these to include the "Strong Leader" model.
- c. That a 3 working day notice period be required in respect of any question which is to be asked at Cabinet by a member of the public.

2. That a further report be made to members upon the practical arrangements for individual Cabinet Member decision-making.

139 **SECTION 24 SCHEDULES OF CONSENT**

Consideration was given to the report of the Interim Monitoring Officer and Chief Finance Officer. This report was circulated at the meeting.

RESOLVED

For the reasons set out in the report: -

That it be noted that no delegated decisions had been made since the last meeting of the Cabinet.

140 **PROGRESS REPORTING PAPER**

Cabinet was informed that work over the coming months would include office accommodation, the civil enforcement of parking, media relations cover, ICT strategy, children and family services, the harmonisation of waste collection and of car parking charges across the area, and the local economy. It was anticipated that a revised reporting format would be available in time for the next meeting.

RESOLVED

That the report be noted.

The meeting commenced at 2.00 pm and concluded at 3.45 pm

W Fitzgerald (Chairman)

CHESHIRE EAST**CABINET**

Date: 3 FEBRUARY 2009
Report of: HR LEAD OFFICER
Title: HR FLEXIBLE WORKING POLICIES

1. Purpose of Report

- 1.1 To consider HR flexible working policies which will support service delivery and provide benefits for employees in Cheshire East.

2. Decisions Required

- 2.1 To agree policies on::
- (i) Flexible Working Arrangements (Appendix 1); and
 - (ii) Flexi-time Policy (Appendix 2)
- 2.2 To note that a further report on Mobile and Home Working will be brought forward at a later date when consultation with the trade unions has been completed.

3. Financial implications for transition and 09/10

- 3.1 Flexible and Mobile Working will be a long-term programme of projects that will require considerable up front investment. Although it will contribute towards achieving major corporate savings for Cheshire East Council, it is envisaged that these savings will not be realised within the first two years of the estimated five year programme.
- 3.2 The long term strategy and business case for Flexible and Mobile working has yet to be developed. The following costs relate specifically to day one priorities which need to be offset against longer term property and efficiency savings and possible redundancy costs incurred through unreasonable travel:
- 3.3 In some of the District councils an electronic time system is used to clock in and out and calculate flexi-time. If a new flexi-time system is introduced costs may be incurred to re-configure the systems to reflect these new arrangements. Further investigations would need to happen with the current suppliers to ascertain the estimated cost.
- 3.4 At this stage it is not possible to bring forward to the Cabinet the proposals on Mobile and Home working as consultation with the trade unions is continuing. It is hoped to complete this in the next few weeks. There will be further up front costs, which should produce later savings, as a result of that policy.
- 3.5 No transitional funding has been allocated.

4. Legal implications

- 4.1 The Authority has a legal obligation to consider requests to work flexibly. Employees who have caring responsibilities for a dependent adult, or parents of children aged under 6 (will change to under 16 from April 09) or with a disabled child under 18, have

a right to apply to work flexibly. There is also a legal requirement to ensure that Health and Safety is fully considered.

5. Background

- 5.1 Flexible and Mobile working a cross cutting project bringing together HR, ICT and Property to deliver improved ways of working in every part of the new Cheshire East authority. This is based on a vision for a Council that is organised around the needs of customers and employees rather than the constraints of building design, fixed hours and location.
- 5.2 Corporately, accommodation costs for Cheshire East council are likely to be the authorities' second highest cost after staff. It will be essential to maximise the use of these assets through programmes like Flexible and Mobile working in order to help achieve the corporate aims of rationalising and disposing of surplus buildings and negating the need for additional office space.
- 5.3 It is anticipated that the realisation of this vision may take up to five years and will require the development of a long term strategy and business case. The initial focus however is to address the fact that a considerable number of Cheshire East employees currently live and work in and around Chester. Flexible & mobile working approaches may be able to support the organisation and the employees minimise the impact this will have.

6. Policy framework

- 6.1 The key organisational drivers of the policy framework are:

- improved customer service delivery
- improved efficiency and productivity
- improved work- life balance for employees
- reduction in carbon footprint

- 6.2 There are three strands to the policy framework:

When we work: <ul style="list-style-type: none">• Flexible working patterns• Flexi-time	Where we work: <ul style="list-style-type: none">• Mobile and home working	How we work: <ul style="list-style-type: none">• <i>Modern working environment</i>• <i>ICT security and data protection</i>
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7. Key HR policies and considerations

- 7.1 This report covers two relating to the first strand of 'Where we Work'. These are attached as Appendices, but a brief summary is provided below.

Flexible working patterns

- **Objective** – to provide flexibility in when an employee works by offering a range of working patterns which enable the delivery of more responsive services, reduce the requirement for overtime and help to attract and retain employees.
- **Key elements** – incorporates a range of working patterns available to an employee including part-time working, annualised hours, term time working, job sharing, compressed hours, reduced working hours, occasional temporary arrangements and flexible working hours.
- **Existing Council arrangements** – only one District council and the County Council currently offer these types of flexible working arrangement.
- **Key considerations** – demand for greater flexibility in working arrangements will require managers and teams to work differently.

Flexi-time policy

- **Objective** – to provide where possible maximum flexibility in when an employee chooses to work during the day whilst maintaining high standards of service delivery, recognising that Council services are increasingly provided around the clock and traditional 9 to 5 working hours may no longer be appropriate.
- **Key elements** – to balance the requirements of flexibility and manageability it is proposed that the scheme is based on a **twelve week period broken down into three, four week sections**. As a general guide an employee would have no more than 5 hours debit and 30 hours credit per 4 week period with a maximum of 2 days flexi-leave. However recognising that some services have significant peaks and troughs in workload a wider twelve week view can be taken enabling up to 6 days flexi-leave to be taken nearer the end of the settlement period if planned and agreed by the manager. **Time worked can be claimed at anytime, including evenings and weekends**. In this way time off in lieu (TOIL) and the overtime would be the exception and would need to be agreed in advance by the manager.
- **Existing Council arrangements** – there are wide ranging differences within the current schemes. These range from 4 hours and 60 hours credit and between 2 hours and 30 hours debit. There are also some informal arrangements where a larger number of credit hours are carried over which become unmanageable.
- **Key considerations** – will require trust and co-operation of staff to give them greater control of their working hours whilst maintaining service delivery and support for managers who will need to manage differently. Messages need to be balanced in terms of some staff choosing to work say during the evening and weekends but this is not an expectation unless a core part of the job.

