

# Cabinet Agenda

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**Date:** Tuesday, 14th July, 2009  
**Time:** 2.00 pm  
**Venue:** Council Chamber, Municipal Buildings, Earle Street, Crewe  
CW1 2BJ

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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 Committee on any matter relevant to the work of the Committee.

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.

Where a member of public wishes to ask a question of a Cabinet Member three clear working days notice must be given to the Democratic Services Manager, and the question must be submitted in writing.

4. **Minutes of Previous meeting** (Pages 1 - 10)

To approve the minutes of the meeting held on 16 June 2009.

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Please contact Cherry Foreman on 01270 529736  
E-Mail: [cherry.foreman@cheshireeast.gov.uk](mailto: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 09/10-02 Broken Cross Community School Change in Age Range** (Pages 11 - 16)

To consider a change in age range at this School with effect from 1 September 2009.

6. **Key Decision 09/10-14 Free Early Years Education and Childcare Pilot for Two Year Olds** (Pages 17 - 22)

To consider arrangements for the provision of free early years education and childcare to the most disadvantaged two year olds from 1 September 2009.

7. **Key Decision 09/10-15 Extension of Free Early Years Education and Childcare For Three and Four Year Olds** (Pages 23 - 26)

To consider arrangements for the delivery of the early years flexible free entitlement to 25% of the most disadvantaged three and four year olds from 1 September 2009.

8. **Key Decision 09/10-16 Transformation Approach** (Pages 27 - 34)

To consider a guiding transformational framework and integrated programme management approach for the transformation of services within Cheshire East Council.

9. **Key Decision 09/10-19 Crewe Masterplanning** (Pages 35 - 40)

To consider the current position regarding the regeneration of Crewe and the proposed masterplanning process.

10. **Key Decision 09/10-20 Lyceum Square, Crewe** (Pages 41 - 44)

To consider entering into a contract with the North West Development Agency for the refurbishment of Lyceum Square.

11. **Business and Financial Planning 2010 - 2013 Incorporating Key Decision 09/10-04 Capital Strategy** (Pages 45 - 100)

To consider the approach to corporate, business and financial planning for 2010 and beyond. The report includes proposals to develop a Medium Term Financial Strategy, a budget planning process, and requests approval of the Capital Strategy for 2010 – 2013.

12. **Call in of Key Decision 09/10-10 Car Parking Control and Charging in the Area of the Former Borough of Congleton**

At its meeting on 8 July 2009 the Environment and Prosperity Scrutiny Committee is to consider the call in of this decision, made by the Cabinet at its meeting on 16 June 2009. The outcome of the Environment and Prosperity Scrutiny Committee will be reported.

13. **Jointness Between the Council and the Primary Care Trust** (Pages 101 - 104)

To consider work carried out to promote greater jointness between Cheshire East Council and the Central and Eastern Cheshire Primary Care Trust, and a programme of further work.

14. **Lifelong Learning/Adult and Community Learning Grant** (Pages 105 - 106)

To consider a supplementary revenue grant, to be fully funded by the Adult Learning Grant from the Learning and Skills Council.

15. **Risk Management and Business Continuity Strategies** (Pages 107 - 126)

To consider the Risk Management and Business Continuity Strategies.

16. **Town Twinning Arrangements** (Pages 127 - 152)

To consider the twinning arrangements of the four demised councils that are now within Cheshire East Council and the options for the new authority on how it might approach twinning.

17. **Outside Organisations - North West Employers Organisation** (Pages 153 - 156)

To consider Portfolio Holder representation on the North West Employers Organisation.

18. **Public and Member Questions and Statements at Meetings** (Pages 157 - 168)

To review the arrangements for public and Member questions and speaking at Meetings.

19. **Economic Development Priorities and Partnership Arrangements** (Pages 169 - 174)

To consider the approach to developing a comprehensive economic strategy for Cheshire East.

20. **Exclusion of the Press and Public**

The reports relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded.

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

**PART 2 – MATTERS TO BE CONSIDERED WITHOUT THE PUBLIC AND PRESS PRESENT**

21. **Economic Development Priorities and Partnership Arrangements** (Pages 175 - 180)

To consider the approach to developing a comprehensive economic strategy for Cheshire East.

22. **Future Use of County Hall** (Pages 181 - 186)

To consider the future use of County Hall.

**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Cabinet**  
held on Tuesday, 16th June, 2009 at Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor W Fitzgerald (Chairman)  
Councillor B Silvester (Vice-Chairman)

Councillors R Domleo, D Brickhill, D Brown, P Findlow, F Keegan, A Knowles  
and P Mason

Councillors in attendance:

Councillors Rachel Bailey, Rhoda Bailey, G Baxendale, O Hunter, L Smetham,  
D Flude, A Moran, A Arnold, R Fletcher, D Neilson, R Westwood, S Jones, A  
Richardson, J Weatherill, G Walton, A Thwaite, B Moran, L W Gilbert, A  
Kolker

Officers in attendance:

Strategic Director People, Strategic Director Places, Borough Solicitor, Head  
or Safer and Stronger Communities, Head of Environmental Services, Head of  
Policy and Performance, Communications and PR Manager

Apologies:

Councillor J Macrae

**31 DECLARATIONS OF INTEREST**

Councillor D Brickhill declared a personal and prejudicial interest in Item 6  
(National Dementia Strategy).

Councillors J P Findlow, A Arnold, D Flude, L Smetham, J Weatherill and  
D Neilson declared personal and prejudicial interests in Item 10 (Support  
for Charter Trustees).

Councillor D Flude declared personal interests in Items 5 (Adult Social  
Care Redesign), Item 6 (National Dementia Strategy) and Item 13 (16-18  
Transfer Arrangements and Future 14-19 Partnership and Planning).

**32 PUBLIC SPEAKING TIME/OPEN SESSION**

The following members of the public, having given the required notice  
under the Constitution, attended the meeting and spoke/raised questions  
in connection with the matters referred to.

Mr William Goodall (on behalf of Sandbach Council) – in connection with  
Item 9 (Civil Enforcement Powers) and Item 15 (Car Parking within the  
former Congleton Borough Council area).

Mr J R Girbow, Headteacher of Alsager Highfields Community Primary School in connection with Item 15 (Car Parking within the former Congleton Borough Council area).

Mr John Poulson, Secretary of the Alsager Chamber of Trade in connection with Item 15 (Car Parking within the former Congleton Borough Council area).

Councillor D Brickhill responded in each case as the relevant Portfolio Holder.

Note: Details of the questions and responses are available from Democratic Services.

### **33 MINUTES OF PREVIOUS MEETING**

RESOLVED

That the minutes of the meeting held on 2 June 2009 be approved as a correct record.

### **34 KEY DECISION CE09/10-01 - ADULT SOCIAL CARE REDESIGN IMPLEMENTATION**

Members received an update on the redesign and implementation of Adult Social Care services. The report contained significant operational and financial implications for a service which was undergoing transformation and which constituted a large proportion of the Cheshire East budget at £72m in 2009-10.

RESOLVED

That

- (1) the new model of Social Care services for Adults, which fully embraces and expresses the personalisation of services, be adopted;
- (2) the responses to the public consultation exercise be noted and the action taken to incorporate these views within the new model as appropriate be supported;
- (3) it be agreed that the implementation of the new model should involve the development and establishment of locality teams across East Cheshire by March 2010, in line with the Council's commitment to localism and Local Area Partnerships;
- (4) approval be given to the phased implementation by locality teams, starting in Wilmslow, of an upfront Resource Allocation System (RAS) for *all new users* and for users requiring an *unscheduled* review (as

defined within the report) when the system has been sufficiently tested and is fully compatible with necessary IT systems;

- (5) a review of implementation of RAS be undertaken during 2009-10 and subject to the outcomes of that review its application be extended to all existing users by the end of 2010-11;
- (6) the intention to develop a schedule of prices for provider services, based on the current policy of full cost recovery, be noted and the Cabinet Members for Adults and Finance be authorised to approve the pricing schedule prior to the start of implementation;
- (7) the intention to instigate a review of the Council's Finance and Contract Procedure Rules to ensure compliance with a personalised approach to commissioning adult social care services be noted;
- (8) re-ablement services be offered free of charge to users assessed with Critical or Substantial needs under Fairer Access to Care Services (FACS) criteria on a cost-neutral basis;
- (9) Social Care Reform Grant and other carried forward Social Care specific resources up to a maximum of £6.9m be earmarked to deliver the changes required as outlined in the report, insofar as these costs cannot be contained within the Directorate outturn position for the duration of the implementation;
- (10) robust financial and performance management systems be put in place and the risks inherent in implementation be carefully managed on a whole Council basis; and
- (11) quarterly reports be made to Members during the implementation of the new model over the medium term.

**35 KEY DECISION CE09/10-05 - LIVING WELL WITH DEMENTIA IN CHESHIRE EAST : THE LOCAL RESPONSE TO THE NATIONAL DEMENTIA STRATEGY**

Members received a report on the National Dementia Strategy which highlighted some of the challenges, particularly around resources, which Cheshire East Council would have to address in implementing the Strategy.

RESOLVED

That

- (1) it be agreed that the re-commissioning of the Council's Community Support Centres (CSCs) is fundamental to the implementation of the National Dementia Strategy;

- (2) the outcome of the Consultation exercise carried out by Cheshire County Council on the future of CSCs be noted;
- (3) the development of new and enhanced services at Lincoln House in Crewe and Hollins View in Macclesfield constitute the first phase of the Council's implementation plan, with services currently provided at Santune House being transferred to Lincoln House;
- (4) the dementia services at Hollins View be supported in principle, subject to the successful conclusion of the Extra Care Housing Round 5 PFI scheme; and
- (5) a Supplementary Capital Estimate of £3m be approved for the development of Lincoln House (£1m) in 2009/10, and Hollins View (£2M) in 2012/13, funded from prudential borrowing charged direct to the revenue budget of the Adults service, the Hollins View development being subject to the successful conclusion of the round 5 PFI scheme.

Note: Councillor D Brickhill, having declared a personal and prejudicial interest in this matter, left the meeting during its consideration.

**36 KEY DECISION CE09/10-08 - FREE GARDEN WASTE COLLECTION IN THE AREA OF THE FORMER CREWE AND NANTWICH BOROUGH COUNCIL**

Members received a report on the provision of a free garden waste collection in the area of the former Crewe and Nantwich Borough Council.

RESOLVED

That a free garden waste collection service be offered to householders in the area of the former Crewe and Nantwich Borough Council in the form of a single wheeled bin.

**37 KEY DECISION CE09/10-09 - ALTERNATE WEEKLY WASTE COLLECTION IN THE AREA OF THE FORMER CONGLETON BOROUGH COUNCIL**

Members received a report outlining proposals to introduce an alternate weekly collection of residual waste (dark grey/black bins) to households in the area of the former Congleton Borough Council. This would harmonise the collection of residual waste to households throughout the area of Cheshire East Council.

RESOLVED

That the introduction of an alternate weekly collection for the collection of residual waste (dark grey/black bins) from households within the area of the former Congleton Borough Council be approved.



**38 KEY DECISION CE09/10-11 - APPLICATION FOR CIVIL ENFORCEMENT POWERS - FORMER CONGLETON BOROUGH COUNCIL AREA**

Members considered a report seeking the necessary approvals to progress an application to the Department for Transport for adoption of civil enforcement powers.

RESOLVED

That

(1) the decision made by the former Congleton Borough Council, and endorsed by the former County Council Portfolio Holder, to make application to the Department for Transport (DfT) to adopt civil enforcement powers under the Traffic Management Act 2004 in the former Congleton Borough Council area be reaffirmed; and

(2) the penalty charge level to be adopted be approved.

**39 ACCOMMODATION AND SUPPORT FOR THE CHARTER TRUSTEES**

Members considered requests for accommodation and other support from the Crewe and Macclesfield Charter Trustees.

RESOLVED

That

(1) the Charter Trustees for Crewe and Macclesfield be advised that this Council is unable to provide the direct Officer support requested;

(2) an interest-free loan be made available to the Charter Trustees to cover any consequential shortfall for 2009/10, to be repaid from their 2010/11 precepts and on terms to be negotiated by the Borough Solicitor;

(3) accommodation be provided on terms to be negotiated by the Head of Property Services; and

(4) the Officers report further on the resource implications of carrying out the community governance review for the above.

Note: Councillors J P Findlow, A Arnold, D Flude, L Smetham, J Weatherill and D Neilson, having declared personal and prejudicial interests in this matter, left the meeting during its consideration.

**40 ANTI-FRAUD AND CORRUPTION STRATEGY**

Members considered a report on an Anti-fraud and Corruption Strategy for Cheshire East.

The Strategy described the comprehensive framework of policies and procedures that were intended to deal with acts of fraud or corruption.

RESOLVED

That

(1) the Anti-fraud and Corruption Strategy be approved; and

(2) the Internal Audit Team be nominated as the main body dealing with and co-ordinating any enquiries in response to allegations of fraud and corruption.

**41 COMMUNICATIONS STRATEGY**

Members considered a report setting out a Communications Strategy for Cheshire East Council. The Strategy sought to ensure that the reputation of the Council was protected and enhanced, and provided advice and guidance on dealing with the media.

The Strategy included a Media Relations Protocol. An amended section 3(a) to the Protocol was circulated at the meeting.

RESOLVED

That subject to the amendment circulated at the meeting, the Communications Strategy be approved.

Note: The updated Protocol incorporating the amendment is available in full on the Council's website.

**42 16-18 TRANSFER ARRANGEMENTS - MACHINERY OF GOVERNMENT AND FUTURE 14-19 PARTNERSHIP AND PLANNING**

Members considered a report summarising two significant issues which were crucial in taking forward the 14-19 agenda and the variety of reforms which were planned during the next 2-3 years.

The report outlined Members' duties as originally outlined within the '16-18 Transfer Arrangements Machinery of Government' (MOG), and their responsibilities in planning for and establishing effective 14-19 Partnerships.

RESOLVED

That

- (1) the establishment and duties of the Sub-Regional Grouping (SRG) formed with Cheshire West and Chester and Warrington Borough Councils be noted;
- (2) Cabinet endorses the proposed SRG model which provides whilst there will be strategic collaborative structures in place between the three Local Authorities, each Local Authority is responsible for funding/commissioning FE, Sixth Form Colleges and School Sixth Forms in their own area within priorities set by the Employment and Skills Board/and or agreed through the sub regional partnership;
- (3) the Head of Children & Families be asked to take the necessary steps to ensure that the Council is ready to take on the commissioning role from 2010;
- (4) Cabinet endorses the role of the Lead Member in having a strategic overview of the needs of young people by ensuring that the work on 14-19 transfer links to the priorities for the Children's Trust; and
- (5) Cabinet approves the creation of a 14-19 Partnership to have a strategic role in delivering the 14-19 Plan from September 2009, to include statutory/legal responsibilities, long term visioning for 14-19 as well as operational delivery.

**43 AMENDMENT TO THE LOCAL ENVIRONMENTAL QUALITY STRATEGY**

Members considered a report on the Local Environmental Quality Strategy adopted by Cabinet on 23 March 2009.

The Strategy provided guidance to Community Wardens and Environmental Enforcement Officers on the Council's approach to enforcement and, in particular, the issuing of Fixed Penalty Notices.

RESOLVED

That subject to the Borough Solicitor being satisfied with the legality of the arrangements for the issue of such notices, the Local Environmental Quality Strategy be amended as outlined in Section 7.0 of the report to allow the issue of Fixed Penalty Notices to persons over the age of 10.

**44 KEY DECISION CE09/10-10 - CAR PARKING CONTROL AND CHARGING IN THE AREA OF THE FORMER BOROUGH OF CONGLETON**

Members gave consideration to the principle of introducing car parking control and charging on a number of public car parks within the area of the former Congleton Borough. This was to be in advance of securing civil enforcement powers under the Traffic Management Act 2004 for both on and off street parking, which was expected to receive Department for Transport (DfT) approval by the end of September 2009. The aim was to ensure a uniform approach to car park management and control throughout Cheshire East.

Off street parking in the former Congleton Borough area was currently uncontrolled and free of charge. Car park operational and maintenance costs were therefore borne by the Council Tax payer as a whole rather than the user of the facility. On-street enforcement in Congleton was currently the responsibility of the Police although this was not a high priority area of work for them and would remain an anomaly within Cheshire East until civil enforcement powers were adopted in that area.

The proposal would bring parking control into line with the Council's Parking Strategy as approved by Cabinet on 21 April 2009.

Before considering the matter further, Members agreed to consider the legal implications set out in Item 17.

**45 EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED

That the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 5 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

**46 KEY DECISION CE09/10-10- CAR PARKING CONTROL AND CHARGING IN THE AREA OF THE FORMER BOROUGH OF CONGLETON - LEGAL IMPLICATIONS**

Members considered the legal implications set out in the report.

RESOLVED

That the report be noted.

At this stage, the public and press were re-admitted.

Having noted the legal implications, Members gave further consideration to the proposals referred to in Item 15 concerning parking control and charging in the area of the former Congleton Borough.

RESOLVED

That

- (1) Subject to the Borough Solicitor taking action to remove any legal impediments regarding the affected landholdings, the list of car parks to be subject to control and charging be approved;
- (2) the scale of parking charges and the controlled hours which are proposed as 8am to 6pm Monday to Saturday be approved;
- (3) the Borough Solicitor, or his nominated officer, be authorised to advertise the intention to make an off-street car parking order in respect of car parks in the former Congleton Borough (as set out in the report) pursuant to the Road Traffic Regulation Act 1984. Following advertisement, the proposal be subject to the statutory 21 day consultation period during which objections may be submitted, any such objections to be considered by the Cabinet at a subsequent meeting; and
- (4) in the event of there being no objections to the proposed order received within the consultation period, the Borough Solicitor or any officer nominated by him be authorised to take all necessary actions to make the order.

The meeting commenced at 2.00 pm and concluded at 4.50 pm

W Fitzgerald (Chairman)

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## CHESHIRE EAST COUNCIL

### REPORT TO: Cabinet

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**Date of Meeting:** 14 July 2009  
**Report of:** John Weeks, Strategic Director People  
**Subject/Title:** Broken Cross Community School change in age range

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#### **1.0 Report Summary**

- 1.1 The purpose of this report is to seek a decision from Cabinet to approve the statutory change in age range from 4-11 to 3-11 at Broken Cross Community School, Macclesfield with effect from 1 September 2009. This will allow the continuing operation of the maintained nursery unit

#### **2.0 Recommendations**

- 2.1 1. That Cabinet approve the proposal to change the age range of Broken Cross Community School from 4-11 to 3-11 and re-establish the maintained nursery unit with effect from the 1 September 2009.
- 2.2 2. That Cabinet approve a permanent budget virement of £34,265 to the Individual Schools Budget from the Early Years Budget

#### **3.0 Reasons for Recommendations**

- 3.1 To enable the authority to meet its duty to provide sufficient early years provision in the Macclesfield area including the free entitlement for 3 and 4 year olds.

#### **4.0 Wards Affected**

- 4.1 Broken Cross Ward

#### **5.0 Local Ward Members**

- 5.1 Councillor Arnold, Councillor Goddard, Councillor Narraway

#### **6.0 Policy Implications including - Climate change - Health**

- 6.1 None

#### **7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

7.1 None

**8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

8.1 During the period September 2009 to March 2010 it is proposed that the maintained nursery unit will be funded through the Individual Schools Budget as a 26 place maintained nursery. To fund this requires a permanent budget transfer from the Sure Start Early Years budget to the Individual Schools Budget of £34,265. From April 2010 this funding mechanism is likely to change as a result of the introduction of the single early years funding formula.

**9.0 Legal Implications (Authorised by the Borough Solicitor)**

9.1 The Childcare Act 2006 imposes duties on local authorities regarding children in their area. The relevant key duties are the duty under Section 6 to secure sufficient childcare to meet the needs of working parents and those training for work and the duty under Section 7 to secure a minimum of 12.5 hours free early years provision for all three and four year old children. This proposal will enable the local authority to satisfy these duties

9.2 A change in age range constitutes a prescribed statutory alteration under the Education and Inspections Act 2006. A statutory process must be followed to ensure the decision is properly taken in accordance with the law. The proper procedures have been followed in relation to this proposal.

**10.0 Risk Management**

10.1 If the age range at Broken Cross is not changed to enable the maintained nursery unit to be re-established, there is a risk that the local authority may not be able to meet its childcare sufficiency duty and the free early years entitlement for the children in its area

**11.0 Background and Options**

11.1 On 5 April 2007, the Executive approved the closure of the maintained nursery unit located at Broken Cross Community School, Macclesfield, and the consequent change in the age range of the School from 3-11 years to 4-11 years with effect from 1 September 2007. This was to enable new childcare provision commissioned from a private or voluntary childcare provider to operate from the nursery unit premises, as part of the children's centre development at this site.

11.2 Broken Cross Community School and the on-site children's centre are located within one of the 30% most disadvantaged Super Output Areas ("SOAs") in Cheshire. When the children's centre was being developed the Authority was advised by Government Office North West and Together for Children (the government's delivery agent) that it should deliver the children's centre "full core offer" of services from this



centre, which includes a requirement for full day childcare. The centre was therefore developed on the basis that it would provide full day childcare, and as a consequence the 26 place maintained nursery unit would close. The existing maintained nursery unit premises were refurbished to meet the Department for Children, Schools and Families (DCSF) specifications as a delivery space for high quality full day care

- 11.3 Following a competitive tendering process during 2007, an experienced private childcare provider was appointed to operate the nursery from 1 September 2007. However, after more detailed consideration of projected occupancy levels at the nursery, this childcare provider withdrew from this appointment, as they did not consider that the nursery would be financially viable to operate on a commercial basis. Further expressions of interest were subsequently invited, but none were forthcoming. To enable continuity of early years provision on the site until a permanent arrangement could be established, as an interim measure it was agreed that the governing body should continue to operate the maintained nursery unit from the refurbished premises using temporary powers under the Education and Inspections Act 2006.
- 11.4 The DCSF has recently clarified its position on children's centre designation requirements, and has now indicated that a children's centre only needs to deliver the full core offer where the majority of children within the footprint it serves are in one of the 30% most disadvantaged SOAs. The majority of children within the Broken Cross children's centre footprint do not live in a 30% most disadvantaged SOA, and therefore the centre has received designation on the basis that full day childcare did not need to be delivered from this centre. As a result, Children and Families officers looked at various models of early years delivery in consultation with the school's governing body, and recommended that the school should combine its nursery unit and reception class to create a foundation stage unit. This would allow the school to deliver a high quality Early Years Foundation Stage from the refurbished premises, while achieving cost efficiencies by combining nursery and reception class staffing and resources.
- 11.5 The governing body at its meeting on 11 December 2008 resolved to request that the local authority increase the age range of Broken Cross Community school, Macclesfield, from 4-11 years to 3-11 years with effect from 1 September 2009. This will allow early years provision to continue on the Broken Cross Community School site through delivery by the school's governing body, which will assist the local authority's childcare sufficiency duty in this locality. It will also enable the maintained nursery unit and reception class to be integrated into a foundation stage unit as the school plan to implement from September 2009. It is envisaged that the nursery unit will initially have 26 places, however this may be reduced if amalgamation with the reception class takes place

- 11.6 During the period September 2009 to April 2010, it is proposed that the maintained nursery unit will be funded through the Individual Schools Budget as a 26 place maintained nursery. From April 2010 this funding mechanism is likely to change as a result of the introduction of the single early years funding formula for all private, voluntary and independent childcare providers and maintained nurseries. The school's governing body will be briefed on the implications of this as part of the authority's roll out of the single funding formula.
- 11.7 The proposal to change the age range is a prescribed alteration under the Education and Inspections Act 2006 and therefore the prescribed statutory process must be completed. Authorisation for consultation on this proposal was given by Cheshire County Council Children's Services Executive on 12 January 2009 and a statutory notice was published on the 22 April 2009 inviting any representations by 4 June 2009. No representations adverse or otherwise have been received and so, in the absence of any statutory objections, the decision is to be taken by full Cabinet
- 11.8 In considering proposals, the Cabinet can decide to:
- 11.8.1 reject the proposals
  - 11.8.2 approve the proposals
  - 11.8.3 approve the proposals with a modification or
  - 11.8.4 approve the proposals subject to them meeting a specific condition

Officers will be asking Cabinet to approve the proposals.

## **12.0 Overview of Year One and Term One Issues**

- 12.1 None, as this is a continuation of current provision

## **13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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Designation: Principal Manager Integrated Services  
Tel No: 01244 973304  
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## **CHESHIRE EAST COUNCIL**

### **REPORT TO: Cabinet**

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**Date of Meeting:** 14 July 2009  
**Report of:** John Weeks, Strategic Director People  
**Subject/Title:** Free early years education and childcare pilot for two year olds

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#### **1.0 Report Summary**

- 1.1 This report seeks approval from the Cabinet to proceed with arrangements for the provision of free early years education and childcare to the most disadvantaged two year olds in Cheshire East from 1 September 2009.

#### **2.0 Recommendations**

- 2.1 That Cabinet approve the arrangements for the provision of free early years education and childcare to the most disadvantaged two year olds in Cheshire East from 1 September 2009.

#### **3.0 Reasons for Recommendations**

- 3.1 It is recommended that the Cabinet approve the arrangements for the provision of free early years education and childcare to the most disadvantaged two year olds in Cheshire East from 1 September 2009 as this will work towards meeting the Authority's Early Years Outcomes Duty to reduce inequalities between disadvantaged children and their peers.

#### **4.0 Wards Affected**

- 4.1 Delivery across all wards but it is expected that the majority of children will be identified from within the most disadvantaged areas

#### **5.0 Local Ward Members**

- 5.1 All

#### **6.0 Policy Implications including - Climate change - Health**

- 6.1 None

#### **7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

- 7.1 None

## **8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

- 8.1 The project costs will be contained within the ring fenced funding available in the Sure Start, Early Years and Childcare Grant of £162,052 in 2009/10 and £209,539 in 2010/11. This includes the cost of the free entitlement, £45k each year for project management and coordination, and a combined total of £55k across the two years for outreach and family support costs.
- 8.2 Some childcare providers may need support to adapt their provision to be more suitable for two year olds. These costs will be met from the grants already approved to support the local authority's duty to secure a sufficiency of childcare.

## **9.0 Legal Implications (Authorised by the Borough Solicitor)**

- 9.1 Section 1 of the Childcare Act 2006 places a duty on the local authority to improve the five Every Child Matters outcomes of all young children (aged 0-5) in their area and reduce inequalities between them through integrated early childhood services
- 9.2 The authority will commission private, voluntary, independent and maintained sector childcare providers to deliver the free early years education and childcare to the most disadvantaged two year olds under the terms of contracts which will be approved by the Borough Solicitor.

## **10.0 Risk Management**

- 10.1 There is a risk that this initiative may not reach the most disadvantaged two year olds in the authority. Plans are underway to put in place a robust outreach and family support strategy to ensure that these children and families are able to access the offer.
- 10.2 There is a risk raised by the maintained nurseries that because they do not admit two year olds, this offer may impact on their admissions at age three as children accessing these places may choose to stay with a private, voluntary or independent provider. This risk is being considered by officers and the impact on the take up of nursery provision will be monitored and reviewed.

## **11.0 Background and Options**

- 11.1 Under Section 7 of the Childcare Act 2006 local authorities are currently required to make available 12.5 hours per week of high quality Early Years Foundation Stage to all 3 and 4 year olds free of charge for 38 weeks per year. By September 2010, this will be extended to 15 hours per week, to be delivered flexibly. Securing the free entitlement is one of the key levers that local authorities have, alongside the delivery of integrated services through Sure

Start Children's Centres, to meet their statutory duties to ensure there is sufficient childcare for local families, to improve child outcomes at age 5 and to narrow the achievement gap

- 11.2 Since 2006, the Department for Children, Schools and Families (DCSF) has been working with 32 local authorities to pilot an extended offer of free early education and childcare to the most disadvantaged two year olds and their families. Building on the success of these pilots, it was announced in the Children's Plan that the Government would invest further funding to extend the pilot to all Local Authorities in 2009-10. Cheshire East has been allocated funding to provide 73 places each year up to 2011. This number has been calculated using a combination of 2007 local population data, and the 2007 Income Deprivation Affecting Children Index (IDACI). This gives the number of disadvantaged children in East Cheshire and funding is provided for 15% of this number.
- 11.3 The offer - The minimum requirements of the offer are to provide at least 10 hours of free, high quality, flexible childcare a week to 15% of the most disadvantaged children in the local authority. The minimum session length is two hours and parents must not be charged for any element of the two year old pilot. Providers will be expected to signpost families to wider support which may include skills, training, employment or more personal aspects such as benefits.
- 11.4 Identifying families - This funding will be targeted based on a data-driven approach to 'hard to reach' families i.e. those who would not usually access provision. These children and families will be identified predominantly through agency referral and by using a number of data sources including the Income of Deprivation Affecting Children Index (IDACI). Appendix 1 gives a summary of the 25% most disadvantaged super output areas in Cheshire East. It is expected that a large majority of the two year old children will be identified from within these areas.
- 11.5 The two year old pilot needs to be focussed on economically deprived families who must be in receipt of one or more of the following:
- Income Support
  - Income-based Jobseekers Allowance
  - Child Tax Credit at a higher rate than the family element
  - Extra Working Tax Credit relating to a disability
  - Pension Credit.
- 11.6 In addition, the Local Authority can determine its own local criteria. Work is in progress with a multi-agency steering group to define the final criteria that will target 15% of the most disadvantaged two year olds in the area and to agree local working arrangements to ensure a joined up and integrated approach for families. The criteria will be in line with guidance from the DCSF and aimed at the following groups:

**Child characteristics**

Children with speech and language needs, including english as an additional language (EAL)  
Children in care  
Children subject to a Child Protection Plan  
Children in temporary accommodation  
Children involved with social services  
Children with developmental or learning delay  
Children with disabilities  
Children experiencing emotional and behavioural problems

**Family characteristics**

Asylum seeking/refugee families  
Black and Minority Ethnic families

**Parental characteristics**

Children from families with 3 or more children aged under 5  
Teenage parents  
Lone parents  
Parents with health issues or disabilities  
Family have experienced domestic violence  
Family have experienced substance misuse issues

11.7 Outreach officers within children's centres have already identified many of these families and are working to engage them in wider intervention programmes. The two year old offer will build on the family support and health visiting models around children's centres to identify children and families who meet the criteria for this free entitlement

11.8 Early findings from the pathfinder areas suggest that, as this is a targeted initiative, demand for places will not outstrip supply. Moreover, as these children become three, they will automatically become entitled to their free early years education entitlement under Section 7.

11.9 Identifying childcare providers - There is strong drive towards quality education for these most vulnerable children and places will only be provided in the best quality settings. The childcare providers will be, in the main, those in the top 25% most disadvantaged Super Output Areas within the authority. These will be those determined by Ofsted as 'good' or 'outstanding'. In exceptional cases providers who are 'satisfactory' may be part of the offer where there is clear progress in working towards a 'good' grading. Officers will work with families to offer a brokerage service to ensure that the childcare provision meets their needs.

11.10 In considering proposals, the Cabinet can decide to:

11.10.1 reject the proposals



11.10.2 approve the proposals

11.10.3 approve the proposals with a modification or

11.10.4 approve the proposals subject to them meeting a specific condition

Officers will be asking Cabinet to approve the proposals

## **12.0 Overview of Year One and Term One Issues**

- 12.1 The main issues in developing this initiative are to ensure that it is joined up with the wider early intervention strategies. The intention is to build on the existing framework of family support in and around children's centres and the work carried out by the health visiting service.

## **13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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## Appendix 1

**Cheshire East Super Output Areas (SOAs) - 25% Most Disadvantaged**

SOA	SOA Name	IMD % 2007	2 Year Old Population
E01018484	St BarnabasL3	7.57	40
E01018466	West Coppenhall & GrosvenorL4	8.77	40
E01018459	West Coppenhall & GrosvenorL1	9.69	30
E01018445	AlexandraL1	11.18	30
E01018462	Central & ValleyL1	11.28	20
E01018476	East CoppenhallL2	12.29	30
E01018485	St BarnabasL4	12.97	20
E01018640	Macclesfield Town SouthL4	15.33	20
E01018594	Wilmslow Town Dean Row & HandforthL4	17.36	20
E01018467	West Coppenhall & GrosvenorL5	17.63	30
E01018498	Central & ValleyL5	17.71	30
E01018478	East CoppenhallL4	18.07	20
E01018596	Wilmslow Town Dean Row & HandforthL6	18.33	30
E01018400	Congleton EastL3	19.20	30
E01018645	Macclesfield Town WestonL2	20.07	20
E01018486	St JohnsL1	21.16	10
E01018611	Knutsford Town NorthL4	24.48	20

**Note**

In Cheshire East there are a total of 231 SOAs. Of which, 17 of these are in the 25% most disadvantaged areas in the country based on the 2007 Index of Multiple Deprivation (IMD).

