

# Cabinet Agenda

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**Date:** Monday, 19th July, 2010  
**Time:** 2.00 pm  
**Venue:** Committee Suite 1,2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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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**

To note any 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.

In order for an informed answer to be given, where a member of the public wishes to ask a question of a Cabinet Member three clear working days notice must be given and the question must be submitted in writing. It is not required to give notice of the intention to make use of public speaking provision but, as a matter of courtesy, a period of 24 hours notice is encouraged.

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Please contact Cherry Foreman on 01270 686463  
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

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

To approve the minutes of the meeting held on 14 June 2010.

5. **Key Decision 47 Local Service Delivery (Town and Parish Councils)** (Pages 5 - 18)

To consider the approach to the implementation of the Council's policy to transfer and devolve functions and services to Town and Parish Councils.

6. **Key Dec 48 Future Provision for Older People with Dementia** (Pages 19 - 50)

To consider the closure of Cypress House, Handforth, and the future planning and delivery of services for people with dementia.

7. **Final Outturn 2009/10** (Pages 51 - 112)

To consider the final outturn position for 2009–2010, including areas of financial risk to the Council, changes from the positions reported at the three quarter year review, and updates on the Capital Programme and in-year collection rates for council tax and business rates.

8. **Business Planning 2011 - 2014** (Pages 113 - 172)

To approve the business planning process for 2011/2014.

9. **Corporate Plan** (Pages 173 - 176)

To determine any final amendments to the Corporate Plan prior to its consideration by Council on 22 July 2010.

*N.B: Copies of the Corporate Plan can be viewed on the Council's website as part of a supplementary agenda pack to this agenda and are available upon request from Democratic services. Printed copies will be circulated separately to Council Members.*

10. **Sustainable Community Strategy** (Pages 177 - 180)

To determine any final amendments to the Sustainable Community Strategy prior to its consideration by Council on 22 July 2010.

*N.B: Copies of the Sustainable Community Strategy can be viewed on the Council's website as part of the supplementary pack to this agenda and are available upon request from Democratic Services. Printed copies will be circulated separately to Council Members.*

11. **Conservation Area Appraisals - Moody Street and West Street, Congleton**  
(Pages 181 - 188)

To approve the amended extensions to the boundaries of the Conservation Areas for formal designation and that the Conservation Area Appraisals be adopted.

*N.B: Appendices 2 and 3 of this report can be viewed on the Council's website in a supplementary agenda pack to this agenda. Printed copies can be obtained upon request from Democratic Services. In addition, for Members of the Council, printed copies will be placed on deposit in the Cabinet Office and in the Members Room at Westfields.*

12. **Local Development Framework Documents** (Pages 189 - 196)

To consider the adoption of the following reports which will form part of the Cheshire East Local Development Framework.

- Statement of Community Involvement
- Alsager Town Centre Supplementary Planning Document
- Smallwood Village Design Statement Supplementary Planning Document
- Local List of Historic Buildings and its accompanying Supplementary Planning Document

*N.B: Appendices 1 – 9 of the report can be viewed on the Council's website as part of a supplementary agenda pack to this agenda and are available upon request from Democratic Services. For Members of the Council printed copies will be placed on deposit in the Cabinet Office and in the Members Room at Westfields*

13. **Local Development Framework Process and Amendments to the Constitution**  
(Pages 197 - 204)

To consider streamlining the process for the approval of the Local Development Framework.

14. **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 1 and 2 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**

15. **Managing Workforce Change** (Pages 205 - 210)

To consider the report of the Head of Human Resources and Organisational Development.



**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Cabinet**  
held on Monday, 14th June, 2010 in Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

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

Councillors Rachel Bailey, F Keegan, A Knowles, J Macrae, P Mason and  
R Menlove

Councillors in attendance:  
Councillors Rhoda Bailey, O Hunter, S Jones, L Smetham, D Thompson,  
A Thwaite and R Westwood.

Officers in attendance:  
Borough Solicitor, Borough Treasurer and Head of Assets, Head of Corporate  
Improvement, Head of Planning and Policy, Head of Policy and Performance,  
HR Delivery Manager and Strategic Director Places.

**9 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors D Brown and H  
Gaddum.

**10 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**11 PUBLIC SPEAKING TIME/OPEN SESSION**

Mr G Watmough attended the meeting and addressed the Cabinet  
regarding a number of his concerns: he was advised that he would receive  
a response in due course.

**12 MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 18 May 2010 were approved as a  
correct record.

**13 KEY DECISION 43 CHESHIRE AND WARRINGTON LOCAL  
INVESTMENT PLAN**

Consideration was given to the draft Housing Local Investment Plan which  
focussed on housing investment over the next four years, and particularly  
the next twelve months. The Plan would form the first chapter of an

integrated planning process being put together through the Cheshire and Warrington Enterprise Commission, and be part of the growth strategy for the sub-region entitled 'Unleashing the Potential'.

**RESOLVED**

For the reasons set out in the report:

1. That approval be given for the Local Investment Plan to be submitted to the Homes and Communities Agency.
2. That the Local Investment Plan be further developed to include all economic, housing and transport priorities to deliver the 'Unleashing the Potential' sub-regional strategy.

**14 AFFORDABLE HOUSING**

Consideration was given to options for the delivery of affordable housing in Cheshire East. The report identified the need for additional measures to be taken to achieve the development of new affordable housing in the Borough including the identification of sites and funding opportunities

**RESOLVED**

For the reasons set out in the report:

1. That officers identify a list of potential sites from sources such as the Strategic Housing Land Availability Assessment, and information held by the Council's Assets Service, which could be suitable for the development of affordable housing.
2. That approval be given for officers to explore the opportunities in relation to these sites from the options described in the report, and any other new initiatives that arise, consistent with the objectives of providing more affordable housing.
3. That officers start a process of identifying preferred partners for the development of housing sites, in conjunction with the Homes and Communities Agency.
4. That further reports be received by Cabinet or the relevant Portfolio Holders on the outcomes of the various assessments and business cases for land use and affordable housing developments.

**15 SUSTAINABLE COMMUNITY STRATEGY**

The Cabinet received an update on the development of the Sustainable Community Strategy and considered a draft for consultation. It was noted that the draft would be considered by the relevant Scrutiny Committees as part of the Budget and Policy Framework procedure, and that it would be considered by the Cabinet again prior to its submission to Council on 22 July 2010.

RESOLVED

For the reasons set out in the report: -

That approval be given to the draft Sustainable Community Strategy for consultation and for submission to the relevant Overview and Scrutiny Committees under Rule 2.1 of the Budget and Policy Framework Procedure Rules, and that it be considered further by the Cabinet at its next meeting.

## **16 CORPORATE PLAN**

The Cabinet received an update on the development of the Corporate Plan and considered a draft for consultation. It was noted that the draft would be considered by the relevant Scrutiny Committees as part of the Budget and Policy Framework procedure, and that it would be considered by the Cabinet again prior to its submission to Council on 22 July 2010.

RESOLVED

For the reasons set out in the report: -

That approval be given to the draft Corporate Plan for submission to the relevant Overview and Scrutiny Committees under Rule 2.1 of the Budget and Policy Framework Procedure Rules, and that it be considered further by the Cabinet at its next meeting.

## **17 2009/2010 PERFORMANCE REPORT**

Consideration was given to information on the performance of the Council in its first year, to issues raised in relation to under performance against targets, and to how they would be addressed. The report reflected the developing performance management framework; during 2010/11 this would be further developed with formal challenge sessions on performance improvement and a clearer link between performance information and scrutiny activity.

RESOLVED

For the reasons set out in the report: -

That the assessment of performance be noted.

## **18 APPOINTMENTS TO OUTSIDE ORGANISATIONS**

Consideration was given to a number of proposed changes to the Category 1 list of outside organisations, and to specific requests in respect of the Cheshire Peaks and Plains Housing Trust and the Cheshire Police Appointments Joint Committee.

At the meeting it was reported that since the report had been prepared the proposed change of membership on the County Councils Network (ref 1-

130) had been further revised; it was now proposed that Councillors A Arnold and R Domleo replace Councillors W Fitzgerald and A Moran.

**RESOLVED**

For the reasons set out in the report: -

1. That the changes to outside organisations, as shown in bold and underlined on the appendix to the report, be approved.
2. That representation on Cheshire Peaks and Plains Housing Trust be reduced from five to three, and that Councillors R West, D Thompson and J Narraway be appointed as the Council's three representatives.
3. That Councillors W Fitzgerald, A Arnold and H Murray be nominated to the Cheshire Police Appointments Joint Committee.
4. That Councillors A Arnold and R Domleo replace Councillors W Fitzgerald and A Moran on the County Councils Network.

**19 EXCLUSION OF THE PRESS AND PUBLIC**

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 1 and 2 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

**20 MANAGING WORKFORCE CHANGE**

Consideration was given to the report of the Head of Human Resources and Organisational Development.

**RESOLVED**

For the reasons set out in the report: -

That Cabinet supports the decision of the Chief Executive to release the employees whose roles are listed in Appendix A of the report, under the arrangements agreed in relation to voluntary severance provisions for employees in the Council.

The meeting commenced at 2.00 pm and concluded at 3.15 pm

W Fitzgerald (Chairman)

## **CHESHIRE EAST COUNCIL**

### **REPORT TO: CABINET**

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**Date of Meeting: 19 July 2010**

**Report of: Head of Corporate Improvement**

**Subject/Title: Local Service Delivery (Town & Parish Councils)**

**Portfolio Holder: Cllr Frank Keegan / Cllr David Brown**

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#### **1.0 Report Summary**

- 1.1 A stated policy and key transformational ambition of Cheshire East Council is to empower others to provide more relevant, responsive and value for money local public services, where appropriate, through local service delivery. One mechanism to achieve this is to work constructively with Town and Parish Councils to promote and enhance their opportunities to deliver local services for which they have powers and duties. There is a wealth of national support and legislation to underpin this approach, not least from the incoming Coalition Government. Other advocates include the Local Government Association and Commission for Rural Communities. In addition, it was a major feature of the Local Government Review business case. Specific benefits of implementing this policy include:

- Encouraging communities via their elected leaders to choose and directly deliver the level of services and functions for which they have powers and duties;
- Strengthening community cohesion by handing over control of specific services and functions to improve their effectiveness;
- Working with the expectations and ambitions of local residents and Councils;
- Providing a strategic framework for future decisions to transfer or devolve functions;
- Removing the current uncertainties about discretionary activities and enabling better planning for these activities and related budgets;
- Enabling Cheshire East Council to focus on its core business and having a positive impact on Council Tax for the majority of residents;
- Harmonising different approaches inherited from legacy Councils and replacing with a fair and consistent approach across the Borough;
- Resolving the issue of double taxation.

- 1.2 This report outlines the recommended approach to implement the Council's policy to transfer and devolve functions and services to Town and Parish Councils. The initial programme is over a period of 2 years. Recommendations are based on the outcomes of a multidisciplinary Working Group set up by Cabinet for this purpose.

## **2.0 Decision Requested**

- 2.1 To agree the principles which underpin this development;
- 2.2 To agree to implement the plan outlined in this report;
- 2.3 To agree the levels of investment required and acknowledge the potential financial and non-financial benefits;
- 2.4 To agree to incorporate community and civic halls in this project and re-phase the related 2010-2011 budget savings target.

## **3.0 Reasons for Recommendations**

- 3.1 As stated in specific benefits identified above.

## **4.0 Wards Affected**

- 4.1 All

## **5.0 Local Ward Members**

- 5.1 All

## **6.0 Policy Implications**

- 6.1 It is a stated policy of Cheshire East Council to empower local communities through the transfer and devolution of services and functions, as expressed in the Council's Corporate Plan.

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

- 7.1 None.

## **8.0 Financial Implications 2010/11 and beyond (Authorised by the Borough Treasurer)**

- 8.1 One of the key aims of this policy is to improve cost effectiveness and value for money. Revenue and capital implications will be incorporated in the next budget setting cycle pending the approval of this report.
- 8.2 At this stage it is estimated that annual net savings of £690K could be achieved by 2012-13 through the successful implementation of this policy as it is currently scoped – this is explained later in the report. Estimated one-off project costs of approximately £200K are required for implementation. There is a potential phasing impact of £190K in the 2010-11 budget relating to deferring the transfer of community halls if they are to be properly encompassed within this implementation plan in order to 'package' transfers more effectively. There will be a balance sheet impact in respect of transferred assets but conditions will underwrite such

transfers in order to protect the Council's financial interest. A sum of £625K has been set aside in Reserves to support the initiative.

- 8.3 In addition, this recommended approach to implementation would eliminate double taxation, generating additional annual savings for the Council. Only the acknowledged claims in 2010 -11 for double taxation by Town and Parish Councils will be met and these will then cease completely through the implementation of the recommendations within this report.
- 8.4 The Borough Treasurer has been represented on the Working Group and has agreed the overall approach and financial implications.

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

- 9.1 Powers and duties for town and Parish Councils are extensive. There will be legal implications through the conditions under which assets are transferred and, or, functions are devolved; these will be addressed throughout the implementation process. This proposal includes the need to employ additional legal resource to deal with this aspect for the duration of the project. The Borough Solicitor has been represented on the Working Group and has provided the following advice:

- Arrangements can be made with local councils for them to discharge some functions on this Councils behalf under Section 101 Local Government Act 1972. Alternatively there can be a purely contractual arrangement for the delivery of services to this Council's specification. It would be necessary to demonstrate that these arrangements are financially prudent and that service delivery is safeguarded. The business case should be fully expounded. Arrangements should be considered on a case by case basis.
- The report describes more fully this council's obligations with regard to transfer of assets. There is an overriding fiduciary duty to our residents to behave prudently in this regard.
- The transfer of services may involve staff transfer issues, which will have HR and financial implications.
- Overall, public assets and services should not be devolved unless the transferee authority has the ability and capacity to assume the obligations lawfully and effectively. The Monitoring Officer will remain concerned about the manner of discharge of functions by another local authority on this council's behalf.

## **10.0 Risk Management**

- 10.1 Reputational and financial risks exist if this policy is not implemented consistently due to local resistance and inertia, and where the necessary internal professional skills are insufficient to deliver the implementation plan. The Working Group will maintain a risk register to identify, monitor and mitigate risks.

## **11.0 Background and Options**

### Background

- 11.1 It is the clearly stated intention of the Council to promote localism and empower others to deliver services particularly where this can be done with greater cost effectiveness. This is a crucial tenet in the improvement of local services and also ensures the Borough Council focuses on its core business. In addition, many of the larger Town and Parish Councils have stated aspirations and expectations to take on the responsibility and delivery of more services. In March 2010, Cabinet set the direction to progress this initiative. It tasked a multi-disciplinary working group to further understand the options and issues; determine a logical and fair approach to enable services and functions to be transferred and devolved; make recommendations.

### Launch and Consultation

- 11.2 The notion of transferring or devolving services to Town and Parish Councils has been under consideration for some time both locally and nationally. The Council formally launched its approach at the Town and Parish Council Conference on 17 March 2010. Town and Parish Councils were then individually canvassed for their views, requested by the Leader, over a 2 month period and the results are shown at Appendix A. Additional meetings have been held with Nantwich, Knutsford and Congleton Town Councils at their request in order to explore their particular aspirations and understand the wider issues and practicalities for all parties.
- 11.3 Overall, there has been a very positive response with all 8 Town Councils and 43 out of 100 Parish Councils registering a response. All Town Councils have expressed a clear interest to take over specific functions and run these locally. 17 out of 43 Parishes have expressed an interest in taking on functions with the remainder in general support but stating that they may experience some initial difficulties in running services directly.

### Principles for this Initiative

- 11.4 A number of principles have been established. This is not an exhaustive or final list. They have been developed by the Working Group and it is proposed that they will underpin the strategy and provide criteria against which to make decisions and define priorities. These are set out below:



- Primacy given to services that are technically simple and publicly visible
- Devolved delivery is proven to be more cost effective and/or efficient and/or responsive
- Transferred services must be within the legal remit of Town and Parish Councils
- The power to deliver devolved services must be capable of being delegated by CEC
- Borough Council to focus on core business
- Finance to follow function in the case of devolved services
- Overhead savings to be captured where possible as part of the budget setting process.