8. TUPE position

- 8.1 Existing Authority HR policies relating to Flexible working are covered by TUPE. This means that the terms and conditions of employees who transfer to the new Authority are protected (or are no less favourable).
- 8.2 With this in mind the proposed new although changed would be viewed as follows:

- Flexible Working Arrangements – no less favourable
- Flexi-time policy – no less favourable (apart from some local custom and practice)

9.0 Trade Union Consultation

- 9.1 The trade unions have been consulted on these policies and are happy with the proposals. They will be monitoring their application to ensure that the policies are not used to change existing working arrangements without agreement.

10. Conclusion

- 10.1 Truly embracing and embedding Flexible and Mobile working as the way of working within Cheshire East offers significant short and long term benefits. To realise these benefits however will require radical changes to working practices based on trust, co-operation and assessing performance and contribution through outputs and outcomes rather than time served. The HR policies proposed are a first step on this journey and provide a clear signal of the new Authority's commitment to work in this way.

For further information:

Portfolio Holder: Councillor Keegan
Officer: Trish Barnett
Tel No: 01244 972273
Email: Tricia.Barnett@cheshire.gov.uk

APPENDIX 1 - FLEXIBLE WORKING ARRANGEMENTS POLICY

INTRODUCTION

The Council's policy on flexible working allows for many different patterns of working. There can be variations in the

- Start and finish times to the working day
- Number of days in the working week
- Number of weeks worked in the year

The Council wants to provide better integrated and more responsive services to the customers. For any particular service, there may be more demands at certain times of the day or week. Some services may be busier at certain times of the year. Flexible working arrangements can allow an employee to have a better life balance between work and other demands. The arrangements support diversity, assisting in the recruitment and retention of employees, improving staff commitment and reducing absenteeism.

SCOPE

The policy applies to all employees in agreement with Service Managers and may be a temporary or permanent working arrangement. The Council will give serious consideration to any request from an employee to change their working arrangements. However it should be noted that the requirements of some jobs may not lend themselves to some of these contractual arrangements.

LEGISLATION

There is a legal requirement to consider requests to work flexible from parents and carers. The legislation requires the employer to consider such requests seriously and may only refuse where there is a business case for doing so.

A procedure for submitting and considering requests under the legislation, which complies with the legal requirements is attached (NOTE – NOT ATTACHED TO CABINET REPORT, BUT AVAILABLE ON REQUEST).

As a good employer, Cheshire East will give the same consideration to requests from any of its employees.

DIFFERENT OPTIONS

A number of different flexible working arrangement options are available as listed below. Adopting more than one option to meet individual circumstances may be applicable. In all cases, the employee and the manager must have a clear agreement about the precise pattern of working.

Part time

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Part time working is when an employee is contracted to work less than 37 hours per week. This is agreed when first taking up the appointment. The employees salary and annual leave is pro-rata in accordance with the number of hours worked.

Annualised hours

The employee has a contract to work a given number of hours in the year, rather than the traditional number of hours in the week. The employee works when the demand is greatest. The employee and the manager agree the precise working pattern.

Term -Time working

The employee works only in school terms. Depending on the number of hours and weeks worked, there will be a pro-rata reduction in salary.

Flexi-time scheme

The Council has a flexible working hour's scheme, known as flexi time. The employee is able to choose the start and finish times of their working day provided that business needs are met and has the option of taking time off to compensate for working in excess of their normal working hours. (See *separate Flexi-time Policy*)

Job Sharing

Two people may share one full-time post. The individuals agree their precise pattern of working with their manager and each other, both having an obligation to ensure work priorities are met. A job sharer has the same rights as a full-time employee.

Reduced working hours

An employee may ask to reduce their working hours and the employee's salary and leave will reduce by a proportionate amount.

Occasional temporary arrangements

An employee may request either a change in working hours or work patterns for an agreed period of time in order to manage personal circumstances. The employee's salary will reduce by a proportionate amount during this time should less hours be worked with a review of circumstances taking place with the manager on an agreed frequency. Annual leave will be affected should the temporary arrangements of reduced hours continue for any long period of time.

Compressed hours

This allows employees to work their total number of hours in fewer working days. In this situation more often than not a 10 day fortnight is compressed into 9 days, although in more rare cases, 5 days have been compressed into a 4 day week.

SUMMARY

The various options will be reviewed regularly with future developments of new arrangements being added as the Council evolves. Details of the

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implications and practical arrangements for these options will be provided by HR.

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APPENDIX 2 - FLEXI-TIME POLICY

INTRODUCTION

The policy has been developed to allow for enhanced flexible working hours to be operated enabling a degree of flexibility to accommodate employees commitments whilst always ensuring the needs of the Council and its services as key priority. Council services are increasingly provided around the clock and traditional 9 to 5 working hours may no longer be appropriate. It recognises that there can be peak and troughs of work and that work can be delivered outside traditional office hours. Properly implemented it supports and improves both service delivery and employees' work-life balance.

The Flexi-time policy is an arrangement whereby, employees may choose when to begin and end work in agreement with their manager. To be successful the policy requires trust and co-operation of staff, giving them greater control of their working hours whilst maintaining service delivery. Messages need to be balanced in terms of some staff choosing to work say during the evening and weekends but this is not an expectation unless a core part of the job.

Employees must cooperate with managers to ensure that minimum staffing levels are maintained during required working hours. This is fundamental to ensure that the efficiency of the Council and the delivery of services are maintained.

The policy aims to:

- Improve service delivery – providing services over an extended day
- Provide where possible maximum flexibility in when an employee chooses to work during the day, whilst maintaining high standards of service delivery
- Demonstrate a commitment to implementing the Government's and Council's family friendly policies
- Promote a well motivated, flexible and responsive workforce, dedicated to providing services when they are required.

SCOPE

The policy applies to all employees, subject to the requirements and priorities of the service. This will mean that certain posts or groups may be excluded where attendance for a specified period during the day is imperative. However, exceptions should be limited and the policy will be applied as widely as possible. Where the flexi-time policy cannot be applied, Flexible Working Arrangements may be a more suitable option.