## CHESHIRE EAST COUNCIL

### REPORT TO: Cabinet

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**Date of Meeting:** 14 July 2009  
**Report of:** John Weeks , Strategic Director People  
**Subject/Title:** Extension of free early years education and childcare for 3 and 4 year olds

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#### **1.0 Report Summary**

- 1.1 This report seeks approval from the Cabinet to proceed with the arrangements for the delivery of the early years extended flexible free entitlement to 25% of the most disadvantaged three and four year olds in Cheshire East from 1<sup>st</sup> September 2009.

#### **2.0 Recommendations**

- 2.1 That Cabinet approve the arrangements for the delivery of the early years extended flexible free entitlement to 25% of the most disadvantaged three and four year olds in Cheshire East from 1<sup>st</sup> September 2009.

#### **3.0 Reasons for Recommendations**

- 3.1 This recommendation will ensure that the local authority continues to meet duties laid out in the Childcare Act 2006 to secure free early years provision for all three and four year old children, in line with DCSF guidance.

#### **4.0 Wards Affected**

- 4.1 Delivery across all wards but focussed on the most disadvantaged areas

#### **5.0 Local Ward Members**

- 5.1 All

#### **6.0 Policy Implications including - Climate change - Health**

- 6.1 None

**7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

7.1 None

**8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

8.1 The 12.5 hours per week of free early years education will continue to be funded through the Dedicated Schools Grant. The extension to the free entitlement by 2.5hrs will be wholly funded through the ring fenced Standards Fund revenue grant, for the period 1 September 2009 to 31 March 2010. The grant allocation is £514,072 for Cheshire East. A further indicative allocation of £1.8m is available for 2010/2011 when the 15 hours is available to all families

8.2 All early years providers taking part in the pilot have been asked to complete a form to assess their readiness and identify any barriers to delivering the extended entitlement. Some early years providers may need financial support to adapt their provision to meet Ofsted requirements. These costs will be met from the grants already approved to support the local authority's duty to secure a sufficiency of childcare.

**9.0 Legal Implications (Authorised by the Borough Solicitor)**

9.1 The extended flexible entitlement will be provided as part of the authority's duty under Section 7 of the Childcare Act 2006 to secure prescribed early years provision for eligible 3 and 4 year olds free of charge. It will also assist with the authority's delivery of its duty to secure sufficient childcare under Section 6 of the Childcare Act 2006. The authority will commission private, voluntary, independent and maintained sector early years providers to deliver the extended flexible entitlement under the terms of contracts which will be approved by the Borough Solicitor

**10.0 Risk Management**

10.1 There are three main potential risks involved in delivering this proposal. First, the authority could overspend the ring fenced budget provided by the Department for Children, Schools and Families (DCSF). Control measures have been put in place to reduce this risk including limiting the maximum number of children for which each early years provider can claim the extended flexible entitlement

10.2 Second, the childcare market in Cheshire East could be destabilised by high numbers of parents choosing to access their child's free entitlement at early years providers offering the 15 hour extended flexible entitlement rather than the current 12.5 hour entitlement. This risk is reduced through imposing a limit on the maximum number of children who can access the 15 hour entitlement at each provider.

- 10.3 Lastly, administering the extended flexible entitlement could place a significant additional burden on certain staff and IT systems within the authority's Children and Families Team. Part of the ring fenced funding provided by the DCSF can be used to support project management and/or changes to administrative systems required for the roll out of the extended flexible entitlement

## **11.0 Background and Options**

- 11.1 Under Section 7 of the Childcare Act 2006, the local authority is required to make available 12.5 hours per week of high quality Early Years Foundation Stage to all 3 and 4 year olds free of charge for 38 weeks per year. From September 2010, this will be extended to 15 hours per week for all 3 and 4 year olds, which must be offered "flexibly", in sessions of varying lengths over a minimum of 3 days per week to meet parental demand.
- 11.2 As a step towards the introduction of the universal flexible 15 hour entitlement, the DCSF is requiring local authorities to make this extended entitlement available to 25% of their most disadvantaged 3 and 4 year olds from September 2009. Officers have developed proposals in consultation with an Early Years Reference Group (EYRG) with representatives from the private, voluntary and maintained early years sectors. The proposed approach within this paper is in line with DCSF guidance and supported by the EYRG.
- 11.3 Children who will receive the extended entitlement for the period September 2009 to August 2010 – The extended entitlement will be provided to all children attending early years provision where more than 50% of the children attending live in one of the most disadvantaged Super Output Areas within the authority. This methodology will target the most disadvantaged children without placing an unmanageable administrative burden on early years providers or the authority (which would arise if individual children are specifically targeted).
- 11.4 Additional funding for early years providers – Private, voluntary and independent early years providers will be funded to provide the extended entitlement at the same hourly rate as for the standard 12.5 hour entitlement, ie £3.50. An early years provider will receive funding to provide the extended entitlement up to a maximum limit based on the number of 3 and 4 year old children in that setting during the previous academic year. This limit will ensure that the authority does not overspend its budget and will reduce the risk of market disruption caused by high numbers of parents opting to access an early years provider offering 15 hours rather than one offering only 12.5 hours. Selected maintained nurseries will be given sufficient additional funding to cover the costs of providing extended hours and/or flexibility based on their additional staffing costs where this is not covered by their current funding arrangements.

- 11.5 Level of flexibility required - Sessions shall only be funded in whole hour units. It will not be a requirement for all early years providers to deliver flexibility from 1st September 2009, as this will depend on local parental needs and demands and the practicalities and costs to providers of delivering flexibility. The authority will seek to ensure that a flexible entitlement is accessible to parents within every locality and local solutions will be developed to achieve this in a sustainable way.
- 11.6 In considering the proposals the Cabinet can decide to :
- 11.6.1 reject the proposals
  - 11.6.2 approve the proposals
  - 11.6.3 approve the proposals with a modification
  - 11.6.4 approve the proposals subject to them meeting a specific condition

## **12.0 Overview of Year One and Term One Issues**

- 12.1 The main issues are those set out in the risks above

## **13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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## CHESHIRE EAST COUNCIL

### REPORT TO: Cabinet

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<b>Date of Meeting:</b>	14 July 2009
<b>Report of:</b>	HR and Organisational Development
<b>Subject/Title:</b>	Transformation Approach

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#### 1.0 Report Summary

- 1.1 The journey of transformation has already begun for Cheshire East with the creation of a new unitary Council on the 1<sup>st</sup> April 2009. There is however some way to go to truly transform the way services are delivered and to achieve the dramatic and sustainable improvement and efficiency savings associated with becoming a flagship authority.
- 1.2 The purpose of this document is to propose a guiding transformational framework and integrated programme management approach to achieving true transformation for Cheshire East Council. The report is a summary of the outputs from joint working between Officers and Cabinet Members in recent weeks.

#### 2.0 Recommendations

- 2.1 The Cabinet are asked to agree the following recommendations:
- (a) the Transformation Framework in Appendix 1
  - (b) the outline Transformation Programme in Appendix 2
  - (c) the next steps as outlined in Section 17

#### 3.0 Reasons for Recommendations

- 3.1 True transformation in Cheshire East requires clear vision and direction to guide and align all change activities, supported by a robust mechanism to co-ordinate, integrate and deliver the transformational priorities required to achieve the scale of change required across the Council.

#### 4.0 Wards Affected

- 4.1 The outcomes of transformation should have a positive impact for communities and citizens across the whole Borough.

#### 5.0 Local Ward Members

- 5.1 Not applicable

## 6.0 Policy Implications

- 6.1 Specific policy implications have yet to be determined, however, this document proposes the adoption of a “Lean thinking” or a whole systems approach to how Cheshire East Council operates and delivers services.

## 7.0 Financial Implications for Transition Costs

- 7.1 We are currently exploring the possibility of invest to save funding to support the need for:
- staff to support the transformation process
  - the development of organisational capability and capacity in Lean Systems and programme, project and change management

## 8.0 Financial Implications 2009/10 and beyond

- 8.1 The outline business case for the transformation programme will be developed as part of the programme definition cycle and once defined will then be integrated with the medium term planning process.

## 9.0 Legal Implications

- 9.1 The key legal implications will be identified as part of the programme definition cycle.

## 10.0 Risk Management

Risk	H, M, L	Mitigating action
<b>Shortage of funds</b> – to sustain the transformation programme delivery and invest to save opportunities	M	Determine through outline business case
<b>Lack of capacity</b> – to drive and deliver the transformation and realise potential benefits	H	Determine and prioritise required resources through outline business case
<b>Inefficiencies of silo working</b> - Council wide view not taken therefore programmes not integrated	M	Priorities agreed and co-ordinated centrally and value streams mapped
<b>Dis-engaged employees</b> - staff demotivated as not involved or consulted and changes seen as primarily cost cutting.	H	A balance in key drivers, early engagement of staff and savings where possible re-invested in front line.



## 11.0 Background

- 11.1 Cheshire East was created as a Unitary Council on 1<sup>st</sup> April 2009 to provide a **new type of local authority** focusing on providing responsive, high quality, value for money services that centre on the needs of customers and reflect local priorities.
- 11.2 True transformation is about **dramatic change and improvement** i.e. fundamentally changing form and shape, becoming something different, doing different things or being viewed as something different. Transformation in Cheshire East will require robust insight into customer and community needs and expectations, the building of new or changing relationships and radical changes in delivery methods.
- 11.3 Transformation in local government is about bringing together **people, place and experience** and therefore significantly improving customer satisfaction and organisational efficiency and effectiveness. By looking outwardly, encouraging and seeking new and radical ideas and systematically taking these forward, Cheshire East can quickly become a flagship Council that others will aspire to.

## 12.0 Creating a Lean Organisation

- 12.1 The adoption of the 'Lean Systems' approach is key to driving forward excellent service delivery and achieving true transformation. The Lean philosophy is to create an organisation which is obsessively focussed on delivering 'value' for customers and one which continually strives to eliminate non-value activity or "waste".
- 12.2 Lean puts customers at the heart of everything we do, simplifying the way we work, building a culture of continuous improvement and ultimately reducing our operating costs. Lean organisations only do what they need to do to meet customer, organisational and statutory requirements. They manage streams of work that add value – as systems rather than discreet units. This creates a number of challenges to traditional approaches. Lean requires leaders and managers think differently about the work, the purpose of the organisation and continually strive to improve.

## 13.0 Culture and transformation

- 13.1 True transformation is about significant and sustainable change in both what we do and how we do it. Building the right culture within Cheshire East will be critical to effecting true transformation. Research tells us that exceptional organisations are held together by a **high performance** culture that "glues" the organisation together. By focusing on **how** we do things as well as **what** we do, new norms can be established and cultural change can be achieved more quickly. The key principle is "the way we do things around here" creates a culture, not the other way around.

- 13.2 The engagement of staff is critical to enable employees to contribute effectively to transformation. Harnessing the skills, ideas and energy of staff will be essential to creating a common sense of purpose and collective ownership. Engagement can be seen as ultimately about transformation, because **harnessing the discretionary effort** of people improves performance.

#### **14.0 Transformation Framework**

- 14.1 Recognising the scale of transformational change required across Cheshire East aligning and empowering individuals, teams and services to identify and action new ways of doing things will be critical for success. Whether these are the “small things which make a big difference” which can be implemented locally or the bigger ideas which may need to be managed as part of a bigger project or programme.
- 14.2 Taking the vision, values and objectives in the Corporate Plan as the start point, work has been done to define what becoming a flagship Authority will entail and the development of Transformational Priorities and Principles to guide, align and challenge all change initiative across the Authority to ensure that the vision of the Council is achieved.
- 14.3 The Transformational Priorities (or 3 C’s) are summarised below and underpinning Principles to support these are defined fully in the **Transformation Framework** contained in **Appendix 1**.
1. Delight our **Customers**
  2. Manage our **Costs**
  3. Develop our **Culture**
- 14.4 Underpinning these priorities is the need to ensure a “**cross-cutting**” perspective to transformation is adopted so that systems are seamless and potential benefits are fully realised across the Council.

#### **15.0 Transformation Programme**

- 15.1 Transformation in Cheshire East will only be achieved by fully integrating associated activities as part of what a Directorate or Service has to do and is not in addition or outside of this. Looking across the Council there are many transformational, transitional and service improvement projects underway, all of which contribute to the achievement of our corporate objectives and priorities.
- 15.2 To achieve true transformation the appropriate balance needs to be struck to enable Directorates and Corporate Services to drive and deliver their own transformational agenda’s – whilst ensuring an integrated and co-ordinated approach to those few key initiatives which when managed as a collective whole will together deliver a “step change” in performance for the Council.

15.3 Following a review of all projects underway across the Council, six key programme areas, have been identified as those which are interconnected, primarily cross-cutting and when managed as a “whole system” will be major contributors in achieving our aim of becoming a flagship Council. These are summarised below and in **Appendix 2**:

### ***Outline Transformation Programme***

1. Closer to Customers
2. Partnerships and Shared Services
3. Childrens and Adults
4. Health and Wellbeing
5. Total Transport
6. Enabler and Asset Strategies

## **16.0 Defining and Delivering the Transformation Programme**

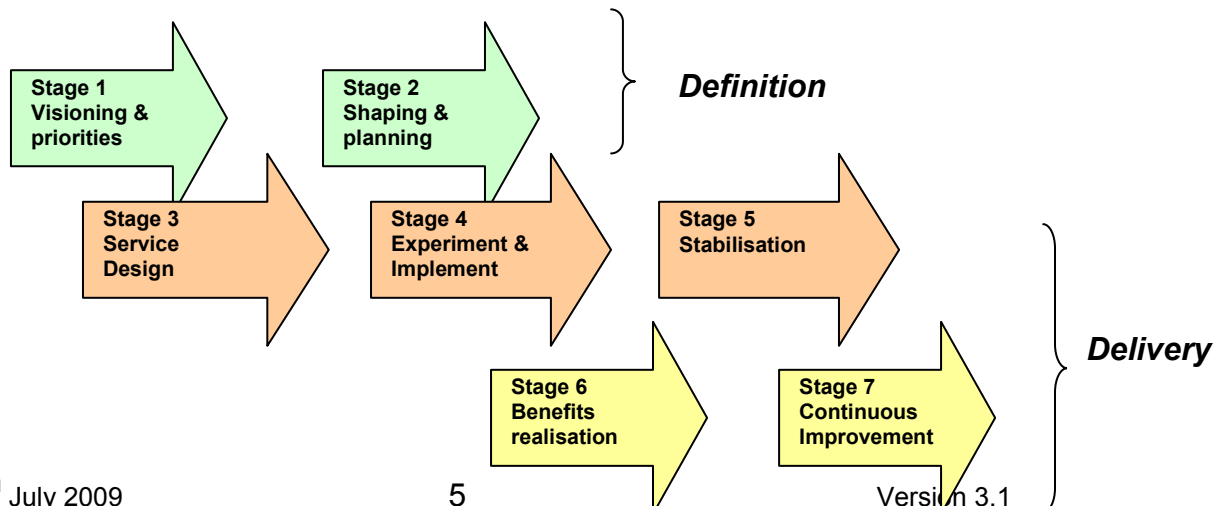
16.1 To realise the full benefits from the transformation programme an integrated approach will be required to the way the programme is managed. It is recognised that the various components of the outline programme are at very different stages and whilst not wanting to slow down progress, some work may needed to re-define and align the six areas based on a whole systems approach and the transformation principles defined in the transformational framework.

16.2 At a high level programme management can be grouped into interconnected two cycles:

- **Programme Definition** – understand, prioritise, balance, plan
- **Programme Delivery** – benefits management, financial management, stakeholder engagement, resource management, organisational governance, management control

16.3 The model outlined below shows the generic stages of transformation. Broadly we are at “stage one - visioning and priorities” and agreement to this document will form the mandate to proceed to stage two.

### ***Definition and Delivery model***



## 17.0 Next steps

- 17.1 The management of the Transformation Programme will be based on a virtual matrix team approach where individuals will have both Directorate and Council responsibilities to deliver common objectives. The following actions are recommended to initiate the Transformation Programme:

What	By when
<b>1. Agree and populate transformation programme management structure and governance</b> <ul style="list-style-type: none"> <li>• Agree transformation programme management structure</li> <li>• Establish and mobilise various groups</li> <li>• Explore appointment of a critical friend / strategic partner</li> <li>• Establish a programme office</li> </ul>	End Aug 09
<b>2. Develop transformational capacity</b> <ul style="list-style-type: none"> <li>• Develop and deliver Lean Education programme</li> <li>• Define and agree Cheshire East approach to programme, project and change management</li> <li>• Develop and deliver programme, project and change management skills programme</li> </ul>	Autumn roll-out
<b>3. Develop Council wide blue print for change (view of future state)</b> <ul style="list-style-type: none"> <li>• Value stream mapping</li> <li>• Develop future operating model</li> </ul>	End Sept 09
<b>4. Establish structure for individual sub-programmes and scope</b>	End Oct 09
<b>5. Develop out-line business case and benefits plan</b> <ul style="list-style-type: none"> <li>• Define benefits</li> <li>• Obtain baseline measurement</li> </ul>	End Oct 09
<b>6. Undertake key stakeholder analysis and develop high level communications plan</b>	End Oct 09
<b>7 Develop overall transformation programme plan</b>	End Oct 09
<b>8. Develop detailed business case and align with MTP</b>	End Feb 10

## 18.0 Access to Information

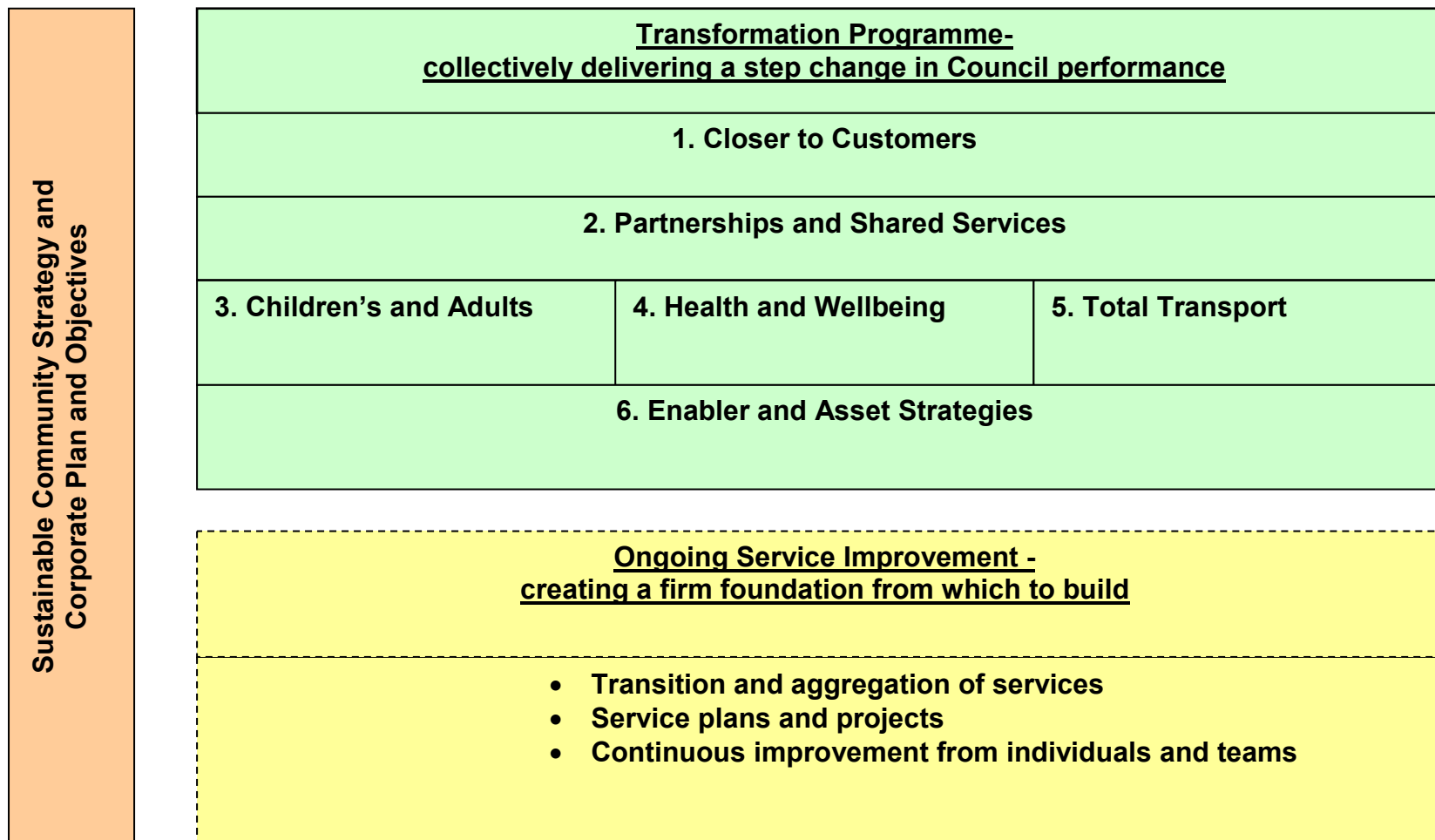
The background papers relating to this report can be inspected by contacting the report writer:

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## APPENDIX 1 – TRANSFORMATION FRAMEWORK

Our Vision - Work together to improve community life		
<b>Our Values</b>  Action – take responsibility for making the right things happen Support – work and learn together in order to succeed People – put customer and community needs at the heart of what we do Integrity – be open, honest and fair, expecting the same of others Recognition – value all views, efforts and achievements Excellence – strive to improve all that we do	<b>Our aim – become a flagship Authority within 2 years</b> We will show <b>consistent improvement</b> across all our services so that we deliver <b>more satisfaction</b> to all who have contact with us. We will <b>think people and place</b> in all that we do, so that the services we deliver are responsive and relevant to the needs of local communities. We will demonstrate <b>effective community leadership</b> to positively influence and leverage the <b>whole system with partners</b> so that customers and communities will <b>see improved outcomes</b> and <b>believe</b> that the Council is <b>addressing the aspirations of all its citizens</b> .	
<b>Our Council Objectives</b> 1. <b>Children and Young People</b> –enable all children and young people to fulfil their potential 2. <b>Adult Health and Well Being</b> –improve the wellbeing, health and care of people 3. <b>Stronger Communities</b> –ensure that people in local communities have a greater say about how resources are targeted in their area 4. <b>Safer Communities</b> –work with others to make all of our communities safer places to live, work and play 5. <b>Tackling Exclusion &amp; Promoting Equality</b> –enable people to have a good quality of life irrespective of where they live or their social or economic background 6. <b>Local Economy</b> –shape and maintain strong and prosperous neighbourhoods in which residents are skilled and economically active, where businesses want to invest and where people want to visit 7. <b>Environmental Sustainability</b> –provide an attractive and sustainable environment which communities can be proud of 8. <b>Building a New Council</b> – build a Council that is responsive to changing needs and delivers value for money		
<b>Our Transformational Priorities and Principles – 3 Cs</b>		
<b>Delight our Customers</b>	<b>Manage our Costs</b>	<b>Develop our Culture</b>
<ul style="list-style-type: none"><li>• <b>Easy access</b> to services that people need <b>from the place they need it</b></li><li>• <b>Locally based</b> services which reflect how <b>families and communities live</b></li><li>• More services to <b>keep people well and safe</b> for as long as possible</li><li>• <b>More personalised services</b>, to give people <b>more choice and control</b> over the resources available to them</li><li>• <b>First point of contact resolution</b> for the majority of customer enquiries and issues.</li></ul>	<ul style="list-style-type: none"><li>• <b>Better and more flexible use</b> of Council and partner assets and resources.</li><li>• <b>Services to be provided</b> by those people / organisations <b>best placed</b> to deliver</li><li>• <b>Sharing of support services</b> with partners where appropriate</li><li>• <b>Only provide services</b> which are <b>core to our business</b></li><li>• <b>Better use of appropriate technology</b> to modernise and improve service delivery</li><li>• <b>Outcomes measurement</b> and evidence of improvement and value in all we do</li></ul>	<ul style="list-style-type: none"><li>• <b>Lean services to suit customers</b> and not ourselves, understanding the <b>end-to-end</b> customer journey and experience</li><li>• <b>Actively engage and involve</b> customers, communities, partners &amp; employees</li><li>• <b>Experiment</b> with new methods and take <b>sensible risks, learn</b> from our mistakes.</li><li>• Invest in and <b>support our people</b> to learn and develop so that they <b>grow with the organisation</b></li><li>• Work as <b>one team</b> across organisational boundaries to build “Team Cheshire East”.</li></ul>

## APPENDIX 2 – OUTLINE TRANSFORMATION PROGRAMME



## CHESHIRE EAST COUNCIL

### CABINET

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**Date of meeting:** 14 July 2009  
**Report of:** Strategic Director - Places  
**Title:** Crewe Masterplanning

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#### **1.0 Report Summary**

- 1.1 The report outlines the current position with regards to the regeneration of Crewe and seeks endorsement to a proposed masterplanning process to be led by Cheshire East Council.
- 1.2 The outcome of this work will be the development of a high-level vision for Crewe and a business case for major public sector investment.

#### **2.0 Recommendations**

- 2.1 Approve the overall approach to masterplanning in Crewe.
- 2.2 Agree to underwrite £125k from balances to support the project if required.

#### **3.0 Reasons for Recommendations**

- 3.1 The Northwest region is currently debating future spatial, economic and transport priorities. Crewe currently features on the fringe of regional discussions largely due to the lack of clarity and awareness on the true economic and connectivity potential of this key gateway.
- 3.2 Cheshire East Council can provide the leadership required to fully explore this potential and present a business case for major public sector investment to the region and national government.

#### **4.0 Wards Affected**

- 4.1 Crewe North; Crewe South; Crewe East; Crewe West

#### **5.0 Local Ward Members**

- 5.1 Local ward members will be fully engaged in the delivery of this project.

## **6.0 Policy Implications including – Climate Change/Health**

- 6.1 The outcome of this work will feed directly in a range of local, sub-regional, regional and potentially national policy. The ambitious timescales have been set to maximise the opportunity to influence regional policy development in relation to the Single Regional Strategy RS2010, and the Department for Transport funding allocation process.
- 6.2 The scope of the masterplanning will encompass a range of broader policy issues including climate change, housing, health and wellbeing, economic development and spatial planning.

## **7.0 Financial Implications for Transition Costs**

- 7.1 There are no financial implications for Transition Costs.

## **8.0 Financial Implications 2009/10 and beyond**

- 8.1 The total cost of the masterplanning process including the additional staffing resource could be up to £200k during 2009/10.
- 8.2 £75k has already been agreed in principle by NWDA following an approach directly to the Chief Executive seeking high level support and a financial contribution.
- 8.3 Every effort will be made to accommodate the remainder of the budget up to £125k through current budgets within the Places Directorate. The Cabinet is requested to underwrite this project in order that it can be progressed in accordance with the ambitious timetable outlined in this report, with any shortfall in funding being drawn from balances at a later date if required.

## **9.0 Legal Implications**

- 9.1 There are no immediate legal implications arising from this piece of work.

## **10.0 Risk Assessment**

- 10.1 There are minimal risks associated with Cheshire East leading this key piece of work as all stakeholders that have been approached to date have fully endorsed the need for the new Council to show leadership on this issue.
- 10.2 The key strategic risk is that the visioning process signs up all stakeholders to an ambitious strategy which seeks major public sector investment over a 10 -15 year timeframe. This approach may limit the ability to draw in short-term funding to make substantial change as the vision may require some key decisions from the Government in terms of rail investment that cannot take



place within the next 2 – 3 years. We will ensure that the implications of this approach are explored as much as possible during the masterplanning process to mitigate this risk. The two stage process will also agree a short-term investment programme which will need to take place regardless of the long-term vision.

## **11.0 Background and Options**

- 11.1 Crewe is the biggest spatial priority for Cheshire East. The Council has inherited a number of major initiatives/projects in Crewe at various stages of development – but no overall vision.
- 11.2 Recent discussions with NWDA have highlighted the significance of Crewe in the region, and the opportunity for Cheshire East Council to show leadership by demonstrating its true potential in relation to the Northwest economy. The future of Crewe will have a major role to play in the continued growth of the Northwest as key decisions are made nationally with regards to investment in the rail network, in particular the debate about the future of high speed rail.
- 11.3 Crewe currently has a minor reference in the Regional Economic Strategy as a growth town – there is a danger that this is lost through the RS 2010 planning process due to the lack of vision/strategy for the growth potential and strategic significance of Crewe from an economic and strategic transport perspective.
- 11.4 CWEA and Cheshire West and Chester Council also see Crewe as the major focus for sub-regional investment.
- 11.5 Cheshire East is developing the Core Strategy for the Local Development Framework (LDF) through 2009/10. The spatial plan needs to reflect a higher level vision for Crewe which fully exploits its growth potential.
- 11.6 Basford East is a Regional Strategic site but progress has been slow in addressing the land ownership issues. A clear strategy/action plan is required to retain confidence of regional partners about the long-term benefits of the site and its deliverability.
- 11.7 The potential role of Crewe in meeting the future housing ambitions of Cheshire East and the northwest needs further exploration prior to the development of our LDF.
- 11.8 The decision of Network Rail not to invest in Crewe station or its relocation during the 2009-2014 funding programme has affected the confidence of partners. There is no clear consensus about the way forward.
- 11.9 Crewe has the potential to feature in the development of national transport policy in order to benefit from major investment in the future ie. High Speed Rail 2.

- 11.10 There are a large number of existing strategies/studies that will provide a significant evidence base to support the wider strategy development.
- 11.11 There is a need for strong political backing for Crewe to exploit its true potential within the region and nationally.

Masterplanning/Visioning Brief

- 11.12 Here is a need for strong leadership from Cheshire East Council to take the lead in defining a high-level vision for the area and producing a short, medium and long-term investment strategy that addresses the above issues.
- 11.13 The first stage of the masterplanning process which is targeted for delivery by September 2009, will identify the short/medium-term investment priorities that will have an immediate impact on the local area. The work will address:
- The early delivery potential of current projects and 'quick wins'
  - A package of investment for Crewe station and surrounding area with potential funding sources
  - The early interventions required by Cheshire East to unlock the development potential of key sites ie CPO/land acquisition.
- 11.14 The second stage of the process which is targeted to be completed by end December 2009, will define a longer-term vision for the area which will:
- Provide a high-level vision and clear economic case for Crewe as a regionally significant project from a jobs/growth perspective and as a regional transport gateway into the Northwest.
  - Define the major opportunities and challenges facing the area from an economic/growth perspective.
  - Identify the connectivity and strategic linkages between current development proposals and existing masterplanning for the University quadrant, West End, Town Centre and Basford sites.
  - Review the recent business case for the relocation of Crewe station and the alternative options in light of the current position of Network Rail.
  - Provide a medium and long-term investment strategy for the area in line with the overall vision.
  - Recommend appropriate delivery/governance arrangements aligned to the investment strategy
  - Engage proactively with stakeholders/partners through the process.