### Models for Implementation

- 11.5 It is essential to distinguish between the '**transfer**' and '**devolution**' of services as this leads to two different models in terms of handing over control and has significantly different operational and financial implications. Process mapping has been carried out by the Working Group to demonstrate how this will work, and the proposed models (and their definitions) are set out below in broad terms:

#### ***Transfer Model***

- 11.6 Definition: Services / functions which **ARE NOT** the core business / statutory responsibility of the Borough Council but which localities may wish to continue and deliver via Town or Parish Councils. No further permanent funding will be provided for such services by Cheshire East Council Tax payers. Some *transitional* funding may be required and this will be determined on a case by case basis depending on condition of assets, for example.

**It is strongly recommended that these functions or assets are transferred on a Borough wide rather than pilot basis in order to bring clarity for all parties, and also to eliminate double taxation in respect of each function in a structured and fair manner.**

Under this model, options for Towns and Parishes are as follows:

- Agree that the service is no longer needed - it will cease through local choice
- Agree that the service should continue and they will run it and fund it through local precept
- Agree that the service is needed but they are unable to run it – they can either ask a neighbouring council to run it for them and fund it through their local precept or (as a last resort) ask the Borough to continue it and fund that also through their local precept.
- In un-parished areas (possibly via the CEC Ward members) agree that CEC will cease provision or continue with a defined level of service / function which will be funded through Special Expense Payments levied on that geographic area. (NB this option will be the most

expensive option as all overhead recovery will be charged as well as the operational costs).

### ***Devolve Model***

- 11.9 Definition: Services / functions which **ARE** core business / statutory responsibility of the Borough Council but which may be more effectively and economically delivered via Town or Parish Councils.

Under this model, finance will follow function under terms agreed by the Borough Treasurer. Consideration will be required for clustering arrangements between Councils, staffing implications of any transfers, treatment of overheads and potential 'profits' where Town and Parishes run services more cheaply than the original budget allocation from the Borough. It is recommended that services categorised within this model are piloted before Borough wide implementation, in order to test the principles and approach. It should be stressed that under the devolved model ultimate responsibility is retained by the Borough Council.

### **Suggested Approach to Implementation**

- 11.10 This implementation has high local impact and there are some potentially complex negotiations involved. In order to manage this in a fair, controlled and effective way therefore it is suggested that functions and services are transferred and devolved in a systematic and predetermined manner over a defined time period of 2 years. This ensures clarity for all organisations involved, allows the appropriate support arrangements to be set in place, enables the packaging of services and functions so that they make organisational sense, and informs all councils in time for their budget and precept setting processes.

A matrix is shown at Appendix B which outlines the recommended approach to rolling out transfer and devolution of specific services which broadly match those requested through consultation. This will be 'mapped' onto each area **as a starting point** to work out their package of functions and services, and the financial, legal and operational implications will be drawn up within a proposition.

A broad project plan and scoping document has been produced in order to outline the size of the task and how it will be organised. This also registers important linkages with other initiatives in terms of the related development of local service delivery within CEC, town centre management and asset planning. It is necessary to address the resource requirement to effectively implement this policy which is estimated to be 2 FTE for 2 years to cover experienced and knowledgeable project management and additional legal expertise. It is thought at this stage that other resources will be absorbed within existing structures and budgets. This will cost approximately £200K and it is recommended that it is funded from reserves set aside to support this initiative.

Subject to approval to proceed on this basis, there will be a series of meetings held by representatives of the Working Group within each LAP area in order to brief Town and Parish Councils, and to arrange how to move forward within each area on the basis of function and service 'packages' where appropriate (mainly for larger Councils).

Detailed work would then begin to develop the 'proposition' for each package of transfers and where necessary these would be brought back to Cabinet for ratification.

### Community and Civic Halls

- 11.11 The Council's 2010-11 revenue budget includes a savings target of £190K for the transfer of Community Halls reflecting the early intention to transfer functions to third parties. With the exception of Fellowship House which is in the process of being transferred it is recommended that the remaining Halls are dealt with as part of this holistic strategy - this is likely to result in more mutually beneficial outcomes both financially and in terms of local delivery and impact. This would result in the majority of the savings target being achieved a year later than currently planned.

### Asset Transfer Considerations

- 11.12 Implications of the proposals for the Council's property assets will be managed by the Assets Manager and Borough Solicitor in accordance with best practice and the best consideration requirements of s123 of the Local Government Act 1972 and the General Disposal Consent 2003. The terms of the 2003 Consent mean that specific consent is not required for the disposal of any interest in land which the authority considers will help it to 'secure the promotion or improvement of the economic, social or environmental well-being of its area'. Circular 06/2003 states that where applicable, authorities should also have regard to their community strategy.

Considerations will include the possible short term financial contribution by CEC in lieu of ongoing running costs and/or identified capital expenditure (e.g. backlog maintenance), as well as the level of control to be retained by this Council over the Town/Parish Council's future management of the property through, for example, restrictions on use and onward disposal and/or guarantees in respect of the intended use of any future proceeds of sale. However, it may be acceptable for a Town and Parish Council to receive an asset from CEC and after a number of (agreed) years, sell it and retain the proceeds.

In circumstances which result in a proposal to transfer a property asset to a Third Sector organisation, for example, a voluntary or community group, a much more stringent control regime would be applied in accordance with the procedures set out in the Council's Community Asset Transfer Strategy, which will be the subject of a further report to Cabinet in the near future. The Strategy will establish a transparent, positive and proactive

framework to enable and manage asset transfer from Cheshire East to the third sector to happen. To achieve this it is necessary to demonstrate how community asset transfer might support both Council and wider community objectives. Identified risks associated with such a transfer include: organisational capacity and skills, insufficient funds to meet required refurbishment and ongoing maintenance needs, unrepresentative/unaccountable minority control, over reliance on a small number of volunteers.

### Summary

11.13 Cheshire East Council and Town and Parish Councils have reaffirmed their desire to transfer and devolve specific functions and services so that they can be delivered locally. This report sets out a mechanism for doing that in a systematic and manageable way which will enhance local choice and accountability as well as improve value for money.

Considerable time and effort has been invested by all members of the Working Group, and its Cabinet sponsors, to present an implementable solution to a complex area and this should be acknowledged. This Group will need to be supported and supplemented if the implementation plan is to be delivered as outlined in the report as it is contingent upon their continuation and backing.

Immediate next steps involve selecting a suitably skilled project manager, communicating the approach and setting up appropriate conditions to carry out negotiations.

### **12.0 Access to Information**

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

Name: Ceri Harrison (on behalf of the Working Group)

Designation: Head of Corporate Improvement

Tel No: 01270 686558

Email: [ceri.harrison@cheshireeast.gov.uk](mailto:ceri.harrison@cheshireeast.gov.uk)

### Local Service Delivery – Breakdown by LAP Area

LAP	Responses from:	Preferred Option:
Congleton	<a href="#">Alsager Town Council</a> Betchton – comment only Brereton Parish Council <a href="#">Congleton Town Council</a> Goostrey Parish Council Holmes Chapel Parish Council <a href="#">Middlewich Town Council</a> Newbold Astbury cum Moreton Parish Council Odd Rode Parish Council <a href="#">Sandbach Town Council</a> Warmingham Parish Council	A No option stated B A B No option stated A B A A B
Crewe	Haslington Parish Council Weston & Basford Parish Council Willaston Parish Council Wistaston Parish Council	A Seeking further clarification B A
Knutsford	Ashley Parish Council Great Warford Parish Council High Legh Parish Council <a href="#">Knutsford Town Council</a> Little Bollington Parish Council Lower Peover Parish Council	B A A A B B

	<b>Mobberley Parish Council</b> <b>Millington Parish Council</b> <b>Nether Alderley Parish Council</b> <b>Peover Superior Parish Council</b> <b>Pickmere Parish Council</b> <b>Plumley with Toft &amp; Bexton Parish Council</b> <b>Rostherne Parish Council</b> <b>Tabley Parish Council</b>	<b>B</b> <b>B</b> <b>B</b> <b>B</b> <b>A</b> <b>B</b> <b>B</b> <b>B</b>
<b>Macclesfield</b>	<b>Bollington Town Council</b> <b>Bosley Parish Council</b> <b>Gawsworth Parish Council</b> <b>Henbury Parish Council</b> <b>Higher Hurdsfield Parish Council</b> <b>Kettleshulme</b> <b>Marton – comment only</b> <b>Pott Shrigley Parish Council</b> <b>Rainow Parish Council</b> <b>Sutton Parish Council</b>	<b>A</b> <b>B</b> <b>B</b> <b>B</b> <b>A</b> <b>B</b> <b>No option stated</b> <b>B</b> <b>A</b> <b>B</b>
<b>Nantwich</b>	<b>Acton Edleston &amp; Henhull Parish Council</b> <b>Audlem Parish Council</b> <b>Bunbury Parish Council</b> <b>Hough &amp; Chorlton Parish Council</b> <b>Marbury &amp; District Parish Council</b>	<b>B</b> <b>A</b> <b>A</b> <b>A</b> <b>A</b>

	<b>Newhall Parish Council</b> <b>Nantwich Town Council</b> <b>Sound &amp; District Parish Council</b> <b>Spurstow Parish Council</b> <b>Wynbunbury Parish Council</b>	<b>B</b> <b>A</b> <b>B</b> <b>B</b> <b>A</b>
<b>Poynton</b>	<b>Adlington Parish Council</b> <b>Disley Parish Council</b> <b>Mottram St Andrew Parish Council</b> <b>Poynton with Worth Town Council</b> <b>Prestbury Parish Council</b>	<b>A</b> <b>A</b> <b>A</b> <b>A</b> <b>A</b>
<b>Wilmslow</b>	<b>Chorley Parish Council</b>	<b>B</b>

Option A preference = 25    Option B preference = 26

4 responses with no option specified

Options wording for information;

- A) Telling us that your Town or parish council is interested in being an active partner of Cheshire East and would like to consider taking on additional services or functions, or
- B) Telling us that your Town or parish Council is keen to keep abreast of developments but that you would prefer to receive any service from either Cheshire East or a Town & Parish Council delegated by Cheshire East.

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## LOCAL SERVICE DELIVERY VIA TRANSFER OR DEVOLUTION TO TOWN & PARISH COUNCILS – PROPOSED TIMESCALES

	TRANSFER	FINANCE	DEVOLVE	FINANCE
2010/11	- CIVIC & COMMUNITY HALLS	£324,000 (may move to 2011/12 if budget changed)		
2011/12	<ul style="list-style-type: none"> <li>- CHRISTMAS LIGHTS/TREES</li> <li>- CLOSED CHURCHYARDS</li> <li>- ALLOTMENTS</li> <li>- HANGING BASKETS</li> <li>- BUS SHELTERS</li> <li>- STREET NAMES/BENCHES/PLANTERS</li> <li>- PUBLIC CONVENIENCES</li> <li>- BRITAIN IN BLOOM</li> </ul>	£79,000  £20,000  £548,000 (total) £10,000	<ul style="list-style-type: none"> <li>- LITTER</li> <li>- ROAD SWEEPING</li> <li>- GRASS CUTTING (VERGES)</li> </ul>	TBC
2012/13	<ul style="list-style-type: none"> <li>- MARKETS</li> <li>- PLAY AREAS/REC GROUNDS</li> <li>- FOOTPATHS (some) &amp; BRIDLEWAYS</li> <li>- OTHER ASSETS</li> <li>- URBAN PARKS</li> <li>- PONDS &amp; DITCHES</li> </ul>	£291,000 net operating income		

### Notes:

1. The figures included in the table above are indicative net operating costs/ incomes, based upon 2009/10 budgets; i.e. management, support services and other overheads are excluded
2. Where no figures are shown, either further refinement is required via breakdown of budgets, or the extent of functions to be transferred or devolved needs to be properly defined
3. The extent of any services, assets, financial savings (from transfer of services) or budget that may be transferred via grant (when devolving services) will be dependent upon final agreement on arrangements. **The above list is therefore indicative only at this stage.**

4. The extent of potential for further savings, in management and support services, will depend on the nature and extent of services transferred/ devolved and the extent of any support required by the Town and Parish Councils

## **CHESHIRE EAST COUNCIL**

### **REPORT TO: Cabinet**

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**Date of Meeting:** 19/7/2010  
**Report of:** Adult Services – People Directorate  
**Subject/Title:** Future Provision for Older People with Dementia  
**Portfolio Holder:** Councillor Roland Domleo

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#### **1.0 Report Summary**

- 1.1 Cabinet has considered three reports covering the development of the Dementia strategy, in June and November 2009, and April this year. This report should be seen in the context of its predecessors as it consolidates the work outlined within them and points the way for the future planning and delivery of services for people with dementia and especially the model of delivery within the Council's provider, Care4CE. The decisions requested in this report will sustain the transformational momentum in Adult Services and contribute to the wider development of commissioning, provision and delivery within the Council.
- 1.2 A particular feature of the report is the work done to consider the next phase of closure of the ageing Community Support Centres. The April report identified Cypress House, Handforth, as the most likely candidate and that suggestion is confirmed within this report.
- 1.3 The report also notes the opening of Lincoln House, the promised modernised service in the south of the area and begins to sketch how a similar approach should be adopted in the north. The preference is for a new building, given the difficulties in developing existing properties, so there are proposals concerning the rationalisation of building use and staffing that will generate capital receipts and make revenue savings against which a business case for future developments can be made.

#### **2.0 Decisions Requested**

##### **Cabinet is asked to agree**

- 2.1 To the closure of Cypress House based on the results of discussions with service users and their carers and noting that services currently provided on the site are available and nobody who qualifies will be denied a service.
- 2.2 That, subject to agreement to 2.1 that Cypress House be declared surplus to requirements and to be sold on the open market if not required for CEC.
- 2.3 That, subject to a business case, the capital receipt from the closure of Cypress House is available to develop a dementia facility in the north of the Council area.

- 2.4 To complete further work to progress the business case to develop two further sites, one in Macclesfield and one in Congleton to deliver the Dementia model jointly with CECPCT, with a next report anticipated for Cabinet in October this year.
- 2.5 To the rationalisation of building use where this does not impact upon the range and volume of service provided to enable additional capital receipts to be added to support progress with the Living with Dementia strategy.
- 2.6 To recognise that Care4CE has reduced its cost base, rationalised its structure and purpose in line with Cabinet decisions and budget requirements and should now explore securing further commercial freedom to assist its development as an asset to Cheshire East Council.

### **3.0 Reasons for Recommendations**

- 3.1 This report highlights the current strategic planning already completed to implement the National Dementia Strategy and the further work required to take the strategy forward jointly with Central & Eastern Cheshire Primary Care Trust (CECPCT) in Cheshire East. It considers the demographic changes, the effect of the personalisation agenda on the current market and outlines the strategic direction for Cheshire East's older people's services provided by Care4CE – which is the new name for the Council's directly provided services for Adults.
- 3.2 Cheshire East experiences a higher than average older age population and it is predicted this will continue in an upward trend. Currently the area has 17.8% of over 65 year olds compared to the national average of 15.9%. The percentage of people aged over 85 is also above the national average of 2.1%. [See section 12.0- "Access to Information" for a link to demographic data].
- 3.3 The numbers for Cheshire East who will have a dementia type illness on the projected rate of (1 in 14) which equates to 7% are as follows split into geographical areas within Cheshire East;-
  - **Congleton and Sandbach** – population of older people 22,120 projected dementia **1549 by 2016.**
  - **Macclesfield and Poynton** - population of older people 20,419 projected dementia **1429 by 2016**
  - **Wilmslow and Knutsford** - population of older people 13,740 projected dementia **961 by 2016.**
  - **Crewe and Nantwich** - population of older people 24,490 projected dementia **1715 by 2016.**

**These figures are based on population in 2008/9 and correlated using the national formula but it is worth noting that Cheshire East have higher incidence rates due to the higher old age population.**

3.4 Within Cheshire East, Adult Services has implemented the national 'Putting People First' approach which focuses on providing people with the choice of remaining in their own home and encourages them to live as independently as possible for as long as possible. To support this model we have:

- commissioned Extra Care Housing schemes in Crewe, Handforth and Middlewich.
- improved access to information
- provided personalised budgets
- increased the use of technology within peoples own homes
- provided a reablement service, to maintain people's independence and enhance the lives of individuals and carers.
- Improved the journey of someone who experiences dementia

Appendix 2 identifies the journey of someone who experiences dementia and the impact that this has on their life and the life of their family. It notes the gaps in current provision that the Living with Dementia model is aspiring to address.