OPERATION OF POLICY

Service requirements

The Council guarantees to provide services within different establishments between certain times depending on customer needs. It is essential for managers/supervisors and teams to work together to plan the levels of cover required in order to provide an effective service. The manager/supervisor will ultimately be responsible for the efficient operation of the service. In agreeing the operation of the Flexi-time policy, managers/supervisors must ensure:

- There is cover for the service
- There is work available
- Start and finish times do not disrupt the efficient running of the service

The scheme

The policy is based on a twelve week period broken down into three, four week sections. Employees generally are able to carry forward no more than 5 hours debit and 30 hours credit four week period. They are able to take up to two days flexi-leave within that four week period.

It is recognised that some services have significant peaks and troughs in workload and a wider twelve week view can be taken in these cases. This enables up to 6 days flexi-leave to be taken nearer the end of the twelve week settlement period if planned and agreed by the manager. Managers should monitor Flexi-time records every 4 weeks and work with the employee to ensure hours credited do not become unmanageable. Any credit above 30 hours at the end of the twelve week period will be written off (*pro rata for part-time employees to ensure manageability of number of days 30 hours would equate to for part time employees*).

Where employees regularly have 30 hours in credit at the settlement period the manager will need to review the employee's work load and prioritise or reallocate work as appropriate. A further option may be to consider alternative Flexible Working Arrangements to meet the service and individual needs.

Where appropriate, and in agreement with their manager, an employee makes choices about when they start and finish work and can claim the time that they actually work. This may, in agreement with their manager, include time worked at evenings and weekends. This does not suggest however, that all employees need to work in this way. By recording time in this way, time off in lieu (TOIL) and overtime would be the exception and would need to be agreed in advance by the manager.

In managing their time an employee must be mindful of the Working Time Directives ensuring a minimum break of 20 minutes is taken within a 6 hour period.

Other considerations

Employees leaving the Council with a debit of hours will lose a proportionate amount of pay.

Credit Leave

Credit leave may be taken subject to the needs of the service and with the prior approval of the manager/supervisor. Subject to agreement, time accumulated can be used by either taking complete or part days leave, or by working a shorter working day.

Debit

Any debit hours in excess of the allowed 5 hours should be agreed by the manager/supervisor and if remaining at the end of the twelve week settlement period will result in time deducted from annual leave or the employee's salary. If a consistent pattern of debit hours exceeding the agreed allowance occurs, the employee will be placed on fixed working hours.

Authorised Absences

Authorised absences including holiday, sickness, hospital and emergency medical appointments and special leave are credited at the standard hours the employee would work on that day. Wherever possible, routine appointments should be arranged for a time that causes least disruption to the service. Credit hours are not given for medical appointments apart from the following exceptions:-

- Ante-natal care (excluding relaxation classes)
- Cervical smear tests or mammogram
- Prostate gland tests
- Urgent medical/dental treatment
- Appointments with the Council's Occupational Health Unit

Hospital Appointments where the timing is out of the employee's control, i.e. Consultant appointments or specialist treatment, the employee will receive credit to the actual time spent away from work up to a maximum of a standard day. Managers / Supervisors must be informed of appointments and employees must begin work before or after the appointment wherever possible.

For the purposes of time recording the standard times are as follows:

Week	37 hours
Day	7 hours 24 minutes (7.40 decimal minutes)
Half Day	3 hours 42 minutes (3.70 decimal minutes)

Work Visits, Seminars, meetings etc

Employees attending seminars, conferences and meetings at a distance from the Council premises record time credits for the hours involved up to a maximum of 10 hours in agreement with the manager / supervisor. Adjustments for the time spent away from the work base should include travelling time between the work base and the place of business.

Adverse weather conditions or transport delays

In the event of adverse weather conditions or transport delays the employee should where possible consider alternative working locations dependent upon whether relevant equipment is available. If the Council decides to close a building due to adverse weather conditions, or a Council emergency, and no alternative work place can be found, credit up to a standard day will be given.

Recording Arrangements

To ensure the smooth operation of the Flexi-time policy it is the employee's responsibility to maintain accurate records either manually or electronically in line with local practice. Deliberate falsification of entries will be subject to the disciplinary procedure.

Time off in Lieu / Overtime

Time off in lieu and overtime can only be agreed in exceptional circumstances and when all other Flexi-time options have been utilised.

CHESHIRE EAST

CABINET

Date: 3 FEBRUARY 2009
Report of: LEAD HR OFFICER
Title: REDUNDANCY PROVISIONS

1.0 Purpose of Report

1.1 To confirm the arrangements in relation to severance provisions for non teaching employees in the new Council.

2.0 Decision Required

2.1 To agree that the severance agreed in July 2008 will continue to apply until 31 March 2010 at which point they will be subject to review.

3.0 Implications for Transitional Costs

3.1 There are no implications for transitional costs.

4.0 Financial Implications 2009/10 and beyond

4.1 The financial implications for future years will depend on the provisions adopted and the age/length of service and actual number and salaries of employees in a redundancy situation. The People and Places bid envisaged one off transitional costs of £10.9m in 2009-10 based on a number of assumptions regarding the level of statutory redundancy pay plus an averaged estimate of costs relating to the early release of accrued pension. The severance provisions recommended in this report are broadly in line with those assumed in the bid and therefore in themselves should not materially affect the level of costs. The key determinants of the actual costs to be incurred are those factors still unknown, namely: the size of the reductions required; the proportion of these realised through turnover or relocation and the details of the individual employees concerned.

5.0 Legal Implications

5.1 The proposals meet statutory redundancy requirements.

6.0 Risk Assessment

6.1 The risks are striking the right balance between the responsibilities and reputation of Cheshire East as a responsible employer, facilitating organisational change, maintaining constructive industrial relations and managing the costs incurred.

7.0 Background

7.1 In July the Council agreed the provisions which would apply to non teaching staff in redundancy cases in the new Council. As follows:

- (i) the removal of the statutory cap and pay the actual week's pay;
- (ii) in addition to paying the Statutory Redundancy Pay (SRP), the payment of an additional amount equivalent to that payment (i.e. giving a maximum payment of 60 weeks in total); and
- (iii) the provision for employees to use the additional payment (not the SRP) to purchase additional pensionable service in the Local Government Pension Scheme (LGPS) if they wish to do so and are a member

7.2 It was agreed at that time that these should be consistent with the provisions agreed in existing Councils so that all staff who were made redundant as a result of LGR would receive the same redundancy payments and so that employees would be clear about the redundancy provisions which would apply.