Stakeholder Engagement

- 11.15 Cheshire East will lead the process but seek engagement/support from the following stakeholders:
- NWDA/4NW – to inform the development of RS2012 and future investment planning
  - GONW – Cheshire East providing strategic leadership as a new unitary
  - CWEA – to inform sub-regional planning processes

- Cheshire West and Chester Council – to develop Crewe as a sub-regional priority
  - Network Rail – as a strategic partner and to inform future investment planning
  - Homes and Communities Agency - as a potential partner for future housing development/growth point status
  - North Staffordshire Regeneration Partnership – to understand the linkages/opportunities between the Potteries and Crewe.
- 11.16 There are currently a number of Boards/Development groups at various stages of development leading individual projects. This will be reviewed by Cheshire East as an early action in the masterplan process.
- 11.17 To lead the masterplan and maximise local and regional buy-in, Cheshire East will assemble a high-level task group of high profile figures to meet a maximum of three times through the process. An early consideration of potential figures/organisations is as follows:
- Leader, Cheshire East Council
  - Bentley Motors
  - Pete Waterman
  - Edward Timpson MP
  - Manchester Airport
  - NWDA
  - HCA
  - University
  - Chamber of Commerce
  - Network Rail
  - CWEA
  - Cheshire West and Chester Council

#### Management Arrangements

- 11.18 The Strategic Officer Lead for the project will be the Strategic Director, Places supported by the Head of Regeneration.
- 11.19 Due to the imperative to deliver this project within the ambitious timelines a 6/9 month post has been created within the Economic Development function to take a lead on this work supported by Senior Officers and Members. The role is currently out to tender and requires an individual with a high level of skill and demonstrable track record in developing economic strategies/spatial plans.
- 11.20 The role will:
- Lead the masterplanning process, bringing in external support as required.
  - Develop appropriate mechanisms to engage with stakeholders
  - Engage with colleagues across Cheshire East to ensure a co-ordinated approach
  - Work with Members through the process to ensure buy- in and full engagement

## **12.0 Overview of Year One and Term One Issues**

12.1 The following ambitious timetable is proposed:

- Masterplan process scoped by **end May 2009**
- Internal/external resources secured by **end June 2009**
- First Stakeholder workshop by **end August 2009**
- First stage masterplanning completed by **end Sept 2009**
- Second Stakeholder workshop by **end Nov 2009**
- Second stage masterplanning completed by **end Dec 2009**
- Final Stakeholder workshop in **January 2010**.

### ***For further information:***

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**CHESHIRE EAST COUNCIL****REPORT TO: CABINET**

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**Date of Meeting:** 14 July 2009  
**Report of:** Strategic Director, Places  
**Subject/Title:** Lyceum Square

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**1.0 Report Summary**

- 1.1 The purpose of this report is to request Cabinet approval to enter into a contract with the North West Development Agency (NWDA) to deliver the refurbishment of Lyceum Square in Crewe. The refurbishment of Lyceum Square is a key component of the wider regeneration of Crewe town centre.

**2.0 Recommendations**

- 2.1 That Cabinet agree to enter into a contract with NWDA for up to £1.1m to deliver the refurbishment of Lyceum Square in Crewe, subject to the approval of external funding by the Development Agency on the basis that the project complements the wider regeneration aspirations for Crewe.

**3.0 Reasons for Recommendations**

- 3.1 If an approval from Cabinet to take forward this project is not obtained, Cheshire East Council will miss out on £1.1million external funding and public investment in Crewe Town Centre will not be maximised.

**4.0 Wards Affected**

- 4.1 Lyceum Square is located in the Cheshire East Ward of Crewe East.

**5.0 Local Ward Members**

- 5.1 Local Ward Members, of all political parties, have been extensively involved in the project at all stages via Crewe and Nantwich Borough Council's Town Centre Working Group.

**6.0 Policy Implications**

- 6.1 The refurbishment of Lyceum Square is a key element of the physical regeneration of Crewe Town Centre, which is a priority objective for Cheshire East Council.
- 6.2 The scheme has been designed with sustainable development as a core objective and it is anticipated that the project will achieve BREEAM Very Good status. BREEAM is an internationally recognised accreditation scheme which recognises environmental best practice.

## **7.0 Financial Implications for Transition Costs**

7.1 None

## **8.0 Financial Implications 2009/10 and beyond**

- 8.1 It is anticipated that the NWDA will offer £1.1 million capital funding to help deliver the refurbishment of Lyceum Square.
- 8.2 The project was approved by Crewe and Nantwich Borough Council as part of the overall Town Square proposal, and currently there is an allocation in the Cheshire East Capital Programme of £1.915million.
- 8.3 The baselined scheme for Lyceum Square has a forecast cost of £1.7million. This will leave a residual £1.3m allocated for Crewe Town Squares in the Capital Programme. It may be a condition of the NWDA funding that this money is allocated to projects in Crewe Town Centre.
- 8.4 The NWDA has already contributed £140,000 towards the costs of designing the scheme. This is in addition to the funding currently being sought.
- 8.5 The Cheshire East capital budget is a combination of approved Cheshire East monies and slippage from Crewe and Nantwich Borough Council's 2008/09 programme.

## **9.0 Legal Implications (Authorised by the Borough Solicitor)**

- 9.1 The NWDA will require that Cheshire East Council enters into a contract to deliver the scheme with a definite timescale, within certain parameters and to an agreed specification. The Council will be accountable for compliance and the NWDA may in certain circumstances reclaim the money if this obligation is not fulfilled.
- 9.2 This report has been produced in order to comply with the Council's Financial and Contract Regulations.

## **10.0 Risk Management**

- 10.1 The key risk associated with this specific decision is that the opportunity to secure £1.1million of external grant funding will be lost if Cheshire East Council does not have permission to enter into the contract.
- 10.2 The NWDA contract will require Cheshire East Council to comply with a number of conditions relating to the construction timetable and quality standards. The project has been designed to meet all these conditions and can be delivered within the required timescales.

## **11.0 Background and Options**

### **11.1 Crewe Town Centre Squares**

- 11.1.1 The proposal to redevelop Lyceum Square in Crewe is one of a number of projects which form the Crewe Gateway Programme, which seeks to deliver:
- much improved transport hubs (new bus station and regenerated railway station)
  - a major retail development (including the emerging Delamere Place development).

- regenerated urban areas and open spaces to the West of the town centre (including the revamped West Street retail core, Queen's Park and the new Leighton Brook Park)
- the refurbishment of the three public Town Centre Squares (Market Square, Lyceum Square and Municipal Square),
- bringing forward employment projects in the south east of Crewe (relating to Crewe Business Park and Basford East and West).
- the relocation of, and subsequent investment from, MMU Cheshire, which will make Crewe a strategically important University town.
- major new residential developments in the North West of Crewe and in neighbouring Nantwich (over 3200 new housing completions since 2004).

11.1.2 Crewe and Nantwich Borough Council has been leading the refurbishment of the three Town Centre Squares (Market Square, Lyceum Square and Municipal Square). The first of the Squares to be completed was Municipal Square, in 2006, at a cost of circa £1.9million, funded entirely by CNBC.

11.1.3 The proposals for Lyceum Square have received in principle support from NWDA who have indicated a potential funding contribution of £1.1m. NWDA support was originally intended as a lever for the private sector investment from Modus. NWDA are still able to offer a grant without the private sector input but only in this financial year.

11.1.4 The Lyceum Square project was approved by CNBC and currently there is an allocation in the Cheshire East Capital Programme as part of an overall Town Squares project. The project is supported by the Cheshire and Warrington Economic Alliance (CWEA) and is detailed in the Sub-regional Action Plan on the basis that it will assist in creating the right environment for investment by the private sector.

11.1.5 This scheme complements the wider regeneration aspirations that Cheshire East Council are currently developing for Crewe.

### 11.2 Lyceum Square

11.2.1 The proposals for Lyceum Square have been developed in partnership with the NWDA have been through a regional Design Review and have planning permission.

11.2.2 Key features of the landscaping scheme include marked parking bays including a number of disabled spaces; a performance space; bespoke seating and enhanced architectural lighting. In addition to the footprint of the current Lyceum Square, the scheme also includes improvements to Hill Street and Heath Street.

11.2.3 The scheme also includes a new building to accommodate public toilets, offices and a coffee shop. The building will have BREEAM Very Good status and has a modern and iconic design. Overall, the scheme results in the loss of eleven parking spaces.

11.2.4 A tendering exercise for both the building and the landscaping work packages was carried out in March 2009 and the total cost of both the building and the landscaping works is forecast to be £1.7million (including fees and design costs).

### 11.3 Next Steps

11.3.1 A detailed project proposal is now being considered by NWDA. It is anticipated that this will be fully appraised for compliance, cost and quality by mid-July. An offer of NWDA funding is anticipated around this time.

11.3.2 Cheshire East Council's Finance and Contract Regulations require that partnership funded schemes such as this gain Cabinet approval prior to entering into a contract.

11.3.3 Assuming an NWDA offer is forthcoming and internal approvals are granted, the delivery phase of the project will commence in September 2009.

**12.0 Overview of Year One and Term One Issues**

12.1 This project was initiated by CNBC and the funding required from Cheshire East has received prior approval from CNBC and is included in the 2009/10 capital programme.

**13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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## CHESHIRE EAST COUNCIL

### REPORT TO: CABINET

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**Date of meeting:** 14 July 2009  
**Report of:** Borough Treasurer and Head of Assets  
**Subject / Title:** Business Planning 2010-13 incorporating Key Decision (CE09/10-04) – Capital Strategy 2009-2013

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#### 1.0 Report Summary

- 1.1 To consider the approach to corporate, business and financial, planning processes for 2010 and beyond. The report details the financial planning proposals to develop a council Medium Term Financial Strategy (MTFS) 2010-2013 and budget planning for 2010-2011 and introduces an approach to integrated financial and business planning on both a medium term and annual basis.
- 1.2 The financial planning process requires an understanding of the cost of delivering Council priorities each year, and a process for accessing the necessary income to fund this. This must lead to a balanced annual budget, set in February of each year. The process includes building in the impact of longer term revenue and capital projects that may require funding through borrowing or through spending of capital receipts or reserves.
- 1.3 Formal consideration and approval of a clear and robust MTFS process is a key step in enabling the Authority to set out how it will deliver a sustainable Budget for the following year. The MTFS also provides key evidence to external scrutiny that Cheshire East Council is meeting the requirements of the Comprehensive Area Assessment (CAA) – Use of Resources assessment examined by the Audit Commission.
- 1.4 Key frameworks and strategies are being developed to present a complete understanding of service and financial performance and dependency. This report presents the process to integrate wider corporate Business Planning which indicates how the Council will go about delivering against its priorities and meeting external assessment requirements. This new MTFS process and the integrated approach will be introduced for 2010-11 and will be continually improved following regular review.

#### 2.0 Recommendations

- 2.1 To approve the MTFS for 2010-13 outlined in this report, specifically:
  - note the issues raised in the review of last year (Appendix A);
  - to operate the financial planning process for a three year period and review this annually (Appendix B).

- to operate a four stage process for Budget Setting for the revenue budget and Dedicated Schools Grant (DSG) (Appendix B).
  - the Key Planning Assumptions set out in Appendix C as the basis for Scenario planning.
  - the current Financial Scenario, treatment of the funding gap and allocation to Departments as set out in Appendix D.
  - to approve the issues raised in Appendix E, i.e.:
    - the suggested approach to Budget Consultation and the implications of the earlier timetable.
    - the format, content and timing of the Budget Consultation material.
    - the approach to Scrutiny.
    - the scope for further savings.
    - the approach to Member input ie the formation of a dedicated Sub Cabinet Budget Group.
    - the approach to Value for Money and efficiency.
    - the links to the Corporate Plan.
  - the Budget Setting timetable for 2010-13 (Appendix G).
- 2.2 To make Key Decision CE09/10-04 ~ Approval of Capital Strategy 2009-13 (Appendix F).

### **3.0 Reasons for Recommendations**

- 3.1 To ensure Cheshire East Council has a robust process in place for delivering a Budget and Council Tax for 2010-11 and to address the wider performance and consultation demands.

### **4.0 Wards Affected**

- 4.1 Not applicable.

### **5.0 Local Ward Members**

- 5.1 Not applicable.

### **6.0 Policy Implications including - Climate change - Health**

- 6.1 Not applicable.

### **7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

- 7.1 None.

## **8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

- 8.1 The report includes an overview of the Financial Scenario for the period 2010-11 to 2012-13, and sets out a process to deal with the issues arising.

## **9.0 Legal Implications (Authorised by the Borough Solicitor)**

- 9.1 To ensure the MTFS is underpinned by robust estimates and adequate levels of reserves are maintained by the Authority.
- 9.2 It is important that the Council has robust processes for budget setting in order to fulfil its fiduciary duties.

## **10.0 Risk Management**

- 10.1 The main risks are that the Authority is not in a position to set a Budget and provide evidence of high / excellent performance to the Audit Commission. The steps outlined in this report will significantly mitigate such risks.
- 10.2 The MTFS process will include a risk assessment of major policy options and it is proposed this is included in the consultation documents.

## **11.0 Background and Options**

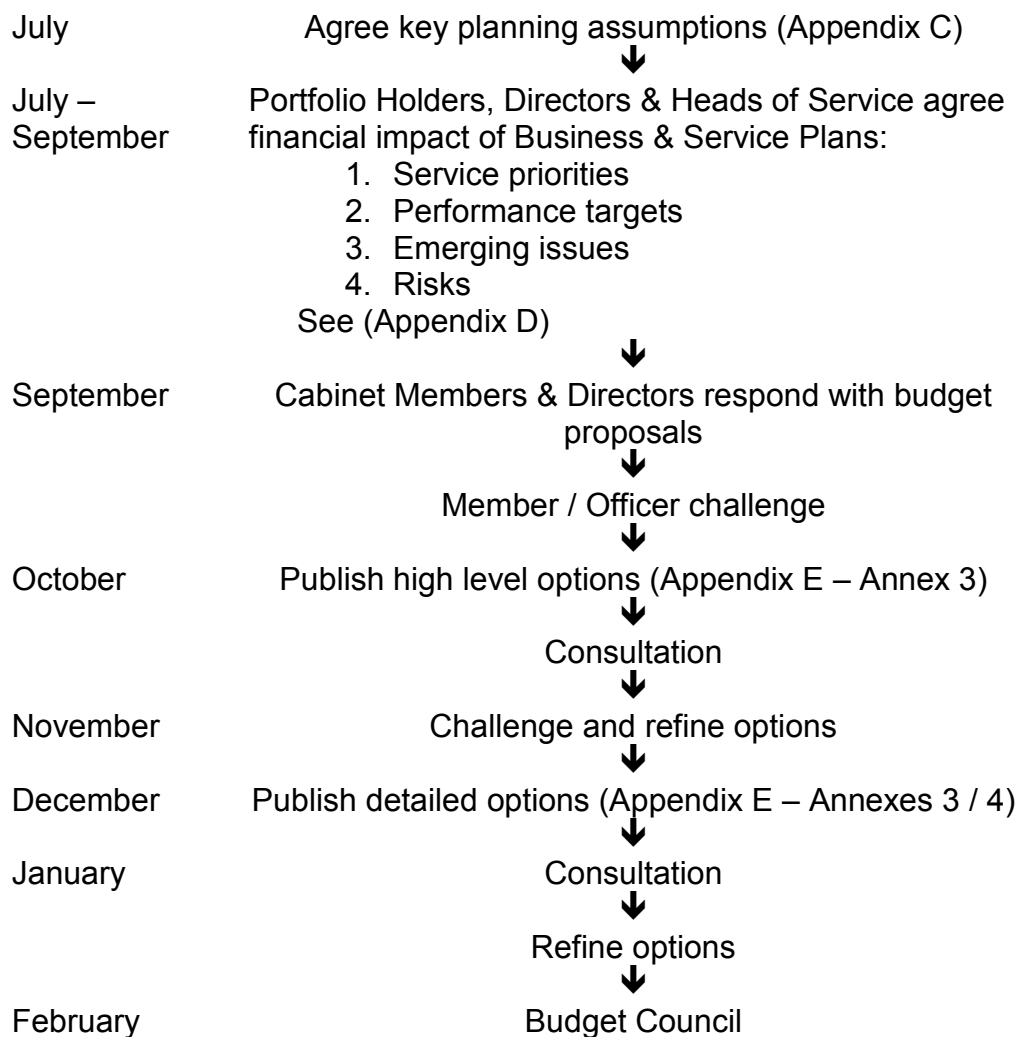
- 11.1 Council financial resources are limited and under constant pressure to meet new demands. The council must therefore ensure that its funds are used to deliver its priorities, targets for service delivery are met and resources used efficiently and effectively. Effective corporate and business planning support sound performance management of the council's business and ensure that decisions about use of finances are made on a rational, evidence-driven basis. KLOE 1.1 of the Use of Resources CAA assessment focuses on whether the council integrates financial planning with strategic and service planning processes on a medium to long term basis. The Improvement and Development Agency (IDeA) has produced a checklist of questions to support effective planning that supports this KLOE:

- *Does the community strategy act as an overarching framework for corporate, service or theme specific plans?*
- *Have the priority community issues been translated into corporate objectives?*
- *Is there a corporate plan in place that identifies the tasks and resources necessary to achieve the corporate objectives?*
- *Is resource allocation based on corporate objectives?*
- *Is service improvement and financial planning integrated?*
- *Are there up to date departmental service plans in place that translate corporate objectives into action plans?*

These questions provide a framework for strategic, business and financial planning in Cheshire East.

- 11.2 The corporate plan is the council's strategic planning document. The council adopted an interim corporate plan for 2009-2010. This identifies eight objectives and 22 priorities to guide service delivery and the use of financial resources. These reflect local challenges and needs as identified in an interim Cheshire East sustainable community strategy which has been based on community strategies and local needs identified by the prior authorities. The new Cheshire East local strategic partnership has started work on a new community strategy, to be finalised later this year.
- 11.3 Corporate plans are annually updated medium term documents, generally covering a three year period. A new medium term corporate plan (2010-13) was proposed to be developed in 2009. This is to be strongly based on detailed understanding of different areas and communities in the Borough and their different needs, reflecting the new sustainable community strategy, and support the council's response to the new comprehensive area assessment framework.
- 11.4 The financial planning process should be based on corporate objectives. The current timeframe for producing an MTFS, and taking forward the 2010 budget making process, indicates initial corporate plan/objectives and priorities input is needed throughout July and August, with financial impacts being feedback in September. This allows limited time for development of a new three year plan that has been consulted on with priorities agreed by Members. So the MTFS / budget may need to be based on the current interim corporate plan, which can be developed for one further year, to strengthen and build up the underlying evidence base, focus and refine objectives and outcome priorities and incorporate the new transformation programme priorities.
- 11.5 The 2009/2010 budget process was, to some extent, year one driven. The 2010/2011 process therefore needs to consider factors such as the scale of Members' ongoing service and Council Tax ambitions and the need to address promises made to improve Budget Consultation.
- 11.6 This report considers some of the lessons from last time and suggests a way forward in terms of a comprehensive MTFS process including the draft Capital Strategy.
- 11.7 It is proposed that the Authority operates a rolling three year MTFS process for the period 2010-13 and the following high level approach be adopted to Budget Setting. This is explained in more detail at Appendix B.

**Note : a full MTFS timetable is included at Appendix G.**



11.8 The starting point in terms of Departmental base line budgets will be confirmed in July.

11.9 Enhanced Budget Consultation arrangements have been incorporated into this process and some of the issues are considered in more detail in Appendices E and F.

11.10 Business and service planning translate the corporate plan into annual departmental commitments to deliver priorities and detailed service level action plans for delivery. Annual business planning is driven by:

- Corporate priorities and departments' development of policies to deliver them
- Service pressures including demand, policy and customer service issues
- Organisational development requirements (and related paybacks)
- The need to deliver value for money and meet annual efficiency targets
- The resources available to meet these demands (including bankable efficiency savings)
- Decision making between competing 'bids'.

This requires a budget setting process that intrinsically links decisions about finance to choices between service priorities. Consultation is therefore about what is to be delivered, the distribution of funding to support delivery as well as the level of finances (council tax) to be raised to meet the council's priorities.

In relation to business planning for 2010 it is suggested that:

- Once council priorities for 2010 (and beyond) have been focused in the corporate plan, departments be asked to identify policy and programme developments (growth) that will support the corporate priorities – including detailed evidence and business cases for the proposals
- Services also be asked to identify 'unavoidable growth' – the result of demographic, service demand, policy etc pressures
- Desirable growth linked to service improvements be identified
- Transformation and other programme costs be identified
- Services be asked to 'de-prioritise' services/ functions they no longer consider to be desirable in the context of council priorities – that will free up resources
- Services be asked to identify savings to deliver efficiency targets.

Ideally proposals should be costed over a three year period and other future service priorities with financial implications be flagged up as part of this first stage of business planning.

Member consultation, followed by wider consultation will support decision making between competing priorities and bids for resources, with a 'star chamber' to make final decisions.

Business planning will closely mirror the MTFS timetable above, but will be further developed to incorporate consideration of options as well as the further involvement of staff plans.

## **12.0 Overview of Year One and Term One Issues**

- 12.1 The MTFS and the associated planning assumptions will impact on the first Term by setting a framework for the development of budgetary and policy options which will ultimately impact on service delivery and Council Tax levels.

## **13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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## **REVIEW OF 2009-10 BUDGET PROCESS**

In order to improve the process, this section considers aspects of the 2009-10 Financial Planning process that worked well and those that did not work so well.

### **2009-10: What Worked Well**

The key areas that worked well during the year included:

- **A managed approach** – i.e. ensuring any changes to the financial scenario were understood and accepted, via a Change Control process, before being actioned.
- **Member Input** – into the process was conducted both at regular meetings with the Cabinet Member for Finance and at Cabinet away days. All Cabinet Members were able to contribute to the debate.
- **Budget Consultation Meetings** – the meetings organised in January 2009 were well attended and well received by consultees. They created a very positive image of the new Authority and its plans for the first year.
- **Regular meetings** – between relevant finance staff to review progress, co-ordinate pieces of work and access additional resources as required to resolve issues.

### **2009-10: What Did Not Work So Well**

- **Detailed debate with full Cabinet** – Cabinet away days may not be the most effective use of Member and officer time. Members may wish to create a sub group to work on Budget development.
- **Budget Consultation Arrangements** – Budget Consultation dates and venues were arranged much later than usual meaning consultees were given little notice of the meetings and insufficient preparation time. There is therefore a need to agree a Budget Consultation strategy at the outset.
- **Involvement of Opposition Members** – for a variety of reasons Opposition Members were not fully involved in the Budget Setting process. They need to be given the opportunity to comment on any Policy Options.
- **Capital Planning** – in future this needs to be considered to a similar timescale as the revenue budget and treated as a key issue for service transformation.
- **Links to Corporate Plan Priorities** – it was not possible to consider how the 2009-10 Budget and policy options related to the priority areas set out in the Corporate Plan. If policy options are available, the impact on priorities is clear and the base budget can be analysed by priority areas, it would be desirable to show how the priorities are affected.

- **Bench Marking / Value for Money (VFM) / Best Practice** – these were issues that, due to the challenging timetable, could not be fully considered. The approach needs to be reviewed for 2010-11.
- **Setting Efficiency Targets** – it is necessary for the Authority to consider its position in relation to the NI179 target and determine whether further specific action is required. The profile of this issue has been further raised by the additional requirements of the Chancellor's 2009 Budget statement.
- **Late Changes to the Financial Scenario** – towards the end of the 2009-10 Budget Setting process there were several late changes to the Financial Scenario which made it difficult for Service Managers and Finance staff to finalise the position. These related to the level of exceptional inflation and the allocation of additional growth which was partly funded by prudential borrowing. While these changes were necessary it is desirable to set firm proposals at an earlier stage.

## Summary

The 2009-10 Budget setting process was exceptional in nature because of Local Government Reorganisation. In any normal year the Councils would have had an established template for the Budget Process. For 2009-10 the Shadow Council had no staff in post, there was no agreement on sharing of budgets between the two new Shadow Councils, and there was a mismatch between the location of the Shadow Council and the availability of most of the Finance staff.

The aim of the 2010-13 process is to retain the high level overview for the Consultation process, supported by the relevant detail, and to expand the involvement of all Members so that they have a clear understanding of the composition of the Budget proposals. There should be recognition that the 2010-11 detail will be better than the 2009-10 detail and that it will probably be 2011-12 before we achieve a level of detail which is the benchmark for future years.



### **SUGGESTED APPROACH FOR 2010-13**

This section of the report builds on the issues raised in Appendix A and sets out a draft financial planning process for 2010-13.

#### **Time Period**

It is suggested that the MTFS is operated over a three year period. This has been selected given the need to:

- Consider the financial position beyond year 1.
- Produce robust estimates for costs and income over that period which becomes increasingly difficult in later years – especially for a new authority.
- Acknowledge the uncertain economic and Political situation – which could have a significant bearing on the Financial Scenario.
- Follow best practice guidance on Financial Planning.

Therefore, the Scenario will cover the years 2010-11, 2011-12 and 2012-13. It is suggested this basis is reviewed annually to ensure, amongst other things, close links with Government funding announcements.

However, the Authority needs to acknowledge the full impact of the decisions it makes and it is proposed that costs or income that fall outside the MTFS period are captured and used to assist informed decision making. This is particularly important for Capital Schemes where whole life costing needs to be considered to enable judgements to be made over the level of initial investment in consumable items.

#### **Key Aims of the MTFS Process**

A comprehensive MTFS process will enable the Authority to adopt a managed approach to:

- Aligning resources with objectives through considering the priorities in the Corporate Plan and demonstrating their links to the Budget setting process and resulting policy options;
- Council Tax levels;
- Ensure any changes to Formula or Specific Grant funding are anticipated and factored into the Financial Scenario;
- Smoothing out fluctuations in service delivery levels and any issues arising from LGR aggregation / dis-aggregation;
- Managing Reserves;
- Recognising service cost pressures;
- Understand the need for savings or scope for reinvestment (and communicating those to Directors);
- Ensure the authority is on track to deliver against its efficiency targets.

In addition, the process and outcomes will enable the Authority to demonstrate progress in addressing the Audit Commission's CAA Use of Resources Key Lines of Enquiry in relation to:

### Managing Finance

- Planning its finances to deliver strategic priorities and secure sound financial health. i.e.
  - full integration of the Financial Planning process with the wider planning framework and clear links to strategic priorities;
  - the engagement of local communities and key stakeholders in the Financial Planning process;
  - recognising individual and collective responsibility for financial management through corporate activities such as Financial Scenario planning and responding to targets.
- A sound understanding of costs and performance and achieving efficiencies. i.e.
  - the analysis and challenge of service activities, costs and performance to generate efficiency savings and meet budgetary targets set by the organisation.

### Governing the Business

- Commission and procure quality services and suppliers, tailored to local needs, to deliver sustainable outcomes and value for money. i.e.
  - a clear vision of intended outcomes which is reflected in the procurement strategy and resulting policy options.
  - involve local people, partners and stakeholders in commissioning via consultation;
  - introduce into the business the clear mantra “Would I pay this price in my personal life?”
  - seeks to improve quality and VFM through service redesign and making effective use of IT as part of responding to targets and linked to the recommendations within the Operational Efficiency Programme.
  - evaluates options;
  - reviews VFM.
- Manage its risks and understand their impact. i.e.
  - Effective risk management – applied to key policy proposals generated through the MTFS process.
  - Impact Assessment – consideration of political, environmental, social, economic and legal risk factors.

### Managing Resources

- Managing its natural resources, physical assets and people to meet current and future needs and deliver VFM. i.e.
  - effective asset management;
  - effective planning and organisation to help generate appropriate policy options in line with strategic priorities;
  - can predict the impact policy options will have on the base level of staffing.

### **A Structured Approach**

The 2009-10 Financial Planning Process was approved by Cabinet in June 2008. It used a diagram to set out the four distinct stages of the process. This was helpful in terms of clearly setting out the separate stages and the inputs required.

It is proposed that once again the financial planning process adopts a structured approach with several distinct stages.

The approach will aim to include the framework around delivery of the corporate priorities, although at this stage further development is needed. And this process will evolve as links to the wider Business Planning Framework are established.

The financial approach is set out in the Annex and described in more detail below.

#### **• Stage One – April to June 2009 – Establish Baseline**

While the work to dis-aggregate / aggregate the service budgets to create the new Council is complete there is still a need to establish the starting point for planning purposes in terms of:

- Detailed base budgets for 2009-10;
- Identifying permanent adjustments following revised structures;
- Identifying the final impact of dis-aggregation following closure of the 2008-09 accounts including recognition of all Transitional Costs and revised opening balances.
- Identify significant emerging issues and progress to date e.g. Local Authority Business Growth Incentives, etc to establish any potential impact.

#### **• Stage Two – June to September 2009 – High Level Planning**

Review Scenario Assumptions:

- Revisit each key assumption within the Scenario, for example key economic indicators, to ensure best estimate is used.
- Confirmation of the ongoing impact of 2009-10 policy options.
- Consider any additional items that may need to be brought into the Scenario.
- Consider Directorate cost pressures and investment opportunities.
- Agree the approach to Reserves and analysis of risk.
- To identify any affordability gap, how to deal with it, potentially set service saving targets and consider the level of acceptability.

#### **• Stage Three – October 2009 to January 2010 – Refinement**

This stage involves making any necessary adjustments to the high-level options and then undertaking detailed planning and budget modelling. It is proposed that a certain level of detail will be shared at an initial round of Budget Consultation. The output from this stage would be detailed budget options for consultation in January 2010.

- **Stage Four – January to February 2010 – Finalisation of the 2010-11 Budget**

This stage involves budget consultation, final adjustments and refinements and the setting of the Budget and Council Tax for 2010-11.

The above process is designed to be flexible so that Members can amend the details and the timescales as necessary.

### **Dedicated Schools Grant**

A substantial part of the total base budget (some £194m) relating to schools is funded by the DSG. This grant is determined by pupil numbers and the minimum funding guarantee set each year by the Government.

The level of DSG can be estimated in order to provide a framework for planning purposes using forecast levels of pupil numbers. As part of the MTFS process officers will calculate the amount of DSG receivable for 2010-13, consider any commitments such as teachers' pay awards, any outturn issues and set out any shortfall or flexibility.

This overall financial envelope will then be used as the basis for generating policy options for the MTFS period.

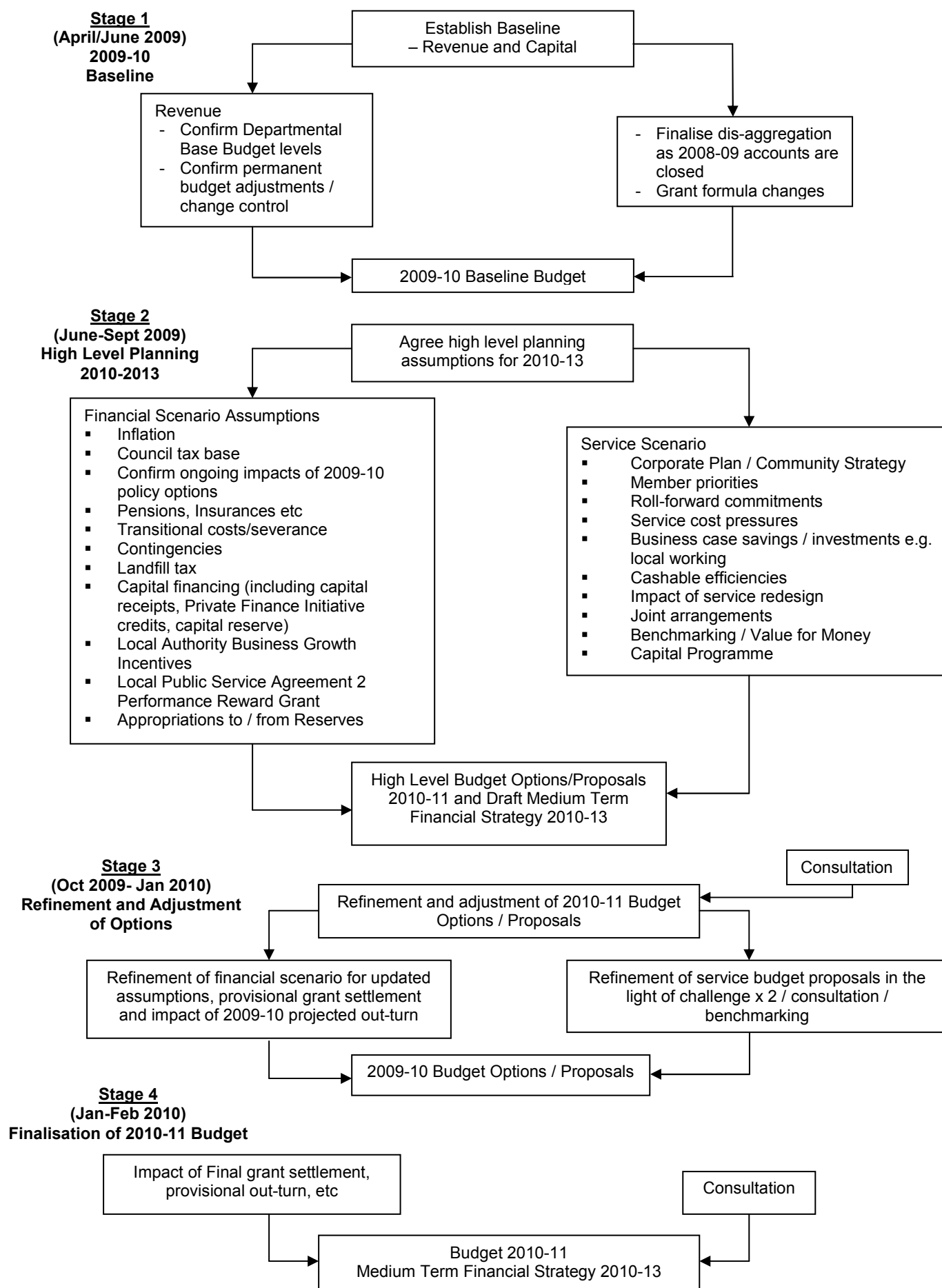
The initial work will be completed by 31 July and targets issued following consideration and approval of the underlying assumptions by the Cabinet Members for Resources and Children and Families. The People Service will then be asked to produce a set of policy options to meet the targets.