3.5 This move to personalisation is having an effect on the long term residential care market within Cheshire East and the demand for that service. There are currently vacancies within private residential care and in Care4CE's short break provision. The current level of occupancy within Care4CE Community Support Centres is:-

Existing provision and average usage for 2009/10 are:

	<b>Total Capacity</b>	<b>Aver. bed use</b>	<b>Aver. vacant beds</b>
Bexton Court , Knutsford	23 beds	80% (18)	5
Cypress House, Handforth	31 beds	69% (21)	10
Hollins View, Macclesfield	40 beds	65% (26)	14
Mountview , Congleton	36 beds	68% (25)	11
Lincoln / Santune, Crewe	45 beds	64% (29)	16
<b>Total:</b>	<b>175 beds</b>	<b>119 beds</b>	<b>56</b>

3.6 With both these elements in mind [independent provision and council provision] we need to consider carefully and plan future developments to meet the demographic and demand trends presented within Cheshire East. This is likely to have significant continuing impact on the staff and building base of current service provision that will require urgent corrective action to avoid double running costs.

3.7 With this reduction in demand for residential care we have undertaken consultation with users and carers on the closure of one of the five remaining Community Resource Centres provided by Care4CE at Cypress House in Handforth. [Appendix 1]

3.8 Based on the population profile for Cheshire East and an increase in people living with dementia the gaps in provision for dementia care will continue to grow. To meet this demand we are proposing that we have a joint specialist dementia service based on the model developed at Charnley Ford, details in Appendix 3. This service would provide the following;-

- Advice & Information
- First Stop Shop & Cafe - bringing agencies together who provide support and care
- Carers Support Services
- Assistive Technology
- Professional Advice & Support
- Training facilities
- Specialist Dementia care, day care & respite
- Intermediate Care Beds

Lincoln House in Crewe has recently been refurbished and will now provide this service for the Crewe and Nantwich area.

3.9 Within Cheshire East, the rural areas show the greatest proportion in both losses of young people and gains in older people. Macclesfield district has the largest population and the highest number of people aged over 65, representing 18.9% of the population. There is estimated to be 4,500 people living with dementia in Cheshire East over the age of 65, and of these it is estimated that 65% are women.

3.10 The three remaining Community Support Centres for Care4CE are Bexton Court in Knutsford, Hollins View in Macclesfield and Mountview in Congleton. We are proposing that these buildings will be considered as part of a total asset review noted at 3.14 which will also consider the properties owned by CECPT.

3.11 The business case development will need to take account of developments within the local market, future demand, demographics and property condition to consider the relative merits of property refurbishment and new building. The business plan will be mindful of the drive for local service access, links to the geographical boundary of the Local Independent Living Teams and GP clusters and access to the local hospitals, alongside economies of scale.

3.12 The population profile highlights demand in local areas. This suggests that specialist provision for dementia care will continue to grow within Cheshire East to meet this demand. Therefore it is essential that we consider the development of local specialist services in our future planning. These local services could save admissions to acute hospitals and enable people to be discharged with the right support to regain skills and independence. This will provide a seamless service for the customers requiring this level of support.

- 3.13 To understand demand, costs and future effects of the personalisation agenda on the whole local market we have commissioned work that will outline how we currently spend social care money and analyse how we need to change our current commissioning pattern in line with the growth of personalisation as well as demographic trends. This work will contribute to the business case.
- 3.14 Additionally, we have commissioned an assets review of property with CECPCCT. This will in making the choice between refurbishment and new purpose built development as well as identifying more effective use of our total building assets and scope for reductions.
- 3.15 Meanwhile, a review of day services in Crewe [Appendix 5] has identified that we could integrate the older people services currently provided at the Jubilee House in St Pauls Street, the mental health service at 291 Nantwich Road and the very small physical disability service now provided at the nearby Hilary Centre in Salisbury Avenue. All these could be accommodated within the Hilary Centre with just a small improvement to the toilet facilities. This would provide greater efficiencies in both staffing and non staffing costs without any reduction in services, and would provide better parking facilities for customers. Agreement is sought to commencing discussions with service users and staff concerned, with a view to implementing these moves in the autumn after the completion of the planned improvements.

#### **4.0 Wards Affected**

**All**

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

All for overall Dementia Strategy

For Cypress House

Councillors Crockatt, Whiteley and Stockton

For Crewe building changes Councillors Conquest, Martin ,  
Thorley, Beard, Bebbington, Jones, Cannon, Flude, Howell, Cartlidge, Parker,  
Weatherill

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

- 6.1 Having a range of locally based dementia services will enable people to access a service closer to home. From the work completed with Care Standards Efficiency Delivery Programme (CSED) we have found out that people do not want to travel to such facilities if possible.

- 6.2 Being closer to home will give access for the customer to their local GP's and health services. As well as assisting in sustaining important community links.

**7.0 Financial Implications 2010/11 and beyond (Authorised by the Borough Treasurer)**

- 7.1 The total cost of redundancies is £425,000, but there is a range of redeployment opportunities available to staff, limited only by personal commitments and restrictions that will reduce this figure although the likely minimum cost is £375,000.
- 7.2 Cost of Consultant – any consultancy required within Cheshire East Council for this development will be funded through Social Care Reform Grant.
- 7.3 Building security – approximate cost of Cypress House once closed is around £50k a year. A budget transfer to assets to cover these costs will be part of the closure action plan.
- 7.4 A copy of the Title Register for Cypress House is available through the Cheshire East internet website (see the link in section 12.0- Access to Information). The land and buildings comprise a CEC corporate resource occupied by Adult Services to provide respite care for frail and vulnerable older people to help them remain in or return to their own homes. In response to the reduction in the need for residential care referred to in item 3.0 and with only 69% occupancy, Cypress House is no longer meeting the operational needs of the Service and therefore the disposal of this asset would contribute to budget saving requirements for Care4CE as well as support the bidding for capital funding from corporate capital development to achieve the corporate aim of delivering the 'Living with Dementia' model in response to the National Dementia Strategy. Consultation reviews on the closure of Cypress House are included in Appendices 1 and 4.
- 7.5 The capital cost of provision of new facilities will potentially be shared with partners and also part funded through the realisation of land and buildings where current provision is located – some of which is prime development land. Longer term capital and revenue implications will be presented as part of the business case and will then be fed into the Councils medium term financial strategy, future budget setting and capital planning.
- 7.6 Revenue costs will remain the same, but efficiencies will be part of Care4CE's year on year financial plan. The closure of Cypress House will also provide revenue savings in this year, the full year effect of which is in the current budget.
- 7.7 Medium term financial savings reductions have been factored into the budget [750k in 2010/11] and a further 1 million per annum is currently expected over the next two financial years. Therefore the approach to rationalising



use of buildings without impacting on service delivery is essential to achieve financial plans but also to create the ability to improve provision in more fit for purpose environments.

- 7.8 Cost avoidance and cost savings in the provision of hospital beds to this customer / patient group needs further exploration as part of the business case.
- 7.9 Consultation with staff of Cypress House and the Trade Union Unison has taken place. This is outlined in the attached appendix 4.

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

- 8.1 There are a number of legal vehicles, which may be utilised in seeking to deliver the Dementia Model jointly with CECPCCT, and it is noted at this stage that all options are open. The Council will need to ensure that any arrangements it makes for the modernisation and externalisation of services, does not compromise its ability to comply with its statutory obligations for the provision of a social service. Account will also need to be taken of any existing contracts, with third party service providers, which may affect the planning of future arrangements.

If it is intended to exercise the power to trade in function related activities, then there is a legal requirement to prepare a business case which will require the approval of members. As a minimum requirement any business case should contain the following information;

### **Strategic fit:**

Description of the business need and its contribution to the organisations business strategy, objectives, why it is needed now, key benefits to be realised, key risks, critical success factors and how they will be measured, main stakeholders.

### **Options appraisal:**

This should aim to arrive at the optimum balance of cost, benefit and risk. A cost/benefit analysis of (ideally) at least three options for meeting the business need, including an analysis of soft benefits that cannot be quantified in financial terms, identifying the preferred option and any trade offs. The options appraisal must be carried out in detail before selecting a preferred option.

### **Commercial aspects:**

The key features of proposed commercial arrangements should be considered (e.g. contract terms, contract length, payment mechanisms and

performance incentives) the procurement approach strategy with supporting rationale and personnel issues including TUPE.

**Affordability:**

A statement of available funding will be required with broad estimates of the projected whole-life cost of the project, including departmental costs.

**Achievability:**

Minimum content under this heading would include a high level plan for achieving the desired outcome, with key milestones and major dependencies (e.g. interface with other projects), key roles, with named individual as the projects owner, outline contingency plans e.g. addressing failure to deliver service on time, major risks identified and outline plan for addressing them, providers plans for the same, skills and experience required.

In addition the Council will need to recover the costs of any accommodation, goods, services, staff or anything else it supplies to a trading company. The trading company would need to be able to win business in order to survive as a commercial company. Both the Council and PCT's are contracting authorities for the purposes of public procurement legislation and would need to procure any contracts for services, supplies or works in compliance with such legislation. This would mean that the council could not simply award contracts to a trading company without a competitive procurement process.

## **9.0 Risk Management**

- 9.1 As with all major transformation projects, risks will be identified and mitigating actions taken. A risk register will be maintained by the Steering group undertaking the business case.

## **10.0 Background and Options**

### **Work already completed**

- 10.1 Care4CE has already undergone significant transformation in line with the redesign of Adult's social Care and its underpinning principles of addressing changing demand, maximising efficiency and responding to personalised needs. The overarching strategy for Care4CE has been to redefine its core purpose to deliver services in the following areas:

- Reablement to improve outcomes and reduce care costs
- Specialist Services for Long Term Conditions (e.g. Dementia/Complex Needs)
- Back up and benchmark for Market Failure

This work will also support Care4CE preparing for a transition to a wholly owned company by CEC that would enable this entity to trade with

individual customers and other providers whilst sustaining the priorities strategically commissioned by CEC. This will be the subject of a future cabinet paper.

- 10.2 With this reduction in demand for residential care we have undertaken discussions with users and carers on the closure of one of the five remaining Community Resource Centres provided by Care4CE at Cypress House in Handforth. Cypress House is a service, whose status with CQC has recently been confirmed as excellent, that is valued by its customers and this was borne out by these discussions. While most are sad about the loss of a familiar service, as alternative day service provision is available locally customers are accepting of the alternative offers. More concern has been expressed about the distance for some service users to the alternative council provision for respite in Macclesfield and Knutsford. However, as service users access all our services from across the borough this is not an issue for all. There are also alternative independent sector providers locally offering these services and service users will be assisted to explore these alternatives if required. A more detailed summary is contained in Appendix 1.
- 10.3 On 16 June 2009 Cabinet agreed that the re-commissioning of the Council's Community Support Centre (CSCs) is fundamental to its implementation of the National Dementia Strategy. To that end it further agreed that the development of the new and enhanced services at Lincoln House in Crewe should constitute *the first phase* of the Council's implementation plan, with services currently provided at Santune House being transferred to Lincoln House and Santune House closing. This report indicated that other CSC's would be considered at a later stage to help address capacity issues which, in turn, helps to maximise the quality of dementia provision within Cheshire East. It should be noted that there are no permanent or long term residents in the Council's Community Support Centres.
- 10.4 CEC and CECPCT have been working with CSED, looking at an Integrated Pathway for individuals and their carers living with dementia. Five planned structured workshops have been completed in April involving fifty stakeholders from statutory and non statutory organisations including customers and their carers. Many Members attended and were most impressed by the presentations and process. This process has enabled us to collate all relevant information across the whole of CEC allowing us to look at services already in existence and services that are required to deliver a seamless journey for people associated with dementia. The strategy and work plan are now being formulated but the content of this report is consistent with the content of these documents.

On 20 May 2010 the Health and Social Care Scrutiny Committee received a presentation on this work and proposals for changing the use of the buildings managed by Care4CE to help deliver better service in the future. The Committee resolved that "the specific proposals outlined at the meeting as part of the Council's dementia strategy be supported";

- 10.5 These developments would lead Care4CE services to become a specialist social care and health provider of dementia services within Cheshire East.
- 10.6 Care4CE is registered with the Care Quality Commission for residential and domiciliary care. They will demonstrate that resources are delivered in a cost effective way in delivering individual's care. The service will incorporate assistive technology to allow individuals to maximize their independence.
- 10.7 Care4CE employ well trained qualified staff who will be able to demonstrate the knowledge and skills required to support people who need a specialist dementia service. The model of support will be developed through good leadership, team working and supervision which Care4CE are capable of delivering.
- 10.8 Care4CE services are exploring opportunities to make the best and most effective use of its buildings and has identified under usage in the South Cheshire area [Appendix 5]. This has arisen because of the increasing personalisation agenda and focus on greater social inclusion of vulnerable adults. Therefore some buildings are often empty for most parts of the day. Care4CE will continue to develop plans to determine which buildings could be made surplus whilst not affecting the deliver of the service to the customer.

## **11.0 Overview of Term One Issues**

- 11.1 In June 2009, members agreed to the investment of £1 million to create a new Dementia wing at Lincoln House in Crewe, to enable the integration of the service provided at Santune House where a new integrated staff team was created. On the 7<sup>th</sup> June 2010 Lincoln House Community Support Centre was handed back to the Council by the building contractor. The work undertaken includes an extension and conversion of an existing wing to create a 12 bedroom specialist dementia care unit and a 12 place day service, as well as some remodelling of other parts of the building and refurbishment of its existing 32 bedrooms. The project has also included the installation of fire misters throughout the building and assistive technology in the dementia unit. The garden is being landscaped to provide a secure sensory and raised bed area. The initiative marks the completion of another stage in the modernisation agenda of social care and Care4CE services enabling the service to develop with need and demand whilst delivering savings and maximising the value of existing resources in so doing.
- 11.2 The Business Case will outline the Living with Dementia model for Cheshire East and will aspire to provide the following range of services;
  - Intermediate Care Beds [CEC & CECPT to avoid un-necessary hospital admission and provide step down services from hospital where these are appropriate]

- Residential Beds [Private / Independent Sector where longer term care is needed]
- Respite beds [CEC & CECPT to provide a break for customer / patient and carer]
- Day Places [for carer break – CEC and wider market]
- Specialist nursing/ and other support services – Reablement, Local Area Co-ordination [CEC & CECPT to support customer / patient, carer and family members]

The overall volume of the above will be determined through the business case development.

## **12.0 Access to Information**

*Further information is available from the report author and from Liz Austin and Jill Greenwood - Commissioning Managers*

[liz.austin@cheshireeast.gov.uk](mailto:liz.austin@cheshireeast.gov.uk) 01260 375447

[jill.greenwood@cheshireeast.gov.uk](mailto:jill.greenwood@cheshireeast.gov.uk) 01625 374899

[lucia.scally@cheshireeast.gov.uk](mailto:lucia.scally@cheshireeast.gov.uk) 01260- 375414

The background papers relating to this report are below:

June 2009 Cabinet report

[http://moderngov.cheshireeast.gov.uk/ecminutes/Published/C00000241/M00002477/\\$\\$ADocPackPublic.pdf](http://moderngov.cheshireeast.gov.uk/ecminutes/Published/C00000241/M00002477/$$ADocPackPublic.pdf)

November 2009 Cabinet Report link

[http://moderngov.cheshireeast.gov.uk/ecminutes/Published/C00000241/M00002483/\\$\\$ADocPackPublic.pdf](http://moderngov.cheshireeast.gov.uk/ecminutes/Published/C00000241/M00002483/$$ADocPackPublic.pdf)

April 2010 Cabinet Report link

[http://moderngov.cheshireeast.gov.uk/ecminutes/Published/C00000241/M00002489/\\$\\$ADocPackPublic.pdf](http://moderngov.cheshireeast.gov.uk/ecminutes/Published/C00000241/M00002489/$$ADocPackPublic.pdf)

Demographic Report link

[http://www.cheshireeast.gov.uk/social\\_care\\_and\\_health/adults\\_18\\_social\\_care/car\\_e4ce.aspx](http://www.cheshireeast.gov.uk/social_care_and_health/adults_18_social_care/car_e4ce.aspx)

Cypress House Title Register link

[http://www.cheshireeast.gov.uk/social\\_care\\_and\\_health/adults\\_18\\_social\\_care/car\\_e4ce.aspx](http://www.cheshireeast.gov.uk/social_care_and_health/adults_18_social_care/car_e4ce.aspx)

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### **Appendix 1-Cypress House Service User and Carer Consultation Process**

On 7 May , all service users and carers were sent a briefing note relating to the decision made at Cabinet on April and to advise on the process for them to enable them to express their views or concerns

All of the service users had received letters and information regarding the proposed changes at Cypress House when arrangements were made for day service/ one call service users to be seen by a social care assessor in a different service to Cypress House. The one call system allows service users and carers to arrange directly for respite care at a time of their choosing from an assessed allocation of days.