7.3 The report proposed that the provisions should apply to all redundancies which occur during the period of LGR, whether or not they were as a result of re-organisation or for other reasons. In addition it was proposed that they remain in place for at least 12 months after 1 April 2009, as it was recognised that LGR associated redundancies could occur for a considerable time after the new Councils were in place. However this was not part of the formal recommendations of the report.

7.4 With the recent voluntary redundancy exercise, with some staff being refused release because of transitional requirements during the first year of the Council, there is increasing concern amongst staff that the provisions may be changed, which would mean that staff made redundant when the transitional work was complete would be made redundant on lesser terms than those currently applying.

7.5 It is therefore recommended that the proposal in the original report for the provisions to be in place for a twelve month period from 1 April 2009, be formally adopted.

8.0 Trade Unions

8.1 The trade unions would welcome this formal confirmation.

9.0 Reasons for Recommendation

9.1 To provide clarity for employees whose future employment with the Council is uncertain.

For further information:-

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Background documents:
Westfields, Middlewich Road, Sandbach

CHESHIRE EAST COUNCIL

CABINET

Date of meeting: 3 February 2009
Report of: Chris McCarthy Interim Strategic Director Places
Title: People into Jobs

1.0 Purpose of Report

- 1.1 The purpose of this report is to inform Cabinet about the People into Jobs bid for European Regional Development Fund (ERDF), which has been approved, subject to match funding and contract arrangements, by the the North West Development Agency (NWDA). The bid was submitted by the Cheshire and Warrington Alliance (CWEA) on behalf of the Cheshire Districts and Warrington Borough Council.

2.0 Decision Required

- 2.1 To recommend that Cheshire East Council commit match funding from April 2009 – December 2010 in support of the bid, together with contributions from other partners, equal to the amount of ERDF.

3.0 Financial Implications for Transition Costs

- 3.1 None

4.0 Financial Implications 2009/10 and beyond

- 4.1 The total amount of match funding required from Cheshire East Council for April 2009 – December 2010 is £137, 966
- 4.2 The partners may also be given the opportunity to bid for a further 3 years ERDF funding for the period January 2011 to December 2013 to continue the project. The funding would require match, in the region of £90,000 per calendar year. This match funding may be requested from Cheshire East Council. If however the project did not continue beyond December 2010, there would be no further implications.

5.0 Legal Implications

- 5.1 As the bid has been successful, subject to match funding being secured and a contract signed, Warrington Borough Council will become the accountable body for the project, with Groundwork Cheshire having a service level agreement to deliver the project on behalf of the partners in Cheshire East.

6.0 Risk Assessment

- 6.1 If insufficient/no match funding is provided the project will not run and Cheshire East will lose out on an opportunity to access ERDF. As Cheshire West and Chester, and Warrington Councils will be running similar programmes, this will put those areas in an advantageous position. This could result in a weaker economy in Cheshire East in the future, with the associated implications for businesses and workless people.
- 6.2 Businesses fail to engage – to mitigate this, building on links with Chambers of Commerce and other business networks will be crucial. Due to the economic downturn, engagement of businesses may be harder than expected when the bid was originally formulated. However businesses will need to recruit when there is an economic upturn and this project will offer businesses a service that puts them in a stronger position to recruit.
- 6.3 Failure to achieve outputs - these are based on previous experience across Cheshire & Warrington and contractual requirements will be built in with the project deliverer. The economic downturn may affect the chances of workless people gaining employment – however the outputs are focused on the numbers of employers engaged and supported rather than actual job output.

7.0 Background and Options

Role of Cheshire East Council

- 7.1 Costs to Cheshire East will be minimised in year one as the application will lever in external funding in the ratio of almost 1:3 ie £51,000 match from Cheshire East will lever a total of £144,000 from others. For the second year the ratio will be around 1:2. Therefore every £1pound invested will as a minimum double any investment made.
- 7.2 In providing the financial support to the project, the message to businesses in Cheshire East will be a positive one – that the Council and its partners is willing to support them during a difficult period and help them be ready for the economic upturn. It will also ensure that more SMEs in Cheshire East are fit for purpose.
- 7.3 It is expected that through improved partnership working and referrals, the project will help benefit claimants to compete more effectively in the job market, which will become even more crucial as the recession begins to bite and redundancies rise.
- 7.4 Cheshire East will be the third largest authority in the North West with a population of 360,800 (ONS mid year population estimates 2007). Working age population is 216,600 and 38,500 people are economically inactive; that is 18% of the labour supply. Unemployment is increasing for the first time in 5 years and in some of the most deprived wards is as high as 6.6% and is likely to rise even further as the recession intensifies during 2009. . It is more important than ever to

support local businesses and provide assistance to those who reside in areas of regeneration need in order to avoid widening the gap between more affluent areas in Cheshire East, and the worst performing neighbourhoods. By having more local people in work it will raise aspirations and should assist wider programmes for the regeneration of areas of need. It is also more sustainable to employ locally, reducing the need to travel. Businesses who are seen to be acting with more corporate responsibility will help towards improving community relations in neighbourhoods.

- 7.5 Cheshire East has already been affected by the current economic climate with increasing numbers of redundancies expected in the coming months. Significant redundancies by some of Cheshire East's key employers such as AstraZeneca and Bentley Motors mean that there will be even harder competition for local vacancies in the near future.
- 7.6 With more pressures on employers, the workless could be at a greater disadvantage and opportunities could pass by those who are currently economically inactive without the project's additional intervention and coordination. Therefore, in anticipation of the economic upturn, work carried out now to support employers to understand the issues surrounding the groups that are the focus of this project, will pay dividends by establishing more positive attitudes towards recruiting from these groups when recruitment levels increase.

Summary of the bid

- 7.7 The project is a joint proposal from Cheshire West & Chester, Warrington and Cheshire East unitary authorities working in partnership with other public, private voluntary organisations to complement existing provision aimed at moving workless people back into employment and /or training.
- 7.8 The project aims to complement Jobcentre Plus/ Learning & Skills Council and other agency approaches to getting the long term unemployed back into work and/or training, by focusing on employers rather than individuals. There are all sorts of barriers put up by employers, often inadvertently, to employing people on benefits - lone parents, people with disabilities, ex-offenders, etc. This project aims to employ two suitably qualified people to approach several hundred employers in the area. They will provide one to one advice and support to break down those barriers and encourage employers to consider interviewing / recruiting people from the priority target groups and to participate in other initiatives such as Local Employment Partnerships with Jobcentre Plus. In addition they will also provide them with advice on the development of their HR policies and procedures.
- 7.9 This work will be complemented by a series of recruitment fairs, business networking, and support to individuals through subsidising travel costs when attending job interviews.