After 31 July the DSG Budget Setting process will follow the standard MTFS timescale.

Policy options would be included within the Consultation documents set out at Appendix E to ensure the Authority meets any requirements to publish and consult on options and, where necessary, seek agreement from the Schools Forum. Consultation meetings with the Schools Forum will be arranged accordingly.

### **Standards Fund Grant etc**

In addition to DSG the Authority receives Standards Fund and many other grants to support its services. It is recommended that any changes to the use of these grants are set out in the consultation documents.

**2010-13 BUDGET SETTING – OUTLINE PROCESS**

## **KEY PLANNING ASSUMPTIONS**

The financial scenario model is based on a number of key planning assumptions. This Appendix sets out the current assumptions in each area, the order of magnitude, and the basis for the figure. It then illustrates the impact of the assumptions on the Scenario.

The assumptions are based on the best information available and will be continually challenged and refined throughout the process. They form a key part of the planning process and have a significant impact on the scenario. Members are asked to consider the assumptions and make any appropriate recommendations.

### **Income**

**Formula Grant:** (i.e. Revenue Support Grant and Business Rates) 2010-11 will be the final year of the current Comprehensive Spending Review (CSR) 2007 period and the allocation of £63.5m has been confirmed by the Chancellor's Budget announcements in April 2009. This represents a 2.8% increase over 2009-10 due to an LGR adjustment.

Beyond 2010-11 there are no CLG figures available (pending the next CSR - potentially released during 2010). The Chancellor's Budget forecast that growth in public sector spending would reduce to 0.7% pa from 2011-12. However, briefing from the Minister of State for Health in May 2009 suggests no growth and potentially real term cuts. It is also unclear how the perceived scope for generating efficiency savings will factor into allocation of funding.

Given that Formula Grant was split using the CLG formula there should not be a "cliff edge" effect in 2011-12 and therefore Cheshire East Council should only be affected by formula or data changes that impact on all authorities.

**With RPI expected to return to zero in 2010 the current assumption is a 0% increase in 2010-11 and 2011-12. Formula Grant received in 2010-11 will be £63.5m, therefore every 1% change = £0.6m.**

**Business Rates:** It has been confirmed by the DCLG in their regular Business Rate Information letters that any measures introduced by Central Government to increase payment timescales for businesses will not impact on the amounts received by local authorities.

**These form part of Formula Grant therefore a 0% increase has been applied.**

**Business Improvement Districts:** The potential for businesses to pay for certain local improvements.

**Assumed that no income is raised from this source.**

**Supplementary Business Rates:** The scope to raise additional income through a locally agreed increase in Business Rates for a specific and additional purpose.

**Assumed that no income is raised from this source.**

**Council Tax:** The Authority is committed to low Council Tax increases matching RPI which is expected to return to 0% in 2010.

**Following harmonisation in 2009-10 the scenario assumes no increases in Council Tax. For 2009-10 Council Tax income is £173m, therefore each 1% change would equate to £1.7m.**

**Council taxbase:** This represents estimated number of band D equivalent properties used for setting the Council Tax. The forecast annual change has been increased in recent years based on actual experience to ensure accurate forecasting. Given the current economic climate this increase needs to be reviewed.

**The current assumption is to reduce the annual taxbase increase from 0.7% to 0.3% to match increases experienced in previous years. The 2009-10 taxbase is 144,761 with each 0.1% change equating to £0.180m.**

**Council Tax collection fund surplus / deficit:** Last year there was a deficit of £0.8m, which is expected to increase as the outturn positions are confirmed, and collection rates stayed high. Both these factors suggest a further deficit may be experienced for 2010-11.

**The current assumption is to budget for a deficit of £0.5m.**

**Council Tax on Second Homes / Long Term Empty Properties:** It is assumed that this additional source of income will continue to be raised based on a lower discount of 25% being applied to Council Tax bills. Currently £130k is retained by Cheshire East, £16k is allocated to Local Area Agreements and £114k to Crime and Disorder Reduction Partnerships. It may be an appropriate time to review the use of this income.

**No changes have been included in the scenario.**

**Fees, Charges and Income Generation:** The Authority is undertaking a major review of income with a view to establishing the current position and the scope for harmonisation of charges and generation of additional income. This will focus on three strands of income: Government Grants, External Funding and Income Generation. The current impact on Government Grant funding is detailed above.

The income generation review, and any resulting strategies, will focus on innovative ways to increase income through:

- Enhancing the process for cost recovery through charging;
- Considering the use of capacity to generate additional income rather than immediately converting to cash savings e.g. exploiting the broadband infrastructure;
- Exploring options to trade for profit acknowledging the legal difficulties experienced elsewhere.

The Financial Scenario assumes income related to charging will increase by 2.5%, which equates to approximately £1.38m of additional income in 2010-11. (Based on Information recently collated for the LGA which suggests an approximate fees and charges budgets of £55m for 2009-10).

Any additional income raised less any costs of generating it will be factored into the Scenario when a robust business case has been agreed.

**The increase in income from fees exceeds the current predictions for CPI which could fall as low as 0.5% during 2009. The scenario therefore assumes an additional £1m will be required from new, or improved, income generation schemes in each of the next three years. The Authority has an objective of raising an extra £5m of income in 2010-11. This is not reflected in the financial scenario and proposals will be developed during 2009-10.**

### **Expenditure**

**Pay Inflation:** Pay inflation is applied to 53% of the budget and the 2009-10 assumption was 2.5%. Given the current pay offer of 0.5% the provision for 2010-11 onwards needs to be reviewed.

**The recommendation is 1.5% per annum given that negotiations have some way to go. On a base of £114m each 1% equals £1.14m.**

**Non Pay Inflation:** Non pay inflation is applied to 47% of the budget (including all fees and charges) and the 2009-10 assumption was 0.5% with exceptional items at 3.1%. While RPI is expected to remain low, inflationary pressures facing the Authority are not expected to diminish.

**For 2010-13 the recommended assumption is 2.5% per annum plus an additional provision for exceptional items at 1.75% per annum. Based on a budget of £101m each 1% equals £1m.**

**Contingency:** There was no provision for 2009-10.

**For 2010-13 the recommendation is a provision of 1% per annum.**

**Funding Contingency:** Given the level of uncertainty regarding grant funding, it is recommended the Authority makes a provision to offset the impact of any reduction in grant funding or any loss due to transfers from Specific Grant to Revenue Support Grant.

**It is proposed to establish a £0.75m per annum contingency from 2011-12.**

**Capital Financing:** These represent the financing costs of the Capital Programme less any interest received on balances. A Treasury Management Strategy will be reported to Members later in the year.



**For 2010-12 this is based on figures from the 2009-12 Capital Planning Process. The 2012-13 estimate is based on 2011-12 forecast spend levels.**

**Repayment of Transitional Costs:** At this stage the scenario continues to assume Transitional costs will be paid back to reserves over three years. This will be reviewed as the 2008-09 accounts are finalised and the final level of Transitional Costs is known.

**The current assumption is payback at £2.8m per annum from 2009-10 to 2011-12.**

**Double Taxation:** The Authority is committed to removing instances of Double Taxation, i.e. Council Taxpayers paying the Council and the Parish Council for a particular service, where it can be proven and managing any impacts within the Financial Scenario.

**No assumptions have been included in the Scenario.**

### **Transitional Costs**

At this stage no provision has been made in 2010-13 for any further costs relating to:

- Redundancy
- Early retirement
- Relocation

These need to be reviewed given that the cost of moving staff to the East and the ongoing travel costs will be a major cost pressure for the Authority.

**At this stage no provision has been built into the Scenario.**

### **Reserves**

The impact on reserves of issues such as transitional costs are being monitored. As the 2008-09 accounts are closed the starting position will be finalised. However, emerging issues in 2009-10 will also impact on the closing balance at 31<sup>st</sup> March 2010.

A minimum strategic level of reserves will be maintained in accordance with the Reserves Policy & Strategy approved as part of the MTFS process for 2009-10. Any indication that reserves will be above or below this position will be carefully considered by Members and the Chief Financial Officer. Actions may then be necessary to return the reserves to an appropriate level within the overall financial scenario.

**The Reserves Policy & Strategy will be reviewed by September 2009.**

### **Dedicated Schools Grant**

The Government announced the indicative allocation of the DSG for 2010-11 as part of the multi-year settlement issued last year. The guaranteed unit of funding per pupil through DSG will increase on average, nationally, by 4.3% in 2010-11. Beyond 2010-11 the DSG formula is under review, however, at this stage there is no information available to assess the impact of the review.

**It is therefore proposed to plan on the basis of the system used for up to 2010-11 and review this as more information becomes available. A DSG Strategy will be developed during 2009-10.**

### **Additional Funding Sources**

During the Budget Setting process there will be a need to manage a number of additional funding sources. The Authority needs a clear strategy for the handling of these funds. The key issues include:

**Area Based Grant:** These grants are now un-ringfenced and can be allocated based on local agreements. To date the Authority has continued to assume they are all ringfenced. This major issue needs to be considered in further detail in terms of who should manage the grants and flexibility in their use. Allocations for 2010-11 have been announced as part of the 2009-10 Grant Settlement. It should be noted that certain services are heavily reliant on grant funding and changes to the level or nature of the grant could have a significant impact.

**Local Authority Business Growth Incentives (LABGI):** Circa £0.7m expected but currently awaiting further details on the new LABGI scheme from DCLG. This income is not ringfenced. Members will need to consider using this funding to pump prime investment in lean systems working so that future savings can provide permanent benefit.

**Local Public Service Agreement (LPSA) 2 Reward Grant:** Balance of circa £1m available in 2009-10. Members will need to consider the best use of these funds in terms of supporting the scenario or funding appropriate schemes.

**At this stage no changes or assumptions regarding additional funding sources have been incorporated into the Scenario.**

It is recommended that all additional funding sources (revenue or capital) are managed on a corporate basis with the initial call being the financial scenario. Depending on the overall position it may be possible for Members to target unused funding to priority areas whilst continually recognising the future financial impact of such key decisions.

**Impact of Assumptions set out in Appendix C on the Financial Scenario**

Item	2010-11 £m	2011-12 £m	2012-13 £m
<b>Current Surplus Position (see note 1)</b>	<b>-2.2</b>	<b>-2.3</b>	<b>-4.3</b>
<b>Changes to Assumptions:</b>			
<b>Income</b>			
Formula Grant increase at 0%	-	1.3	1.2
Council Tax at increase 0%	5.2	5.2	5.3
Taxbase increase at 0.3%	0.7	0.7	0.7
Collection Fund deficit at £0.5m in Year 1	0.5	-0.5	-
<b>Expenditure</b>			
Pay Inflation at 1.5%	-1.1	-1.1	-1.1
Non Pay Inflation at 2.5%			
Contingencies : additional £0.75m pa from year 2 as grants assumed to reduce	-	0.7	0.3
<b>Service Scenario</b>			
To be Developed - for example: demographic changes and statutory requirements	-	-	-
<b>Total Impact of Changes:</b>			
Revenue Budget (Surplus) / Deficit	<b>5.3</b>	<b>6.3</b>	<b>6.4</b>

Note: 1. The Financial Scenario, based on last years assumptions and before any consideration of 2008-09 outturn or 2009-10 expenditure, reflected a surplus position.

**SCENARIO ROLL FORWARD**

Initial work has been completed to roll forward the Financial Scenario from 2009-12 to 2010-13 and update it for the latest Key Planning Assumptions. Subject to Member views on those Key Planning Assumptions, this Appendix sets out the potential implications in total and for each Department :

<i>see note (i) below</i>	<b>2010-11</b> <b>£m</b>	<b>2011-12</b> <b>£m</b>	<b>2012-13</b> <b>£m</b>
Available funding	209.0	210.0	211.7
Roll Forward Base Budget	214.9	214.3	216.3
Gross Funding Gap	5.9	4.3	4.6
Policy Options / Exceptional Inflation	- 0.6	2.0	1.8
<b>Revenue Budget (Surplus) / Deficit</b>	<b>5.3</b>	<b>6.3</b>	<b>6.4</b>

<b>Allocation of Funding Gap to Departments (see notes):</b>			
People	3.1	3.7	3.7
Places	1.3	1.5	1.6
Performance & Capacity	0.9	1.1	1.1
<b>Total</b>	<b>5.3</b>	<b>6.3</b>	<b>6.4</b>

Note: ***(i) important: The figures contained within this table do not allow for 2009-2010 emerging issues, or any risks to in-year savings targets***

(ii) this allocation has been done on net Base Budgets.

(iii) these represent net savings targets, i.e. any cost pressures must be taken into account in delivering them.

Members are asked to agree these budgetary targets as a basis for planning.

**SUGGESTED IMPROVEMENTS TO THE PROCESS**

This section of the report considers some of the potential changes to the process and, where appropriate, recommends a way forward.

**i) Budget Consultation**

In line with the new Council's commitment to improving Budget Consultation arrangements there is a need to review the approach. The issues are considered in more detail in Annex 1.

The proposed way forward is to hold two rounds of Budget Consultation; one in late October and one in January.

Subject to Member views the appropriate arrangements will be put in place and further details reported in due course.

**ii) Budget Consultation Material**

A key part of the MTFS process is the publication of Policy and Budget options in a format that can be shared with consultees, form the basis of consultation, and allow for constructive feedback at a time when any comments can be properly considered.

In the legacy authorities these documents have taken various formats such as booklets raising high level issues through to detailed service policy option schedules and briefings.

In detailed form these provide a useful reference source of the latest position for Members and officers. They also allow the authority to recognise responsibility for the financial management of service areas by detailing the appropriate managers.

In line with the proposed Budget Consultation process set out above, some form of document would need to be produced for each set of events. Members will need to agree the level of detail they are prepared to release.

Sharing information earlier in the year will require a disciplined approach from officers and Members in terms of promptly agreeing the material they wish to share which may include some financially significant and sensitive options.

Members also need to consider their input to the events and how much notice they are able to take of the feedback in their budget setting deliberations. Inevitably this may lead to the need to initially identify more savings than are necessary to provide some flexibility.

The recommended approach to Budget Consultation material is :

Late July 2009

It would be desirable to meet with consultees at this early stage to outline the Financial context, Council priorities and seek input from a wider audience. However, it will not be realistic to undertake such an exercise this year given the timescale for establishing the key messages and issuing documents.

As an alternative, the work of developing a high level MTFS process and receiving comments from a range of officers and Members has formed an initial consultation on the process. This has led to improvements and wider understanding of the Authority's intentions. The ambition to meet with consultees at this stage will be rolled forward to next year.

Late October / Early November 2009

A consultation document explaining the financial context, priorities, Member perspectives, high level policy options, draft Capital Programme and brief explanatory text. A draft outline of this document is shown at Annexes 2 and 3. Annex 3 would be the main document completed by Departments when responding to any savings targets. It is proposed that a statement outlining the strategy behind their responses and describing key proposals in more detail is also produced.

January 2010

A revised document explaining developments from last time, results of feedback, Member views, detailed policy options, draft Capital Programme and key issues briefing (see below). It is expected this document would take a similar format to Annex 3.

Key Issues Briefing

A further example of good practice has been to produce supplementary briefing concerning the key policy options being consulted on, in terms of what they will deliver and how, their impact and a risk assessment. It is proposed that such a document is produced to accompany the detailed policy options document used for consultation in January 2010. A draft outline of this document is shown at Annex 4.

**Note: preparation and timely circulation of these documents will require considerable input from Members and officers, it is therefore essential that the organisation is committed to providing and releasing the relevant information on time.**

**iii) Scrutiny**

Before policy options can be shared or accepted they need to be examined. One key method of ensuring any policy options are robust and suitable for consultation is to thoroughly challenge them at some form of scrutiny session. This would consider revenue and Capital options (focusing on their links with the revenue proposals and any other issues rather than duplicate the work of the Capital Appraisal Panels).

Such events are an opportunity to examine VFM, links to priorities in the Corporate Plan, the contribution to efficiency targets, and delivery of current savings targets.

It is proposed that an initial round of scrutiny is held in late September / early October following the receipt of draft policy options. This would be followed by a further opportunity in November to follow up on issues raised and any actions taken.

These sessions would involve a core group of Members and officers reviewing and questioning the responses from each Directorate.

#### **iv) Further Savings / Super Efficiencies**

The 2009-12 scenario included the objective of making considerably higher levels of savings, up to £35m over the three year period, to allow scope for reinvestment in the Council's priorities. Savings of £12m were delivered in 2009-10 leaving a balance of £23m to be identified.

Services would struggle to deliver that level of savings via conventional means and innovative options would have to be considered. Therefore, it is essential to establish what level of saving target needs to be considered to provide a clear steer for scenario planning. In addition, this may be a good opportunity to consider the scope for super efficiencies.

Members will need to provide a steer on whether they wish Departments to approach savings targets in isolation or if they wish to launch a co-ordinated transformation programme.

#### **v) Member Input**

As noted earlier Cabinet Members may need to review their input to the MTFS process to ensure their time is most effectively used and that they have the opportunity to feed their views in to the process at key stages.

One option would be the creation of a dedicated sub Cabinet Budget Group to meet with Directors and leading officers on a regular basis and take decisions on key budgetary issues. This group would report back to Cabinet.

It will also be ensured that the Member Scrutiny function is fully engaged.

#### **vi) Capital Programme**

Given competing priorities and limited resources the development of the Capital Programme for 2009-10 was undertaken separately, and at a late stage of the process. Now that the new Council has been established it is essential that Capital Planning is clearly linked to the developing Capital Strategy and integrated with the revenue planning process from the outset and forms part of Budget Consultation material.

This will provide the basis for service transformation and 'invest to save' initiatives, and make the most effective use of limited accounting resources. It is proposed that the appropriate Capital guidance would be issued at the same time as the revenue launch process.

A Draft Capital Strategy has been included at Appendix F to the MTFS Report.

### **vii) Council Tax Strategy**

Members have expressed a clear wish to control Council Tax levels through strict management of budget levels via the MTFS process.

Current scenario assumptions reflect no change to Council Tax levels for the next three years. Income raised from Council Tax is a major factor in determining the funding available to the Council and any changes need to be carefully considered given their potential impact on service delivery and Political / public acceptability, especially under current economic conditions.

It is expected the Government capping regime will continue to expect Council Tax increases substantially less than 5% overall for the foreseeable future.

### **viii) Value for Money (VFM) Strategy**

During the 2009-10 Budget Setting process it was not possible to consider measures to improve VFM. This was a reasonable position given that the Authority already needed to make substantial savings to remain within its agreed financial envelope and realise savings from LGR.

Moving forward into the new MTFS period it is important for the Authority to demonstrate that VFM is considered in terms of creating a system to analyse current performance and there is a strategy (linked to the MTFS) to improve where necessary. This is part of the Authority's Use of Resources assessment (part of CAA).

One way forward is to perform an analysis of the Audit Commission information and potentially use that to inform a comprehensive VFM Strategy.

The analysis could be used to challenge service responses in terms of whether the issue has been addressed and form the basis for further investigation. However, it will be vital to ensure such issues are clearly communicated to Departments at an early stage in the process to inform the development of policy options.

### **ix) Efficiency**

The current Comprehensive Spending Review set cumulative targets of 3% per annum for the period 2008-09 to 2010-11. However, it is not necessary to set formal targets in each area. Specific targets were not set for 2009-10. Again this was justifiable on the grounds that a substantial level of savings were incorporated into the budget as part of the LGR process.

The 2009 Chancellor's Budget increased the target for the public sector from £30bn to £35bn with local government expected to contribute £5.5bn in total. Work is underway to establish what this means for local authorities.

Further analysis would be required to establish if additional savings are needed for the Authority to remain on target. However, this is clearly linked to the outcome of any additional savings targets set for 2010-11 and the considerable level of savings achieved in 2009-10. Members are asked to provide a steer on this issue.



**x) Links to Corporate Plan Priorities**

Part of the Use of Resources Assessment relates to clearly linking the Financial Planning process to strategic priorities as set out in the Interim Corporate Plan. This can be demonstrated through policy options via some form of key and / or analysis to demonstrate investment / dis-investment. It is proposed these links are included in the consultation documents.

**xi) Dedicated Schools Grant (DSG)**

It is necessary for the MTFS process to consider schools expenditure in terms of funding available through the DSG, any policy options or transfers and any changes to the use of Standards Fund Grant. These processes will be linked up for 2010-13.

**BUDGET CONSULTATION**

Throughout the Budget Consultation process for the 2009-10 Budget there was a clear commitment by the Council to improve arrangements in future years.

The question over consultation formed part of the exit questionnaire used in January 2009 where the majority of responses supported the following actions:

- Consulting earlier in the process
- More regular consultation
- Consultation based around policy options

To meet this commitment there is a need for Cheshire East Council to adopt a fundamentally different approach to Budget Consultation with interested parties and link in with a wider Council approach to consultation.

Given the availability and confidentiality of certain budgetary information / policy options changes will have to be managed to avoid unnecessary alarm. In addition, it will be necessary to approach venue hire and provision of refreshments with some caution given the relatively high costs such arrangements can incur. There is also a considerable call on limited staff resources to plan, prepare briefings, attend the meetings and produce minutes, reports, etc.

Expertise from Communications, Partnerships and Research and Intelligence is also be required.

There are several key decisions to be taken:

- i) **Timing and frequency:** Members are asked to provide a steer on when they would like to hold Budget Consultation events and how often. Early Consultation events form an opportunity to share draft priorities in the Sustainable Community Strategy and Interim Corporate Plan. However, consultation will mean committing to earlier publication of policy options / issues.
- ii) **Number of meetings, geographic location and time of day:** Members are asked to provide a steer on how many meetings they would like each time, whether any local area spread is desirable and what time of day they would prefer to hold the meetings. Members may consider using the structure of the Local Area Partnerships. The number of events will increase costs.
- iii) **Venues:** Members are asked to provide a steer on the type of venue required. Clearly this has the greatest impact on costs. The low cost option would be to use Council buildings such as schools. However, the success and impact of the professional presentation arrangements in January 2009 cannot be ignored. It may be possible to negotiate with certain venues for a series of events.

A further factor is acoustics in terms of suitability of the main room / venue for breakout groups etc. This issue tends to lead to the most complaints from consultees.

- iv) **Format:** while the detailed arrangements can be considered at a later date it is essential for Members to indicate whether they want separate events for each stakeholder group, e.g. Parish Councils, Social Care users, Businesses and the public, or a mixed approach. While the public were not invited to the January 2009 events they need to be considered and involved in any process if the Authority is to meet its public consultation aspirations. One further consideration is links with other consultation events being undertaken by the authority such as on the Sustainable Community Strategy.
- v) **Invitations:** Ideally consultees need to be given a couple of months notice of the events. This is most easily achieved by targeted emails to each Stakeholder group and it is proposed that address lists are further refined and expanded. In terms of inviting the public it may be necessary to consider some form of campaign such as local press and radio articles.
- vi) **Trades Unions:** it is assumed that meetings between the Staffing Committee and Trades Unions representatives will continue on a regular basis and include Budget Consultation when appropriate. Staff would be able to view and comment on the Consultation material via the intranet.
- vii) **Schools Forum:** It is assumed that the Authority will meet the Schools Forum at appropriate times to consider budgetary options and the Dedicated Schools Grant.

### **Alternative Approaches to Budget Consultation**

Initial research suggests a variety of approaches to Budget Consultation have been adopted elsewhere but are mainly variations on a theme. More innovative solutions include:

- Web based – options involving graphical web based tools have been used by other local authorities such as Redbridge, Northamptonshire and Surrey. However, these are limited in terms of reaching the majority of interested parties unless they are well publicised, can be accessed in libraries and are available for some time. Such options do require input from the Council to determine content.
- SIMALTO – a system that asks for detailed views on the issues set out by the authorities. This system is relatively expensive and involves a lot of work by the authority to agree priorities and questions but it does provide results which can be used for several years. It may be more appropriate to use such a system when the authority is established and more regular consultation approaches have been tried.
- Ring Back Services – it may be possible to use call centre staff to conduct a limited telephone survey of residents on priorities / budgets. This has been tried by other local authorities such as Gloucestershire and Suffolk.
- Kiosks – these have been trialled by the Cheshire legacy authorities and elsewhere and involve setting up some form of touch screen PC in places where they are likely to be used, e.g. libraries, Council Tax offices, etc. Users can then respond to a series of questions on priorities / budgets etc. The main issue with these systems is

the limited amount of information they can gather in the time available before the user is distracted or loses interest.

- 
- Participatory Budgeting – this system involves greater participation by the Community in determining the use of a relatively small local budget allocation. It has been used by several local authorities including three in the Northwest :
  - The distribution of £20k for cleaner and greener projects in Morecambe.
  - The distribution of £20k to support Community Networks in Wigan.
  - A second round in Salford to allocate £85k of highways Capital Funding to address local priorities.

While these have been successful, it may be too early in the life of the new Authority to attempt something as ambitious and given that any allocation of such budgets has yet to be agreed.

## **Way Forward**

Given some of the above issues the potential way forward is to hold three meetings each time for the autumn and January rounds but vary between general and themed meetings.

Therefore, a draft Budget Consultation programme be :

- Late October / Early November 2009 (three general meetings for stakeholders and the public)
  - LGR update
  - Introduction to a new approach to consultation and timetable
  - The financial context
  - Briefing regarding Interim Sustainable Community Strategy and Corporate Plan Priorities
  - Consideration of high level policy issues set out in briefing document
  - Feedback from consultees on strategy and policy issues
  - Questions
  - Where next
- January 2010 (three thematic meetings for stakeholders and the public)
  - Feedback from last time
  - Share revised proposals plus briefing with consultees and set out any changes from previous set
  - Brief on issues
  - Consultation feedback
  - Questions
  - Where next

**OUTLINE OF LATE OCTOBER HIGH LEVEL CONSULTATION DOCUMENT**

**Consultation on Corporate Plan and Policy Issues  
for Cheshire East Council**

**Introduction**

- Welcome to Cheshire East Council from Leader / Chief Executive.
- LGR process so far and key achievements / values.
- Consultation process and purpose of this booklet.

**Section 1**

- The Financial Context (Available funding):
  - Inherited budgets, LGR savings and policy commitments
  - 2010-11 Indicative Budgets
  - Available funding and Council Tax levels
  - Net position
  - Responding to the Chancellor's Budget, economic conditions, etc.

**Section 2**

- Outline of the Corporate Plan (What do we want to do):
  - Background
  - Priority areas and key messages  
(one-two sides per priority / theme)

**Section 3**

- Delivery (How we do it)
  - Service delivery issues / options and request for consultee feedback.

**Section 4**

- Have your say
- Where next

# DRAFT

## APPENDIX E – ANNEX 3

### SUGGESTED PRESENTATION FOR POLICY / BUDGET OPTIONS FOR 2010-13 (SUBMISSION IN SEPTEMBER)

Department / Service Area			2009-10 Base Budget of £xm 2009-10 Staffing Levels of x FTE							
Policy and Budget Options	Analysis	Link to Corp. Plan	Financial Impact				Staffing Impact			
			2010-11 £'000	2011-12 £'000	2012-13 £'000	TOTAL £'000	2010-11 FTE	2011-12 FTE	2012-13 FTE	TOTAL FTE
<b><u>Investment / Cost Pressures</u></b>										
- Line by line detail of key Policy Options	x	x	x	x	x	x	x	x	x	x
<b><u>Efficiency Savings</u></b>										
- Line by line detail of key Policy Options	x	x	x	x	x	x	x	x	x	x
<b><u>Increase Income</u></b>										
- Line by line detail of key Policy Options	x	x	x	x	x	x	x	x	x	x
<b><u>Service Reductions</u></b>										
- Line by line detail of key Policy Options	x	x	x	x	x	x	x	x	x	x
<b>Sub Total of Policy and Budget Changes</b>			x	x	x	x	x	x	x	x
<b>Other Budget Changes (e.g. inflation)</b>			x	x	x	x	x	x	x	x
<b>TOTAL</b>			x	x	x	x	x	x	x	x

## APPENDIX E – ANNEX 4

**POLICY AND BUDGET PROPOSALS 2010-13:**  
**DRAFT KEY ISSUES FORM (SUBMISSION IN DECEMBER)**

Department:

Service:

Policy Option Narrative:

	2010-11 £000	2011-12 £000	2012-13 £000	Total £000
Financial Impact: (provide details)				
	FTE	FTE	FTE	FTE
Staffing Impact: (provide details)				

(These figures should reconcile to the latest Policy and Budget tables)

**Proposed method of implementation and timescale:**

**Key Consequences / Risks / Impact on Service Users:**

**Other Financial Implications (e.g. redundancy costs, capital investment):**



# CAPITAL STRATEGY 2009-2013



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## 1. INTRODUCTION

- 1.1 The Capital Strategy sets out Cheshire East's approach to capital investment and disposals and how it makes decisions in respect of all types of capital assets. This document links closely with the Council's Corporate Asset Management Plan (AMP) and shows how the Council is prioritising, targeting and measuring the performance of its limited capital resources so that it maximises the value of that investment to support the achievement of its key cross-cutting activities, initiatives and local and national priorities.

The Council owns a substantial portfolio of over 600 major property assets, with a combined asset value of £440m, which will assist in the delivery of a wide range of services to the people of Cheshire East.

- 1.2 The Capital Strategy is intended to:

- Ensure that the investment of capital resources contributes to the achievement of the authority's key objectives and priorities that are detailed in their community plans and strategies
- Influence and encourage partnership working, both locally and nationally
- Reflect the visions and aspirations of local people for service delivery and recognise the potential for others to contribute ideas and resources
- Determine priorities between the various services and look for opportunities for cross-cutting and joined-up investment
- Encourage improvement and innovation in asset use, procurement and disposal
- Ensure revenue, capital and whole life costs are fully considered
- Describe how the deployment of capital resources contributes to the achievement of the described goals
- Encourage the consideration and use of a wide range of funding sources
- Promote, in conjunction with the AMP, corporate ownership and prudential consideration of property issues.

- 1.3 The Capital Strategy sets out:

- The link to key corporate documents, in particular the Corporate Plan, Sustainable Community Strategy and Asset Management Plan.
- How the authority's plans are influenced by partners, and details of key partners
- How capital schemes are identified to meet those priorities
- How the choice is made between schemes competing for limited resources
- The framework for managing and monitoring the capital programme
- The process for post implementation review
- A summary of the Council's approved Capital Programme
- Sources of external funding and the impact of the programme on the revenue budget

- 1.4 In 2009-10 the capital planning process was undertaken late and separately from the revenue process. Members were only involved in the final stages, along with Directors, and discussed a number of high level issues, including Council priorities and limited funding. In the future, the capital planning process will be considered to the same timescale as the revenue budget process and treated as a key issue for service transformation.
- 1.5 The 2008-09 capital outturn position has now been finalised, and on-going commitments have been reviewed, along with funding assumptions. A first quarter review will be undertaken in July reporting back to Members on an exception basis. Members will also be asked to approve a revised in-year budget.

## **2. PRIORITIES AND TARGETS**

- 2.1 The effective management of capital is key to the delivery of the Council's priorities and the Capital Strategy outlines how limited capital resources are allocated to help achieve these priorities.