Out of the 39 day care service users attending Cypress House 35 were seen in person. Several family members of these services users also visited the assessor at Cypress House to discuss their concerns.

From the 4 people that were not met, one was on an extended respite stay, one was ill, one rarely attends and another had just been discharged from hospital.

Several families telephoned the assessor with their concerns and a summary of their comments are listed below.

Several of the day care clients also have the one call service and the options and alternatives were discussed with all of these clients and their families.

3 other family members were spoken to on the phone regarding the change of one call provider and also given the information on direct payments and alternative providers.

#### **Summary of findings**

11 service users have a diagnosis of Dementia, but which has been manageable in Cypress House and therefore could be managed at any of the alternative Community Support centres

15 rely on the bathing service at Cypress House to manage their personal hygiene safely. Alternative arrangements can be made

1 has been assessed as needing EMI Residential Care.

Most attend to allow carer respite.

26 would be socially isolated without some form of day activity.

Everyone without exception chose to transfer to The Lindow Centre in Handforth but 6 people have been identified for Reablement with a view to finding alternative day care services closer to their homes.

#### **Other comments and related issues from the meetings**

As Lindow Centre do not provide a tea (like Cypress House) , it was asked what would happen to those clients who live alone and depend on this service?

Service users want to go on existing days with their friends.

Some users and families thought it terrible that Cypress House might close. Clients enjoy Cypress House and hope to enjoy Lindow Centre or alternative day centres in the future.

Cypress House had been wonderful and the staff are very conscientious and look after everyone very well.

Some people felt let down by Cheshire East Council regarding the proposed closure and felt it is yet another facility taken away from people in this area.

There were concerns about the alternative arrangements for bathing.

What will happen to the staff at Cypress House?

Everyone is very disappointed at the proposed closure and are very sad.

What about continuity for that age group, it will be very disruptive.

The distance between the alternative one call centres is massive for some clients who live on the border of the area.

Will the changes affect clients on a S117?

This is very distressing for carers concerned about the distance that they will now have to transport their relatives to for respite and are upset that this has not been taken into account and no provision provided.

What about the added pressure on the carers?

One relative feels it is all about money, without a thought for the staff and client group.

Generally everyone is very upset at the plans and feels it is always this area that loses out to the bigger towns.

### **Summary**

The concerns of service users and their carers were not unexpected.

Cypress House has recently had its CQC rating as excellent confirmed and it is a valued service to many service users and their carers.

However there are alternative ways of addressing their assessed needs and these have been shared with them and they will be supported to explore these alternatives to traditional services.

Some people will have to travel further for respite care but as this is for a maximum of six weeks in a year this is relatively infrequent. The day care users have been offered alternative local provision and all except six have taken up this offer .



## **Appendix 2-Dementia Journey**

### **Pre Diagnosis**

Person feels like there is a problem, forgetting names, mood swings, something “not quite right” etc, nothing specific. Can go various ways:

- Ignore, the possibilities are too frightening to think about.
- Talk to family member, friend
- Ring/
- Speak to their G.P

When the person is older, what can happen is that they tend to ignore it, putting it down to age themselves or if they live alone, they may not notice they are acting out of character so it would go unnoticed until more extreme behaviour/symptoms are noticed. Often with isolated older people this could lead to hospital admittance, neighbours call in Police if extreme behaviour. This can then result in emergency Social services involvement.

If the person is living with a partner, it can cause stress on the partner/spouse, especially if the person with memory problems refuses to recognise there is a problem.

If someone does recognise that there is a problem, where do they go for advice? Often going to the GP can make it too official and even if they are able to think in a reasonably rational way, they may be frightened or embarrassed to go.

The best option would be to go see your GP. However with these early symptoms often (but not always) GPs, depending on the age of the patient could dismiss symptoms as stress, depression, busy life style (if younger patient) or age if older.

### **Life with a Diagnosis**

If a diagnosis of dementia is given at present there is no ongoing support or information available. Depending on how and where you are diagnosed you may be referred (if you're not already aware) to the Alzheimer's society. Their Dementia Support Service will give free information on what your specific dementia is; what is it?, what is likely to happen? (if you want to know), carry out a benefits check and help you fill out forms, refer into ongoing support networks – both AS services or signpost to other voluntary section eg: Age Concern, Redcross, Carers Centre.

Information and support from the AS can be “dipped into” along the whole of the dementia journey, either by the carer or the person with dementia.

As the dementia progresses carers come under increasing pressure to deal with changes in behaviour (challenging behaviour, verbal abuse, physical abuse) physical changes (incontinence, mobility etc) with the pwd. Support and information on how to cope with these changes is part of the AS Dementia Support Service. Ongoing support to both the carer and person with dementia ( pwd ) can

result in delayed social services involvement as a supported carer can cope for longer.

### **When Help is Needed**

Whether living alone or with a spouse/partner/family member there will come a time when extra help is needed to cope with daily living. Hopefully if you have had support from the AS or other voluntary agency you will have coped for longer without intervention and you will be supported in your decision to get help and access it.

Until your situation becomes “critical” or “substantial” you will not be able to access services run by the Council or be given a personal budget to buy in your own help.

If you are a pwd living lone, it would be hoped that when you reach the stage that you require extra care that you are able to get it. Often people living alone may end up in hospital as an emergency admission. This group of people are particularly vulnerable as they can easily “slip through the net”. Intervention for these people often comes much later and often can result in either hospitalisation or direct admittance to a nursing/care home.

It can be confusing as to know how to access services especially if you have no other intervention from you GP, memory clinic (plus help may be needed in between appointments) or other voluntary network. Often people do not know how to access Social Services at this stressful time which only adds to the stress. Whether you enter the system via any of the above or other means you will have to wait (depending on priority) for an initial assessment of your and your carers needs.

Older people do not ask for help easily. They are a generation of copers plus there's the added stigma that as a carer you should be able to look after your loved one.

Feed back from carers about this time in the dementia journey is that they need quick access and help and easy to understand information about should happen. Unless their situation is seen as a priority 1 they will not get quick answers or help. Adding to their stress.

After their assessment (pwd and carer) plus a financial assessment they can chose, if able and they qualify financially to either manage their own direct payments (good option for younger people) or they can access services direct via Social Services. Help will be given to initially set up and manage their personal budget.

If they do not qualify for services (savings over the threshold) their case will be closed to Social Services and they will have to arrange their own care. An easily accessed directory of services available for both is needed.

Carers should have the option to care for their loved one at home, with help. Many people want to care at home and avoid nursing care or hospitalisation but good end of life care or support for carers is scarce. Many carers do not even know that they have the option to care for their loved one at this time.

Ongoing support from the AS Dementia Support Service is available throughout end of life and afterwards for the carer/family if needed

### **Appendix 3- A Living with Dementia Model we are aspiring to deliver**

#### **Charnley Fold Service**



#### **State of the art service for older people in South Ribble**

A state of the art service for older people in South Ribble with mental health needs is almost ready to open following significant investment by Lancashire Care NHS Foundation Trust, Central Lancashire PCT and Lancashire County Council.

A former County Council residential care home Charnley Fold in Bamber Bridge has been leased to Lancashire Care.

£1.5 million has been spent on completely renovating and redesigning the building to create an open, light, multi-purpose community resource centre for older with people with mental health needs. This groundbreaking and innovative scheme is one of the first of its kind in the country. It has been developed in response to an increase in the number of older people with mental health needs.

Lancashire Care, Lancashire County Council, Central Lancashire PCT, Age Concern and the Alzheimer's Society have developed a unique partnership to provide a range of person centred services to support people and their carers with a range of mental health needs.

Traditionally, services provided by health, social care and the voluntary sector have been fragmented and delivered from a number of different locations across the area. The development of Charnley Fold heralds a new era, bringing organisations together to offer a more seamless and accessible service on one site. This innovative service will support people with a range of needs to maintain their independence. Charnley Fold has an open door policy, aiming to provide an environment that is as unrestrictive as possible. It has been designed with the needs of older people with mental health needs in mind.

The range of services provided will include:

- A ground-breaking health and wellbeing centre and support facility for older people provided by established voluntary sector organisations. This will include a range of services covering advice, information, carer's café, carer support services, all of which will be provided under an open door policy to allow service users and their families to take full advantage of the flexible services on offer
- A flexible care service to work with patients and their carers at an early stage of being diagnosed with dementia
- A community based assessment, diagnostic and treatment service· Specialist staff including psychiatrists, psychologists, social workers and

other therapists who provide a range of support services in the local community

- An enhanced day care service for older people with complex mental health needs
- A resource for training and skilling staff who work with older people with mental health needs to promote high standards in service delivery and dignity in care in a range of different settings

People will start to use the facilities this month and an official opening is planned for the summer.

**Appendix 4- Cypress House Staff Briefing/Consultation Process 2010**

**2 March:**

Full staff briefing took place prior to proposals going to Cabinet. The date for Cabinet had been moved from March to April but the decision was taken to proceed with the briefing in view of rumours circulating

**20 April**

Cabinet agreed to a process of consulting with staff and service users on proposed recommendation to close Cypress House

**21 April 10**

Follow up staff briefing to advise of outcome of Cabinet decision

**23rd, 24th, 25th April**

All staff seen individually to explore first preferences if the decision is taken in July to close Cypress House and to start to explore options, or obtain VR figures where appropriate so that staff are in a position to make more informed decisions about their future

**24th, 25th May:**

HR Officers met with those whose first preference was to be redeployed so that the process of declaring them at risk and getting them put on the redeployment register could be completed. This was to enable them to be made aware of and considered for appropriate vacancies subject to the outcome of the Cabinet decision and agreed timescale for implementation

**2nd, 4th, 5th June:**

Follow up individual meetings to confirm the preferences following receipt of additional information, and to advise on the process once Cabinet had made their decision

**20 July**

Proposed full staff briefing to advise them on outcome of Cabinet decision and proposed next steps

All have been fully supported on either a group or one to one basis though this difficult time .

All who indicated that VR was a possibility took up the offer to meet with the senior admin officer to look on the intranet calculator to get an indication of their projected VR entitlements.

The Trade Unions have been fully briefed and have been either present at the briefing sessions or sent a message asking staff to contact them if they have any concerns

**Current position**

<b>Total Number of Staff:</b>	<b>41</b>
<b>First choice VR:</b>	<b>22</b>
<b>First Choice Redeployment</b>	<b>16</b>
<b>Not Sure</b>	<b>2</b>
<b>Still to be seen</b>	<b>1</b>

A separate report is being presented to Cabinet on the financial implications of these preferences

## **Appendix 5- Wider Building Review**

### **Care4CE Day Services in Crewe**

The purpose of this report is to consider the provision of Day Services in the south of Cheshire East.

The report and its appendices focus on three services situated in Crewe

- The Hilary Centre
- Jubilee House
- 291 Nantwich Road.

#### **1. Current position:**

The Hilary Centre and Jubilee Centre are 2 services currently run separately but with one Resource Manager responsible for the two services. Following work done as part of the Physical Disability Services review of services, the number of people using the Hilary Centre each day has been reduced to a number that does not sustain a viable service.

Current numbers are 17 people registered at the Hilary Centre and 85 registered at Jubilee House. The latter are predominantly people over 65 .

Average attendance/ occupancy at the Hilary Centre is 25% and at Jubilee House 73%. Across both centres the days used are 5 people attend for 4/5 days a week. 25 attend 3 days a week. 72 attend 1 or 2 days a week.

A third service is provided at Salinae in Middlewich, this has the same Resource Manager and this will be reviewed at a later date with a view to providing one central service, with outreach groups to support people as required in alternative settings.

Salinae has 83 people registered to attend, 20 attend for 3 or more days each week, 63 for 1 or 2 days a week. Average attendance is 70%. A few are CWAC residents.

#### **2. Buildings:**

There are advantages to each building, but by combining the two services, one building can be designated as surplus to our needs. After consideration of the two buildings, this report recommends that we retain the Hilary Centre. Although it lacks the town centre location, it is convenient for Nantwich Road which is a shopping area and is near to the local college and transport links.

The Hilary Centre has good car parking, an interior that is suitable for powered wheelchairs, an adapted kitchen for basic living skill developments, a garden with a greenhouse and raised beds (where the centre produces



vegetables for use in the centre kitchen) and adapted shower and toilet facilities.

Some of the options available to people at Jubilee House would not be available at the Hilary Centre, such as hairdressing and this might be a disappointment to some existing customers. However, as part of reviewing/re-abling people currently using the service, an introduction to and use of local community services and opportunities would be encouraged.

The Hilary Centre offers the opportunity to include other sections of the community in its building as a multipurpose centre, including some groups presently located in other services. There are sufficient social areas which can be accessed without going through the main service user areas to be able to develop this.

Appendix 3 gives further details of the current services from these centres

### **3. Financial Information:**

The total spend in 2009 /10 was

Hilary Centre - £229,802

Jubilee House - £308,530

### **4. Staffing**

A full evaluation has been carried out in respect of the ratio of staff to service users needed to provide an effective and safe service within a new single Day Service. It is expected that this will result in a reduction of staff, and should aim for equity across Cheshire East Day Services for people with complex conditions or needs.

If the proposals are agreed, discussion will commence with staff and union representatives about opportunities for redeployment or voluntary redundancy

### **5. Mental Health Day services**

291 Nantwich Road (Crewe) was acquired by Cheshire County Council in the 1980s as a day centre. Initially, it offered a drop in day service for people with mental health problems. It is a converted residential house. 291 is on a busy main road with no car parking at the front and a small space for just 3 cars at the rear.

Over the years the building has proved popular and has been well-used, including use as staff offices. However there are now no staff based at 291.

## 6. Social Exclusion Report

The Mental Health & Social Exclusion Report in 2003 was critical of mental health day services, particularly those situated in day centres. It pointed out that people with mental health problems were one of the most disadvantaged and isolated groups in society and that it made no sense to take them away from their local communities and provide them with day services in a segregated building. It argued for services being provided in libraries, leisure centres, community centres, colleges and other non-segregated buildings. It also stressed that services should concentrate more on the development of skills and the provision of support necessary to move people towards employment and away from long term dependence on services.

Following the social exclusion report most mental health day services have been relocated to community venues and there is no longer an essential role for 291 as a venue for service users to attend.

## 7. Current situation at 291 Nantwich Road:

Currently there are 72 attendances at 291 Nantwich Road each week (44 service users). Two of these are wheelchair users. 26 people attend one day per week, 10 on two days, 6 on three days and 2 on four days. The building has an art suite, conservatory, café/dining area, a large activity room, an IT/games room, a conference room and a relaxation room. There is also a rehab kitchen, a shower room and 5 toilets. It is a large Victorian semi in a block of residential houses (both large family houses as well as houses converted into flats). Attendances represent 55% of available capacity.

There are still many people attending 291 who began to go there when it was a drop in centre. However charges for mental health day services have now been introduced and CMHTs have recently been asked to review all people who attend this service and apply the FAC criteria (i.e. people receiving a service must have critical or substantial needs). The combination of these two factors may bring about a significant reduction in the 44 people on the books.

The conference room at 291 is occasionally used for group work, training, staff meetings etc. However, the parking problems mean this is not an ideal venue for such activities.

## 8. Financial situation

<b>291 Nantwich Rd</b>	Annual buildings costs	£10,000
	Annual staffing costs	£80,000

Staff from 291 already have access to office accommodation at Macon House, so there would be no additional costs for them if 291 closed.