- 7.10 The project outputs reflect this approach which is not primarily about creating jobs for people but more about achieving a long term change in attitude by employers, getting them to realise the potential benefits to them in terms of competing for labour particularly as the economy picks up, the benefits to individuals in terms of self esteem, and the wider social and economic benefits to the community
- 7.11 Feedback from the North West Chambers of Commerce and East Cheshire Chambers indicates that employers are increasingly weary of multiple approaches from different agencies and are missing out on opportunities to employ local people due to this employer engagement fatigue. Local businesses in East Cheshire have indicated that they would favour a brokerage service to enable them to find the best solution for their needs. This project aims to fill that gap.
- 7.12 The Draft Interim Cheshire East Community Strategy has identified as a priority 'reducing worklessness and improving skills'. Reducing inequalities and narrowing the gap between the most disadvantaged and successful areas of Cheshire East and sectors of the community is a key theme of the LAA improvement targets, particularly NI 153. There are actions within all the 3 existing District Sustainable Community Strategies aimed at addressing this priority area. There is also a strong correlation between levels of deprivation and a range of health issues – this project could assist in addressing some of these in partnership with other agencies.
- 7.13 The project is to be a pilot for Cheshire East as unlike the districts in CWC & Warrington, the East has not to date been eligible or had the capacity to be able to attract funding. This is a rare opportunity for Cheshire East to benefit from ERDF funding and could be used strengthen links to the ERDF team at the NWDA.
- 7.14 In order to secure the ERDF funding, the partners will need match funding in cash, not in kind, equal to the amount that ERDF funds. The project, if approved, will run from April 2009 – December 2010. After this there is a potential further 3 years ERDF funding which could be allocated to support this project.
- 7.15 The partners have agreed that Groundwork Cheshire would be the host employer for the staff of the East Cheshire element of the project, due to their experience and contacts with businesses through the other support programmes they provide. Staff would be line managed by a steering group comprising the partners, whilst day to day management would be via Groundwork Cheshire.

Project Details

- 7.16 The project has 3 strands:

Employer Information Support Service

- Employ 2 employer advisors
- Promotional material provided and marketed to employers about the service on offer.
- Contacting key employers to offer services
- One to one bespoke advice and support to businesses on recruitment of workless people.
- Newsletters and briefings on key issues
- Seminars on key topics as identified by employers
- Assistance with networking employers
- Signposting to other complementary services and promotion of job pledges and LEPs.

Transport Linkages to Employment

- Travel passes for people attending job interviews, travel to work, etc.

Recruitment events

- Rolling programme of 6 job fairs organised throughout the East Cheshire area to help bring people and opportunities together, particularly residents of disadvantaged areas.

Outputs

- 7.17 The outputs are not focused on direct job creation, rather they aim to provide assistance and support to employers to persuade them to consider employing people claiming benefits primarily from deprived areas in Cheshire East.

Employer Information Support Service

- 350 businesses contacted and offered the support and services of the project
- 125 businesses assisted to identify vacancies and review and improve their recruitment practices, and supporting HR policies and procedures.
- 35 businesses referred to other business support, where the scope of this project does not cover their needs.
- 25 employers signposted to JCP for Local Employment Partnerships to ensure that local employers take a more proactive approach to employing workless people.

Transport Linkages to Employment

- 400 people assisted to get a job as a result of transport support (travel passes), in order to ensure that this major barrier to employment is removed.

Recruitment

- 30 people gaining employment within 6 months of the intervention

Budget

7.18 The indicative ERDF allocation for Cheshire & Warrington is as follows:

Cheshire East	162,680
Chester & Ches West	192,925
Warrington	116,375

7.19 The table below shows the Cheshire East funding breakdown, which demonstrates £137,966 match funding is required from Cheshire East Council. The funding profile does not include VAT. The partners need to agree where the VAT liability lies for this project and whether VAT is recoverable from the local authority as a key partner. 3% inflation has been incorporated in to the costs.

Cheshire East	2009	2010	Total
Cheshire East Council	51319	86647	137966
CCC - transport	3825	3825	7650
Groundwork	5000		5000
LSC	12064		12064
Total Match	72208	90472	162680
ERDF	72208	90472	162680
Total Funding	144416	180944	325360

7.20 Groundwork Cheshire has set aside £5,000 for the first financial year of the project as match funding. This match funding can only be used for the staffing cost elements of the project, and due to the source of funding, this can only be used if the employees are Groundwork employees. The LSC have agreed to contribute £12,064 for the first year.

Other Supporting Information

- 7.21 The government has a goal to raise the employment rate to 80%, to reduce the number of working age people who are dependant on benefit & to continue to close the employment gaps between different groups (In Work Better Off – Next Steps to Full Employment – Department of Work & Pensions - July 2007)
- 7.22 Government funding is being directed towards unemployed people with particular emphasis on priority groups such as ethnic minorities, disabled people, lone parents and people with low or no skills. There has been an

amount of success in training and mentoring to equip individuals with the skills which they and employers need. However, there is a risk that expectations could be raised when many companies still operate with little regard for local labour, use recruitment agencies, have a high staff turnover and where applications from particular post codes may still be disregarded. There is an important role for employers to play in supporting people from priority groups into work.