### **The Corporate Plan**

The overarching criterion for assessing capital investment bids is the extent to which they will deliver on the Council's key objectives as outlined in the Corporate Plan and detailed below:

### **Corporate Plan Objectives**

- enabling all children and young people to fulfil their potential.
  - improving the wellbeing, health and care of people.
  - ensuring that people in local communities have a greater say about how resources are targeted in their area
  - working with others to make all of our communities safer places to live, work and play
  - enabling people to have a good quality of life irrespective of where they live or the social or economic background
  - shaping and maintaining strong and prosperous neighbourhoods in which our residents are skilled and economically active, where businesses want to invest and where people want to visit.
  - providing an attractive and sustainable environment which communities can be proud.
- 2.2 The Corporate Plan has been developed to set service direction for 2009-10 and has used the wider community priorities outlined in the draft Cheshire East Sustainable Community Strategy. The priorities were developed in

partnership and informed by the six borough Sustainable Community Strategies and various Cheshire wide partnerships. The current priorities and targets for Cheshire East are:

- Reducing inequalities / narrowing the gap between the most disadvantaged and successful areas of Cheshire East and sectors of the community
- Addressing the key issues surrounding our ageing population
- Addressing the priority services for children and young people
- Improving access to and availability of affordable and appropriate housing
- Reducing anti-social behaviour, arson and criminal damage
- Reducing re-offending
- Tackling the adverse impact of alcohol (*this is a key Health issue AND Safer issue*)
- Achieving sustainable management of waste resources
- Responding to the challenge of climate change
- Reducing worklessness and improving skills
- Improving road safety and maintenance
- Improving environmental cleanliness
- Maintaining an efficient transport network
- Reducing the risk of industrial and commercial emergencies

### **Medium Term Financial Strategy**

- 2.3 The Capital Strategy forms an integral part of the Councils Medium Term Financial Strategy which provides the financial interpretation of the Councils Corporate Plan. Once a project has been approved and included in the Capital Programme the revenue implications of the capital expenditure need to be built into the revenue budgets included in the Medium Term Financial Strategy.

### **Service Business Plans**

- 2.4 The strategic priorities feed into the establishment of service priorities for departments. These service priorities are set out in service business plans which are currently being developed and from these plans potential capital schemes are identified for inclusion in the capital programme.

## **3. CONSULTATION**

- 3.1 The Council consults local residents and other stakeholders each year on a whole range of issues. The setting of the Council Tax at an affordable and sustainable level is important to our residents, but this has to be balanced with their demands for service improvement in certain areas. Our aim is to become more accountable to our customers and to make our decision-making processes more transparent.
- 3.2 During the year there will be a number of training sessions, which will assist Members when having to prioritise capital schemes. Advice will also be

given on assessing affordability of schemes and the options available to them when there are no external funding sources.

#### **4. ASSET MANAGEMENT**

- 4.1 The Asset Management Plan (AMP) forms an important part of the Council's policy framework, identifying how the Council's property portfolio can best be used to deliver the outcomes referred to previously.
- 4.2 Effective asset management planning is a crucial corporate activity if a local authority is to achieve its corporate and service aims and objectives and deliver its services. Its importance is recognised by the Government, which has produced guidelines on asset management planning in local government. Furthermore, the Comprehensive Area Assessment (CAA) includes a formal assessment of how well the organisation manages its asset base and the Council is required to demonstrate that it treats its assets as an integrated corporate resource and to show the extent to which fixed assets are maintained in "fit for purpose" condition.
- 4.3 The Corporate Property Officer role is held by the Asset Manager, who has responsibility to report on all strategic property matters and is the designated Officer overseeing development of the comprehensive Asset Management Plan updated by annual review. All key decisions affecting the Council's property and asset management policies are made by the Portfolio holder for Procurement, Assets and Shared Services.
- 4.4 The Capital Strategy has close links with the AMP, particularly in terms of current and recently completed capital schemes and asset disposals.
- 4.5 The AMP will aim to achieve the best use of resources through:
- continuously assessing the condition of properties in order to quantify and prioritise maintenance spending to improve the condition of the portfolio.
  - undertaking whole life costing on major building projects to obtain the best balance between capital and revenue expenditure.
  - Continuously monitoring property performance, energy and running cost to optimise use and improve efficiency.
  - Maximising receipts from redundant properties for reinvestment in service delivery and modernisation.
- 4.6 A separate budget will be allocated for building maintenance. This budget will be delegated to the Head of Asset Management and will fund the planned and reactive maintenance programme. Any bids for funding from services should be presented to the Head of Asset Management who will assess the level of priority and urgency, and if appropriate authorise expenditure. Finance staff will support the Asset Management service and present a financial update report to the Capital Appraisal and Monitoring Group on a regular basis.

## **5.0 ICT**

- 5.1 Cheshire East, as a new local authority, has the opportunity to break new ground in using Information & Communications Technology to improve processes. Every service Cheshire East provides will benefit from the innovative approach to ICT to which Cheshire East is committed. This includes the development of partnerships with other organisations ranging from our immediate geographical neighbours such as Cheshire West and Chester, through partners in service delivery such as the NHS, Police and Fire, through to partnerships with the voluntary and private sectors.
- 5.2 The ICT service currently relies on revenue and capital from a number of different sources in order to run services and deliver its programme of work. Project work is financed by Capital funding and staffing costs are recharged to the capital programme.
- 5.3 Capital costs are funded by capital reserves, unsupported prudential borrowings and grants. The use of the capital reserve to fund significant new ICT investment is not sustainable over the medium term and as a result, the use of unsupported borrowings is likely to increase which will have a revenue impact.
- 5.4 Cheshire East inherits three data centres which are wholly owned and used exclusively by Cheshire East (Macclesfield Town hall, Sandbach Westfields and Crewe). It also shares the use of other data centres with Cheshire West and Chester (County Hall, Backford Hall, Minerva Avenue and Chester Town Hall). This mixed estate of data centres presents a clear opportunity to reduce ongoing costs and to improve resilience through rationalisation and harmonisation.

## **6. HIGHWAYS – LOCAL TRANSPORT PLAN**

- 6.1 Cheshire East is allocated resources for capital expenditure in respect of Maintenance and Integrated Transport in support of the objectives set out in the Local Transport Plan. The Department for Transport guidelines indicate that the priorities are improving accessibility and public transport, tackling congestion and pollution, reducing the problems of road safety and effective asset management to improve road conditions. Although local discretion can be applied in the use of this funding, their use needs to reflect these national guidelines and priorities.
- 6.2 The Cabinet meeting of 19 May 2009 considered the detailed programmes of work for both revenue and capital expenditure for 2009-10 and delegated authority to the Portfolio Holder for Environment Services to review and make local changes to these programmes during the course of the year taking into account local views and priorities, and road condition data.
- 6.3 The following protocol has been designed to improve local consultation and decision making.

## **Highway Operations Improvement Schemes Consultation Protocol**

This Protocol will be used as a basis to provide local members the opportunity to be involved in the decision making of local priorities for highway and traffic improvement schemes.

1. Officers will consult local Ward Members to discuss local issues relating to highway improvements.
2. Officers will provide information and options to the ward members who will then put forward a list of priorities for the Ward.
3. Officers will collate all the improvement schemes and where possible provide estimated budgets.
4. Consultation with Local Area Partnerships will also take place to ensure appropriate priorities are being developed for each area. Local Area Partnerships will also be encouraged to consider schemes which cross Ward boundaries within their area and comment on relative priorities.
5. The emerging prioritised lists will be considered by the Portfolio Holder within the limits of the overall Local Transport Plan capital budget and highway maintenance revenue budget.
6. A prioritised list of improvement schemes will then be maintained for use when developing future programmes of work.

## **7. THE CAPITAL PROGRAMME**

- 7.1 A summary of Cheshire East's approved capital programme for 2009-10 (£97.2m) is shown in Annex 1, together with details of the funding sources. Over half of the programme (52%) is funded from external sources (grants, contributions), the remainder is funded from borrowing, linked capital receipts and revenue contributions.

Some of the major capital schemes for 2009-10 include:

- Amalgamation of Cledford Infant / Nursery and Junior schools on the Junior school site
- Alderley Edge By-Pass Scheme Implementation
- Libraries (radio frequency identification of books) – purchase of self service terminals in libraries
- Introduction of a single revenue and benefits system
- Essential replacement of core ICT infrastructure
- Flexible and mobile working programme

## **8. IDENTIFYING AND PRIORITISING CAPITAL SCHEMES**

- 8.1 For each of our portfolios and service priorities, we have reviewed our main aims and outcomes through the AMP process and identified those that require the use of capital assets. Our primary concern is to ensure that capital investment matches the Councils overall priorities as set out in the Corporate Plan. From our AMP and the various service strategies developed with partners to achieve our aims, we identify annually the need for new capital schemes. Schemes go through a four-stage process:

- Scheme identification from service strategies / AMP
  - Inclusions in the Capital Programme following scheme appraisal and prioritisation
  - Scheme implementation through Capital Programme procedures, including regular monitoring
  - Post-implementation review to ensure the scheme achieved its stated aims and was implemented to plan
- 8.2 Annex 2 shows the annual planning process for 2010-13, including key dates.
- 8.3 In the annual planning cycle, a formal project appraisal system is used, which comprises an appraisal form evaluated in conjunction with a weighted scoring system. This underpins the annual prioritisation process for new capital schemes. The appraisal form is completed by the relevant project manager for each prospective new capital scheme and submitted to the relevant departmental Management team for overall ranking in comparison to other schemes put forward by that department.
- 8.4 The main criteria on which schemes are evaluated include:
- Meeting the Corporate Objectives
  - Headline Financial Implications
  - Impact Assessment
  - Risk Analysis
- 8.5 The appraisal form and criteria for prioritisation are attached as Annexes 3 and 4. These documents are currently being road-tested and will be adapted as required to make them effective working documents.
- 8.6 The schemes will receive an initial assessment by the Capital Appraisal and Monitoring Group (CAMG) who will assess the viability of the scheme and provide guidance on technical, legal and planning issues to Project Leads. The CAMG will consist of officers from Asset Management, Corporate Finance and the Strategy and External Funding Finance Lead. Professional expertise from Engineering, Planning, Legal and Procurement will be drawn on as required and external consultancy services will be procured for feasibility studies, option appraisals etc where internal resources and / or expertise are not available. The CAMG will carry out an initial prioritisation of schemes in consultation with Service Directors.
- 8.7 Capital bids from all departments will be considered by the Capital Asset Group (CAG) and placed into overall priority order having due consideration to Council priorities and the estimated resources available. The Capital Asset Group will consist of the Borough Treasurer and Head of Assets, Head of Finance, Head of Asset Management, representation from the CAMG and the relevant service capital leads.



- 8.8 The Capital Asset Group will provide an interface between Cabinet and Officers and their remit will be to:
- Oversee the preparation and review of the three year capital strategy.
  - Oversee the management and monitoring of the capital programme through the Capital Appraisal and Monitoring Group.
  - Review available resources and affordability.
  - Update and review the Asset Disposal Plan
- 8.9 A list of capital projects will then be submitted to a Capital Scrutiny Panel for member scrutiny. The Capital Scrutiny Panel will consist of the Borough Treasurer, the Head of Asset Management, the Leader of the Council, the Portfolio Holder for Resources and the Portfolio Holder for Procurement, Assets and Shared Services. The Panel will meet with the relevant Directors and Portfolio Holders to challenge and review the prioritisation of capital schemes.
- 8.10 The initial list of projects usually exceeds the estimated funding available. Options for bridging the affordability gap include; exploring the possibility of external funding sources, prudential borrowing, downsizing the programme, deferring schemes until a later year, or deleting the scheme from the programme.
- 8.11 Finally, a list of schemes recommended by the Capital Scrutiny Panel will be submitted to members as part of the consultation process and then to the Cabinet in February for approval in the Capital Programme.

## **9. KEY PARTNERSHIPS AND PARTNERS**

- 9.1 Cheshire East is looking to work actively in partnership with others to achieve our separate and collective aims. This can include contributing funds to the Capital Programme of others to deliver explicit outcomes for local people. It can include receiving contributions from others towards our own capital schemes, it can also include forming partnership structures with several bodies to fund a range of projects that deliver multiple outcomes.
- 9.2 The Cheshire East Local Strategic Partnership has been established to coordinate more effective partnership working at strategic and local levels. The Executive Board is made up of representatives from Cheshire East Council, Cheshire Constabulary, Cheshire Fire & Rescue, Central & Eastern Cheshire PCT, Cheshire East Third Sector Congress, Cheshire East Housing Delivery Partnership, South Cheshire Chamber of Commerce and Manchester Metropolitan University.
- 9.3 The Executive Board is supported by five thematic partnerships for Crime & Disorder Reduction, the Children's Trust, Health & Well-Being, Economic Development, Learning & Skills and Environmental Sustainability.
- 9.4 The Partnership is working to deliver the interim Sustainable Community Strategy for the borough, but will be developing a new Cheshire East vision

and strategy by mid 2010. In turn, this will inform the Council's Corporate Plan and priorities.

## **10. MONITORING CAPITAL PROGRAMME PERFORMANCE**

- 10.1 The Capital Programme will be monitored regularly throughout the year. Progress updates will be submitted to Cabinet on a quarterly basis as part of the financial reporting procedure. The monitoring process will focus on the main issues affecting each service, update progress on the Capital Programme, provide explanations of major variances between the in-year budget and latest forecasts and request Members to approve Supplementary Capital Estimates (SCE's) and Virements.
- 10.2 Progress on individual schemes within the Capital Programme will be monitored monthly by the project leads and service accountants who will provide regular reports to the Capital Appraisal and Monitoring Group (CAMG).
- 10.3 Major capital schemes will be subject to a post-implementation review within one year of completion. These reports will focus on financial performance and also evaluate the non-financial objectives. Post implementation reviews provide valuable benchmarking information and assist in ensuring that project outcomes are measured against initial project goals.

## **11. FUNDING, PROCUREMENT & REVENUE IMPLICATIONS**

- 11.1 Cheshire East's Capital Programme is funded from a number of sources, including government grants, capital receipts, external contributions, revenue contributions, borrowing and the capital reserve. The timings and amounts of both capital expenditure and receipts are difficult to predict with any certainty and this is reflected in the fact that both the financial forecasts and Capital Programme are constantly changing.
- 11.2 The Council's Capital Receipts Policy will ensure that receipts are used in the most beneficial way to support corporate priorities and strategic objectives of the Council. The policy is intended to separate the use of resources from the means of acquiring resources therefore supporting the strategic approach to capital investment. This will mean that all non-linked receipts will be pooled centrally and allocation to capital projects will be via the Capital Asset Group.
- 11.3 In order to fund those services which are not in receipt of Single Capital Pot funding, a 5% top slice will be taken from departmental allocations and this, along with usable non linked receipts and a revenue contribution to capital will be used to fund the "Corporate and Cross Cutting Pot".
- 11.4 Where possible, external funding is sought for capital schemes. This is important because of service pressures on budgets, diminishing capital resources, and the contribution that income from interest on our capital balances makes to our revenue expenditure; external funding helps us

achieve more. Often this includes bidding to government and its agencies for resources.

- 11.5 As part of the budget setting process for 2009-10 the Council agreed to undertake prudential borrowing. The Council is conscious of the impact of repayment costs on the revenue budget and will only consider a limited number of schemes where departments submit strong business cases and can demonstrate revenue savings to service the additional debt. As Prudential Borrowing which does not generate efficiency savings is funded wholly from Council Tax, it should only be used where it can be demonstrated that it is affordable and sustainable in the long term.
- 11.6 Some capital schemes generate a revenue cost, with a consequent wider impact on the Council's resources and ability to deliver services. Wherever possible, the lifecycle revenue costs of schemes will be kept to a minimum. If there are revenue costs, these need to be brought out in the Capital Business Case, and priority is likely to be given to those schemes where revenue savings will be generated over a period of time, i.e. invest to save schemes.
- 11.7 Local Public Service Agreements (LPSA's) form a government initiative whereby demanding performance targets are set to deliver real improvements for local people through partnership working with District Councils and other organisations. Success attracts performance reward grant and for 2009-10 Cheshire East Council was awarded £2.5m, which is split between capital and revenue (50% each).
- 11.8 The capital process will include strong links with the Procurement Section to ensure modern procurement practice is adopted that is innovative, targeted and efficient. Cheshire East has adopted a Sustainable Procurement policy which is about the optimum combination of environmental, social and economic considerations.
- 11.9 The procedures for the approval, control, monitoring and procurement of capital schemes are detailed within the Authority's Financial Regulations. The Council actively considers other forms of procurement including joint procurement with other local authorities and the Private Finance Initiative (PFI), and Public / Private Partnerships (PPP), which can also be used to lever in private sector capital.

## **12. CONCLUSION**

- 12.1 The Capital Strategy will be a means of consulting and communicating with our partners, local people and businesses about capital priorities to deliver the vision in our Corporate Plan, and to assist in the continuous improvement of our services. It will be linked to all the Council's plans and strategies and by the Council's Service and Corporate AMP's. The Capital Strategy and the AMP will both take account of and join up the capital consequences of all the Council's other plans and together represent a realistic, costed three year programme linking capital assets to outputs. They will enable property to continue to provide best value in the future by

continuing to review and establish performance indicators and setting performance targets and ensuring that these are monitored effectively.

**13 ANNEXES**

- 1 Capital Programme 2009-2012
- 2 Annual Planning Process
- 3 Appraisal Form
- 4 Capital Scheme Comparison Model

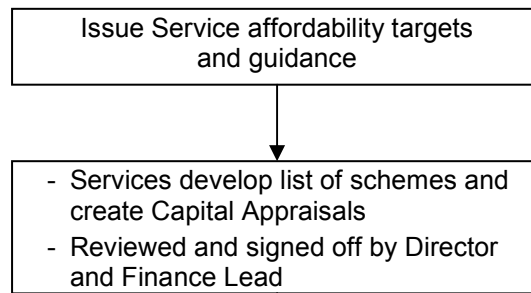
Capital Programme 2009-10 - 2011-12

	2009-10 £000	2010-11 £000	2011-12 £000
<b>People</b>			
<i>New Starts</i>			
Children & Families	9,789	16,111	12,606
Adult Services	1,456	376	4,402
Health & Well-being	45	110	165
<i>Committed Schemes from earlier year starts</i>	25,972	14,442	3,826
<b>Total Capital Programme - People</b>	<b>37,262</b>	<b>31,039</b>	<b>20,999</b>
<b>Places</b>			
<i>New Starts</i>			
Environmental Services	8,627	8,522	7,349
Safer & Stronger Communities	130	155	105
Regeneration	4,913	5,191	5,167
Planning & Policy	2,840	1,884	1,884
<i>Committed Schemes from earlier year starts</i>	24,235	14,501	9,440
<b>Total Capital Programme - Places</b>	<b>40,745</b>	<b>30,253</b>	<b>23,945</b>
<b>Performance &amp; Capacity</b>			
<i>New Starts</i>			
Borough Solicitor	60	0	0
Borough Treasurer & Assets	14,294	1,791	2,633
Policy & Performance	1,705	0	0
<i>Committed Schemes from earlier year starts</i>	3,178	3,580	5,372
<b>Total Capital Programme - P&amp;C</b>	<b>19,237</b>	<b>5,371</b>	<b>8,005</b>
<b>Total Capital Expenditure</b>	<b>97,244</b>	<b>66,663</b>	<b>52,949</b>
<b>FINANCING:</b>			
<b>Sources of funding</b>			
Non Specific Supported Borrowing (Single Capital Pot)	10,412	12,900	12,188
Ringfenced Supported Borrowing	3,545	334	334
Unsupported (Prudential Borrowing)	14,230	2,586	1,294
Government Grant	44,208	42,209	31,297
Capital Reserve	2,101	3,005	2,692
Linked/Earmarked Capital Receipts	13,102	4,929	4,544
External Contributions	6,388	200	100
Other Revenue Contributions	3,258	500	500
<b>Total Sources of Funding</b>	<b>97,244</b>	<b>66,663</b>	<b>52,949</b>

## **2010-13 Capital Planning Process**

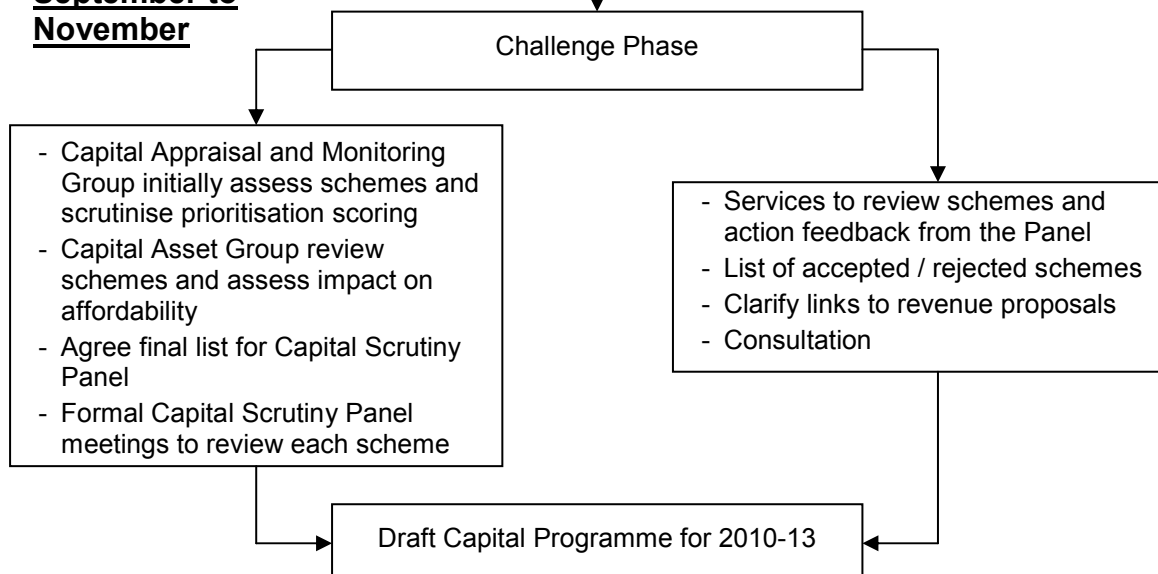
### **Stage 1**

**July to September**



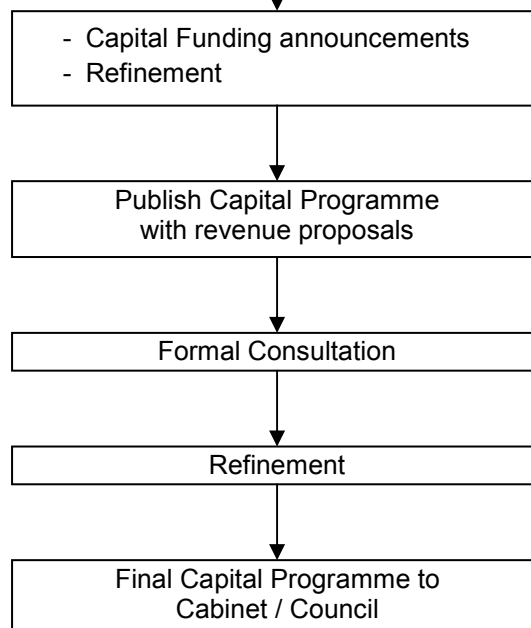
### **Stage 2**

**September to November**



### **Stage 3**

**December to February**



## **CHESHIRE EAST COUNCIL**

### **CAPITAL APPRAISAL FORM**

**PROJECT TITLE****DEPARTMENT****SERVICE****CONTACT OFFICER/  
PROJECT MANAGER****START YEAR OF PROJECT****DESCRIPTION OF PROJECT,  
INCLUDING OBJECTIVES****TOTAL GROSS COSTS  
(£000's)****APPROVAL REQUIRED**

**SECTION A (To be completed for All Projects over £250,000)**

**CATEGORY OF PROJECT & JUSTIFICATION FOR INVESTMENT**

- Statutory
- Invest to save
- Health & Safety
- Service enhancement
- Partnership Working
- Fully funded

**SHOW LINKS TO:**

- Corporate Plan
- Corporate & Departmental AMP
- Other Corporate Documents  
(e.g. Sustainable Community Strategy)

**LIST ANY KEY PERFORMANCE INDICATORS ASSOCIATED WITH THE PROJECT**

**LIST EXPECTED OUTCOMES**



**IMPACT ON REVENUE BUDGET (INCLUDING STAFFING)**

Details required of:

any increases to revenue budgets  
savings, and when they are likely to be achieved

**INTERNAL & EXTERNAL RESOURCES / IMPACT ON OTHER DEPARTMENTS**

Please provide a detailed break-down of all resources required to deliver this project.

Please show the outcome of any consultation with internal service providers and provide evidence of their agreement to the project.

Finally please specifically outline any demand for ICT Resources, with written confirmation that these can be accommodated within ICT plans.

**HAVE EXTERNAL STAKEHOLDERS / PARTNERS BEEN CONSULTED?**

Please state which stakeholders / partners the proposal / project will effect and provide details of the consultation that has taken place with these groups.

If consultation has not already taken place, please provide details of when key groups will be consulted.

How will any opposition to the proposals be managed?

**PRUDENTIAL BORROWING BIDS**

If the project is to be financed from prudential borrowing, how are the financing costs to be met?

**SECTION B - Additional questions to be completed for projects with a gross cost over £2.5m**

**WHAT OTHER OPTIONS HAVE BEEN CONSIDERED?**

Please provide details of the other options that have been considered, including the costs and benefits associated with them and the reasons why they were rejected.

Costs should be on a Net Present Value basis to aid comparison and any weightings used in the quantitative / qualitative analysis should be explained.

**RISK WORKSHOPS**

A risk workshop should be arranged to include all interested parties i.e. project management team, colleagues in Finance, Legal, IT, Property and partner bodies if appropriate.

Make sure that for the highest scored net risks (usually still red after taking account of current controls) you can clearly demonstrate the actions being taken to mitigate.

If you wish to highlight or expand on any of the key risks contained in the option scoring sheet please include below.

## Proposal for investment

## Capital Expenditure &amp; Income

<b>PART A - EXPENDITURE</b>	<b>Total £000'S</b>	<b>2009/10 £000'S</b>	<b>2010/11 £000'S</b>	<b>2011/12 £000'S</b>	<b>2012/13 £000'S</b>
Land/Building Purchase					
Land/Building Appropriation					
Fees					
Construction					
Furniture/Equipment					
Vehicles					
Other Expenditure					
<b>Total Gross Expenditure</b>					
<b>PART B – INCOME</b>					
Supported Borrowing					
Prudential Borrowing					
Grants					
Linked Capital Receipts					
Developer/Other Contributions					
Insurance Reimbursements					
Revenue Contribution					
Other Income					
<b>Total Gross Income</b>					

## Cheshire East ~ Capital Scheme Comparison Model

This document requires completion for all new entries in the corporate capital programme.  
Where a score is required, 0 represents no positive impact from the project, 5 represents achievement of all desired outcomes.

Scores will be weighted to reflect relevant importance of each category.

<b>Project Overview</b>			<b>Action</b>
Financial Year			Info
Scheme Name			Info
<b>Project Sponsors</b>			
Member			Info
Senior Officer			Info
<b>Progress to date</b>			
Capital Appraisal and Monitoring Group			Info
Capital Asset Group			Info
Capital Scrutiny Panel			Info
			Info
Brief Description and purpose of proposal			Info
Project Timescales	from	to	
Feasibility/Draft Stage			Info
Planning			Info
Implementation			Info
Project Closure / Benefits Analysis			Info
<b>Meeting the Corporate Objectives</b>			
	Description	Intended Outcomes of Proposal	<b>Action</b>
Objective 1	We will allow all children and young people to fulfil their potential		Score 0-5
Objective 2	We will improve wellbeing, health and care of people		Score 0-5
Objective 3	We will ensure that people in local		Score 0-5

	communities have a greater say about how resources are targeted in the area		
Objective 4	We will work with others to make all of our communities safer places to live, work and play		Score 0-5
Objective 5	We will enable people to have a good healthy quality of life irrespective of where they live or their social or economic background		Score 0-5
Objective 6	We will shape and maintain strong and prosperous neighbourhoods in which our residents are skilled and economically active, where business want to invest and where people want to visit		Score 0-5
Objective 7	We will provide an attractive and sustainable environment which communities can be proud		Score 0-5
Objective 8	Building a new council		Score 0-5
Note: Score 1 for limited influence on achievement of objective, Score 5 if achieving objective will only be possible if this scheme progresses			
<b>Headline Financial Implications</b>			
	Year 1		
	Expenditure	Income	Net
Staffing	£	£	£
Travel	£	£	£
Premises	£	£	£
3rd Party	£	£	£
Goods & Services	£	£	£
Overall Totals	£££	£££	£££
Next 5 years			
	Expenditure	Income	Net
Staffing	£	£	£
Travel	£	£	£
Premises	£	£	£
3rd Party	£	£	£
Goods & Services	£	£	£
Overall Totals	£££	£££	£££
Net Present Value			
	5 years		Score 0-5
	10 years		Score 0-5
Payback Period			Score 0-5
Funding proposal for net cost			

		Currently Earmarked	New Funding requirement	Total funding requirement	
Funding sources					
	Capital receipts	£	£	£	Score 0-5
	Match funding	£	£	£	Score 0-5
	Partnership Contribution	£	£	£	Score 0-5
	External funding	£	£	£	Score 0-5
	Prudential borrowing	£	£	£	Score 0-5
	Reserves	£	£	£	Score 0-5
	Revenue	£	£	£	Score 0-5
	<b>Totals</b>	£££	£££	£££	
Options Appraisal					
Description			Pros	Cons	Conclusions
Do Nothing					
Recommended Project					
Alternative Projects					
Impact Assessment					
	Impact of proposal (+ / 0 / -)	Evidence / Details			Action
BME's					Score 0-5
Age Groups					Score 0-5
Working/non-working residents					Score 0-5
Legal Obligation					Score 0-5
Health & Safety					Score 0-5
Partnerships					Score 0-5
SME					Score 0-5
Environment					Score 0-5
Risk Analysis					
Description		Mitigating Action	Likelihood	Impact	Action
			H/M/L	H/M/L	
Overall Risk Score					Score 0-5
Summary					

	Score	Comment
Meeting the Corporate Objectives		
Headline Financial Implications		
Impact Assessment		
Risk Analysis		
Overall Total		

**OUTLINE BUDGET SETTING TIMETABLE 2010-13**

A Budget Setting timetable is set out below.

The key aim is to design a process that is manageable in terms of the resources available and clearly sets out what work is required, by when and how it will be used.

The timetable builds on those used previously but brings certain elements forward to meet the needs of earlier Budget Consultation.

Following debate and approval, elements of this will be worked up on more detail.

16 June	MTFS Report considered by Management Team
13 July am	MTFS report to Scrutiny Committee
13 July pm	Member Finance Training – Launch MTFS process.
14 July	MTFS / Business Plan report to Cabinet incl Capital Strategy
Early September	Deadline for service responses to revenue and Capital targets
Late September / Early October	Officer and Member Challenge process
Mid October	Refine revenue and capital options
Late October / Early November	Consult on high level options
November	Further challenge and refinement of policy options
1 December	Cabinet – MTFS update and feedback on Budget Consultation – Key outcomes: <ul style="list-style-type: none"> <li>- Members updated on Financial Scenario, scrutiny results and funding announcements.</li> <li>- Incorporate detailed Budget Consultation comments into Budget deliberations.</li> </ul>
Early December	Finalise and circulate detailed options for Budget Consultation
January 2010	Budget Consultation events
Late January	Finalise and circulate final options for Council
25 February	Full Council – approve MTFS, Budget and Council Tax



## CHESHIRE EAST COUNCIL

### CABINET

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**Date of meeting:** 14 July, 2009

**Report of:** John Weeks, Strategic Director - People

**Title:** Jointness Between the Council and the Primary Care Trust

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#### **1.0 Purpose of Report.**

- 1.1 This paper contains information about work which has been done to promote greater jointness between Cheshire East Council and Central and Eastern Cheshire Primary Care Trust (PCT).
- 1.2 It makes recommendations about the progress of a programme of further work to take that agenda forward.

#### **2.0 Recommendations.**

The Members of the Cabinet are recommended to decide to:-

- 2.1 Agree that the Council should seek to achieve greater jointness between itself and Central and Eastern Cheshire Primary Care Trust (PCT) and other players within the local NHS, where such jointness seems likely to be in the best interests of Cheshire East people.
- 2.2 Authorise the Strategic Director (People) to negotiate with relevant NHS partners about the agenda of Jointness which is set out in Appendix One of this report.
- 2.3 Require the Strategic Director (People) to report to the Health and Adult Social Care Scrutiny Committee on the progress of those negotiations, and to bring before the Cabinet any matters requiring significant decisions.