As far as staffing costs are concerned, no savings would be made merely by closing the building, as the services would still continue in community venues. Some additional costs would be incurred on rental of rooms / buildings. However, it is anticipated there will be a reduction in attendance at mental health day services due to the introduction of day services charging and a more rigorous application of the FAC criteria. This will provide an opportunity to reduce staffing and make savings.

## **9. Recommendations:**

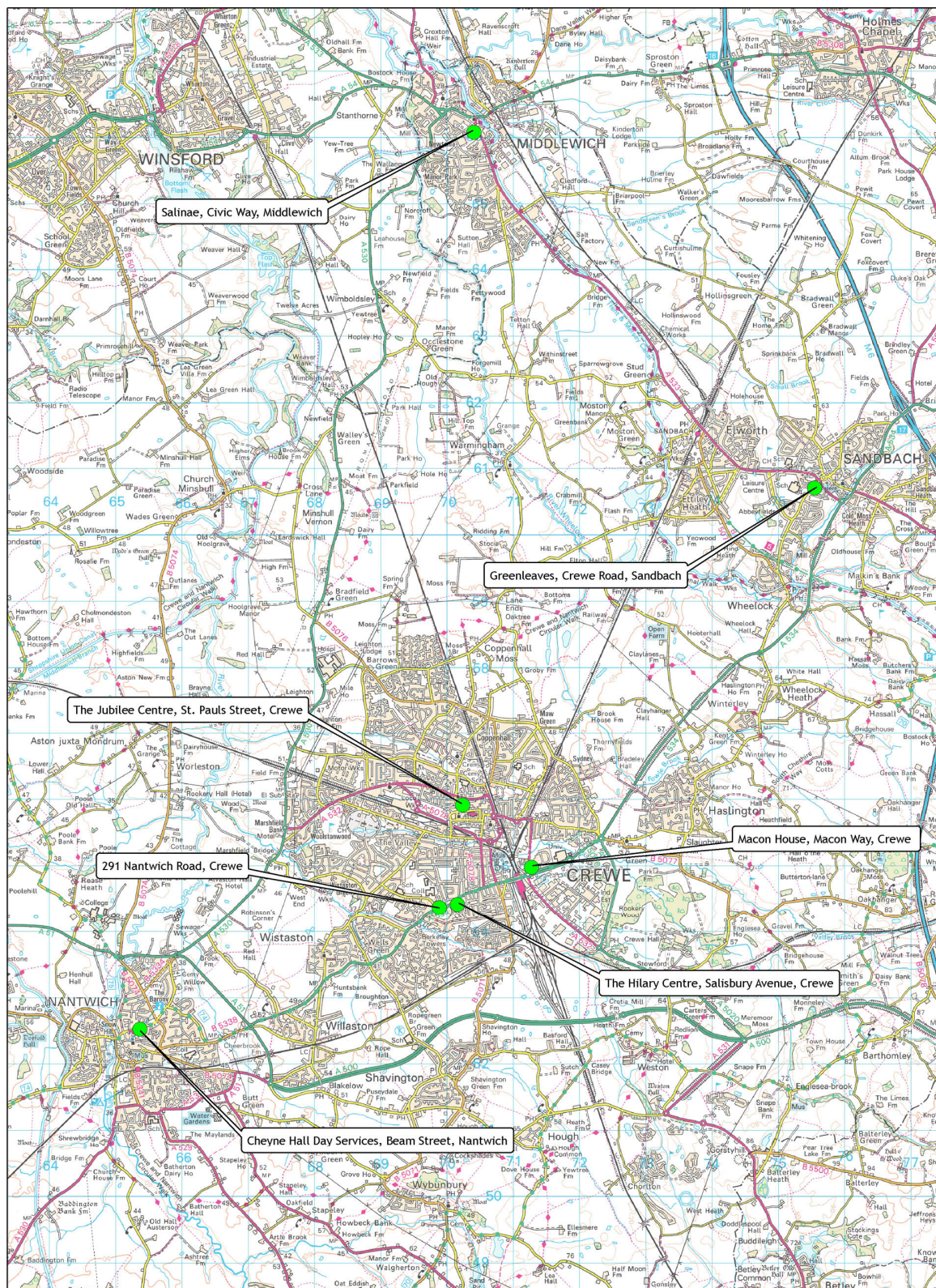
If Cabinet agrees to discussions being undertaken with staff and service users around the services described in this paper the following proposals will be the focus of these discussions.

- i) That a decision is taken to combine the services currently provided by Hilary Centre House and Jubilee House, and future services are supplied from the latter.
- ii) That a decision is taken to close 291 Nantwich Road.  
While there is no reason for mental health day services to be provided in “day centres”, the Hilary Centre would be able to provide a venue for service users when required for appropriate and specific activities
- iii) If (i) and (ii) agreed that an action plan be drawn up to plan the work needed to achieve this consolidation of services, including talking to service users and carers, members of staff who will be affected, Unions, and other stakeholders.
- iv) Plans are agreed for the changes needed to enhance the Hilary Centre building to provide a modern multi-purpose centre, including the development of drop-in services within the building for people with mental health needs.
- v) That a timescale is agreed to achieve the change and create an effective saving, as soon as possible.

Sandra Shorter  
Manager of Care4CE

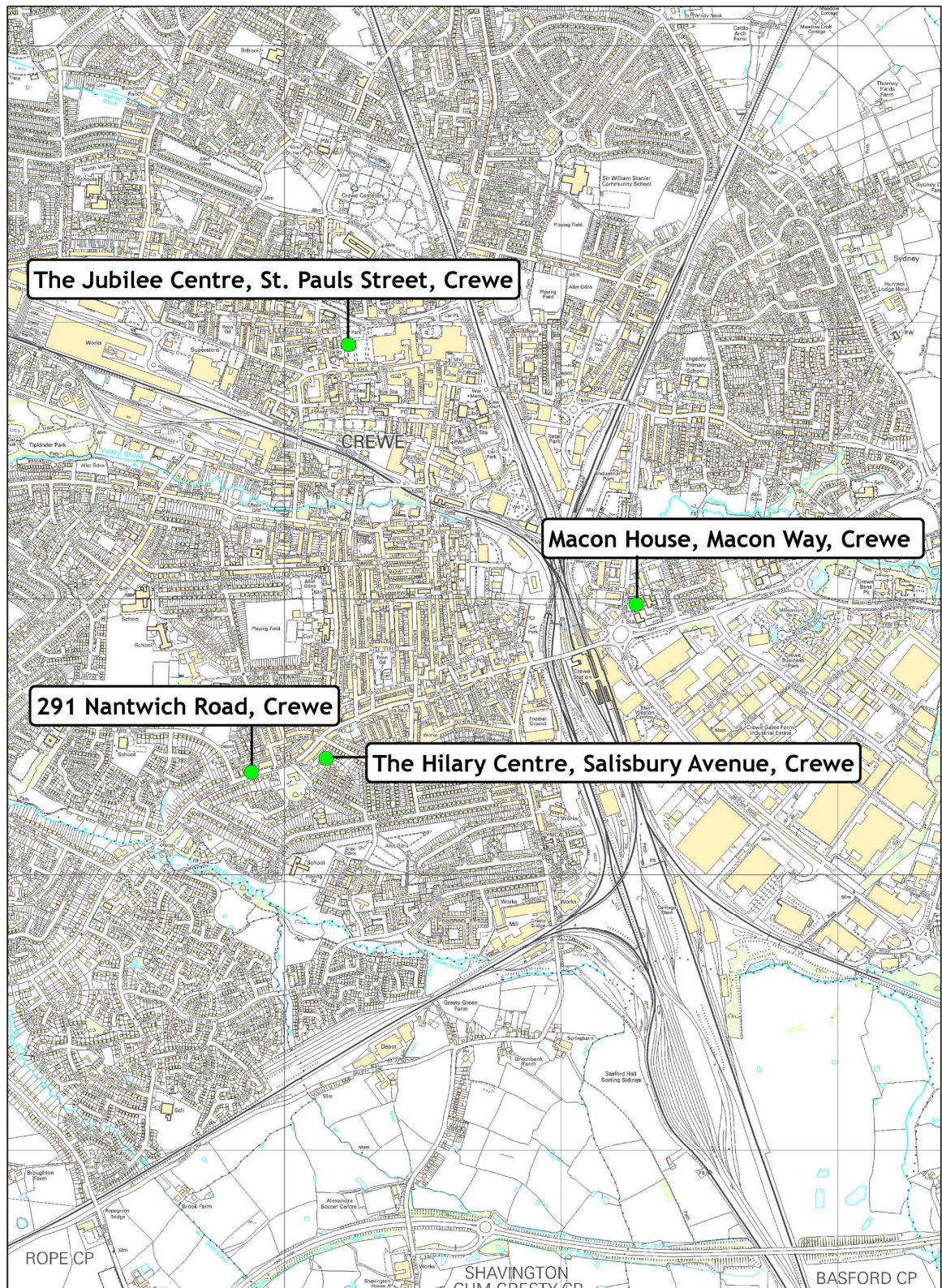


## APPENDIX 5.1- Map showing location of Day Services in CEC South





## APPENDIX 5.2- Map showing location of Day Services in CEC South



**APPENDIX 5.3**

<b>Costs</b>	<b>Hilary Centre</b>	<b>Jubilee Centre</b>	<b>Salinae</b>
Budget 2009 - 2010	£313.341 244.624	£250.888 302.160	384.262
Number of Service Users on the books	17	85	83
Daily Number of Service Users	17 (Maximum 40 per day)	max 40 per day	max 40 per day
Average attendance per day	4 – 8 people	30 – 40 per day	30-40 per day
Unit Costs based upon budget		<b>£28.34 (total occupancy unit cost for 09/10)</b>	<b>£36.73(total occupancy unit cost for 09/10)</b>
Average Occupancy	20 – 25%	73%	70%
No Of People Living With Carer	14 family care for at home 1 has 24 hr agency care	37	30
No Of Wheelchair Users	11	10	8
Hoe many people attend five days	1	3	4
How many people attend four days	1	0	4
How many people attend three days	5	20	12

How many people attend two days	3	38	32
How many people attend one days	7	24	31
<b>Staffing</b>			
Number Of SSWs Number of OT s	1 (31 hrs )	3 (67.35) = 1.82 wte	4 (81) = 2.19 fte 1 (13.5) = 0.36 fte
Number of CSW s Number of OT assts	7 (132.5 hrs) = 3.58 wte	8 (157 hrs ) = 4.24 wte	10(198) = 5.35 fte 2 (43.5) = 1.18 fte
Number of General Assistants	2 (10) 6 temp ? RG	2 (47.5 hrs ) = 1.28 wte	4 (64.5) = 1.75 fte
Number of Clerical and Administration	2 (37hrs ) = 1 wte	2 (35.5 hrs)	2 (37) =1fte
Number Of Cooks	1 (22.5 hrs)	1 (28 hrs )	none
Number of handy men	1 (12 hrs )	1 (15 hrs )no one in post at moment job not filled after last post holder retired	1 (25) =.68fte
<b>Facilities</b>	<b>Hilary Centre</b>	<b>Jubilee Centre</b>	<b>Salinae</b>
Location	Nantwich Road – Not a central location	ASDA Car Park – Central location	Middlewich
Floor Space	Slightly More Floor space than Jubilee		more floor space



Storage	3	3	4
<p>Activity rooms</p> <p>List Function Us of existing rooms</p> <p>How accessible to external groups without disturbing customers ? X without disturbing customers</p>	<p>conservatory large main room if divided would make 2 good sized rooms treatment room X small/quiet lounge activity/craft room X area outside of RM office (not enclosed was used for computer for DRE)X</p>	<p>dining room X large lounge bottom Lounge lilac lounge small room off bottom lounge hairdressing salon</p>	<p>dining room large lounge craft room small lounge/ Bridgewater room hair dresser room small beauty area off dining room rehab kitchen</p>
Bathrooms	1 + Toilet	1 & Toilet	2 & Toilets
Shower Rooms	1 + Toilet	1 & Toilet	
Toilets	4 (inc above)	8 (10 inc above)	4 ( inc above)
Car Park	Yes – Good access 14 plus 3 disabled	Adjacent to Asda 11 plus 1 disabled	yes both front and back car parks on a steep slope front car park shared with health
Office Space	4	2	3
Facilities			
Access	Good	Good	good
Garden	Outside	No Garden	small paved



Facilities	Garden ./ Conservatory	area	area with raised beds not enclosed
Rehab Kitchen	Has a rehab kitchen	No Rehab kitchen	has a rehab kitchen
Commercial Kitchen	Yes	Yes	yes

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## CHESHIRE EAST COUNCIL

### REPORT TO: CABINET

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**Date of Meeting:** 19<sup>th</sup> July 2010  
**Report of:** Borough Treasurer and Head of Assets  
**Subject/Title:** Final Outturn 2009-10  
**Portfolio Holder:** Cllr Frank Keegan

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#### 1.0 Report Summary

- 1.1 This report advises Cabinet of the final financial outturn position for 2009-10. It particularly focuses upon areas of high financial risk to the Council, and highlights significant changes from the positions reported at the Three Quarter Year Review (TQR).
- 1.2 The report includes updates on the Capital Programme and in-year collection rates for Council Tax and Business Rates.

#### 2.0 Decision Requested

- 2.1 Cabinet is requested to note and comment as appropriate on the following:
- the final revenue and capital outturn positions as contained in the main report;
  - detailed key revenue and capital issues as shown in Appendix 1 and Appendix 2;
  - the Council's in-year collection rates for Council Tax and Business Rates, detailed in Section 13;
  - the Council's invoiced debt position as shown in Section 14;
  - progress on delivering the 2009-10 capital programme, detailed in Section 15 and Appendix 3;
  - Delegated Decisions approved by Directors, as shown in Appendix 4b;
  - Delegated Decisions approved by Directors in consultation with the relevant Portfolio Holder and the Portfolio Holder for Resources for Supplementary Capital Estimates (SCE) and virement requests over £100,000 and up to and including £500,000 as shown in Appendix 4a.
- 2.2 Cabinet is requested to approve the following:
- The following budget carry forwards into 2010-11 within Performance and Capacity, as detailed in Appendix 1 :-
    - £70,623 for Customer Relations Management (CRM) procurement
    - £11,000 for Grants to Community Groups
    - £26,529 for Community Cohesion Area based grant projects
    - £10,000 for completion of the branding exercise

- The allocation of £280,000 in 2010-11 of unused transitional phasing provision for Finance, HR & OD, Assets and Customer Services as detailed in Appendix 1.
- The revised in-year capital budget for 2009-10 as set out in Section 15, including;
  - Supplementary Capital Estimates (SCE/Virements over £500,000 and up to and including £1.0m, as shown in Appendix 4a
  - Reductions in approved budgets, as shown in Appendix 4c

2.3 Cabinet is asked to recommend that Council approve the following SRE requests, previously approved as subject to outturn, which require funding from balances :-

- £2,291,000 for Adults Social Care Redesign
- £125,000 for Economic Development

2.4 Cabinet is asked to recommend that Council approve SCE requests to be funded from capital reserves, as detailed in Appendix 4a.

### **3.0 Reasons for Recommendations**

3.1 This has been the first year's budget of Cheshire East Council with a number of significant challenges, and in accordance with good practice members should receive a quarterly report on the financial position of the Council. This is the fourth and final report for the 2009-10 financial year.

### **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 None.

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

7.1 As covered in the report.

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

8.1 There are no specific legal implications related to the issues raised in this report.

## 9.0 Risk Management

- 9.1 Financial risks are assessed on a regular basis and will be reported to members quarterly. Remedial action will be taken if and when required.

## 10.0 Revenue Outturn 2009-10

- 10.1 The three quarter year review report to Cabinet on 19<sup>th</sup> January 2010 reported a reduction in net budget pressures from the £11.3m at the mid year review stage to £7.9m as a result of remedial actions being taken. At outturn, this figure has been further reduced to £5.7m.
- 10.2 The net outturn represents the impact on Council balances of spending in 2009/10. In order to arrive at this, the report details for each service, the underlying position (i.e the outturn before requests for supplementary estimates, carry forwards, and application of reserves and other temporary funding), and the net position after these measures have been taken into account. For planning purposes, the underlying position, is the more accurate reflection of on-going pressures and the extent to which current spending varies from budgeted levels.
- 10.3 Table 1 provides a summary position. Further details of the key pressures and issues which have affected directorates are summarised below and are provided in more detail in Appendix 1.