- 7.23 A key new measure is the introduction by Jobcentre Plus of Local Employment Partnerships (LEPs) where employers can sign up to Job Pledges to offer opportunities for people who are at a disadvantage within the labour market – such as lone parents & those on incapacity benefits – so long as they engage with the support available & are ready, willing & able to work. To date LEPs have mainly been agreed with larger national companies. There is still a large amount of work to be done with employers in Cheshire East, particularly Small to Medium Enterprises, to promote the advantages of employing local people.
- 7.24 There are three measures ERDF is eligible for: activities to engage and work with local employers, support for transport initiatives and assistance to residents from target areas to take up emerging and existing economic opportunities. The NWDA is positively encouraging applications which focus on linking people to employers as this is where it sees the gap in provision in Cheshire East. The People into Jobs proposal has been developed considering examples of best practice which have already been developed in Ellesmere Port and Neston, Warrington & Chester such as 'Maximising Opportunities', 'Local Employment Charter' & 'Workability Employer Engagement'
- 7.25 In Cheshire East a pilot employer advisory and educational service will be provided which will raise awareness and help and encourage employers to consider and become more pro-active in recruiting individuals from groups with traditionally low employment rates e.g. lone parents, people with disabilities and ex-offenders, particularly those living in areas with higher levels of unemployment and worklessness levels
- 7.26 It will also provide the support to help the employers understand the implications of their practices and procedures that may put barriers in the way of people entering employment with them. The 2 dedicated employer support staff will also be helping employers retain individuals from the same client groups, particularly through the development of those employers policies and procedures.
- 7.27 The project will complement and add value to the Jobcentre Plus business engagement programme and will develop links between employers and Business Link in relation to the promotion of LEPs and employers signing job pledges. A letter of support from JCP is attached. The staff will operate through one-to-one sessions with employers, business networks, also using promotional materials, information sheets and briefing sessions or seminars, as well as providing a signposting service
- 7.28 Schemes on the ground which could benefit include:

- Opportunities in the University Quadrant of Crewe, including the Basford sites and Manchester Metropolitan University.
- Opportunities with regard to major retail developments in Macclesfield, Congleton & Crewe Town Centres.
- South Macclesfield Development Area

8.0 Overview of Day One, Year One and Term One Issues

- 8.1 The project requires the appointment of 2 co-ordinators -the recruitment process needs to take place prior to April 2009 when the project officially commences.

9.0 Reasons for Recommendation

- 9.1 In order to secure the ERDF funding from the NWDA, and deliver the project, match funding from Cheshire East and its partners equal to the amount that the ERDF will fund, needs to be identified.

For further information:

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Background Documents:

Not applicable

CHESHIRE EAST

Cabinet

Date of meeting: 3 February 2009

Report of: Martin Smith, Executive Office

Title: Cheshire East Council – Responding to the Recession

1.0 Purpose of Report

- 1.1 To identify the likely impact of the recession on both Cheshire East as an area and on the new Council and to start to develop a whole Council response.

2.0 Decision Required

- 2.1 A clear view over how to take forward the recommendations made in section 9.

3.0 Legal Implications

- 3.1 There are no specific legal implications related to the issues raised in this paper.

4.0 Risk Assessment

- 4.1 The economic recession will have a serious effect on Cheshire East as an area and on the Council. The recession is likely to have a negative impact on levels of income and on expenditure in a considerable number of service areas.

5.0 The national picture

- 5.1 The country is now in recession. Whilst academics and politicians cannot agree on the scale of the economic downturn, it is likely that Gross Domestic Product (GDP) will reduce by at least 2 per cent in 2009. Evidence from the recessions of 1979 – 82 and 1990 – 92 suggests that there are likely to be significant local variations from the average national performance and that these cannot be fully explained by local variations in the make-up of the economy or by recent economic performance.ⁱ This poses a particular challenge for Cheshire East, making the scale and the detailed impact of the recession is difficult to model.

- 5.2 Nationally it is projected that during 2009 unemployment will increase by at least 600,000, with the period between New Year and Easter being the worst for job losses since 1991. ⁱⁱ This would take national unemployment to approximately 2.5 million by the end of the year.

6.0 The Cheshire East Dimension

- 6.1 The latest (November 2008) data show a sharp rise in the number of people claiming Jobseeker's Allowance (JSA), both nationally and locally, with the increase being particularly severe in parts of Cheshire East.
- 6.2 Due of seasonal variations, it is difficult to interpret month-on-month changes in the JSA claimant count. However, during the twelve months to November 2008, the number of JSA claimants rose by 34.4% across the UK and by a similar proportion across North West England (34.7%). The increase in Crewe & Nantwich (36.1%) was only a little above the national and regional averages (see Table 1). However, claimant numbers rose far more substantially in Congleton (by 70.1%) and Macclesfield (68.9%).

Table 1: Changes in the JSA (Jobseeker's Allowance) Claimant Count, 2007-8

	November 2007	November 2008	November 2007	November 2008	November 2007 to November 2008
Area	Rate	Rate	Number of claimants	Number of claimants	% change in number of claimants
Chester	1.4	2.0	1,029	1,442	40.1
Congleton	1.1	1.9	609	1,036	70.1
Crewe & Nantwich	1.8	2.4	1,272	1,731	36.1
Ellesmere Port & Neston	2.0	2.8	1,005	1,359	35.2
Macclesfield	1.0	1.7	891	1,505	68.9
Vale Royal	1.8	2.5	1,362	1,906	39.9
Warrington	1.6	2.7	1,993	3,244	62.8
Cheshire East	1.3	2.0	2,772	4,272	54.1
Cheshire West & Chester	1.7	2.4	3,396	4,707	38.6
Cheshire	1.5	2.2	6,168	8,979	45.6
Cheshire & Warrington	1.5	2.3	8,161	12,223	49.8
NW England	2.4	3.2	102,174	137,636	34.7
UK	2.1	2.8	785,759	1,056,145	34.4

Source: Claimant Count, ONS, NOMIS. Crown Copyright.

Note: Rates for 2008 were calculated using the mid-2007 resident working-age population.

- 6.3 Cheshire East contains 85 District Council Wards and 24 of these, spanning all three Districts, saw their claimant count rise by 100% or more (though generally from very low starting points). Across Cheshire East as a whole, there are now almost 4,300 JSA claimants, compared to only 2,800 one year ago.
- 6.4 The claimant unemployment rate (the proportion of working-age residents claiming JSA) is still significantly below the UK figure (2.8%) in Crewe & Nantwich (2.4%) and even lower in Congleton (1.9%) and Macclesfield (1.7%). Nevertheless, the change in JSA claimant numbers is a serious concern, and it should be noted that these figures are a significant underestimate of total unemployment, in that they exclude those who are actively seeking work but not claiming JSA.
- 6.5 The current economic downturn poses a much greater risk to some industries than others. In particular:
- The credit crunch, and the resulting mergers and acquisitions of financial institutions, will almost certainly lead to significant job losses in the Financial Services sector.
 - The weakness of the housing market, and the wider property market, will have a knock-on effect on the construction sector and also on businesses that supply household appliances, furniture and other durable goods.
 - Job losses, increased job insecurity and decreasing profit margins will also reduce consumer demand for cars and businesses' investment in commercial vehicles (as well as other capital goods), putting further pressure on the automotive sector. Furthermore, the scarcity of non-renewable energy is likely to place long-term pressure on energy prices, which again will affect transport-related industries.
- 6.6 A recent article by Regeneris Consultingⁱⁱⁱ argues that these three sector groups face a particularly strong threat. From discussions between the County Council, the Cheshire and Warrington Economic Alliance (CWEA) and the North West Development Agency (NWDA), it is known that CWEA partners share these, and Regeneris' concerns.
- 6.7 Table 2 shows the latest (2007) estimates of the numbers of employees working in these sectors, and their contribution to overall employment in Cheshire East. As the table indicates, these sectors, as a whole, account for an estimated 12.0% of all the employees within the Authority, which is only fractionally greater than the proportion at national (Great Britain) level (11.6%) or across the North West region (11.3%). Furthermore, this percentage varies only a little between the three pre-2009 Districts, ranging from 11.2% in Congleton to 12.6% in Crewe & Nantwich. This implies that the overall risk posed by the economic downturn is not significantly greater in Cheshire East than in