#### **3.0 Reasons for Recommendations.**

- 3.1 The Council, from its very inception, expressed its commitment to the development of a “virtual public sector” in Cheshire East. The achievement of greater jointness between the Council and its NHS partners would be an important step along the path towards realising that commitment.
- 3.2 Without exception, every policy document issued by central government in recent years has called for much closer working between Local Authorities and the NHS. Greater jointness in Cheshire East would contribute to the implementation of that policy requirement.

**4.0 Wards Affected.**

- 4.1 The ideas set out in Appendix One, if implemented, would be relevant to the whole of Cheshire East.

**5.0 Local Ward Members.**

- 5.1 The potential agenda of jointness is relevant to all Members of the Council.

**6.0 Policy Implications.**

- 6.1 At every stage, as Cabinet Members consider specific recommendations, they will need to assess what impact the implementation of those recommendations is likely to have within Cheshire East upon:-

- Improving the health of the population
- Reducing health inequalities

- 6.2 Some of the options outlined could have significant implications in terms of climate change. If, for example, it was decided that there should be substantial integration of workforces which are currently separate, it is possible that resulting efficiencies might reduce the extent of car travel undertaken, with consequent benefits in terms of reductions in the consumption of finite fuels and in CO<sub>2</sub> emissions.

**7.0 Financial Implications for Transitional Costs.**

- 7.1 There are not likely to be any implications for Transitional Costs.

**8.0 Financial Implications for 2009/10 and Beyond.**

- 8.1 The longer-term financial implications will vary according to the specific recommendations brought forward.

- 8.2 In view of the bleak outlook for the Comprehensive Spending Review settlement of 2011, it is likely that Cabinet Members will want to consider very carefully the Business Cases advanced in support of specific recommendations, to assess whether they will deliver the sorts of efficiency gains which will be needed.

**9.0 Legal Implications**

- 9.1 A number of the potential options would require formal contracts to be entered into and in those cases, of course, it will be necessary to ensure that the interests of the Council are fully protected.

**10.0 Risk Management.**

- 10.1 Particular Risk Assessments will need to be carried out for each initiative, as it is proposed.

## **11.0 Background and Options**

- 11.1 In the Autumn of 2008 discussions about jointness took place between the Leader of the Council, Councillor Wesley Fitzgerald, and the Chair of the PCT Board, Professor Pauline Ong.
- 11.2 One outcome of those discussions was agreement on the value of a joint meeting between the PCT Board and the Cabinet.
- 11.3 The first such meeting took place at Crewe Hall on 13<sup>th</sup> October, 2008. At that meeting presentations were made by the Council's Chief Executive, Erika Wenzel, and by the Chief Executive of the PCT, Mike Pyrah. Some productive discussion took place in small groups between Board and Cabinet members.
- 11.4 At the October, 2008 joint meeting a large measure of agreement was reached about the desirability of achieving greater jointness between the two organisations.
- 11.5 Subsequently, as part of a process of contact and trust building, the Chief Executive of the Council had meetings with a variety of players within the local NHS community:-
  - Peter Cubbon, the Chief Executive of the Cheshire and Wirral Partnership Trust |(a provider of NHS Mental Health and Learning Disability Services).
  - Phil Morley and John Moran, the Chief Executive and Board Chairman at Leighton Hospital, Crewe.
  - Cathy Cowell, Board Chair at Macclesfield Hospital.
- 11.6 Councillor Fitzgerald and Professor Ong have continued to meet at intervals. They jointly commissioned the PCT Chief Executive and the Strategic Director (People) to:-
  - 11.6.1 Map out the potential dimensions of jointness.
  - 11.6.2 Make proposals about actions to make progress along those dimensions.
- 11.7 A second joint meeting of the PCT Board and the Cabinet took place at Wychwood Park on 27<sup>th</sup> April, 2009. At that joint meeting the PCT Chief Executive and the Strategic Director (People) presented a joint paper, "Dimensions of Jointness". A copy of that paper is in Appendix One.
- 11.8 The joint paper was warmly welcomed by the PCT Board and the Cabinet. A number of specific actions were commissioned immediately in response to its proposals:-
  - 11.8.1 The PCT Chief Executive and the Strategic Director (People) were asked to ensure that work was done to develop a joint approach to

accommodation. Richard Mirson of the PCT and Arthur Pritchard of the Council have been commissioned to do that, starting with a focus upon Congleton.

- 11.8.2 Draft Terms of Reference for a Health and Wellbeing Thematic Partnership are now out and being consulted upon.
- 11.8.3 At the Cabinet Briefing meeting on 2<sup>nd</sup> June, 2009 John Barrett, the Council's ICT Manager, reported on the positive progress being Made in negotiations with Tracey Harding, the PCT's Lead Manager on ICT.
- 11.9 On the other hand, the proposal for the development of a Joint Leadership Academy did not find favour.
- 11.10 The joint meeting agreed that the PCT Chief Executive should formally present The joint paper to his Board and that the Strategic Director (People) should Present it to the Cabinet of the Council

## **12.0 Overview of Year One and Term One Issues.**

- 12.1 The jointness agenda should be evaluated in terms of the benefits which it has the potential to deliver for local people, but it is also clear that the financial context which can be anticipated for Public Sector services will inevitably focus even sharper attention upon the challenge of taking costs out of the whole system.
- 12.2 That is likely to become an increasing preoccupation of the Council throughout its first Term.

## **13.0 Access to Information.**

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Designation: Strategic Director – People  
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E mail: [john.weeks@cheshireeast.gov.uk](mailto:john.weeks@cheshireeast.gov.uk)

**CHESHIRE EAST COUNCIL****REPORT TO: Cabinet**


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<b>Date of Meeting:</b>	14 July 2009
<b>Report of:</b>	John Weeks Strategic Director People Directorate.
<b>Subject/Title:</b>	Lifelong Learning/Adult and Community Learning Grant.

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**1.0 Report Summary:**

The decision being sought is for a Supplementary Revenue Estimate for £814.823 fully funded by Adult Learning Grant from the Learning and Skills Council.

This is a regular grant that the Local Authority receives, but as it was not included when settling Cheshire East Children's Budget, approval is now sought.

**1. The grant must be spent on delivering learning key areas:**

**Personal and Community Development – PCDL:** Learning for personal development, cultural enrichment, intellectual or creative stimulation and for enjoyment. **Neighbourhood Learning in Deprived Communities – NLDC:** Focused on the voluntary and community sector. Develops initiatives to address worklessness and build capacity in communities. **First Steps Provision:** Learning as a planned entry point into skills development. **Family Learning:** aimed at engaging and introducing new learners to 'Help your Child' type courses and Skills for Life qualifications in maths and English at L2 and below.

**2.0 Recommendations:**

2.1 Accept funds from LSC which will be available up to 31<sup>st</sup> July 2010.

**3.0 Reasons for Recommendations:**

- 3.1 Need to deliver and commission delivery to over 7000 new adult learners (over 19 yrs.) 01/08/09-31/07/10.
- 3.2 Part of Adult Learner Safeguard funds from Government which Cheshire East Council has responsibility to deliver.
- Adult Learning Inspectorate inspection of 2007: awarded grade 2, particular strengths around commitment and partnerships.
  - Self Assessment Report SAR 2007/8 graded Skills for Life team: Move On Team as 'Outstanding'
  - Nationally recognised Skills for Life team consistently asked to demonstrate to other providers their effective practice. Cheshire East Lifelong Learning Team maintains a City and Guilds centre.
  - Matrix Standards: accredited provider of information, advice and guidance. Rated as an excellent quality standard service provider.

**4.0 Wards Affected:**

4.1 Delivery across all wards but focused on disadvantaged areas and low skilled people. (apart from PCDL)

**5.0 Local Ward Members:**

5.1 All

**6.0 Policy Implications including**

6.1 None

**7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer):**

7.1 None

**8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer):**

8.1 No funds to deliver adult learning if these funds are not accepted.

**9.0 Legal Implications (Authorised by the Borough Solicitor):**

9.1 Acceptance of the grant will enable the Authority to meet its obligations to Adult Learners. The money must be spent in accordance with the terms of grant to deliver the key learning areas set out above.

**10.0 Risk Management:**

10.1 Lifelong Learning team maintained from received Learning Skills Council funds - team in place through disaggregation.

- Data must be delivered through specified systems – managed through shared service.
- Partnership working key to success and linked to LSP – managed through established Lifelong Learning Partnership

**11.0 Background and Options:**

11.1 Cheshire East has a role, through their responsibility for pre-school development, educational attainment within schools, ensuring the delivery of the 14-19 entitlement, and through their duty around quality of life, well-being and economic development to ensure that all people; children and adults; throughout their lives, have access to a broad range of high quality learning opportunities.

- Agree recommendations to receive the grant and progress as outlined.
- Not agree the funds and the outlined service provision could not be delivered in full and other funding would need to be sought.

**12.0 Overview of Year One and Term One Issues:**

12.1 As outlined within Lifelong Learning Strategy 2009.

**13.0 Access to Information:**

Lesley Arrowsmith: [Lesley.arrowsmith@cheshireeast.gov.uk](mailto:Lesley.arrowsmith@cheshireeast.gov.uk)

The background papers relating to this report can be inspected by contacting the report writer:

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CHESHIRE EAST COUNCIL

## REPORT TO: Cabinet

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**Date of Meeting:** 14 July 2009  
**Report of:** Internal Audit Manager  
**Subject/Title:** Risk Management and Business Continuity Strategies

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### 1.0 Report Summary

- 1.1 In order to take risk management forward and compile the Corporate Strategic risk register, a risk management strategy has been produced. This includes a suggested framework and summarises roles and responsibilities. A business continuity strategy is also included.
- 1.2 The Governance and Constitution Committee has been consulted on the strategy and appendices and resolved to recommend the strategy for Cabinet approval. A discussion took place about member involvement in the Corporate Risk Management group (Appendix A) and the Committee felt that a member should be present on the Corporate Risk Management group.

### 2.0 Recommendations

- 2.1 To approve the Risk Management and Business Continuity Strategies (incl Appendices).
- 2.2 To delegate responsibility for liaison with the Corporate Risk Management Group to the portfolio holder for Performance and Capacity.

### 3.0 Reasons for Recommendations

- 3.1 Risk management is a fundamental element of corporate governance, which is integral to and must be incorporated into all areas of the Council's activities - strategic, operational, programmes, projects and partnerships. Business Continuity Management, aimed at ensuring the Council is a resilient organisation, capable of delivering its critical services regardless of any unforeseen event, is an essential element of risk management, and should be managed within the risk management framework.

**Appendix 1** (Risk Management Strategy) and **Appendix 2** (Business Continuity Strategy) outline the proposed approach to managing risk and business continuity within Cheshire East Borough Council. A key part of both strategies is a high degree of commitment to and clearly defined

roles and responsibilities for effective risk management at all levels and across all activities within the organisation. **Appendix A** outlines the proposed risk management framework, with the Corporate Risk Management Group playing a pivotal role in the coordination and management of risks within the Council. **Appendix B** provides more detail about the roles and responsibilities of individual groups.

- 3.2** Services are currently in the process of developing Service Plans and Service (Operational) Risk Registers and these are due to be completed and agreed by the end of June 2009.

It is proposed that the Strategic Risk Register is developed from these Service Risk Registers and coordinated by the Corporate Risk Management Group, to be agreed by all relevant stakeholders by 31<sup>st</sup> July, 2009.

**4.0 Wards Affected**

- 4.1 All

**5.0 Local Ward Members**

- 5.1 n/a

**6.0 Policy Implications including - Climate change  
- Health**

- 6.1 The risk management strategy and its implementation is an integral part of the management of the authority and its mechanisms to deliver its objectives and outcomes. Included in this are key policy areas, corporate priorities, service delivery objectives and transformation projects. A properly implemented strategy and framework for risk management is a supporting system to the overall achievements of the Council.

**7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

- 7.1 None

**8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

- 8.1 None

**9.0 Legal Implications (Authorised by the Borough Solicitor)**



9.1 No specific legal implications

**10.0 Risk Management**

10.1 The report relates to overall risk management.

**11.0 Background and Options**

11.1 N/a

**12.0 Overview of Year One and Term One Issues**

12.1 N/a

**13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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## **APPENDIX 1**

### **CHESHIRE EAST BOROUGH COUNCIL**

#### **RISK MANAGEMENT STRATEGY**

##### **1.0 Purpose**

The purpose of this strategy is to clearly outline the Council's commitment to risk management, describe the objectives of risk management and provide a framework for embedding risk management across the organization, with defined roles and responsibilities and a structured process.

The strategy does not contain detailed methodologies and processes as these will be developed by the Corporate Risk Management group and will be adaptable as the authority develops.

##### **2.0 Commitment to Risk Management**

2.1 Risk Management is one of the principal elements of Corporate Governance and a key contributor to ensuring a sound internal control environment. Through the implementation and embedding of an effective Risk Management framework, Cheshire East Borough Council will ensure that it is better placed to manage its performance, achieve its corporate objectives and provide an enhanced level of service to the community.

2.2 The Council will develop and maintain a systematic framework and process for managing strategic, operational, programme, project and partnership risks and review this framework annually. This will include assessing risks for likelihood and impact, identifying and allocating responsibility for their mitigation, and receiving assurances about the management of these risks.

2.3 The key benefits of an effective framework and a strong risk management culture throughout the organisation are:

- A consistent focus on what needs to be done to achieve our objectives
- Enhanced partnership working to identify, manage and mitigate the risks facing the community
- Improvements in meeting the needs of the community, minimising complaints and achieving improvements in service delivery
- Support the use of innovative approaches to improving outcomes and better value for public money
- Better management of change programmes

- Greater control of insurance costs
- Protect and enhance the reputation of the Council
- Anticipate and respond to changing social, environmental and legislative requirements

2.4 Cheshire East is committed to genuinely embedding risk management and all Members, employees, service providers, partners and stakeholders are encouraged and expected to commit to developing the culture, ethos and practice of effective risk management in every activity which they undertake. The approach will focus on pragmatic, meaningful assessment and treatment of risks and will discourage the capturing of generic, intangible corporate risks.

### **3.0 Objectives of the Risk Management Approach**

3.1 The six key objectives are to:

- Embed Risk Management into the ethos, culture, policies and practices of the Council.
- Ensure the Council successfully manages risks and opportunities at all levels – strategic, operational, programme, project and partnership.
- Manage risk in accordance with all statutory and best practice requirements.
- Ensure that Risk Management is a key and effective contributor to Corporate Governance and the Annual Governance Statement.
- Clearly identify roles and responsibilities, and ensure that all parties understand how they should contribute to effective risk management
- Ensure that Risk Management helps to secure effective arrangements to identify and achieve successful local and national priority outcomes.

## **4.0 ACHIEVEMENT OF OBJECTIVES**

### **4.1 Embed Risk Management into the ethos, culture, policies and practices of the Council**

(i) Risk Management will be an integral part of and included in the Council's processes, policies and documents, including, but not limited to:

- Constitution
- Local Area Agreement
- Sustainable Community Strategy
- Corporate Plan
- Medium Term Financial Strategy
- Service Planning
- Code of Corporate Governance

- Code of Practice on Procurement
- Project Management and Guidance
- Reports to support key decisions
- Performance Management
- Policy Planning
- Financial Management

- (ii) The co-ordination of risk management will form part of a Compliance Team within Internal Audit. Full consultation and involvement of service managers is integral to the approach. Training and evaluation will be ensure continuous improvement.

**4.2 Ensure the Council successfully manages risks and opportunities at all levels – strategic, operational, programme, project and partnership.**

A Risk Management framework (See Appendix A) will be established and will include:

- Corporate Risk Management Group – responsible for the production of the Corporate Risk Register, and ongoing review, monitoring and reporting of these risks.
- Directorate Risk Management Teams – responsible for producing, reviewing and monitoring Directorate Risk Registers to ensure their responsibilities within the Corporate Risk Register are successfully managed.
- Where appropriate, Service Risk Registers to be produced and reviewed and monitored by the Service/Departmental Management Teams.
- Responsibility for Lead Officers in Partnerships to identify any risks for the Council and to ensure they are appropriately managed. (Guidance to be provided within the Code of Practice on Partnerships.)
- Responsibility for Project Boards and Project Managers to ensure that risk profiles are developed, maintained and managed, in accordance with Project Guidance.
- An effective reporting system to ensure that risks are being identified and effectively managed. This will include reports from the Directorate Risk Management Teams to the Corporate Risk Management Group and from the Corporate Risk Management Group to Cabinet, Governance and Constitution Committee and Corporate Management Team.

**4.3 Manage risk in accordance with all statutory and best practice requirements**

To achieve this, the Council will

- Include any national or best practice guidelines relating to risk management into the framework.
- Engage in relevant risk management forums and benchmarking exercises to identify further opportunities for improvement in our approach

**4.4 Ensure that Risk Management is a key and effective contributor to Corporate Governance and the Annual Governance Statement.**

To achieve this:

- Confirmation will be obtained from the Corporate Governance Review Group, Cabinet, Governance and Constitution Committee and the Audit Commission that the Council's Risk Management Framework is judged to be sufficiently robust, and that assurance statements properly reflect the risk environment and its management of these risks.
- Heads of Service will be required to make statements as to the effectiveness, or otherwise, of their systems for identifying, monitoring and managing corporate and operational risks. This will be confirmed by each Director/Chief Officer signing a Controls Assurance Statement.
- The Corporate Risk Register will be a key factor in internal audit planning.

**4.5 Clearly identify roles and responsibilities, and ensure that all parties understand how they should contribute to effective risk management**

- (i) The Finance Procedure Rules (as part of the constitution) clearly define responsibility for risk management and its implementation under Section C of the procedure rules.
- (ii) The Corporate Risk Management Team and the Directorate Risk Management Teams will ensure that all parties understand their roles and responsibilities in the management of risk within the Council, by:
  - Defining and communicating the roles of all parties. (See Appendix B)
  - Providing appropriate advice, guidance and training to all parties.
  - Well planned and wide ranging communication strategies.

**4.6 Ensure that Risk Management helps to secure effective arrangements to identify and achieve successful local and national priority outcomes.**

To achieve this the Council will:

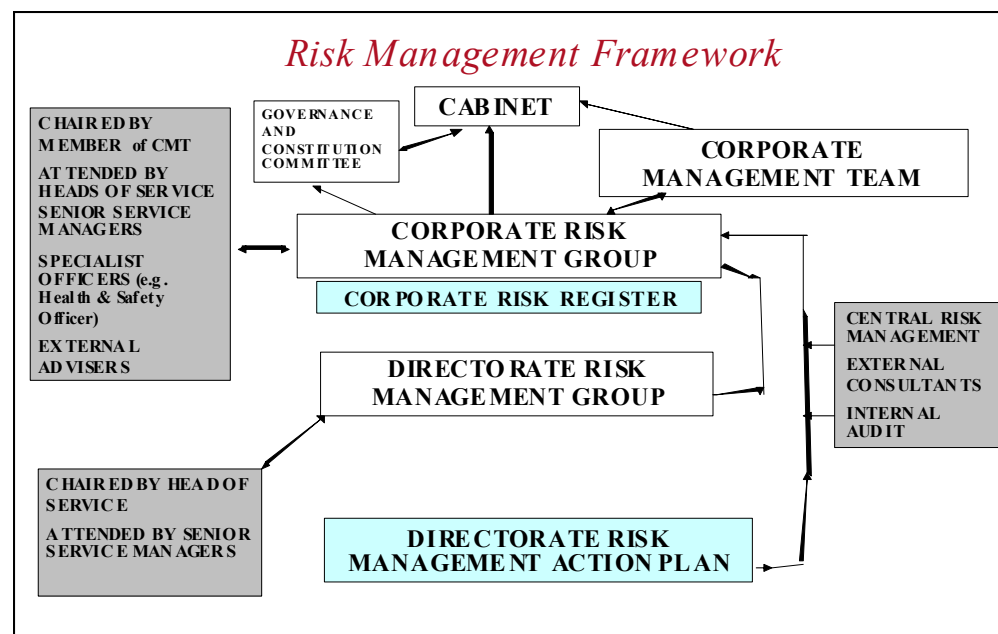
- Identify and manage the risks/barriers to achievement of its objectives and outcomes stated in the Corporate Plan, Local Area Agreement, Local Strategic Partnership and the Sustainable Communities Strategy.
- Ensure risk management is an integral part of service and project planning
- Work in collaboration with partners to ensure a joint successful approach to the management of risks.

**5.0 Review and Continuous Improvement**

- 5.1 This strategy will be reviewed on an annual basis and the effectiveness of the arrangements for managing risk will be considered by the Governance and Constitution Committee in conjunction with the internal audit section.

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## **APPENDIX B**

### **CHESHIRE EAST RISK MANAGEMENT– ROLES AND ESPONSIBILITIES**

#### **MEMBERS**

- Ensure that an effective strategy is in place to manage risks at all levels within the Council
- Understand and take account of the risks associated with any decisions they are required to make
- Appoint a Member Champion/Lead for Risk

#### **MEMBER LEAD ( Portfolio Holder for P & C)**

In conjunction with the Head of Policy and Performance, embed risk management throughout the Council.

#### **CABINET**

To receive mid-year and annual report on the progress of Corporate Risk Management within the Council

#### **GOVERNANCE AND CONSTITUTION COMMITTEE**

To provide independent assurance of the adequacy and effectiveness of the Risk Management framework and the associated control environment within the Council.

#### **DIRECTORS AND CHIEF OFFICERS**

- Ensure that an effective framework is in place to manage Directorate risks.
- Ensure production of a Directorate Risk Management Register, and that the Directorate Risk Management Team meet quarterly to review the register and to report progress to the Corporate Risk Management Group
- Receive quarterly reports on the Corporate Risk Register
- Ensure actions and recommendations contained within the Corporate Risk Register are implemented
- Ensure all staff receive relevant training to enable them to manage risk within their own environment.

#### **CORPORATE RISK MANAGEMENT GROUP**

- Implement the agreed Risk Management Framework.
- Develop, monitor and review the Corporate Risk Register, including the associated actions.

- Report quarterly on the Corporate Risk Register to the Corporate Management Team, Cabinet and Governance and Constitution Committee
- Receive quarterly reports from the Directorate Risk Management Groups on the Directorate Risk Registers and associated activities.
- Assist in providing guidance on Partnership and Project risk management.

#### **DIRECTORATE RISK MANAGEMENT GROUPS**

- Produce, review and monitor Directorate Risk Registers to ensure their responsibilities within the Corporate Risk Register are successfully managed, and that Directorate Risks are identified and managed.
- Produce risk management action plans and introduce risk control measures.
- Review accident/incident/claims statistics and report on any appropriate Risk Management Performance Indicators
- Report quarterly to the Directorate Management Team and the Corporate Risk Management Group.

#### **INTERNAL AUDIT – RISK MANAGEMENT (Compliance Team)**

- Spread the ethos and principles of Risk Management throughout the Council
- Support and coordinate the activities of the Corporate Risk Management Group.
- Assist and provide guidance to Directorate Risk Management Groups in the identification and analysis of Directorate Risks.
- Liaise with external consultants and risk management organisations to ensure that the Council is adhering to best practice
- Ensure the provision of training to promote and support effective risk management throughout the organisation.
- Liaise with external audit regarding risk management.

#### **INTERNAL AUDIT**

Provide an independent assessment of the effectiveness, or otherwise, of:

- The robustness of the Risk Management Framework and the extent to which it is being adhered to within the Council.
- Risk Management function
- Advice and guidance on risk and controls.

#### **OTHER MEMBERS OF STAFF**

Understand and implement their role in the Risk Management framework with regard to risk identification and reporting and risk control.



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## APPENDIX 2

### CHESHIRE EAST BOROUGH COUNCIL

#### BUSINESS CONTINUITY POLICY AND STRATEGY

##### 1.0 Purpose

The purpose of this strategy is to clearly outline the Council's commitment to business continuity planning and its links to risk management. In addition it defines and clarifies roles and responsibilities.

##### 2.0 Background and Requirements

- 2.1 The Civil Contingencies Act (2004) (CCA) provides the framework for Civil Protection in the UK, and places a number of duties on Local Authorities regarding preparation for and response to emergencies. Cheshire East Borough Council, as a Category 1 (front-line responder) is required to develop and maintain business continuity plans, so that key functions can continue to be delivered in an emergency. This also involves consideration of the resilience of those organisations on whom the Council relies to maintain key services, including any third parties who provide services on its behalf.
- 2.2 As well as implementing Business Continuity Plans, the CCA also requires Local Authorities to promote and provide general business continuity management advice to commercial and voluntary organisations in the area. This duty aims to enable local businesses to better maintain critical elements of their service and recover more quickly should an incident arise, therefore lessening the economic and social impact on the local community.
- 2.3 Business continuity management (BCM) is a planned process aimed at managing the many and varied operational risks inherent in the day-day activities involved in delivering services, and, therefore, it is an essential element of risk management, helping to create a resilient organisation and one which is able to provide continuous service delivery and effective use of resources. Effective risk management can reduce the likelihood of an incident occurring, whilst business continuity planning can reduce the impact if it does occur. As well as increased resilience, there are many benefits to having a structured and consistent BCM process in place:

- Credibility – protecting and enhancing the reputation of Cheshire East Borough Council.
- Supporting corporate governance and the requirement to produce an Annual Governance Statement
- Reduced costs – protecting assets, working more efficiently, reducing recovery cost, assurance of third party providers of services (who may be required to demonstrate effective resilience as part of any tender for business), lower insurance premiums, where the Council can demonstrate proactive management of continuity risks.

### **3.0 Objective of the Strategy**

- 3.1 The objective of this strategy is to set out the requirement for Cheshire East Council to take steps to ensure that, in the event of a service interruption, essential services will be maintained and normal services restored as soon as possible. To ensure that this happens, the Council must have in place robust business continuity and service recovery plans that are regularly reviewed and tested. In addition, the Council will promote and provide business continuity advice to local businesses and voluntary organisations, in order to ensure, in conjunction with the Joint Cheshire Emergency Planning Service, that the Cheshire East region is well prepared for any unforeseen events.

### **4.0 Implementation and Responsibilities**

- 4.1 Business continuity requires senior management commitment and support, and dedicated resource allocated within the Authority to ensure that plans are developed, maintained, reviewed, and, most importantly, tested, so that they are fit for purpose. It also needs to be built into the change management process to ensure the implications of any change are fully considered prior to implementation and that resilience is built into the project deliverables.
- 4.2 Because business continuity is an essential element of risk management, it will be managed as part of the Cheshire East Risk Management Strategy, and responsibility for its delivery will be incorporated into the roles outlined in the Risk Management Strategy.

**Members and Member Champion** – ensure an effective Business Continuity strategy is in place.

**Cabinet** – receive monitoring reports and annual report on the progress of Business Continuity within the Council.

**Governance and Constitution Committee** – provide independent assurance of the adequacy and effectiveness of the Council's resilience as part of the Risk Management framework.



**Directors and Chief Officers** – ensure the production, communication, review and testing of Business Continuity plans for their Directorate/Services and ensure all staff are fully aware of these plans.

**Corporate Risk Management Group** – monitor the progress and status of business continuity planning and the Council's level of resilience. Report quarterly to the Corporate Management Team, Cabinet and Governance and Constitution Committee.

**Directorate Risk Management Groups** – coordinate the Directorate's business continuity planning response and report quarterly on its progress and status to the Corporate Risk Management Group.

**Internal Audit – Risk Management (Compliance Team)**

Provide training, support, guidance and advice, as well relevant templates and documentation to aid the planning process.

Provide support in the coordination and implementation of testing.

Liaise with the Joint Cheshire Emergency Planning Team and the Cheshire Local Resilience Forum, to ensure that the Council is aware of and fully incorporated into the regional emergency and continuity planning processes. Lead in the promotion of business continuity planning to local businesses and voluntary organisations.

**Internal Audit**

Provide an independent assessment of the robustness, or otherwise, of the Business Continuity Plans within Services.

**Other members of staff**

Ensure that they are fully aware of the Business Continuity Plans for their particular area of work, and take proactive steps to improve resilience wherever possible.

## **5.0 Developing Plans**

**5.1 Understanding the operation** – Business impact analyses (BIA) need to take place to identify and agree critical processes or services and the potential damage or loss that may be caused to the Council and the community as a result of a disruption. A BIA must consider the minimum level of staffing, skills and resources required to enable essential services to continue operating at a minimum acceptable level. Following this, risk assessments must be undertaken to identify internal and external threats to the Council, the likelihood of these occurring, and therefore the potential impact.

**5.2 Strategies** – strategies must be developed to offset the identified risks, e.g. eliminate single points of failure, implement better controls, etc.

**5.3 Developing and implementing plans** – these must be documented and available for use within any type of emergency incident. They must also include ‘stand-by’ arrangements, including accommodation and specialist equipment, as well as IT systems and telecommunications. They need to tie in with plans already in place, such as the Cheshire East Council Major Emergency Plan and the Emergency Rest Centre Plan.

**5.4 Building and embedding a BCM culture** – there is a need to have an effective education and awareness programme in place to ensure that all staff are fully aware of the impact of an unforeseen event, and their roles and responsibilities in a recovery situation.

**5.5 Exercising, maintenance and audit** – there must be a regular testing programme in place within Directorates and Services, to ensure that the critical components of the plans are exercised.

## **6.0 Review**

**6.1** This strategy will be reviewed on an annual basis alongside the review of the risk management strategy.

## **CHESHIRE EAST COUNCIL**

### **REPORT TO: CABINET**

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**Date of Meeting:** 14 July 2009  
**Report of:** Borough Solicitor  
**Subject/Title:** Twinning Arrangements

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#### **1.0 Report Summary**

- 1.1 To establish the background facts, provide information on the twinning arrangements of the four demised councils whose administrative areas were in Cheshire East prior to Local Government Reorganisation and to consider the options for the new authority on how it might approach twinning.

#### **2.0 Recommendations**

2.1 That:

- (1) the Cabinet Member with the responsibilities of Performance and Capacity with appropriate consultation be requested to advise Cabinet further as to:-
  - whether to administer all twinning directly by Council officers or through a twinning association(s) to which financial support is given;
  - whether new twinning links appropriate to the size and profile of the Council should be developed and mechanisms for that; and
  - whether the continuation of existing international and twinning links should be supported by the Council in the future.
- (2) the request for a grant from Macclesfield Male Voice Choir be considered.

#### **3.0 Reasons for Recommendations**

- 3.1 To decide how best to develop twinning arrangements to promote the objectives and identity of the new Council.

#### **4.0 Wards Affected**

- 4.1 All

#### **5.0 Local Ward Members**

- 5.1 All

## **6.0 Policy Implications**

- 6.1 Cheshire East Council currently has no policy on town twinning. Most of the constituent Councils did. It is now necessary to clarify Cheshire East Council's future arrangements if any for town twinning.

## **7.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

- 7.1 Cheshire East has inherited budgets of just under £10,000 specifically for twinning activities from the demised authorities. No costing of potential future twinning arrangements has yet been undertaken but it is recommended that all future costs are contained within this existing budget.

## **8.0 Legal Implications (Authorised by the Borough Solicitor)**

- 8.1 None

## **9.0 Risk Management**

- 9.1 The risk issues are around reputational risk for Cheshire East Council and how this could be managed.

## **10.0 Background and Options**

- 10.1 The Local Government Act 1972 gives power to councils to enter into twinning arrangements and to expend money on them. Each of the recently demised authorities had twinning arrangements, either managed directly or by supporting twinning associations.

- 10.2 The specific aims of town Twinning are:

- to encourage peace and friendship between people of different backgrounds and cultures and to encourage openness, fairness and inclusiveness
- to work in partnership with organisations in the community in building relationships links with communities abroad that will lead to mutual advantages in terms of learning about each other's cultures and enhancing the quality of life of the communities involved.
- to promote appreciation of heritage and the arts, and to promote a local community area as a place to be visited by tourists from its twin towns.
- to encourage organisations to take part in building up relationships with organisations and businesses in twin communities to bring advantage in learning from each other's methods of working and to promote trade between communities.

- 10.3 The Current Situation

**Crewe and Nantwich Borough Council** was twinned with Macon (51 years this year, originally twinned with Crewe Council before it joined with Nantwich), Bischofsheim (about 17/18 years) and had a Friendship Agreement with Dzierżoniów in Poland (the formal agreement was signed about 4 years ago). As last year was a special anniversary (50 years) with Macon, the Council commissioned the 'Macon Rose' with Fryers Nurseries and 50 were sent over to Macon as a gift from the Council. The Mayor visited Macon last October to be there for the planting.