**Table 1 – Total Service Position**

Service	Net Budget £000	Actual Outturn £000	Variance from Budget £000		<u>MEMO</u> Variance at TQR £000
Children & Families	36,041	37,138	1,097		4,767
Adults	75,660	78,351	2,691		1,211
Health & Wellbeing	15,421	15,872	451		819
<b>Total People</b>	<b>127,122</b>	<b>131,361</b>	<b>4,239</b>		6,797
Environmental	34,080	36,036	1,956		860
Safer & Stronger	507	526	19		(264)
Planning & Policy	3,090	3,512	422		496
Regeneration	11,470	10,280	(1,190)		(573)
<b>Total Places</b>	<b>49,147</b>	<b>50,354</b>	<b>1,207</b>		519
Treasurer & Assets	22,373	22,181	(192)		(304)
Corporate savings	(1,061)	(500)	561		658
HR&OD	2,869	2,869	0		0
Borough Solicitor	5,348	5,348	0		55
Policy & Performance	9,230	9,083	(147)		143
<b>Total Performance &amp; Capacity</b>	<b>38,759</b>	<b>38,981</b>	<b>222</b>		552
<b>TOTAL SERVICES</b>	<b>215,028</b>	<b>220,696</b>	<b>5,668</b>		7.868

Note: Net Budget includes Schools balances carried forward from 2008-09.

#### 10.4 PEOPLE DIRECTORATE

- 10.4.1 At TQR a projected gross impact of £14.4m was being reported, which following remedial actions (and agreed temporary funding) resulted in a net budget pressure of £6.8m overspend. At outturn, this position has further reduced to a £4.2m overspend. This position is subject to final approval of a Supplementary Revenue estimate of £2.3m to be met from balances to partly fund the Adults Social Care Redesign programme.

**Table 2 - Summary Figures - People**

<b>Service</b>	<b>Net Budget</b>	<b>Underlying Budget pressures</b>	<b>Remedial Actions</b>	<b>SRE requests</b>	<b>Net Outturn Under/Over spend</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Children and Families	36,041	3,952	2,855		1,097
Adults	73,369	4,982		2,291	2,691
Health & Wellbeing	15,421	554	103		451
<b>Total</b>	<b>124,831</b>	<b>9,488</b>	<b>2,958</b>	<b>2,291</b>	<b>4,239</b>

#### 10.4.2 Key Issues

##### Children & Families

Overspend reduced through:

- Maximising the utilisation of grant funding, in line with recent policies to ensure that the Council fully reflects the costs of providing and supporting grant funded activity, particularly around SureStart, Standards Funds and the Dedicated Schools Grant. This approach will continue into 2010-11
- There has been a fundamental review of the structure during 2009-10, which resulted in delays and slower appointment to the new structure. Because of budget pressures and recent information from the Government around grant funding, certain posts continue to be held vacant where the impact on the service is not felt to be too severe
- It is important to note the underlying and continuing substantial growth pressure from increasing placements, 25% up on April 2009 and a further 14 placements (average is £50k each pa) since the MYR, and placement overspending by in excess of £1m. This will be a key issue leading into 2010-11
- Home to School Transport overspending in excess of £1m, relating to the numbers of children requiring transport and related contractual pressures and costs

## Adults

Overspend increased resulting from:

- A significant increase in care costs across the full range, including adults and older people. A larger than average and increasing older people population in the Borough has added to the significant upward spending pressures, which is anticipated to continue in later years. Further analysis of this population growth, the impact that reablement is helping to mitigate when individuals present for care and the resultant style of care packages is underway
- The transformation of Adults anticipated major changes to Provider Services (Care4ce), with a period of double funding as the service move into delivering and supporting reablement, whilst continuing to support existing individuals in care, ahead of closures that have been agreed
- Continuing on-going pressures from the joint Learning Disability Pooled Budget, which was a shared partnership between Cheshire West and Chester Council, and the two respective Primary Care Trusts. Substantial savings targets were established by the four partners at the beginning of the year, which have not proved achievable given increased complexity and level of demand. However the changed financial arrangement, with agreed partner cash limits has helped to focus each partner on the actions they individually have needed to achieve. From 2010-11 the partnership has been dissolved and a new partnership established between the Council and the Central and Eastern Cheshire PCT.

## Health & Wellbeing

Reduced overspend, following a challenging year, with the following issues:

- Remedial actions, such as holding vacancies, restricting Book Fund purchasing and holding back supplies and services expenditure. These have been delivered across the service throughout the year to offset projected overspending.
- Pressures remained on Libraries income (£100k), employees budgets (£217k), income budgets where the targeted 20% supplies and services reduction was not able to be applied without detriment to income levels (e.g. bar purchases), income at the Civic Halls and Lyceum and energy budgets
- The Government Free Swimming scheme, where it has just been announced that the grant will be ending this July, has resulted in approximately £100k of additional net costs to the Council, from increased staffing, energy and lost income in excess of the grant available.

### **10.4.3 Ongoing Impacts 2010-2011 and future years**

- Children & Families - being able to utilise grant, due to the national political changes, will be a challenge in 2010/11 and the ability to cover

and offset underlying overspends will be all the harder, but still the aim of the Service

- Adults - action to lower costs remain and delivering overall approved budget reductions of £7m (£4m in 2009/10 and £3m in 2010/11) over the two year period continues to be the target. It is notable that the underlying cost pressures inherent in the service exceed £8m, reinforcing the importance of continuing to transform the service and deliver cost reductions.
- Health & Wellbeing - aligning 2010/11 budget growth with outturn pressures is underway, aiming to facilitate a balanced position.

## 10.5 PLACES DIRECTORATE

10.5.1 Following organisational restructures and associated budget transfers between Directorates and Services, the Places Directorate had an approved net budget for 2009/10 of £49m, including approved savings required in setting the first year's budget of £7.4m.

10.5.2 At the Third Quarter Review (TQR) stage the projected variance from budget totalled £519k. This incorporated pay cost savings and planned remedial actions on non-pay spending controls and some use of earmarked reserves. In overall terms the outturn is in line with estimates made at TQR, but with the addition of the further highways winter maintenance spending of £867k, incurred in the latter months of the year.

10.5.3 The final net variance of £1.2m, represents 2.4% of the approved net expenditure budget. The financial challenges and budget pressures faced are noted below.

**Table 3 - Summary Figures - People**

<b>Service</b>	<b>Approved Budget £000</b>	<b>Underlying Pressures £000</b>	<b>Remedial Actions £000</b>	<b>SRE Requests £000</b>	<b>Variance from Approved Budget £000</b>
Environmental Services	34,080	3,045	(1,089)		1,956
Safer & Stronger Communities	507	449	(430)		19
Planning & Policy	3,090	782	(360)		422
Regeneration	11,345	(842)	(223)	(125)	(1,190)
<b>Total</b>	<b>49,022</b>	<b>3,434</b>	<b>(2,102)</b>	<b>(125)</b>	<b>1,207</b>



### **Key Issues**

- 10.5.4 At the third quarter review underlying budget pressures of £2.6m were identified. Additional budget pressures of £0.8m arose during the final quarter resulting from exceptional highways winter maintenance.

#### Environmental Services

- 10.5.5 The waste management service reported in year budget pressures amounting to £1.762m in respect of landfill and household waste recycling centres. Highways Operations reported budget pressures amounting to £867k in respect of highways winter maintenance caused by an exceptionally cold winter in addition to other budget pressures within the service amounting to £416k. Planned remedial actions of £1.089m were achieved, including capitalisation of Highways Maintenance £740k, along with reductions in operational maintenance and under-spending on waste minimisation and other savings all totalling £349k.

#### Safer & Stronger Communities

- 10.5.6 Car parking income amounting to £880k was noted as a budget pressure due to economic recessionary pressures and the later implementation of charging within the Congleton area. Planned remedial actions were achieved mainly resulting from vacant posts within the service.

#### Planning & Policy

- 10.5.7 Planning & Search Fee Income amounting to £1.207m was noted as a budget pressure during the year. The main contributing factor being the economic recession. Planned remedial actions were achieved along with service under-spends as a consequence of vacancy management within Housing & Spatial Planning.

#### Regeneration

- 10.5.8 Underlying budget savings of £967k (inclusive of non-pay savings within the directorate's business support) mitigated the overall directorate budget pressures. In addition planned remedial actions of £223k were achieved.

### **Ongoing Impacts 2010-2011 and future years**

- 10.5.9 Looking ahead to 2010/11, in addition to new budget savings required, continuing pressures include pay, contract and income budgets, principally within Environmental Services.

### **10.6 PERFORMANCE & CAPACITY DIRECTORATE**

- 10.6.1 The underlying outturn position has improved by £1.2m since TQR, after adjusting for Voluntary Redundancy (VR) costs to be funded centrally. The improvement is due to lower than anticipated costs in Human Resources

and Organisational Development (HR&OD) (£0.3m) and Policy & Performance (£1m), and increased income levels in the registration service (£0.2m); offset by increased costs in Borough Treasurer & Head of Assets (BTHoA), due to higher than expected costs in the ICT Shared Service and property recharges from Cheshire West & Chester (£0.2m).

- 10.6.2 Policy & Performance have requested a carry forward of £117,792 of their underspend relating to Customer Relations Management (CRM) procurement, Community & Community Cohesion Area based grant and external signage.
- 10.6.3 The approved 2009-10 budget included contingency funding of £5.2m in relation to the delivery of efficiency savings in Performance & Capacity. Savings in excess of £10m in total were included in the budget, but it was recognised that given transitional demands, these were unlikely to be achieved in full in year one. The net outturn position includes draw down of £4.35m of this funding in 2009/10.
- 10.6.4 This leaves an underspend of £861,000 against the original provision of £5.2m. Finance, HR & OD, Assets and Customer Services are requesting an allocation of £280,000 of this underspend to meet relevant costs falling into 2010/11, details of which are included in Appendix 1.
- 10.6.5 The overall impact of all of the above changes is that the net outturn position for Performance & Capacity services, including use of transitional funds has improved by £845,000 since TQR.

**Table 4 - Summary Figures – Performance & Capacity**

<b>Outturn</b>	<b>Net Budget £000</b>	<b>Underlying Budget Pressures £000</b>	<b>Remedial Actions £000</b>	<b>Proposed Carry Forwards £000</b>	<b>Net Budget Pressures £000</b>
Borough Treasurer & Head of Assets	22,373	3,166	(3,358)		(192)
Corporate Procurement Savings	(561)	561	(350)		211
Corporate Energy Savings	(500)	500	(150)		350
Human Resources & Organisational Development	2,869	388	(388)		0
Borough Solicitor	5,348	100	(100)		0
Policy & Performance	9,348	(265)	0	118	(147)
<b>Total</b>	<b>38,877</b>	<b>4,450</b>	<b>(4,346)</b>	<b>118</b>	<b>222</b>

**10.6.6 Key issues**

The major change within Performance and Capacity since the Three Quarter review is in Policy and Performance where there has been an improvement of £388,000 in the net position. This results from underspending in Audit, Chief Executive & Partnerships, Customer Services and Planning & Performance. All of these services have been carrying staff vacancies and have reduced spend accordingly. Customer Services also benefited from a decision not to apply prudential borrowing costs to revenue relating to capital expenditure. The underspends have been reduced by absorbing transition spend in Communications and Policy and Performance.

The other significant change across P&C services is the reduced call on transitional funds, which will now, after carry forward requests, underspend by £540,000. This underspend will be returned to general balances.

**10.7 Overall Council Revenue Position**

- 10.7.1 In addition to the outturn positions on service budgets, it is necessary to take account of corporate budgets, bids against contingency provisions, and movements on reserves in order to arrive at the position on the Council's general balances at the end of the financial year.

**Capital Financing**

- 10.7.2 The capital financing budget has underspent by £2.7m. The underspend largely arises on the net interest budget. No new borrowing was taken out during 2009-10 due to slippage in the capital programme and higher than anticipated cash balances. This enabled the Council to internally borrow to fund the capital programme and reduce external interest rates by £1.8m less than the original estimate.
- 10.7.3 As part of the disaggregation exercise Cheshire East Council received a share of the Heritable Bank deposits. Over the last twelve months the position with regard to the estimated amount that will be recovered has changed and there has been an improvement in the projected income. Consequently £159,000 of additional interest receivable has been credited to the revenue account and a partial reversal of the initial impairment charge has also been made in the accounts. This has resulted in a further £290,000 credit to the revenue account.
- 10.7.4 Interest income received in 2009-10 was £1.62m which is in excess of the original budget of £0.9m. This was made up as follows:

<b>Source of Interest</b>	<b>£m</b>
In-house Managed Investments	0.77
Residual funds managed by former Councils	0.31
Fund Manager - Interest	0.23
Fund Manager - Capital gains	0.12
Heritable Bank in Administration	0.16
Other	0.03
<b>Total</b>	<b>1.62</b>

- The rate of interest to be earned on the Council's cash balances was budgeted to be 0.65%
- The average lend position (the 'cash balance') including fund manager and legacy balances in 2009-10 was £131.7m.
- The average interest rate received on in house investments in 2009-10 was 0.77%
- The average interest rate received on the external managed Investec fund in 2009-10 was 1.76%

10.7.5 A full update on the Treasury Management position for 2009-10 will be reported to Cabinet on 16<sup>th</sup> August 2010 as part of the Treasury Management Annual Report.

#### Central Contingencies

#### 10.7.6 Inflation

The 2009-10 budget contained a central inflation contingency provision of £4.5m to cover in-year increases in pay costs, pension contributions and prices during the year.

The provision allowed for pay increases of 2.5%. In March 2009, a residual pay award to Local Government Officers of 0.3% for 2008-09 was agreed. The agreed pay award announced in September 2009 provided for a 1% pay award (or 1.25% for lower paid staff). The total cost of these pay awards allocated to Services in 2009-10 was £1.644m.

Services were also allocated £390,000 in respect of a 0.5% increase for inflation on non-pay budgets, and £910,000 to meet increased Pension contributions.

After allocating a total of £2.9m from the budgeted provision of £4.5m, £1.6m has been returned to general balances.

#### 10.7.7 Phasing Provision

The budget contained a provision of £5.2m to reflect the anticipated phasing of planned efficiency savings in 2009-10. As reported above, £4.3m is

required to meet demands in 2009/10 in Performance and Capacity, leaving £0.9m to be returned to balances. A request has been made for a further allocation of £280,000 of this funding in 2010/11.

#### 10.7.8 Transitional costs

The budget contained a provision of £6.8m to meet LGR costs relating to voluntary redundancy and relocation in 2009-10. However, a majority of these Phase 1 planned redundancy costs were actually met by predecessor authorities in 2008-09, with a consequent reduction in the opening balance position brought forward at 1 April 2009. £1.4m of Phase 1 costs have been incurred in 2009-10. £0.2m has been met from an earmarked reserve, leaving £1.2m to be met from this contingency. A further £9.3m of Phase 2 voluntary redundancy costs incurred in 2009-10 have been met from the earmarked reserve specifically set up in 2009-10 to meet these costs. Relocation costs of £0.2m have been incurred in 2009-10, which will be met from the contingency. In total the call on this contingency is therefore £1.4m, leaving a balance of £5.4m to be returned to balances.

Offset against this is £4.0m planned use of reserves. In setting the 2009-10 budget it was agreed that £6.8m of general balances would be used to meet transitional costs above, but that this would be repaid over a three year period. Accordingly this figure was offset by a £2.75m repayment to reserves, making a net use of reserves of £4.05m. Therefore, the net impact is that £1.4m can be returned to balances.

#### 10.7.9 Planned Appropriations to Earmarked Reserves

A further £1.1m of planned use of balances was identified to be specifically earmarked to meet a number of service initiatives, including Economic Development and Community Safety.

#### 10.7.10 Impact on Balances

The net impact of these service outturn items including unallocated contingencies and planned use of reserves on the general balances position is a reduction of £0.2m as shown in Table 5 below.