Great Britain as a whole. However, as was suggested in paragraph 5.1 above, modelling such trends is not an exact science.

Table 2: Employees working in sectors that are particularly vulnerable in the current economic climate

Local authority area(s)	Employees (000s)	Sector share (% of all employees)			
	Automotive, Consumer Durables/ Construction & Financial Services sectors	Automotive, Consumer Durables/ Construction & Financial Services sectors	Automotive sector	Consumer Durables and Construction sectors	Financial Services sector
Chester	12.6	18.3	*	*	13.7
Congleton	3.5	11.2	*	8.1	*
Crewe & Nantwich	7.1	12.6	*	3.7	*
Ellesmere Port & Neston	5.9	18.9	*	9.4	*
Macclesfield	9.6	12.0	*	*	7.3
Vale Royal	5.6	11.3	*	6.9	*
Warrington	13.1	11.7	*	9.1	*
Cheshire	44.3	14.1	2.2	5.7	6.2
Cheshire East	20.2	12.0	2.6	5.0	4.5
Cheshire West & Chester	24.1	16.1	1.7	6.4	8.1
North West	342.3	11.3	0.8	6.3	4.2
Great Britain	3,093.5	11.6	0.8	6.0	4.8

Source: Annual Business Inquiry 2007 - Employee Analysis, ONS, NOMIS. Crown Copyright.

Notes: [1] An asterisk indicates that the figure has been suppressed, because it is confidential, or because it could be used to draw inferences about confidential data.

6.8 Within this diverse range of businesses, there are some individual sectors that make up a relatively high proportion of local jobs. Most notably:

- The Automotive sector employs 2.6% (or 4,400) of Cheshire East's workforce: a much greater share than in Great Britain (0.8%) or the North West (also 0.8%). For reasons of confidentiality, it is not possible to include equivalent figures, from the same data source, for each pre-2009 Cheshire East District. However, from other intelligence, it is known that Bentley, whose global headquarters is in Crewe, is one of the largest employers in Cheshire East.^{iv}
- Of all the employees based in Congleton in 2007, 8.1% were working for Construction/ Consumer Durables businesses, compared to figures of only 6.0% for Great Britain and 6.3% for the North West.

- 7.3% of Macclesfield-based employees worked in the Financial Services sector, rather more than the proportion across Great Britain (4.8%) or the North West (4.2%). Macclesfield District contains the headquarters of the Cheshire Building Society, which has recently merged (with the Nationwide and the Derbyshire) and which is expected to shed a significant number of jobs as a result.^v

7.0 The likely impact on the Council

7.1 The evidence from previous recessions and a range of research undertaken over recent months suggests that the economic downturn will have a very significant impact on almost all areas of local authority activity. The Audit Commission^{vi} have identified a range of issues that are already impacting on some local authorities, these include:

- Falls in income (car parking, planning and building control fees etc).
- Increases in demand for care for the elderly.
- Higher demand for state school places for children that were previously educated privately.
- Increases in homelessness.
- A sharp fall in the value of recyclable materials.
- A reduction in the amount of new social housing as a result of the overall slowdown in house building.

7.2 The Audit Commission also predict that as the recessions begins to bite and rates of unemployment increase, local authorities will see:

- Increasing demand for benefits and financial and other advice.
- An increasing demand for social housing as home repossessions increase.
- A further reduction in development.
- Increasing arrears in Council Tax payments.
- Decrease in capital receipts.
- More family breakdowns, leading to more children being looked after and more older people needing council funded care.
- Risks to contractors and suppliers.

7.3 The Improvement and Development Agency (I&DeA) ^{vii} have also identified a number of other areas where the economic slowdown could impact on Local Authorities; these areas include:

- Increased demand for support to voluntary organisations that in turn were facing increasing demands from the local community.
- Difficulties in achieving LAA targets.

7.4 The national economic position will also have a very significant impact on the Council's Treasury Management policy. In recent months the Bank of England has announced a series of cuts in the Bank's base rate that are unprecedented in scale. The Bank's base rate is a close proxy for the rate of interest earned by the Council on its cash balances. In January 2008 UK base rate stood at 5.25%. The latest forecasts suggest that the base rate will fall to 0.5% by April 2009 and will then remain at that level for over a year. Based on such forecasts the amount of interest the Council could expect to earn on any new cash investments will be around 10% of that it could have expected a year ago.

7.5 Very long term interest rates (for periods of over 20 years) have been only slightly affected by the recent reductions in the base rate; such rates currently stand at around 4%. The rate of interest payable on loans for periods shorter than 20 years has been affected to a greater degree and as such there is an opportunity to borrow for periods, say, of between 10 and 15 years, at historically low rates of interest. However, there is the potential that the increase in Government borrowing planned for the years ahead could lead to an increase in the cost of raising new long term loans for councils. Consequently, Cheshire East will be considering a range of options, including debt rescheduling or use of cash balances in lieu of raising new loans, as part of the Council's treasury management and capital investment planning in the next few months.

8.0 Local Solutions – helping people and businesses

8.1 Cllr Margaret Eaton, Chairman of the Local Government Association, writing in the forward to the LGA publication "Global Slowdown: Local Solutions" ^{viii} said "Local authorities are at the centre of helping people, businesses and other groups through tough economic times ahead. When things go wrong, councils step in, both to help kick-start the economy when it hits rock bottom and to provide a safety net for people in need".