The Council used to organise the twinning but in 2004 Crewe and Nantwich Twinning Association (CANTA) was set up as an independent body with its own constitution. The current Mayor of Crewe and Nantwich was to be the President.

The Council gave the Twinning Association a grant of £5,000 each year towards the cost of twinning events. Fund raising events were also held. The Twinning Association's monthly meetings were held at the Municipal Buildings and the Council paid for the room and refreshments.

The Council usually invited Mayors, Leaders of Councils and Twinning Association Chairs over each year (usually one weekend in summer) and other twinning guests would join the party. Most of the Bischofsheim group would stay with host families as they had made some very strong and lasting friendships. The Macon group liked to stay in hotels and Crewe and Nantwich Council paid for this. Dzierżoniów also stayed in hotels. This would be arranged jointly with CANTA as there were civic events to arrange as well as local visits. A civic dinner was held for the overseas guests and members of CANTA. CANTA would arrange visits to local tourist areas. Officers of Crewe and Nantwich Borough Council would book flights when its Members and officers were invited over to their twinned towns, usually booking for CANTA as well and then invoicing them for the fares.

**Macclesfield Borough Council** formed strong links with Eckernforde in Germany in 1949. The link with Eckernforde arose because initially the people of Macclesfield sent aid to that town, following information sent back by soldiers who were stationed there. The towns also have a common involvement with the Silk industry.

However, there was never a formally signed twinning agreement. The link just developed naturally between the two towns. Over the years there have been limited "Civic" exchanges, with most of the twinning events occurring locally between different community groups in the two towns. The last "Civic" visit made was by the Mayor in 2002 to celebrate the town's 700th anniversary.

Macclesfield Male Voice Choir is going to Eckernforde in October 2010 to join in their 150 year celebrations. The Choir is requesting support from the Council with this venture, or perhaps to join with them in some more tangible and involved way. If the Council is minded to establish a policy towards Town Twinning the Choir will then consider what support to seek.

**Congleton Borough Council** had long standing arrangements with two towns. One in Trappes, France and the other in Oosterhout, Holland. This is no longer the case.

It provided a grant of £5,000 to Congleton Twinning Association but stopped this when it was not being spent.

For twelve years Congleton Borough Council maintained economic links with Koprovence in Czech Republic but had no specific budget for it. In 2008/09 Congleton Borough Council spent £18,000 on Mayoral visits and hospitality as a Cabinet Delegation went over twice and a Delegation came here in November/December 2008.

**Cheshire County Council** had no formal twinning arrangements but there were some activities linked to economic development and European funding and it was known that it did receive international visitors from time to time.

- 10.4 Members need to decide on the best approach to twinning in future. This comprises two elements:
- whether to continue to support the previous twinning arrangements and in what manner for the immediate future
  - whether in the medium to long term these arrangements could be augmented as the new council takes shape and develops its own identity and policies.
- 10.5 With regard to existing twinning links, Members may upon enquiry feel that they are worthwhile and valued by the public within the demised district council's areas. Each district has a different approach to direct and indirect financial support. Arbitrary immediate changes might be disruptive and unpopular unless financial constraints require a new approach to be taken immediately. Arrangements could perhaps be harmonised over a two to three year period.
- 10.6 At the same time, the attached advice papers from the LGA demonstrate that much could be done to re-launch twinning, to re-engage the public and to focus on the identity and objectives which Cheshire East Council seeks to promote. The LGA papers draw attention to the need to periodically "refresh" twinning arrangements.
- 10.7 Any Cheshire East-wide review of twinning and the formulation of the new Council's objectives present an opportunity to engage the public and voluntary organisations and to develop a new sense of identity. Consultation would be extremely important and the new council would need to be proactive in eliciting responses and involving all age groups. This could not be achieved in the short-term and such an initiative would have to be appropriately resourced. Consequently, the Cabinet may determine that this work be undertaken in the first twelve to eighteen months of the new Council's existence.

## **11.0 Community Governance Review and the Role of Parish and Town Councils**

11.1 Cheshire East Council is in receipt of a valid petition calling for a Community Governance review in respect of the unparished areas of Crewe Town which identified three recommendations arising from a Review: That

- (1) a new parish be constituted under Section 87 of the Local Government and Public Involvement in Health Act 2007
- (2) the new parish should have a council to be known as Crewe Town Council.
- (3) the area to which the review is to relate is the whole of the Electoral Wards of Coppenhall, Delamere, Grosvenor, Maw Green, St Johns, Valley and Waldron; and those parts of the following Electoral Wards which do not already fall into an existing parish: Alexandra, Leighton, St Barnabas, Wistaston Green.

11.2 The Council will now carry out the necessary procedures to complete the Community Governance Review by 30 March 2010. It will need to decide whether a new parish or parishes should be constituted.

11.3 If a new local council comes into being in Crewe it will be able to forge links and twin with other towns. It is also possible that Macclesfield people will petition for a Governance Review with the outcome being another Town Council that can become involved in twinning activity within Cheshire East Council's administrative area.

## **12.0 Overview of Year One and Term One Issues**

12.1

## **13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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## Partnerships and twinning

UK local government is engaged in a wide range of partnerships with counterparts overseas. For most councils, in addition to trading links, the first significant form of international partnership came about through the twinning movement. Widely promoted at the end of the Second World War to contribute to peace and reconciliation, twinning has evolved to meet the needs of contemporary life styles in the twenty first century. With origins firmly rooted in friendship and culture, the UK's 2000 or so twinning links now include a wide range of themes and activities.

Although twinning requires the endorsement of the local council, it is very much a grass roots movement, often led by a community based association. In addition to involvement in these formal partnerships, councils are also developing international networks and contacts through technical projects focusing on a specific area; EU funded multi-lateral projects; informal, friendship links; and development cooperation linked to the UN's Millennium Development Goals. There are a vast number of benefits and opportunities to be derived from all forms of partnerships.

The following information aims to provide guidance on how to maximise the benefits on a number of levels. Although aimed primarily at councils, much of this guidance can relate to any type of partnership.

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## Current requests

Partnerships give towns the opportunity to work together on a variety of local issues exchanging best practice and expertise, providing cultural and educational exchanges and assisting technical development.

If your local authority/community is interested in developing a partnership or finding out more about any of the communities listed on this page, please contact James Beadle at the LGA ([james.beadle@lga.gov.uk](mailto:james.beadle@lga.gov.uk)). Alternatively, you can complete our [link request form](#) (word).

The following overseas communities are registered with the LGA as seeking a permanent and wide ranging partnership with a UK community/local authority:

### Albania

Prrenjas, Elbasani

Population: 8,500

Prrenjas is located 105Km away from the country's capital, Tirana. Prrenjas is situated in a beautiful natural area and is looking for a partner to engage in a range of projects at the community level.

### Argentina

Mar del Plata, Buenos Aires province

Population: 541,733

Largest seaside resort & 7th largest city in Argentina, 400km south of Buenos Aires. Good education and cultural facilities. Many existing international links, looking to involve UK.

Esquel, Chubut, Patagonia

Population: 35,000

[www.esquel.gov.ar](http://www.esquel.gov.ar)

Esquel is a large city in the Andes region of Welsh Patagonia. It is a tourism town, specialising in adventure activities such as skiing & rafting. It also has a large agricultural centre and a university. A all-round link is envisaged with a Welsh town.

### Belgium

Chiny, Guame

Population: 5,072

[www.chiny.be](http://www.chiny.be)

Chiny is a a widespread rural community including 14 villages, located near the French border. Chiny is looking to develop cultural and tourist links as well as language exchanges.

La Hulpe

Population: 7,300

<http://www.lahulpe.be>

La Hulpe is located in the south of Brussels and its main economic activities are in the service sector. They are looking for a cultural link with a similar city.

### Bulgaria

Popovo, Tagoviste

Population: 36,000

NE region of the country. The municipality contains many historical attractions from the Thracians, Romans, Byzantines & Turks. General link requested, some focus on technical and professional; EU projects for future accession.

Razlog, Blagoevgrad

Population: 23,000

[www.razlogbg.com](http://www.razlogbg.com)

In SW, near Macedonian & Greek borders. Mixed economy with growing tourism. Famous for preserved Thracian monuments & as setting for folklore events. Looking for general link under EU town twinning.

### Cameroon

**Fundong**

Population: 61,300

Fundong is located in the northwest province of Cameroon and is 60 km from Bamenda. Its main economic activities are agricultural. They are looking for an all-purpose link with an emphasis on assistance in the infrastructural domain.

**China**

Anhui Province

Population: 6,400,000

[www.ahie.gov.cn](http://www.ahie.gov.cn)

Administrative division of Eastern China, incorporating 17 cities & 56 counties. The provincial capital is Hefei. Area is known for manufacturing, tourism & science & education. Proposing general link for local government inc. economic & cultural exchange

**Nanchang**

Population: 4,600,000

Nanchang is the capital of Jiangxi province in the SW, approx. 800km from Shanghai. They are looking for an all-round link, but especially one that will build on current economic successes.

**Czech Republic**

Brezineves

Population: 750

[www.brezineves.cz](http://www.brezineves.cz)

Village on northern outskirts of Prague. Residential area looking for a link particularly for cooperation in culture and sport.

**Frydek-Mistek**

Population: 60,000

[www.frydek-mistek.cz/eng/](http://www.frydek-mistek.cz/eng/)

Modern city in mountainous area bordering Slovakia and Poland. Rich history with many attractions including a castle. Tourism is a growing sector. Looking for a link to exchange experience of town development.

**Suchdol**

Population: 5,000

[www.praha-suchdol.cz](http://www.praha-suchdol.cz)

Suburb in NW of Prague including Agricultural University & Academy of Science. Suchdol was first recorded in the 10th century as having the first Christian church in Bohemia. Looking for to exchange information, experience and visits.

**Denmark**

Egedal, Copenhagen region

Population: 40,000

[www.egedalkommune.dk](http://www.egedalkommune.dk)

Egedal dates back thousands of years according to archaeological records. Mainly a rural area, more recently, proximity to Copenhagen has built up the area. The kommune are keen for cultural & social visits and especially school & youth links.

**Ethiopia**

Tigri, Mekelle

Population: 200,000

Tigri has a large university campus where the main economic activity is agriculture based. Tigri is looking for a link with schools as well as local services and technical cooperation.

**France**

Aubevoys, Eure

Population: 4,400

50km from Rouen & 80km from Paris, Aubevoys is also only 1 hour from the Normandy beaches. Looking for a partnership for cultural exchange.

**Canejan, Aquitaine**

Population: 5,121

[www.canejan.fr](http://www.canejan.fr)

Canejan is located 15km from Bordeaux in the South-West of France. Canejan engages in many sporting activities and events, including large cycle trails in the nearby countryside.

Cheronnac, Haute-Vienne

Population: 400

[www.ville-rochechouart.fr/english](http://www.ville-rochechouart.fr/english)

Main focus on cultural and social exchange, preferably with similarly agricultural area.

Ludon-Medoc, Aquitaine

Population: 3,500

15kms from Bordeaux, 40kms from coast in vineyard area of Medoc. Cultural and social visits envisaged for young community.

Nanteuil-les-Meaux, Ile-de-France

Population: 5,000

[www.nanteuil-les-meaux.fr](http://www.nanteuil-les-meaux.fr)

Located just 40 minutes from Paris, Nanteuil-les-Meaux is a small town located near to the countryside. Interested in school and youth exchanges as well as cultural and social visits.

Neufchatel-Hardelot

Population: 3,657

[www.ville-neufchatel-hardelot.fr](http://www.ville-neufchatel-hardelot.fr)

Neufchatel-Hardelot is within easy reach of the UK and boasts numerous sporting facilities, including two 18-hole golf courses and a large empty sandy beach where important sand-yachting events are staged. Looking for a link to support their strong historical and cultural links with the UK.

Ploumilliau

Population: 2,488

[www.mairie-ploumilliau.fr](http://www.mairie-ploumilliau.fr)

Ploumilliau is located in the Brittany region, and is looking for a partner to engage in cultural, economic and social initiatives. The link would engage a range of local businesses, schools and organisations.

## Germany

Hagen, Nordrhein-Wesfalen

Population: 196,000

[www.hagen.de](http://www.hagen.de)

Hagen lies between on edge of the Ruhr area. A previous steel producer, Hagen now focuses on the educational and cultural sectors with many small and medium sized companies located in the city. Hagen is looking for a partner to assist in a range of activities including, transport and community based projects.

Rethem, Niedersachsen

Population: 2,500

[www.rethem.de](http://www.rethem.de)

Located between Bremen and Hanover, Rethem is well connected. A British partner is sought for cultural events, school and youth exchanges, music and singing festivals. Ideally would like to welcome a new partner at anniversary celebrations in 2008.

Gmund am Tegernsee, Bavaria

Population: 6,000

[www.rathaus-gmund.de](http://www.rathaus-gmund.de)

This lake side community is in a rural area where farming is common, but has an increasing tourist trade. They are looking for a link based on cultural and social visits, particularly involving youth.

## Ghana

Etordome, Volta Region

Population: 400

[www.bridgingdevelopment.org](http://www.bridgingdevelopment.org)

Etordome is around 25km from the principal town of Volta Region, Ho. Those living there belong to the Botoku people of Ewe tribe and are mostly engaged in farming, with some craft for extra income. A link is sought for economic & education in particular.

Twifo Hemang Lower Denkyira District

Population: 129,000

[www.ghanadistricts.com](http://www.ghanadistricts.com)

Twifo Hemang Lower Denkyira is one of the thirteen districts located in central Ghana. The district's principle economic activities

are palm oil and cocoa production. They are looking to link with a rural community who are also heavily involved in agricultural activities.

#### Hungary

Pilisjázfalu, Pest

Population: 1,350

[www.pilisjazfalu.hu](http://www.pilisjazfalu.hu)

This municipality in the central region of Hungary is looking for a link to boost community spirit through cultural events, creating education links and making mutual bids on EU tenders.

#### India

Sadhana Villages, Maharashtra

Population: 3,000

[www.sadhana-village.org](http://www.sadhana-village.org)

Kolwan Valley, 100km east of Mumbai has 19 villages at the foot of the hills. Links are sought for individual villages or as a collective, for a multi-level partnership inc. education, social & economic co-operation, with a modernisation theme.

#### Italy

Chiari, Lombardy

Population: 18,000

Chiari is located about 60km from Milan and is a small industrial town in a rural setting. Its main industries are metal, textile and woodwork.

Morazzone, Varese

Population: 4,193

[www.comune.morazzone.va.it](http://www.comune.morazzone.va.it)

55km NW of Milan this hilly region centres on its historical centre. Some prehistoric findings & continuous historical records. Undergone economic change from agriculture to post-industrial. Interested in twinning inc. whole town with similar background.

Mugnano des Cardinale, Campania

Population: 5,302

[www.mugnanodelcardinale.asmenet.it](http://www.mugnanodelcardinale.asmenet.it)

Mugnano is c.30km from Naples. It is in a rural area and has a number of small enterprises. It is also a historic city with Roman ruins. Looking for general linking with technical, economic and cultural links, inc youth and social visits.

Sant'Andrea Apostolo dello Jonio, Calabria

Population: 2,500

Small city in the South of Italy looking for link involving youth, cultural & social visits. Hoping to bid for 'Town Twinning' fund from EC.

Santa Luce, Tuscany

Population: 1,600

[www.comune.santaluce.pi.it](http://www.comune.santaluce.pi.it)

Santa Luce is a rural community where the main activity is agriculture. Santa Luce is looking for a partnership based on either; cultural, agriculture or youth exchange.

Maniace, Catania

Population: 3,600

[www.comune.maniace.ct.it](http://www.comune.maniace.ct.it)

Situated between the north-western slopes of Mount Etna and the Southern Slopes of Nebrodi, Maniace is looking for a partner to engage in a range of cultural activities.

San Michele, Salentino

Population: 6,300

[www.comune.sanmichelesal.br.it](http://www.comune.sanmichelesal.br.it)

San Michele is located 15km from the Adriatic coast and its main economic activities are agriculture (olive oil, almonds, and figs) and agro-tourism. Interested in a link for cultural and youth exchanges.

#### Kenya

Pokot, West Pokot

Population: 500,000

Located in the NW of the Rift Valley province, along the border with Uganda. Pokot are looking for an all-round link including technical, economic, youth and cultural visits.

#### **Korea**

Paju, Gyeonggi

Population: 295,877

[www.pajuro.net](http://www.pajuro.net)

Paju is 30Km north of Seoul and is predominantly an industrial city. Paju is located 1 hour away from the international airport and is looking for mutual exchange visits.

#### **Macedonia**

Probistip

Population: 16,193

[www.probistip.gov.mk](http://www.probistip.gov.mk)

NE of the country, 110km from capital. Economic & historic base in mining, now also trade & industry. Looking for all round link under EU town twinning.

Aerodrom, Skopje

Population: 80,000

[www.aerodrom.gov.mk](http://www.aerodrom.gov.mk)

A municipality in the centre of Skopje, the capital. A manufacturing & trading centre, also benefits from the cultural activities of the capital. Interested in EU programs, especially projects for local integration, economic & social development.

#### **Mali**

Toumboun, Kayes

Population: 2,000

This traditional village is in the SW of Mali. Its main activities are agriculture, craft and commerce. It has a primary school, mosque & church. Looking for a cultural & social link with a coastal or rural area.

#### **Namibia**

Ruacana

Population: 5,000

Ruacana is located in the Omusati region (northwest part of Namibia). They are looking for an economic link with a coastal or rural community.

#### **Poland**

Michalowice, Malopolska

Population: 7,500

[www.michalowice.malopolska.pl](http://www.michalowice.malopolska.pl)

Located in south of Poland, 10km from both city & airport of Cracow. Dating back to the 12th century, Michalowice was predominantly an agricultural village, but services & tourism are increasingly important to the economy. Looking for wide cooperation.

Ledzin, Bieru

Population: 16,000 pop

[www.ledziny.pl](http://www.ledziny.pl)

Ledziny seeks partner to engage in Youth and cultural activities. Also looking to share ideas and experiences around the implementation of the Handicapped Children Integration Programme currently underway in the town.

#### **Portugal**

Valenca, Viana do Castelo

Population: 15,000

[www.cm-valenca.pt](http://www.cm-valenca.pt)

In north of country, capital of Minho Valley area. Important European fortress and historical centre of heritage buildings. Would like twinning to promote cooperation in the fields of culture, education, tourism, economy and local administration.

#### **Russia**

Luberetskyi, Moscow

Population: 260,000

[www.lubreg.ru](http://www.lubreg.ru)

5km SW of Moscow, this popular area is mainly known for its industry. Established since 1621, it achieved city status in 1925. Looking for friendly & strong links incorporating administration, industry and culture.

#### Spain

Alcobendas, Madrid

Population: 105,000

[www.alcobendas.org](http://www.alcobendas.org)

Economic activities mainly industrial & service led, with some new technology bases. Looking for link for language, culture & sport.

San Fulgencio, Alicante

Population: 10,000

[www.ayto-sanfulgencio.es](http://www.ayto-sanfulgencio.es)

30k from Alicante & 5k from coast. Traditional agricultural links with more recent tourism development. Looking for mainly social & cultural link, with possible school exchanges; economic & technical links also possible.

Benitachell, Alicante

Population: 5,000

Benitachell lies on the Costa Blanca, between the cities of Alicante and Valencia and is looking for a partner to engage in youth and cultural visits. They are interested in twinning with a community in the South West of England due to the similarities with the region.

Meco, Madrid

Population: 13,000

[www.ayto-meco.es](http://www.ayto-meco.es)

Meco is one of the youngest communities in the province of Madrid and is about 40km from the capital. From agricultural beginnings, recent economic growth has provided more work. Looking to hold cultural, educational and social exchanges.

#### Tunisia

Chihia, Sfax

Population: 23,625

Chihia is a calm and beautiful area which is fast developing as a place for people to come and live. Chihia is known for its small businesses, oil factories and the development of private industry.

#### Turkey

Kartal, Istanbul

Population: 500,000

[www.kartal.bel.tr](http://www.kartal.bel.tr)

Kartal is located in a district of Istanbul. Kartal places great importance on its industry and service sector and is interested in links for both business and cultural benefits.

Uskudar, Istanbul

Population: 495,000

[www.uskudar.bel.tr](http://www.uskudar.bel.tr)

At the intersection of Marmara Sea & the Bosphorus, Uskudar is now mainly a residential area. Historically it was strategically important to Byzantines & Ottomans. Looking for a general link, with strong social components, making use of EU funding.

#### Uganda

Bushenyi-Ishaka

Population: 40,000

[www.bushenyi.go.ug](http://www.bushenyi.go.ug)

A trading town in merchandise, fruit and vegetable and livestock is located South West of Kampala. Ishaka is surrounded by beautiful countryside and is seeking a partner to engage in health based projects.

Kakooge

Population: 12,000

Kakooge is located 87 kilometers from Kampala, the capital city of Uganda. They are looking to establish economic links with a rural community.



## Establishing a link

There are many different types of partnership. Some are formal agreements or twinning links, involving the signing of a document, charter or memorandum of understanding, some involve time limited projects and some are informal links with no kind of written agreement or protocol.

However, whatever the nature of the link, it is important to consider the following principles:

- there should be common understanding between the partners;
- there should be effective communication;
- the aims and objectives of the partnership need to be clear and transparent; and
- mechanisms need to be in place to involve the wider community, if appropriate.

### STEP ONE: Finding a partner

Finding the right partner and developing a successful link requires time and patience to get right. The LGA can help by providing a partner search service, working closely with counterpart organisations in the rest of Europe and the world. Applications may be made by local authorities or by community groups that have the approval of their local authority.

A simple questionnaire must be completed providing factual information about the applicant community and details of the type of partnership sought. This information is then compared with the list of applications from overseas communities seeking UK partners and, once a match has been made, communities are put in contact with each other.

### STEP TWO: Exploratory visits

Potential partners should make contact with each other to check areas of common interest. Exploratory visits are a useful way to discuss individual aims and objectives for a partnership and to ensure there is consensus on the way forward. Before a visit, both sides should draw up a list of key questions and queries and undertake some basic research on each other's culture. It is also important to decide whether partners can work with the individuals concerned on a detailed project. By tactfully asking searching questions and taking notes and visual reminders of the area, the two sides should be able to decide whether they can work together.

### STEP THREE: Formalise the relationship

Formalising a link is generally subject to the decision-making processes within a local authority and needs to be formally ratified. It is customary for twinned communities to have some sort of written agreement or charter, drawn up by both partners and signed by senior elected representatives from the two communities. The text of the charter may be in two languages, and each community should retain a copy. The document is not legally binding but should describe the rationale for setting up the link and reflect the interests and aspirations of both communities.

Agreements should cover a wide range of issues, in line with the philosophy that twinning should involve as many sections of the local community as possible and should not be restrictive. An agreement that relates solely to the development of educational or economic links would not be considered to be a twinning partnership.

As charters are intended to stand the test of time, they should be vague in content, rather than relate to specific projects, and should be personalised to reflect the nature of the two communities. In a formal sense, twinning links are indefinite and not bound by time. Any charter should be as relevant in 20 years' time as it is on the day it is agreed.

It is customary for charters to be formally signed at official ceremonies in both communities. While this procedure is important, in order to maximise the benefits of a visit to the partner community, the ceremony can be organised as part of a much wider programme, with a number of other activities, including future planning.

Charters may also be developed to reflect different types of links, such as informal, time limited or project specific. These are often referred to in a memorandum of understanding or cooperation.

### STEP FOUR: Strategic Planning



To get the best from a partnership, it is important to make it accessible to all. A strategic approach should be adopted to ensure this happens.

A strategic plan should consist of three sections:

- the aims and objectives of the partnership, encompassing all aspects of the local organisation and community;
- a methodology, explaining how the aims and objectives will be achieved; and
- a list of desired outcomes and benefits, providing a starting point for the projects's review and evaluation. This will enable partners to include a wide range of services and people.

#### STEP FIVE: Follow up

Monitor activities, review procedures and improve as necessary. Continue to communicate aims, objectives and achievements to the wider community.

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## European organisations

The following European organisations are currently involved in town twinning initiatives:

### Twinning Network

The Council of European Municipalities and Regions (CEMR) is the European equivalent of the Local Government Association. It has long been a staunch advocate of twinning. The LGIB represents UK local authorities on the CEMR's Europe-wide Twinning Network, made up of representatives of the national local authority associations. The network meets to discuss aspects of twinning, such as trends in activities and European Commission grant criteria. Its main purpose is to develop a united voice on behalf of European twinning.

Further information about the network is available online at: [www.ccre.org](http://www.ccre.org)

### European Parliament

Most Members of the European Parliament (MEPs) appreciate the important role of twinning in European integration and place significance on people to people contact in strengthening the EU. In recent years, MEPs have demonstrated their support by reversing European Commission plans to reduce the twinning budget.

MEPs should be invited to take part in events, providing an expert view on a particular subject. Developing links with MEPs can help raise interest in overseas partnerships and sustain links. For example, organising a programme of visits by a MEP to schools and colleges, community groups and business group meetings can generate interest in twinning activities.

Additionally, MEPs are good networkers, as they meet counterparts from other countries on a regular basis. Their contacts can help generate interest in a partnership or twinning link.

### European Commission

In addition to the financial backing provided by the European Commission, which is covered in the next chapter, the Commission also awards Golden Stars for outstanding twinning projects.

### Council of Europe

The Council of Europe offers an award system to local and regional authorities for actively promoting the European ideal through twinning links, exchange visits or events.

There are four separate ascending awards: the first step is the European Diploma with 30 awards each year, the second is the Flag of Honour and the third is the Plaque of Honour. The highest award is the Europe Prize which recognises what it calls 'outstanding efforts to promote European unity'.

Applications may be made by representatives of local or regional authorities in any of the Council of Europe's 44 Member States by 31 December each year, and full details are available from:

The Secretariat of the Parliamentary Assembly  
Council of Europe  
67075 Strasbourg Cedex  
France  
Tel 00 33 3 88 41 21 08



## Finding the funding

Financial and staff resources are important components to maintaining successful twinning links. Where there is no dedicated twinning budget available, local authorities and community groups need to be creative and innovative in finding the resources to support an international partnership.

With pressures on local government budgets, twinning activities must be able to demonstrate clear benefits, for example, linking to statutory services such as social services or education.

Resources can be found in a variety of ways.

### Legal limits

In relation to overall local authority expenditure, most international projects are low cost activities. However, it is important to be aware of the legal guidelines relating to expenditure. The Local Government (Overseas Assistance) Act 1993 sets out the maximum an authority can spend. For town twinning activities, the limit is set at twice the amount spent, or budgeted for, in the previous financial year.

### European Commission funding programme: Europe for Citizens

The main source of funding for town twinning is the European Commission twinning programme, established in 1989. In 2007, a radical change has resulted in the grant becoming part of a wider funding programme entitled Europe for Citizens.

### Contributions in kind

Although a blank cheque is helpful in funding activities, contributions in kind should not be underestimated and may be easier to obtain than hard cash. They can include the use of premises and venues; administrative help, including photocopying and postal services; refreshments; transport; speakers; tours of local businesses; reduced entrance to museums and entertainment venues; and discounts in restaurants and shops.

### Sponsorship

For many businesses, small and large, contributing to the local community is important and some businesses already have their own community strategy. To attract sponsorship for a twinning link, it is necessary to provide information about activities in a clear, concise format. Promotional material shouldn't be too long and it should be eye catching and interesting. The aims and objectives of the project should be explained and the benefits and beneficiaries detailed.

Businesses need to understand what they may gain by providing sponsorship. This may include increased publicity through the use of the corporate logo on the twinning association's printed materials, sports shirts, banners etc or the opportunity to publicise this support in promotional materials, in-house magazines and the local press.

### Fundraising

Although fundraising requires imagination and effort, the rewards can more than outweigh the input. In addition to providing financial resources, activities can promote the partnership, helping to attract more participants. Events can also increase knowledge about overseas partners and bring different groups of people within a community closer together. Popular fundraising activities include wine tasting, themed dinners, quizzes, language classes and selling related produce.



## Managing twinning

### Establishing a twinning association

In the UK, twinning is generally managed in one of three ways:

- by the local authority;
- by an independent twinning association, comprising voluntary members of the community;
- or by a combination of the two.

### Coordination

Twinning Associations can draw on the expertise of the community at large, but whether an international partnership is being coordinated by the local authority or a community twinning group, there are many functions that need to be addressed.

- Coordination and liaison: including the first point of contact for the overseas partner.
- Strategy: planning a schedule of activities, including programmes for individual exchanges and events.
- Public relations: keeping everyone informed, promoting and publicising the link through newsletters, websites, exhibitions etc and handling the media.
- Financial management.
- Funding: raising funds, securing sponsorship and making grant applications.
- Travel: coordinating transport, visas etc.
- Membership: managing existing new members and extending community involvement.
- Youth: coordinating school and youth activities.
- Accommodation: organising accommodation and liaising with host families.

### Conduct

It is vital that all officers, members and others funded from the public purse who take part in international partnerships and twinning link activities abide by high standards of conduct at all times.

Members and local authority employees are subject to individual local authority codes of conduct, which form part of their terms and conditions. These apply whenever the individual is undertaking official duties.

### Financial accountability

Local authorities should ensure that there is a procedure in place to demonstrate that careful consideration has been given to every financial transaction, particularly in the case of expenditure relating to travel and accommodation. For officer and member participation, there should be a process to explain the reasons for the visit/meeting and the benefits to be gained.

### Travel costs

Local authorities need to decide their policy for expenditure relating to overseas partnerships and twinning links. For example, whether all travel should be economy class, or whether business class travel is acceptable and, if so, subject to what rules. Local authorities need to set and follow rules and be willing to justify expenditure.

### Hotel costs

Where it is necessary to use hotels, local authorities need to have a policy on the type and price range to be used. Within Europe, there is usually a reasonable choice of mid-range hotels, but in some developing countries the only realistic option may be a relatively expensive 'western style' hotel. The authority also needs to be clear about what, if any, incidental expenditure on hotel bills will be met.

Occasionally, the issue arises about a member on official duty wishing to be accompanied by spouse or partner who has no formal role. In this case, the councillor should be responsible for all the additional costs that arise, however minor.

#### **Meals and subsistence**

Local authorities may pay an agreed sum for subsistence where this is not covered by the host authority, or reimburse expenditure for meals and refreshments. It may be useful to give general guidance on the financial limits, though costs do vary greatly between towns and countries.

#### **Hospitality**

In any formal visit to another country, there is usually some hospitality, in the form of receptions, meals etc. If this is given by a public sector body, no difficulties arise. However, if given by a private company, this may need to be declared in the authority's register of hospitality. If in doubt, seek guidance from the authority's Chief Executive or Solicitor.

#### **Gifts**

In many cultures, giving or exchanging gifts is not only normal but required. Whilst gifts of purely nominal value may be kept by the recipient, any more substantial or valuable ones should, on return, be given to the authority. All gifts should be recorded in the authority's register of gifts and hospitality.

You should consider, before any visit, whether to take gifts to the key people, especially at any main formal reception. Once the authority's code of conduct has been agreed, the values above which gifts should be registered or given to the authority will be specified.

#### **Grants for external groups**

If local authorities wish to make grants either to individual projects or exchanges, or to twinning associations, there should be a form of accountability throughout the process, from the initial application stage to monitoring activities and outcomes. Successful organisation can be asked to provide a regular report on how the finances have been used and how they have benefited the community.



Local Government Association

## Revitalising a twinning

Twinning has continued to flourish throughout the last 50 years but in some areas, interest is declining, and the number of members taking part in twinning events falling.

Although there are more than 1,500 links between the UK and France and the UK and Germany, not all of these are still active. For those established more than a decade ago, particularly those set up in the years immediately after World War II, the people responsible for setting up the link may no longer be able to drive the link and create new interest. Encouraging young people to involve themselves in twinning is also a challenge.

The experiences of some local authorities suggest a number of ways of revitalising an old link.

### *Re-educating the masses*

For some people, the concept of twinning is either unknown or completely misunderstood. To increase interest, it is necessary to explain exactly what the twinning link is about. Actively promoting its dynamic and wide ranging aspects will help. Organisers should use every opportunity available to stage exhibitions that may be seen by members of the community, community groups, schools, colleges, religious institutions and business groups. It is vital that it is clear that anyone can get involved.

### *Making it relevant*

Activities need to be relevant. Most twinning links were formed on the basis of friendship and culture and, while these values should underpin all twinning links, times have moved on and twinning, like all other aspects of society, must reflect current trends and priorities.