**Table 5 - Impact of Service Outturn items on Balances**

	£m	£m
Net Service Overspend		-5.7
Capital Financing underspend		2.7
Unused Contingencies:		
Inflation	1.6	
Transitional costs	1.4	
Phasing adjustment	0.9	3.9
Planned Appropriations to Earmarked Reserves		-1.1
Impact on Balances		-0.2

However during the year a number of other movements on general balances have occurred as follows:

#### 10.7.11 Appropriations to/from Earmarked Reserves

The approved Reserves Strategy identified the potential appropriation / transfer to general balances of £5.2m from earmarked reserves. Following reassessment of available balances on earmarked reserves at outturn, the actual surpluses transferred to general reserves were £3.3m. During the year Council also approved the appropriation of balances to create earmarked reserves of £14.2m, including £11.5m to meet Voluntary Redundancy costs, and £2m for Invest to save schemes. The net impact of these is to decrease balances by £10.9m.

#### 10.7.12 Other Items

Elsewhere in this report, services have requested supplementary revenue estimates of £2.4m to be met from balances. If approved, then together with the £0.3m funding for the Recession Group approved earlier in the year, the impact on balances is a reduction of £2.7m.

The Council has benefited from unbudgeted income of £2m derived from "Fleming case" VAT claims. Other corporate items result in a net reduction in balances of £0.5m.

### 11.0 **RESERVES POSITION**

- 11.1 The impact of strategic decisions taken in year relating to appropriations to/from earmarked reserves, approved additional funding for services, and unbudgeted items has therefore reduced balances by £12.3m as shown in Table 6.

- 11.2 Taking together all the above items, the impact on the level of general reserves transferred to the Council on 1 April 2009 of £22.9m is a reduction of £12.3 to £10.6m at outturn.

**Table 6 – Overall Impact on Balances**

	£m	£m
Service outturn impact		-0.2
In-Year Net Appropriations to Earmarked reserves		-10.9
Supplementary Revenue Estimates		-2.7
Other Corporate Items		
Fleming VAT claims	2.0	
Other	-0.5	1.5
<b>Decrease in Balances</b>		<b>-12.3</b>
Balances at April 2009		22.9
Balances at March 2010		10.6

This is a reduction of £6.9m since the position reported to Council in February, although provision had been incorporated in the risk assessed minimum level of reserves for a service outturn overspend of £5.1m and a reduction in the opening disaggregated balance of £2.5m.

- 11.3 The Council's balances position of £10.6m includes £1.4m of remaining monies disaggregated to it from Cheshire West and Chester Council to meet relocation costs. It should be noted that any monies remaining at the end of the period for payment of relocation costs will need to be repaid.
- 11.4 It should also be noted that approximately £5.3m is still held in earmarked reserves from monies appropriated there from balances during the year.

## **12.0 Other Issues**

- 12.1 The Council's final financial position for 2009-10 is currently being prepared and the pre-audited Statement of Accounts has been reported to Audit and Governance Committee on 29 June. However, the figures set out in this report are not expected to change significantly.

## **13.0 Collection Rates**

- 13.1 The Council Tax collection rate for 2009-10 is 97.9%, which is 0.3% lower than the comparable combined figure last year for the three predecessor councils. The National Non-Domestic Rates collection rate for the year is 97.7%. However, £649,000 of Business Rate payments have been deferred following the introduction of a new national scheme. By excluding these

deferred payments the collection figure for Cheshire East stands at 98.2%, which is 0.3% higher than comparable figures for last year.

#### 14.0 Debt Management

- 14.1 Total outstanding Invoiced Debt at the end of the financial year was £11.7m which includes £4.5m of debt not yet due for payment, i.e. still within the payment terms. The total amount of service debt outstanding over 6 months old amounts to £1.2m. Services have created debt provisions of £0.9m to cover this debt in the event that it needs to be written off.
- 14.2 An analysis of the invoiced debt provision by directorate is provided in Table 7.

**Table 7 - Invoiced Debt**

Directorate/Service	Total Outstanding Debt as at 31 <sup>st</sup> March 2010 £000	Total Debt Over 6 months old £000	Bad Debt Provision £000
Places	1,313	117	73
<u>People</u>			
Adults/Health & Wellbeing			
Non Care	1,367	147	-
Care	845	642	477
Children & Families	83	84	84
Schools & Catering	1,674	16	16
Total People	3,969	889	577
<u>Performance &amp; Capacity</u>			
Borough Treasurer & Head of Assets	1,496	218	296
Human Resources	46		3
Borough Solicitor	3	1	
Policy & Performance	90		
Total P&C	1,635	219	299
Total Bad Debt & Provisions	6,917	1,225	949

- 14.3 Migrated debt outstanding from the former districts amounts to £1.08m of which £0.8m relates to the recovery of Housing Benefit overpayments. This is covered by a separate bad debt provision.

#### 15.0 Capital Programme

- 15.1 At Final Outturn for 2009-10 Cheshire East had achieved expenditure of £85.332m compared to an in-year budget of £122.217m. These totals are as included in the report to Audit and Governance Committee on 29<sup>th</sup> June 2010, subject to some minor adjustments to the in-year budget. Table 8 provides a summary by Service. Scheme by scheme details are contained in Appendix 3.



**Table 8 – Final Outturn**

<b>Service</b>	Total Approved Budget  £000	Prior Year Spend  £000	In Year  Budget 2009-10 £000	Actual  Spend 2009-10 £000	Forecast  Spend 2010-11 £000
<b>People</b>					
New Starts	30,982	78	12,982	6,520	24,044
Committed Schemes	93,033	50,837	31,731	25,722	14,645
	<b>124,015</b>	<b>50,915</b>	<b>44,713</b>	<b>32,242</b>	<b>38,689</b>
<b>Places</b>					
New Starts	32,751	14,140	18,721	13,545	4,306
Committed Schemes	106,554	42,569	38,394	29,907	27,641
	<b>139,305</b>	<b>56,709</b>	<b>57,115</b>	<b>43,452</b>	<b>31,947</b>
<b>Performance &amp; Capacity</b>					
New Starts	24,539	0	16,529	7,013	15,033
Committed Schemes	13,810	7,903	3,860	2,625	1,986
	<b>38,349</b>	<b>7,903</b>	<b>20,389</b>	<b>9,638</b>	<b>17,019</b>
<b>Total</b>					
New Starts	88,272	14,218	48,232	27,078	43,383
Committed Schemes	213,397	101,309	73,985	58,254	44,272
<b>Total Capital Expenditure</b>	<b>301,669</b>	<b>115,527</b>	<b>122,217</b>	<b>85,332</b>	<b>87,655</b>

- 15.2 The 2009-10 programme consisted of on-going legacy schemes (£73.985m) and new starts (£48.232m).
- 15.3 The programme is funded from direct income (grants, external contributions, linked capital receipts), and indirect income (borrowing approvals, revenue contributions, capital reserve, non-applied receipts). Table 9 shows the funding of Final Outturn 2009-10 and Initial Forecast 2010-11

**Table 9 – Funding of Final Outturn 2009-10 and Initial Forecast 2010-11**

Funding Source	Actual Spend 2009-10 £000	Forecast Spend 2010-11 £000
Grants	45,730	45,802
External Contributions	4,228	3,483
Linked / Earmarked Capital Receipts	0	15,490
Supported Borrowing	11,986	7,516
Unsupported (Prudential ) Borrowing	10,085	8,188
Revenue Contributions	893	858
Capital Reserve	12,410	6,319
	<b>85,332</b>	<b>87,656</b>

- 15.4 Outturn spend 2009-10 at £85.332m was lower than in-year budget of £122.218m by £36.886m. This relates to planned spend that is no longer taking place, or will be reprofiled to 2010-11 and later years.
- 15.5 The Programme for 2010-11 will be updated once the extent of slippage from 2009-10 has been confirmed and reported to Cabinet on 16<sup>th</sup> August 2010 as part of the Quarter 1 Financial Update.

**Key Issues and Variances**

- 15.6 Details of major variances (over £0.250m) between the in-year budget and final outturn for 2009-10 along with any other issues for Departments are shown in Appendix 2.

**16.0 Access to Information**

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

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## REVENUE BUDGET - KEY SERVICE ISSUES

### PEOPLE DIRECTORATE

#### Children and Families

#### **Non Dedicated Schools Grant (£1.097m overspend) (TQR £4.767m overspend)**

The final outturn position for has improved since TQR, mainly due to the application of grants during the year, fully utilising all the SureStart grant and Standards Funds where ever possible. This was the result of a planned approach to hold grant money back from commitment during the early part of the year, combined with the impact of the new service structure being implemented in the latter half of the year, and consequently the early achievement of some of the savings targets put forward in the 2010-11 budgets.

The underlying position contains to be one of budgetary pressure - the demand for Children Social Care services has increased by 25% since April 2009 and the underlying overspend has increased further due to additional placements since the MYR (approximately 14); in house care facilities are at full capacity meaning that children are being placed in high cost external placements. It is envisaged that this overspend will continue in future years due to the increase of the number of referrals being made to the department and an increase in the number of Looked after Children (LAC).

In association with the above there has been an increase in the demand for specialised placements for looked after children with disabilities with particular overspends related to out of County and residential placements. The overspend for this area is £1.17m before application of grant. The cost of care in these cases is extremely high as specialised care is required.

Home to school transport contracts are reporting an overspend of £1m mainly due to inflationary price increases not budgeted for and an increase in contracts, however there is a widescale review of the transport service, with a view to saving £100k in 2010-11 and addressing the underlying overspend.

The School Catering Service reported a projected overspend of £1.1m at the mid year review with remedial action required of (£1m). This position is now being reported as a £103k underspend following the remedial action. The outturn improved following a review to ensure that all income streams had been identified and were being reported.

Children and Families face a difficult challenge in 2010-11; although there is some growth in the budget, in order to achieve this, the service must find £3.6m of savings. The changes brought by the new Coalition government mean that it is likely that the service will also face cuts of £1.5m in their grants. In addition the service needs to address the underlying overspend from 2009-10, which although reported as £1.1m included the use of £2.7m grants in remedial action. The service

is therefore facing pressure of £8.9m in 2010-11. A new service structure is being implemented and whilst this will transform the way that the service is delivered this will not create savings in the short term that can fund the gap linked to demand driven services. The maximisation and utilisation of grant will continue to help to mitigate the areas under pressure and the service redesign together with the full year effect of the restructure will help ensure the Children's and Families achieve a balanced budget.

### **Dedicated Schools Grant (DSG) - balanced**

The DSG outturn is balanced, after the automatic carry forward of a surplus of £1.158m into 2010-11. The surplus is due to a number factors, namely; unallocated additional grant following the final DSG notification from the DCSF and the remaining balance of underspend from 2008-09 (£2.3m), and the utilisation of Sure Start grant & vacancy management.

In addition to the above, there is an accumulated carry-forward of underspend against Schools' budgets of £8.7m, which is an increase of £0.6m during the year. Primary and Secondary School balances have increased to £5.779m and £2.107m respectively whilst Special Schools balances have increased to £769,000. The increase reflects the spending decisions of individual schools but there are a number of underlying factors, including increased budgetary awareness through the Financial Management Standards in Schools (FMSiS) process.

### **Adults (£2.8m overspend)**

The final outturn of the Adults service is a residual overspend of £2.8m after the application of temporary transitional funding which represents a variance of 3.5% against the final net revenue budget of £75.7m. This temporary funding, which is a mixture of grant and budget carried forward from Cheshire County Council, totalled £6.9m. £1.5m of this has been allocated corporately to contribute the cost of Voluntary Redundancies, leaving a balance of £2.3m to be approved as part of this report. £0.3m of the temporary funding has been allocated to a capital scheme to fund essential Health & Safety works, with the residual £5.1m applied to the revenue budget.

Of the £6.9m funding, up to £3.8m was approved, subject to outturn, to be met from general reserves. As stated, £1.5m of this has been earmarked for Voluntary Redundancies, leaving a balance of £2.3m to be approved as part of this report.

2009/10 represented a year of unprecedented change for the Adults service with the service going through a full transformation, not only in the first year of operation of Cheshire East Council but at a time where demand for services continues to grow. This increased demand comes not only from children with extremely complex needs coming through transition into Adults services, but also reflects the demographics of Cheshire East which has the fastest growing over 85 years of age population anywhere in England.

The whole of the Adults structure is based on a carefully costed model linked to the anticipated budget. Each part of the structure links to the other and within each part of the structure there are significant changes in working practice, infrastructure and policy framework designed to deliver three objectives that together deliver a strategic vision of greater independence for individuals, safeguarding the most vulnerable and more information and support for those who are not eligible for funded care from the Council

The three objectives are

- Performance improved – on course for delivery
- Outcomes such that the service rated as excellent – on course for delivery
- Budget balanced – full review needed

#### Actions to drive down costs

(i) Individual Commissioning – now known as Local Independent Living Teams (LILTS)

- Use of resource formula to ensure consistent and controlled use of resources – close to implementation.
- Review of staffing – reductions in social workers –will deliver full year savings of £850k
- Flexible and Mobile working – implemented in full
- Lean process – being implemented
- Removing duplication with health – being implemented
- Reductions in management costs – implemented
- Reductions in building use – being implemented
- Stricter application of eligibility for care and transport – on course to deliver large savings

The Individual Commissioning service has been restructured into four Local Independent Living Teams (LILT's) each covering a major geographical patch within Cheshire East and these teams will be multi disciplinary as opposed to being focussed on particular client groups (such as Learning Disability, Physical Disability etc). This has involved complex reassessment of individual caseloads to ensure that the most expensive staff work with the most challenging cases and that all staff operate according to an agreed process flow, This will deliver considerable savings in 2010/11. Considerable tightening up of services provided to match critical and substantial eligibility criteria will further drive down costs going forward, as will focusing the level of financial accountability on front line staff.

Meanwhile, historic care costs remain in the system pending the completion of these processes. Remedial action of £900k anticipated at TQR has not been delivered in full although costs were taken out during this time. However, such is the extent of change that final outturn has worsened by £1.5m from that anticipated at this point. Care costs have continued to rise in the latter part of the year due to increased volumes within the system. Small numbers of increased clients can have a major effect on the budget, this is evidenced by the fact that an increase of 22 residential

and nursing care customers from period 7 onwards, lead to an overspend of £0.7m. There were also 4 high cost domiciliary packages from period 7 onwards which led to an overspend of £0.3m.

Overall, the significant pressure from an increase in the average cost of care packages and the volume of customers which outweighed the reductions of 5% targeted by the service resulted in an overspend of £2m.

Moving forward, it is envisaged that the Adults Service will apply for and evidence any requests for growth to budgets on an individual case by case basis.

#### (ii) Strategic Commissioning

- New pooled budget for services for Learning Disability – done
- New arrangements for Community Equipment – done
- Recommissioning Third Sector – on course to deliver £250k savings
- Recommissioning Hot Meals – on course to deliver £160k savings
- Extra Care Housing – existing schemes working new schemes being processed
- Dementia Strategy – improved outcomes from fewer centres – in process large savings from two closures (subject to Cabinet decision on second)
- Reablement – designed to divert demand from the system – working and may deliver savings in year.
- Major procurement exercise – Adults is undertaking the largest exercise within the Council to examine every area of spending and the potential for savings

The final outturn also reflects pressures from the Learning Disability Pooled budget due to savings targets not proving achievable given increased in complexity and level of demand. Almost all authorities have struggled to contain spending on Learning Disability services over many years. Cheshire East Council and C&EC PCT will continue to examine how to achieve a balanced budget. To this end a new Pooled Budget has been established between Cheshire East Council and Central and Eastern PCT based purely on the Council's footprint. This reorganisation, which involves closer working with CEC PCT colleagues, in conjunction with a short term LD Task Force now in operation is intended to deliver efficiencies and drive down costs in 2010/11.

The extent of change has inevitably led to double running costs, which was a major reason why temporary monies were vested in the service. In addition, the pace of change has not been able to match the way the reductions have been phased into the budget. A good example here is the closure of the Santune House Community Support Centre which the budget envisaged as closing during 2009/10. The centre will actually close in the summer of 2010 reflecting the timescale involved (primarily due to building works) at Lincoln House, elsewhere in Crewe in order to provide specific provision for dementia service users. Training of staff has continued at pace during the latter part of 2009/10 and into 2010/11 so that new ways of working which refocus the services offered internally can be implemented.