8.2 The LGA publication referred to above identifies what a number of local authorities are already doing to help local communities and businesses; this includes:

- Wakefield who are providing interest free loans for people who have missed mortgage payments and could lose their homes.
- Lancashire, where a campaign encouraging people to claim the benefits they are entitled to has led to an extra £800,000 being paid.
- Leeds, a Beacon Council for promoting financial inclusion who have run a range of anti debt initiatives.
- Monmouthshire, where Authorities are supporting Credit Unions.
- Derbyshire, where authorities are helping local businesses tender for council contracts.
- East Sussex, where small businesses are being offered specialist advice on how to survive the economic downturn.
- Westminster, who are considering a package of measures, including a freeze on Council tax until 2010.
- Kettering, who are piloting a new approach to housing advice.

9.0 Towards a strategy for Cheshire East Council

- 9.1 It is clear that the economic downturn will have a very significant impact on both Cheshire East as an area and on the new Council. Of the examples provided in the paragraph above not all would be relevant to a Council such as Cheshire East. However, it is argued that the community would expect a new Council to have a clear view as to the contribution that it could make to supporting individuals, the wider community and businesses through what most commentators view as the most challenging economic conditions for a generation.
- 9.2 The economic downturn provides an excellent opportunity for Cheshire East Council to demonstrate community leadership and show that it can “make a difference” and is more than the sum of its component authorities.
- 9.3 It is recommended that:
- The Cabinet consider what proactive policies they may wish to develop over the coming months to enable Cheshire East as an area to better weather the economic recession.
 - As part of the Service Planning process all service areas review the likely impact of the recession on their own service and on their budget and that where appropriate they develop (with Member

approval where necessary) proactive policies that will assist individuals, communities and local businesses.

- The consequences of the economic downturn are discussed with the Cheshire East Local Strategic Partnership so that strategies to assist individuals, communities and local businesses can be developed at the LSP level.

For further information:

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Background Documents:

Documents are available for inspection at:

Westfields, Middlewich Road, Sandbach, Cheshire CW11 1HZ

References:

ⁱ Source: "From recession to recovery: the local dimension. Paper prepared by PACEC on behalf of the Local Government Association, November 2008.

ⁱⁱ Source: The Chartered Institute of Personnel and Development's annual report, December 2008.

ⁱⁱⁱ "Crunch, recession and economic development"
(<http://www.regeneris.co.uk/news.asp?ID=180>), Regeneris Consulting, 25th November 2008.

^{iv} According to its website (as at 31st December 2008), Bentley employs about 4,000 people worldwide.

^v The research for paragraphs 6.1 to 6.8 was undertaken by Nick Billington from the County Council's Environment Department and Andrew Pomfret from the County's R&I Unit.

^{vi} Crunch time? The impact of the economic downturn on local government finances, Audit Commission, December 2008.

^{vii} IDeA / LGA Survey of the Impact of the Economic Slowdown on Local Authorities 2008.

^{viii} Global Slowdown: Local Solutions, Local Government Association, 2008.

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**CHESHIRE EAST COUNCIL
CABINET**

Date: 3 February 2009
Report of: Borough Treasurer & Head of Assets
Title War Widows (Widowers) and War Disablement Pensions and Armed Forces and Reserved Forces Compensation Scheme

1.0 Purpose of Report

- 1.1 To consider options and recommendations for the following issue:

Disregard income from War Widows (Widowers) and War Disablement Pensions and the Armed Forces and Reserved Forces Compensation Scheme when assessing entitlement to:

- a. Housing Benefit and
- b. Council Tax Benefit.

2.0 Decision Required

- 2.1 To agree the amount of pension to be disregarded when calculating entitlement to Housing Benefit and Council Tax Benefit as detailed in Section 7.0.

3.0 Financial Implications for Transitional Costs

- 3.1 None

4.0 Financial Implications for 2009/10 and beyond

- 4.1 The estimated cost to the Council is shown in Section 7.3 and is not expected to increase.

5.0 Legal Implications

- 5.1 None

6.0 Risk Assessment

- 6.1 A decision is needed if the pensions are to continue to be disregarded for the next and subsequent financial years.

7.0 Background and Options

- 7.1 The Housing Benefit Regulations and Council Tax Regulations (2006) make provision for the first £10 of a War Disablement or War Widow's Pension to be disregarded when calculating an applicant's income. The cost of this disregard is fully reimbursed to the Council by the government.
- 7.2 The legislation also allows the Council to disregard any other part of these pensions and all three Councils have wholly disregarded the payments for a number of years.
- 7.3 The government will provide further funding of 75% of expenditure up to the threshold figure (the threshold figure is 0.2% of total subsidy claimed before any additional local scheme spend).

Details of expenditure for the three authorities for the last complete year are shown here:

Table A

2007/08	Total Subsidy Claimed before any addition to local scheme	Threshold calculation 0.2% of a.	Actual expenditure in 2007/08	Amount of subsidy received	Cost to Council
	a.	b.	c.	d.	e.
Congleton	£16,152,455	£32,305	£21,004	£15,753	£5,251
Crewe and Nantwich	£24,278,121	£48,556	£30,223	£22,667	£7,556
Macclesfield	£26,863,733	£53,727	£65,736	£49,302	£16,434
Total					£29,241

An estimate of the expenditure for Cheshire East is shown below:

Table B

2009/10	Estimated total Subsidy Claimed before any addition local scheme	Threshold calculation 0.2% of a.	Estimated Expenditure 2009/10	Amount of subsidy received	Estimated cost to Council
	a.	b.	c.	d.	e.
Cheshire East	£70,659,024	£141,318	£117,000	£87,750	£29,250

7.4 As can be seen in the above Table B the estimated level of expenditure will be less than the threshold, which means that 75% of the cost would be covered by subsidy.

7.5 The actual cost shown in column **e** has been static over recent years and, by the very nature of the pensions, large increases in future years are not anticipated.

8.0 Reasons for Recommendations

8.1 It is recommended that Cheshire East Council wholly disregards War Widows (Widowers) and War Disablement Pensions and the Armed Forces and Reserved Forces Compensation Scheme payments when assessing entitlement to:

- a. Housing Benefit
- b. Council Tax Benefit

For further information:

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Background Documents:

None

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