### *Giving people what they want*

Consulting within the community and inviting suggestions for activities can only help make a link more appealing to local people. Involving a wide range of members of the local population directly in designing and running projects can make a difference to how people feel about a link.

### *Giving young people a voice*

To get young people involved, a link should include activities that interest them. Computer projects such as cyber cafés and website creation are popular. Sporting and musical events tend to attract young people, as do certain work experience and training related activities. Young people should have a say in what activities will be part of a link's programme of events and should be involved at every step.

### *Targeting new members*

If particular groups within a community are not represented in twinning activities, they can be targeted directly. Information about the link should be publicised as widely as possible, in leisure centres, libraries, community halls and local authority buildings.

### *Marketing and rebranding links*

In an age when manufacturers are happy to jettison familiar product names for younger, slicker or more international names, twinning organisers needn't be afraid to do the same with a link. Although twinning is an accepted moniker for international links, some people may be confused by it or think of it negatively. Renaming or rebranding a link to make its aims and objectives easier to understand can help overcome this.

### *New partnerships overseas*

It is worth considering setting up a link with a developing country or one of the EU's new Member States from Central and Eastern Europe. Alternatively, a three way partnership with an existing partner and another country may prove attractive, especially if the two overseas countries have traditionally been at odds with each other and the partnership can help improve their understanding of each other.

### *New partnerships at home*

As part of the re-energising process, organisers can use the opportunity to look for new partners or sponsors within the local community, such as large businesses or academic institutions. This is an ideal opportunity to make new alliances at home.





## The steps of twinning

The following are the key stages in setting up a partnership:

### Step one: Find a partner

Ensure compatibility by making an exploratory visit. Check that you have enough in common to sustain a relationship. Decide on the type of relationship you seek: formal/informal/time limited/focused on one issue. Set out the initial possibilities for joint activities.

### Step two: Formalise the relationship

Make the relationship official through a charter or agreement. Agree a strategy or work plan for your activities and projects with your partner, together with funding possibilities and a flexible timetable. Communicate your aims and objectives to secure support and involvement by politicians, council officers and the wider community and invite input.

The strategic plan should consist of three sections:

1. the aims and objectives of the partnership, encompassing all components of the organisation and community;
2. a methodology, explaining how the aims and objectives will be achieved; and
3. a list of desired outcomes and benefits, providing a starting point for reviewing and evaluating the project.

The plan should be accompanied by a flexible timetable, with deadlines for activities and a list of both the resources available and those required.

It is possible that each partner could have different aims for a link, but as long as there were broad agreement, it should be possible for both sets of objectives and projects to be undertaken. A strategic plan will not only ensure that participants have a clear idea about the purpose of the partnership, but would also serve to inform other people about the partnership for the purposes of transparency and bring new participants on board.

### Step three: Augment the partnership

Set a schedule for activities. Assign responsibilities for each function. Plan, consult and inform.

### Step four: Follow up

Monitor activities, review procedures and improve as necessary. Continue to communicate aims, objectives and achievements to the wider community.

### Example: Link with France

#### *Aims*

1. To forge educational links, relating to the teaching of modern foreign languages and the authority's objective to introduce French to primary schools.
2. To promote cooperation between small businesses.

#### *Methodology*

1. Organise a seminar for teachers on funding opportunities from the British Council.
2. Include teaching staff on next exchange visit to France.
3. Organise a programme of visits to local schools by next incoming French delegation.



***Outcomes***

1. To develop ten friendship links by the end of year.
2. To develop four EU funded projects for schools, under the Comenius programme.

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## Twinning and young people

Overseas partnerships and twinning links within a community are good ways of broadening the minds of young people. They can either take place through formal institutions, such as schools and colleges, through voluntary social groups, such as youth clubs and scout groups, or through local youth councils.

Although some schools and colleges take part in successful exchanges outside of twinning links, there are many additional benefits to be gained by developing a partnership within an existing local authority link. The range of contacts can be extensive and diverse, involving a broad representation of the community at all levels. This provides enormous scope for different projects. A twinning link is also timeless and is not dependent upon one person. Some school links have faltered after the staff member responsible for an exchange has left.

Participating in an exchange can contribute directly to many subjects within the national curriculum, making learning more fun and relevant. Living in a different country can also increase self-confidence and practical skills, through experiences such as using new forms of transport and visiting shops and restaurants where a different language is spoken.

Exchange visits can increase young people's awareness of citizenship by giving first hand experience of the way in which other societies function. Through direct contact with young people from other countries, national stereotyping can be overcome and replaced by tolerance and respect for other cultures.

Finally, young people need to develop the skills required in later life to compete with their counterparts from across the globe for jobs in other countries or with organisations that are owned or managed by people from different cultures.

### Safety issues

The safety of young people on an exchange visit is of paramount importance. Parents or guardians on both sides must give their written consent for all children taking part. This is important not only for particular activities such as work experience or sports, but also for times when the young people are travelling or are unsupervised and for outside normal school hours.

The safety of young people is a complex issue and there are many sources of advice on this subject, ranging from Social Services Child Protection Units and the police, to local education authorities, school governing bodies and voluntary organisations such as the Guide Association. When children and young people are involved in international activities, there must be an agreed policy, and advice must be taken from the appropriate bodies.

The level and nature of a local authority's relationship with the education sector will vary depending on whether it has direct responsibility for education and is therefore able to influence the way in which the European and international dimension is covered in schools.

### Youth democracy

Local democracy is not just about getting involved in what's happening on people's own doorsteps. Most local issues have a global dimension and young people have a lot to say about how the world is run, although they are increasingly uninterested in taking part in mainstream politics.

Taking part in local authority partnerships and twinning links is an excellent way of raising the issue of local democracy and providing more information to young people. For more information on young people and local democracy, visit:

### [Making Your Global Mark](#)

### Useful links

- [The British Council's Education and Training Section](#)
- [Connect Youth International](#)
- [The Commonwealth Youth Exchange Council](#)
- [Development Education Association](#)



## Visits and exchanges

General advice for travelling overseas and for preparing for exchange visits can be found from the following sources.

### Foreign Office Travel Advice

The Foreign and Commonwealth Office (FCO) produce [travel advice bulletins](#) relating to political risks and health requirements for individual countries. It is advisable to check the travel advice each time travel is planned.

### Foreign Embassies and High Commissions

Most countries are represented in the UK by [Foreign Embassies and High Commissions](#) (for Commonwealth countries). They are useful contacts for specific information on the country in question and also provide the necessary visas for entry into the country.

### UK Representation Overseas

UK Embassies and High Commissions are often interested in local authority or community links and may appreciate receiving information about any visits. Click here to locate [UK representation overseas](#).

### Department for International Development

The Department for International Development (DfID) produces [country strategy papers](#) for the developing countries in which they run programmes, setting out the DfID priorities for the country. These are particularly useful for local authorities engaging in technical project work.

### Department for Business, Enterprise and Regulatory Reform

The Department for Business, Enterprise and Regulatory Reform (BERR) produces informative [country guides for businesses](#) that are hoping to trade or invest overseas. To find out if there is a guide available for the country that you are linked with contact the BERR enquiry point and ask to speak to the country desk.

### National Tourism Offices

Many countries have national tourism offices, usually based in London, who will, on request, be able to provide general information about the country or even the specific area to be visited.

### Medical Advice

It is recommended that medical advice is sought from your GP in advance of travelling. If GPs do not administer the specific vaccinations needed it may be necessary to visit a Travel Clinic for help and advice.

### Insurance

Insurance cover should be obtained in all cases and for all activities.

Local authorities should inform their legal and/or insurance sections of all international link and twinning activities both at home and overseas, to ensure that adequate cover exists to include travelling, all activities and events and public liability insurance. This applies to all categories of personnel - officers, elected members and school children.

Twinning associations should also seek professional advice about all forms of insurance cover. Additional insurance cover is often required for countries where the FCO has issued travel warnings (see above).

### Health and safety

Local authorities may also wish to consult with Health and Safety Officers on various aspects of local activities and events.

When children and young people are involved in transnational and twinning activities, there should be an agreed policy, and advice should always be taken from the appropriate bodies.



## LGA Database of twinning towns

The database of twinning towns is currently being re-developed. In the meantime you can download a complete up-to-date list of towns below.

[Twinning links table - July 2008 \(PDF, 71 pages, 644KB\)](#)

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## CHESHIRE EAST COUNCIL

### REPORT TO: CABINET

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<b>Date of Meeting:</b>	14 July 2009
<b>Report of:</b>	Borough Solicitor
<b>Subject/Title:</b>	Outside Organisations – North-West Employers Organisation

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#### **1.0 Report Summary**

- 1.1 The report invites the Cabinet to reduce its representation on North-West Employers Organisation (NEWO) from three Members to one.

#### **2.0 Recommendations**

- 2.1 The Cabinet is asked to RESOLVE –
- (a) That Councillor Frank Keegan be confirmed as the Council's representative on North-West Employers Organisation; and
  - (b) That this appointment supersede that made by the Cabinet at its meeting held on 3<sup>rd</sup> March 2009.

#### **3.0 Reasons for Recommendation**

- 3.1 It is important for Cheshire East Council to participate actively as a partner in the network of local organisations across the whole of the Cheshire East area.
- 3.2 The appointment of Members to Outside Organisations must be in accordance with the requirements of the organisation, as far as reasonably practicable. The reduction from three to one Member accords with the constitutional requirements of North-West Employers Organisation.

#### **4.0 Wards Affected**

- 4.1 North-West Employers Organisation represents the interests of local authorities in the North-West. As a member Authority, Cheshire East Council as a whole is represented by the organisation; consequently, this impacts on all wards.

#### **5.0 Local Ward Members**

- 5.1 All Councillors.

**6.0 Policy Implications**

6.1 None identified.

**7.0 Financial Implications for Transition Costs**

7.1 None identified.

**8.0 Financial Implications 2009/10 and beyond**

8.1 The Council has paid a subscription fee of £28,554 net for the year 2009/2010. No other financial implications have been identified.

**9.0 Legal Implications**

9.1 None identified.

**10.0 Risk Management**

10.1 None identified

**11.0 Background and Options**

11.1 At its meeting held on 3<sup>rd</sup> March 2009, the Cabinet made appointments to all the Category 1 outside organisations.

11.2 Each outside organisation was notified of Members' names and contact details. A number of issues have arisen, consequent upon notification, the majority of which can be addressed by the Task Group set up by the Governance and Constitution Committee. However, there is a requirement to reconsider representation on NWEO.

11.3 The Task Group set up to review appointments had recommended three Members to be appointed to this organisation, and this was accepted by the Governance and Constitution Committee, which in turn, made its recommendation to Cabinet.

11.4 On 3<sup>rd</sup> March 2009, the Cabinet appointed Councillors D Brown, F Keegan and R Fletcher. NWEO has contacted the Council requesting a reduction to one. Although a number of outside organisations have reviewed their constitutions to take account of the new administrative arrangements in Cheshire, NWEO has no such plans. As a consequence, the organisation is only permitted to accept one representative from each member Authority.

11.5 Councillor Keegan, as the Portfolio Holder, has discussed this with Councillors Brown and Fletcher, both of whom have agreed that it would be appropriate for Councillor Keegan to be the Council's representative. The Cabinet is, therefore, asked to endorse this.

### **13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

Name: Carol Jones  
Designation: Democratic Services Officer  
Tel No: 01270 529952  
Email: [carol.jones@cheshireeast.gov.uk](mailto:carol.jones@cheshireeast.gov.uk)

Portfolio Holder: Councillor F Keegan (Resources)  
Tel: 01270 01625 584132  
E-mail: [frank.keegan@cheshireeast.gov.uk](mailto:frank.keegan@cheshireeast.gov.uk)

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## CHESHIRE EAST COUNCIL

**REPORT TO: CABINET**

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<b>Date of Meeting:</b>	14 July 2009
<b>Report of:</b>	Democratic Services Manager
<b>Subject/Title:</b>	Public and Member Questions and Statements at Meetings

---

**1.0 Report Summary**

- 1.1 To review the arrangements for public and Member questions and speaking at meetings.

**2.0 Recommendations**

- 2.1 That Cabinet makes its recommendations to the Governance and Constitution Committee upon the issues raised in this report.

**3.0 Reasons for Recommendations**

- 3.1 In order for the Governance and Constitution Committee to consider what constitutional change recommendations it may wish to make to Council.

**4.0 Wards Affected**

- 4.1 All Wards are affected since the relevant constitutional provisions relate to the whole of the Borough.

**5.0 Local Ward Members**

- 5.1 All Ward Members are affected for the reasons set out in paragraph 4.1 above.

**6.0 Policy Implications**

- 6.1 Whilst no specific policies are affected by the issues referred to in this report, any changes to the rules will be reflected in the Council's Constitution, which is a public document.

**7.0 Financial Implications for Transition Costs**

- 7.1 There are no financial implications for Transition Costs

**8.0 Financial Implications 2009/10 and beyond**

- 8.1 There are no such financial implications

## **9.0 Legal Implications**

- 9.1 Any changes to the rules must be reflected in the Council's Constitution. In order for the Constitution to be changed, Council must agree the changes following a recommendation from the Governance and Constitution Committee.

## **10.0 Risk Management**

- 10.1 No risks arise from any proposed changes to the Constitution which might result from this report.

## **11.0 Background and Options**

- 11.1 Following consideration of the subject of public and Member questions and statements at Council meetings at the Governance and Constitution Committee on 16<sup>th</sup> April, the Committee decided that the views of the Corporate Scrutiny Committee, and Cabinet, should be sought.
- 11.2 On 12<sup>th</sup> June, the Corporate Scrutiny Committee considered a report on the subject and this is appended at Appendix B. The draft resolution of the Committee is appended to this report at Appendix A.
- 11.3 Cabinet may wish to make its own views known to the Governance and Constitution Committee in order for a recommendation then to be put before Council.
- 11.4 The options available to Cabinet are to recommend that the Constitution should not be amended, or that certain changes should be made to its existing provisions.

## **12.0 Overview of Year One and Term One Issues**

- 12.1 It has always been acknowledged that the Constitution is a living document which will need to change from time to time in order to suit the needs of the Council.

## **13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

Name: Brian Reed  
Designation: Democratic Services Manager  
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## Appendix A

RESOLVED –

That Governance and Constitution Committee be informed that the views of this Committee in relation to Public and member questions are as follows:

1. That the existing Planning and Licensing Protocols which override the member and public speaking and questioning provisions that apply to other committees, should be retained;
2. That the facility to allow questions by Members of the Public at meetings of Overview and Scrutiny Committees should be removed, but a period of 15 minutes be provided at the beginning of meetings to allow members of the Public to make a Statement(s) on any matter that falls within the remit of the relevant committee, subject to individual speakers being restricted to 5 minutes each;
3. That whilst acknowledging that Planning and Licensing Committees have separate arrangements in place for public involvement, in all other cases, members of the Public should provide 3 clear working days notice, in writing, if they wish to ask a question at any other decision making meeting, in order for an informed answer to be given, but they should not be required to give notice of intention to make use of public speaking provision (although as a matter of courtesy, a period of 24 hours notice should be encouraged);
4. That members of the Council should, in accordance with the current rules, be required to provide 3 clear working days notice in writing if they wish to ask a question at a full council meeting or Cabinet in order for an informed answer to be given;
5. That the existing provisions of the constitution relating to the way in which questions may be answered be preserved.

## Appendix B

### CHESHIRE EAST COUNCIL

### CORPORATE SCRUTINY COMMITTEE

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**Date of meeting:** 12<sup>th</sup> June 2009  
**Report of:** Democratic Services Manager  
**Title:** Public and Member Questions and Statements at Meetings

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#### **1.0 Purpose of Report**

- 1.1 To review the arrangements for public and Member questions and speaking at Meetings.
- .

#### **2.0 Financial Implications 2009/10 and beyond**

- 2.1 There are no identifiable financial implications 2009/10 and beyond.

#### **3.0 Legal Implications**

- 3.1 The existing public and Member speaking and questions provisions are contained in the Council's Constitution. Any changes to these provisions must be agreed by the Council following a recommendation of the Governance and Constitution Committee.

#### **4.0 Risk Assessment**

- 4.1 Providing that the above requirements are adhered to, there are no risks associated with the consideration of the public and member speaking and questions provisions.

#### **5.0 Information**

- 5.1 On 16<sup>th</sup> April, the Governance and Constitution Committee considered the report which is reproduced as the Appendix to this report.
- 5.2 The Committee resolved that the views of the Corporate Scrutiny Committee should be sought upon the issues raised, including those relating to the Licensing, Planning and Scrutiny Committees. The Corporate Scrutiny Committee's views are now sought before a report is made to Cabinet. The views of the Corporate Scrutiny Committee and those of the Cabinet will then be reported back to the Governance and Constitution Committee.

- 5.3 For completeness, the Committee should be aware that, at its meeting on 21<sup>st</sup> May, the Governance and Constitution Committee considered a further report upon Member speaking rights at the Planning Board and Planning Committee meetings. It agreed to recommend to Council that the Constitution should be changed to reflect the provisions of the Planning Protocol, which gives Members speaking rights at those meetings, subject to certain requirements.
- 5.4 The Committee is now asked to consider the existing Constitutional provisions relating to public and Member questions and speaking. It may have a view, which it would wish to be conveyed to the Governance and Constitution Committee upon whether the existing provisions suffice, both from the perspective of the Council's overview and scrutiny responsibilities, and from the non-executive side of the authority's business.
- 5.5 As indicated at paragraph 7.4 of the appended report, the Shadow Council's Scrutiny and Health and Adult Social Care Scrutiny Committees expressed the view that public speaking provisions should not apply to overview and scrutiny committee meetings, since these were not "decision-making" meetings of the authority. The Committee may have further views on these points.

## **6.0 Conclusion**

- 6.1 The views of the Committee will be reported-on to Cabinet which, itself, will make recommendations to the Governance and Constitution Committee. If that Committee considers that Constitutional change should take place, it will make appropriate recommendations to Council.

### ***For further information:***

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### ***Background Documents: Cheshire East Borough Council's Constitution***

*Documents are available for inspection at:*

*The offices of Cheshire east Borough Council  
Westfields  
Middlewich Road  
Sandbach  
CW11*

1HZ

(Appendix)

## **CHESHIRE EAST COUNCIL**

### **Governance and Constitution Committee**

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**Date of meeting:** 16 April 2009  
**Report of:** Borough Solicitor  
**Title:** Public and Member Questions at Meetings

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#### **1.0 Purpose of Report**

- 2.1 To review the arrangements for public and Member questions at Meetings.

#### **2.0 Recommendations**

- 2.1 That consideration be given to the Council's current arrangements for public and Member questions and statements at meetings and whether the views of the Cabinet and appropriate scrutiny committee should be sought before formal recommendations are made to Council.

#### **3.0 Financial Implications for Transition Costs**

- 3.1 None

#### **4.0 Financial Implications 2009/10 and beyond**

- 4.1 None

#### **5.0 Legal Implications**

- 5.1 The public and Member speaking and questions provisions are contained in the Council's Constitution. Any changes to the provisions must be agreed by the Council following a recommendation of the Governance and Constitution Committee.

#### **6.0 Risk Assessment**

- 6.1 Providing that the above requirements are adhered to, there are no risks associated with the consideration of the public and member speaking and questions provisions.

#### **7.0 Background/Context**

- 7.1 Over the last few months, Members have raised questions about the Council's arrangements for public and Member questions and statements at Council and other meetings. This report seeks to summarise the

background and context and the Constitutional provisions that currently apply.

- 7.2 At its meeting on 9 February 2009 the Governance and Constitution Committee considered a report relating to public questions/speaking at Licensing and Scrutiny Committee meetings.
- 7.3 The Licensing Committee on 14 January 2009 had requested that the provision for members of the public to ask questions/speak at the commencement of meetings of the Licensing Committee be waived.
- 7.4 The Scrutiny Committee on 21 January 2009 had requested that Governance and Constitution Committee remove the public speaking/open session from the rules of procedure for the Scrutiny Committee. The Health and Adult Social Care Scrutiny Committee made a similar resolution at its meeting on 20 January. In making these resolutions Members questioned whether it was appropriate to include public speaking/questions within the agenda of a Committee which is not itself a decision-making body.
- 7.5 On 12 January 2009, the Governance and Constitution Committee gave preliminary consideration to Member entitlement to speak and ask questions at Cabinet meetings but at its subsequent meeting on 9 February the Committee resolved that
- (a) it be recommended to Council that the public speaking rule (Rule 35 of the Council Procedure Rules) be disapplied in respect of meetings of the Licensing Committee where it is meeting in a quasi-judicial capacity, either by itself or by Sub-Committee; and
  - (b) the issue of questions and statements by Members and the public be further considered in conjunction with a report by the Borough Solicitor to include the emerging Government guidance relating to Councillor Call for Action and Petitions under the Local Government and Public Involvement in Health Act 2007.
- 7.6 The Council at its meeting on 24 February 2009 approved the adoption of the new Constitution to take effect from Vesting Day. In doing so, it resolved:
- “That the issue of questions and statements by Members and the public be further considered in accordance with the recommendation at Item 10 of the Governance and Constitution Committee meeting on 9 February but that, in the interim, and in this respect, only the currently appended Cabinet Procedure Rules 7 and 8 should apply, which provide for:
- (a) Chairmen and Spokespersons of Scrutiny Committees to attend and speak at meetings of the Cabinet on agenda items;

(b) other Members to speak with the permission of the Leader; and

(c) questions to be submitted by members of the public, providing 3 working days' notice is given."

7.7 A report on Councillor Call for Action and Petitions is included elsewhere on this agenda. This report addresses the issue of public questions at meetings.

## **8.0 Constitutional Provisions Relating to Public and Member Questions and Statements**

8.1 The provisions relating to public questions at meetings of the Council, its committees and sub-committees and Cabinet may be found in Council Procedure Rules 11 and 35 and Appendix 7 to those Rules and in Cabinet Procedure Rule 8. These are summarised in the Appendix to this report.

## **9.0 Licensing, Planning and Scrutiny – Reasons Behind Their Requests**

9.1 The Licensing Committee on 14 January 2009 asked that the provision for members of the public to ask questions/speak at the commencement of meetings of the Licensing Committee be waived. The Licensing Committee noted that when considering applications it was acting in a quasi-judicial nature and as such appropriate provision was already made within its own procedure rules adopted in accordance with the provisions of the relevant legislation. The procedure adopted by the Licensing Committee is summarised in the Appendix.

9.2 The Scrutiny Committee on 21 January 2009 asked for the removal of public speaking/open session from the rules of procedure for the Scrutiny Committee. The Health and Adult Social Care Scrutiny Committee made a similar resolution at its meeting on 20 January. In making these resolutions Members questioned whether it was appropriate to include public speaking/questions within the agenda of a Committee which is not itself a decision-making body.

9.3 Since consideration of these proposals, the Strategic Planning Board has now requested a similar exemption from the main public question provisions for the Board and Planning Committees on the following grounds:

Council gave the Strategic Planning Board power to adopt working protocols governing the Planning function. This specifically included a protocol regarding public speaking rights. On 4 March 2009 the Board resolved

- (i) to adopt a Public Speaking Protocol for Board and Planning Committee meetings; and



- (ii) to request Governance and Constitution Committee to consider an amendment to Procedure Rule 35 in order to waive the general provision for speaking rights at the commencement of those meetings.

The Planning Public Speaking Protocol tailors and significantly expands the general speaking rights in Procedure Rule 35, in accordance with good practice guidance issued by the Planning Officers Society. It provides for

- a wide range of eligible speakers
- minutes per group (supporters, objectors, Members, applicants and others) before the debate begins regarding each application on the agenda
- questions for clarification purposes
- overriding discretion for the Chair to extend time a clear procedure

In these circumstances, the Board felt that the existing provision for 10 minutes public speaking no longer added value to a Planning meeting and that business would be despatched more expeditiously if the tailored Protocol replaced rather than supplemented the general rule.

The Board therefore proposed that this Committee recommend to Council that the Strategic Planning Board and Planning Committees be excluded from the general arrangements for public speaking set out in Procedure Rule 35 of the Constitution in order for them to allow enhanced public speaking rights which are set out in full in a separate Planning Public Speaking Protocol.

## **10.0 Conclusions**

- 10.1 This report sets out the provisions within the Constitution governing public and Member speaking and questions provisions at meetings. It also contains proposals for excluding those provisions from three sets of bodies, together with the rationale for those exclusions. Given the significance of these amendments, Members may wish to consider seeking the views of the Cabinet and relevant scrutiny committee before taking a final view on the matter. The views of the Licensing Committee and Strategic Planning Board have been provided on the specific issues relating to their business.

### ***For further information:***

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***Background Documents: Constitution and reports to and minutes of committees referred to in the report.***

(APPENDIX)

## **BRIEF SUMMARY OF PUBLIC AND MEMBER SPEAKING/QUESTION PROVISIONS**

### **Council Meetings – Questions by Members**

1. Members may ask questions of the Mayor, Cabinet Members, Committee Chairmen, Fire/Police Authority representatives PROVIDED THAT 3 clear working days' written notice is given.
2. The Mayor may agree to take urgent questions.
3. Reasonable endeavours must be used, when responses are given, to address the matter raised.
4. Questioners may ask supplementary questions.

### **Council Meetings – relating to the Minutes**

1. The accuracy of the minutes of the last meeting of Council may be questioned by a motion which must be proposed, seconded and voted upon.
2. The accuracy of the record of minutes of committees and decisions of the Cabinet may be questioned at Council. Any questions must be considered and determined by the committee or Cabinet at their next meeting.

### **All Meetings – Public Speaking and Public Questions**

1. 15 minutes is allocated for public speaking at Council meetings. 10 minutes is allocated at committees, etc.
2. 5 minutes is allocated to each public speaker.
3. Members of the public may use this time to ask questions of the appropriate Cabinet Member or Chairman.

### **Cabinet Meetings – Public Questions**

Where a member of the public wishes to ask questions of a Cabinet Member at a Cabinet meeting, 3 working days' notice must be given.

### **Cabinet Meetings – Member Participation**

1. The chairmen and spokespersons of scrutiny committees are entitled to attend and speak on agenda items of any formal Cabinet meeting.
2. Other Members may speak with the permission of the Leader.

### **Licensing Committee Hearings**

The Licensing Committee has adopted its own procedures for dealing with applications which include facilities for representations to be made and questions to be asked by all parties and residents.

**Planning Committee Hearings**

A protocol has been adopted which includes provision for Members of the Council and members of the public to speak.

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## CHESHIRE EAST COUNCIL

### Cabinet Paper – Part One

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**Date:** 14 July 2009

**Report of:** Strategic Director, Places

**Title:** Economic Development Priorities and Partnership Arrangements

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#### **1.0 Report Summary**

- 1.1 This report outlines a proposed approach to developing a comprehensive economic development strategy for Cheshire East.

#### **2.0 Recommendations**

- 2.1 That the approach to the development of an Economic Development Strategy for Cheshire East as set out in this report is endorsed by Cabinet.

#### **3.0 Reasons for Recommendations**

- 3.1 Local Government Review presents an opportunity for Cheshire East to develop a comprehensive approach to economic development and to ensure our priorities influence sub-regional, regional and national policy development.

#### **4.0 Wards Affected**

- 4.1 All Cheshire East wards

#### **5.0 Local Ward Members**

- 5.1 All local ward members

#### **6.0 Policy Implications**

- 6.1 Local Government Reorganisation has provided an opportunity for Cheshire East to develop a comprehensive approach to economic development across the Borough.
- 6.2 The creation of the new Council also coincides with a renewed focus from Government on the role of Local Government in the delivery of economic development.
- 6.3 The Government published the Local Democracy, Economic Development and Construction Bill on 5 December 2008. This wide-ranging legislation will give communities and local people new rights to have a say in their local services, strengthen local democracy, reform local and regional governance arrangements and implement measures to drive economic regeneration.
- 6.4 It strengthens the role of local authorities in promoting and delivering economic development and including tools for local authorities to assess economic conditions

and support greater collaboration between local authorities in an area, such as statutory Multi-Area Agreements.

- 6.5 Cheshire East will be expected to play a prominent role in the region on economic development issues, in addition to developing strong partnerships on cross-border issues to the north with Greater Manchester and within the Cheshire and Warrington sub-region.
- 6.6 The current economic climate strengthens the case for strong leadership by the Council on economic issues. Our early work on Recession Mitigation activities has received strong interest from the media and local groups who are looking to the Council for leadership and support.
- 6.7 Cheshire East Council is developing a new Economic Development Service to ensure we rise to the challenges outlined above.

## **7.0 Financial Implications for Transition Costs**

- 7.1 No implications for transition costs

## **8.0 Financial Implications 2009/10 and beyond**

- 8.1 The financial implications for 2009/10 and beyond will receive further consideration through the mid-year review and budget setting process.

## **9.0 Legal Implications**

- 9.1 The Council is empowered to undertake these activities under the provisions of the Local Government Act 2000 and the Local Government and Housing Act 1976."

## **10.0 Risk Management**

- 10.1 The main risk associated with the contents of this report is that Cheshire East Council due to LGR is not in a position to fully influence regional and national policy decisions which will impact on future investment. The approach set out in the report aims to mitigate this risk through adopting a medium and longer-term approach.

## **11.0 Background and Options**

### Developing an Economic Development Strategy

- 11.1 The development of a comprehensive Economic Development strategy is not a statutory requirement but an essential part of developing a set of economic priorities and interventions which can be agreed with partners and inform key statutory documents such as the Sustainable Community Strategy and the Local Development Framework.
- 11.2 Cheshire East also needs to engage pro-actively at a regional and sub-regional level on economic issues. Our future growth and prosperity is linked to future regional policy and the policy decisions of our neighbours in Cheshire West but perhaps more significantly in Greater Manchester.

- 11.3 The region is already developing a new Single Regional Strategy in response to the LDEDC Bill and it is important that Cheshire East makes a full contribution to the process.
- 11.4 Due to the tight timescales it is not possible to develop a comprehensive growth/economic development strategy to inform the development of RS 2010, our Sustainable Community Strategy or the Cheshire East Core Strategy.
- 11.5 However, through consultation with the Portfolio Holders for Prosperity and the LDF, and wider engagement with Members, an early view on spatial and economic priorities is being developed within the timescales required by the region. This is ensuring that Cheshire East is playing a pro-active role in the region and sub-region, and building our case for future public sector investment. It will also ensure that our SCS and LDF process are informed by a clear set of growth and regeneration priorities.
- 11.6 A comprehensive Economic Development strategy will be developed by September 2010 which builds on a detailed evidence base in line with new Government guidance for Local Economic Assessments.
- 11.7 A detailed timetable and project plan is under development. The comprehensive strategy will be developed with full consultation with local, sub-regional and regional stakeholders.

#### Delivery Arrangements

- 11.8 The Cheshire East Economic Development team will work closely with the emerging sub-regional arrangements and in particular the new Prosperity Commission.
- 11.9 The Economic Development department for Cheshire East Council sits within the Regeneration Service in the Places Directorate, alongside the Visitor Economy and Strategic Highways and Transportation departments.
- 11.10 Strong links are forming with the Planning and Policy Service on issues such as the LDF and Housing.
- 11.11 The three strands of activity which will form the basis of our economic development service are set out below.
- a) **Economic and Regional Policy**
    - Regional policy advice
    - Economic development strategy
    - Links to SCS/LDF
    - Sub-regional relationships
    - Climate change
  - b) **Business Engagement + Enterprise**
    - Business relationships
    - Enterprise initiatives
    - Inward Investment
  - c) **Regeneration/ Project Development**
    - Major capital projects
    - Town centre co-ordination/development
    - Community Regeneration
    - Rural development

- Sustainable Towns
- Crewe masterplanning
- Regeneration programmes

Current Partnership Arrangements

- 11.12 The Council has inherited a delivery arrangement within the Congleton area which requires a review to ensure that the Council can implement an efficient and effective service for economic development and tourism across Cheshire East.
- 11.13 A more detailed review of the implications and future options with regards to this arrangement is contained in Part Two of this agenda.

**12.0 Overview of Year One and Term One Issues**

- 12.1 The issues covered in this paper addresses a number of Year One issues. The proposed approach to the development of Economic Development priorities reflects the need for a pragmatic approach to ensure that Cheshire East does not miss a key opportunity to influence regional policy whilst we develop a more comprehensive strategy over the next 18 months.
- 12.2 The paper also highlights the need to review current partnership arrangements for delivery of economic development in the light of our new Economic Development department.

**13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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