Within the overall adverse position there have been certain success stories to report, for example, the Community Equipment Service has recovered a deficit position reported at £400k at Mid Year Review to deliver a balanced final outturn

(iii) Provider Services

A Full staffing restructure that will deliver £1M of savings in 2010/11 has been achieved, with more staffing savings to follow as the structure is continually revisited to reflect revised patterns of demand.

Conclusion

The final outturn evidences the major transformation being undertaken and the time needed to embed changes right through the service from top to bottom. These changes include offering a short term reablement to all clients and ensuring that all reviews are completed on time. Evidence from other authorities indicates that the design and delivery of reablement takes time but delivers significant benefits in terms of outcomes and savings.

It will be important to match budget changes to the pace of this change and retain a commitment to process of transformation that remains the Council's best hope of containing the cost of an ageing population at a time of economic restraint.

Action will be taken in 2010-11 to identify further areas for savings in managing the cost of care.

The 2009/10 budget contained a net reduction of £3.9m, 2010/11 contains a reduction of £3.8m and the latter 2 years of the MTFS a further reduction of £3.0m. The permanent base budget of the Adults Service will therefore reduce by approximately 14% over the first four years of operation of the new council

**Health and Wellbeing (£0.45m overspend)**

The Health & Wellbeing final outturn for 2009/10 is an overspend of £450k which represents a variance of under 3% on the net budget of £15.4m. This outturn reflects the very challenging year the service had endured from a financial point of view. This has included a paucity of accurate financial information, significant issues in relation to accurate coding of staffing and other budgets, and a number of difficulties related to the merger of financial systems. It has recently been confirmed that there are still discrepancies between HR and finance coding of staff that means staff costs are being coded to the wrong budgets within the service. All these issues have combined to make it very difficult for Service and Finance Managers to accurately establish levels of budget and spend against budget during 2009/10.

The service has faced many transitional issues, including significantly from a financial point of view the bringing together of services from all four legacy authorities. The budget aggregation from these 4 sources has revealed that there were some serious issues inherited from the predecessor authorities that have contributed to this year's pressures (for example income targets for grant

programmes that no longer existed) and over optimistic income targets for some facilities. In addition inherited liabilities for which there was no budget provision (Honford Hall, maintenance of printers and photocopiers, software licences, grant payments to third sector organisations for example) have added to the pressures.

The final outturn does however reflect the very positive remedial action delivered by service managers which is evidenced by comparison to the Mid Year Review projection of £1.2m over and the Three Quarter position of £813k unfavourable projection.

This remedial action includes cutting back on all non essential expenditure and particular targeting within certain areas. A good example of this is the final position on the Libraries Bookfund which has delivered a one-off underspend of £100k in order to offset underachievement in Libraries income. This underachievement in income is largely attributable to a reduction in audio visual / sound recording income and a reduction in "overdue charges". Clearly reductions such as this are untenable on anything but a one-off basis as they bring into question the value offered by the service.

The major pressures within the final outturn, over and above those outlined above, fall into a number of areas. These include the 20% supplies and services reduction, this has not been applied where there was a direct correlation with income (e.g. bar purchases). If applied it would have only led to a worsening of the financial position as the profit margin achieved on sales would have been lost. It should also be noted that the service has borne a residual financial burden in 2009/10 in respect of the Swim Free initiative. The loss of income added to the additional marginal costs incurred (for example, increased lifeguarding costs in order to comply with national safety standards) less the government grant received has resulted in net costs of over £100,000. Members voted an additional £100k for 2010/11 only before the current issue of grant withdrawal became apparent. Finally, there have been problems with regard to income in respect of the Civic Halls and Lyceum theatre (£56k) and an additional unbudgeted cost of £53k for the "Party in the Park & Macclesfield Fun Day. These pressures very much correlate with those reported earlier during the financial year. With regard to energy budgets it is envisaged that there will be further pressure in 2010/11 following the allocating out of cross cutting savings.

The final outturn in addition to demonstrating the prudent approach adopted by the service throughout the financial year, also contains some particular success stories. Most notably these include direct over the counter income in Leisure Centres which has held up exceedingly well given the recessionary position of the economy in the widest sense

Detailed work is underway using the final outturn to realign revenue budgets and in doing so, to build in the £550k growth that Members allowed as part of setting the budget for 2010/11.

The first quarter year review will highlight any budget pressures in 2010/11 coming from the MTFS savings required and also, any new budget pressures that have emerged in 2010/11.



**PLACES DIRECTORATE****Key issues**

The 2009-10 out-turn for the Places directorate after remedial actions shows an overspend of £1,207k compared to £519k at TQR. Additional budget pressures arose during the final quarter resulting from highways winter maintenance caused by an exceptionally cold winter.

Outturn compared to approved budget:

<b>Service</b>	<b>Approved Budget £'000</b>	<b>Actual Net Expenditure £'000</b>	<b>Variance from Approved Budget £'000</b>
Environmental Services	34,080	36,036	1,956
Safer & Stronger Communities	507	526	19
Planning & Policy	3,090	3,512	422
Regeneration	11,470	10,280	(1,190)
<b>Total</b>	<b>49,147</b>	<b>50,354</b>	<b>1,207</b>

Table 1: Places directorate outturn 2009-10

Key variances are examined in more detail below.

**Environmental Services**

Environmental Services are reporting an overspend at out-turn after remedial actions amounting to £1.9m: of this £1.7m is in respect of landfill and household waste recycling centres: a further £867k is in respect of highways winter maintenance caused by an exceptionally cold winter this was negated by the use of earmarked reserves.

Savings of £2.8m were incorporated into the base budget for 2009-10 based on residual waste tonnages in the East in 2008-09. The Service has been expected to absorb the impact of the increase in landfill tax of £8 per tonne and other contractual cost pressures through the reduction in the volume of tonnes processed. However, the reduction in tonnage triggers a compensation payment to the contractor when the threshold for the guaranteed minimum tonnage (GMT) is not met: the out-turn position for GMT was £1.1m.

Out-turn tonnage figures for 2009-10 are analysed below.

	<b>A</b>	<b>B</b>	<b>C</b>	<b>C:B</b>	<b>C:A</b>
<b>Contract</b>	<b>2008-09 Actual Tonnes</b>	<b>2009-10 Budget Tonnes</b>	<b>2009-10 Out-turn Tonnes</b>	<b>Change % Out-turn : Budget</b>	<b>Changes % 09/10 Actuals : 08/09 Actuals</b>
Landfill	87,656	79,649	81,576	2.4%	-6.9%
Household-Residual	15,007	13,695	13,424	-2.0%	-10.5%
Household-Recyclate	25,396	26,197	25,955	-0.9%	2.2%
Composting	8,724	9,059	8,470	-6.5%	-2.9%
<b>Total</b>	<b>136,783</b>	<b>128,600</b>	<b>129,427</b>	<b>0.6%</b>	<b>-5.4%</b>

Table 3: Places directorate waste tonnages as at March 2010

The Waste Collection & Recycling service is reporting a £517k adverse out-turn variance resulting from pay overspends of £883k, mitigated by favourable variances in respect of transport costs £392k (these variances are mainly attributable to the delayed route optimisation savings and additional staffing costs reported at TQR). However, Waste Strategy & Minimisation and the Joint Waste Team are reporting a favourable variance £567k mainly due lower waste minimisation initiatives costs £371k.

Overall Highways Operations out-turn reflects a £217k adverse variance including winter maintenance referred to above, plus additional street lighting costs, offset by general highways maintenance favourable variances.

The Streetscape & Bereavement adverse variance is principally due to pay overspends of £262k across the service and income shortfalls in particular on grounds maintenance and markets.

### **Safer & Stronger Communities**

The Car Parking adverse income variance of £880k was due to economic recessionary pressures and the later implementation of charging in the Congleton area.

Regulatory Services favourable pay variances of £595k were due to vacancies within Trading Standards, Environmental Health and Licensing. Places Directorate Training cost savings of £126k were also made as part of the planned remedial actions, following Mid-Year Review.

### **Planning & Policy income**

Partly offsetting the planning and search fees adverse income variance referred to in the Places Directorate report were favourable pay variances totalling £331k and non-pay variances of £390k, mainly in respect of consultancy and third party payments.

### **Regeneration**

The final outturn for Regeneration of (£1.1m under spend) against a net budget of £11.3m includes favourable variances across the service. These comprise of a £646k under spend within the directorates business support along with under spends in Economic Development (£311k) & Strategic Highways (£117k) principally due to vacancy management.

**PERFORMANCE & CAPACITY****Borough Treasurer & Head of Assets**

<b>Service</b>	<b>Net Budget £000</b>	<b>Budgeted Savings £000</b>	<b>Underlying Budget Pressures £000</b>	<b>Remedial Actions £000</b>	<b>Net Budget Pressures £000</b>
Head of Borough Treasurer & Assets	341	(212)	(36)	0	(36)
Building Maintenance	2,806	(225)	(1,657)	0	(1,657)
The Farms Estate	(74)	0	(187)	0	(187)
Property Services	5,310	(91)	1,234	(66)	1,168
Facilities Management	763	(235)	646	0	646
ICT	5,825	(3,670)	2,497	(2,497)	0
Revenue & Benefits	872	(616)	148	0	148
Finance	3,153	(1,975)	560	(345)	215
Insurance	2,516	0	(504)	0	(504)
Shared Services	566	158	450	(450)	0
Procurement – CBS supplies	(65)	0	(8)	0	(8)
Procurement – International unit	81	(38)	(28)	0	(28)
Procurement Other	279		52	0	52
Corporate Procurement Savings	(561)	(561)	561	(350)	211
Corporate Energy Savings	(500)	(500)	500	(150)	350
<b>Total</b>	<b>21,312</b>	<b>(7,965)</b>	<b>4,227</b>	<b>(3,858)</b>	<b>369</b>

Within the service a number of changes since the ¾ year position resulted in an increase in the underlying overspend of £238k:

**Head of Borough Treasurer & Assets - £36k underspend.** The underspend has reduced by £73k since three quarter due to PWC consultancy costs, relating to benchmarking work, being absorbed within this figure.

**Building maintenance- £1,657k underspend.** Building Maintenance has an under spend of £1,657k compared to £300k at three quarter review. The variance is mainly due to the uncertainty relating to the condition of the ex district building stock, lack of manpower to ascertain this in a timely manner and the timing of projects earmarked for the planned maintenance of these premises, which are now intended

to be carried out in 2010/11. In addition to this there were significant pressures in the Hard FM area of the service, detailed below, which were off set by using some of this underspend.

**The Farms Estate (Shared Service) – £187k underspend.** The Farms Estate reported an under spend of £187k against a predicted net nil position at TQR. However, the underspend of £187k overstates the true position due to an accounting error which duplicated income by £72,000, which will need to be addressed by the Assets service in 2010/11. The service has improved their outturn, since three quarter, partly due to over cautious management of expenditure during the initial months and partly due to the methodology applied in disaggregating the starting budget. During the 2010/11 period, more accurate forecasting will be achievable.

**Property Services - £1,234k overspend.** The overspend in this area has worsened by £305k since three quarter year primarily due to the final CWAC recharge being £300k higher than originally anticipated.

The underlying overspend was due to a number of factors.

Firstly, an unforeseen bad debt provision of £0.24m had to be created to acknowledge the delay in payments relating to rent or room hire. £53k of this related to 2008/09 debt inherited from the former district councils where the central provision that was created had not been sufficient.

Secondly, premises related costs were significantly higher, £0.54m adverse, than budget mainly due to the loss of budgets to CWAC following the disaggregation process. This was partly offset by staffing, £0.28m favourable, which was favourable due to the delay in appointing to the structure.

Thirdly, Emperor Court did not have permanent funding in place in 2009/10 but the service is planning to use the County Hall budgets that will be made available in 2010/11. The impact this year was £225k adverse.

Finally, previous analysis associated with income targets, reported at three quarter, which revealed that there was approximately £0.15m of unachievable income mainly relating to Westfields £70k and Crewe Industrial Estates £75k was realised at outturn. In addition a further £73k linked to a number of business parks was also unachievable. The service is now looking at alternative ways of generating income to meet the original budget targets or using CWAC related budgets as they become available.

### **Facilities management - £646k overspend**

This service had a three quarter position of £142k underspend and has worsened by £788k. The key reasons are within include a lack of understanding of inherited budgets and an inability to agree the level of budgets to be transferred to Assets for the provision of FM from other client services. There was also an unexpected increase in actual costs partly due to increased 'make do and mend' costs as planned projects were still being finalised, combined with a variety of different

maintenance contractors providing the maintenance not benefiting from the economies of scale associated with a single maintenance supplier.

Work relating to the centralisation of budgets is still ongoing with £0.2m of Places budgets already vired to FM along with actual expenditure. Discussions are still to take place with Health & Wellbeing on an additional £1m that is held in their budget. The service is currently working on an SLA to assist with the centralisation process in helping all parties to understand what will be delivered.

**ICT - £2,497k overspend** For 2009-10 it was planned at the start of the financial year to charge a sum of between £2.0 and 2.5m to the transitional fund. The prediction made at Q3 was £2.340m. Close control of the budget on a week by week basis has proved extremely difficult due to the lack of information from the host authority (CWAC) in respect of the Shared ICT service. However the final revenue outturn position was very close to the projected figure. It is proposed that a further spend of £157,000 is also charged to the transitional fund. Discussions which are both robust and detailed are taking place with CWAC to ensure that good quality financial and non financial data is made available on a regular and timely basis for 2010-11.

**Finance (incl. Revenues & Benefits)** The underlying overspend of £654k is little changed from the  $\frac{3}{4}$  year position. As with the ICT service this overspend was planned and managed as the service reduced its cost base from the one inherited downwards in line with the savings from the LGR business case. The overspend of £450k on the Shared Service element of the service was more than compensated for by the underspend on Insurance budgets where the centralisation of budgets facilitated savings.

**Procurement** . The underlying overspend of £16k represents an improvement of £71k since the  $\frac{3}{4}$  year position and relates primarily a slight improvement on the net nil position reported at three quarter.

### **Cross Cutting Savings - £1.061m overspend**

Corporate Energy Savings -£500k overspend

No change from three quarter review. A corporate decision was taken not to try and allocate savings of £500k in year. Assets have managed £150k of these savings through the application of transitional funds, which left the residual balance of £350k to be met across the authority.

Corporate Procurement Savings - £561k overspend

No change from three quarter review. A corporate decision was also taken not to allocate Council procurement savings of £561k in year. Approval was given for these to be partially offset against £350k of transitional funding, leaving a residual balance £211k to be managed.

**Human Resources & Organisational Development**

<b>Service</b>	<b>Net Budget £000</b>	<b>Budgeted Savings £000</b>	<b>Underlying Budget Pressures £000</b>	<b>Remedial Actions £000</b>	<b>Net Budget Pressures £000</b>
Head of HR & OD	135	(21)	0	0	0
HR Strategy & Policy – OHU Shared Service	98	(70)	(33)	0	(33)
HR Strategy & Policy - Other	689	(179)	98	(125)	(27)
HR Organisational Development	559	(194)	87	(75)	12
HR Delivery – Shared Services	686	(316)	50	(50)	0
HR Delivery – Other	703	(174)	187	(139)	48
<b>Total</b>	<b>2,869</b>	<b>(954)</b>	<b>388</b>	<b>(388)</b>	<b>0</b>

The underlying position across the HR and OD service has improved by £315k from the ¾ year position. The major changes are:

**Head of HR & OD – Balanced.** The underlying position has improved by £30k since three quarter due to the removal of the non-achievable inherited income target.

**HR Strategy & Policy – OHU £33k underspend.** £63k improvement since three quarter achieved in the OHU Shared service by a combination of lower than budgeted staffing expenditure and over achieving the income target.

**HR Strategy & Policy – Non Shared service £98k overspend.** The underlying overspend is only £7k higher than reported at three quarter and this is due to increased expenditure on areas linked to transitional funds. The expenditure related to pay modeller / equal pay reviewer £39k and job evaluation resource £86k.

**HR Organisational Development - £87k overspend**

The £146k improvement in the underlying position reported at three quarter is due to less expenditure on areas linked to transitional funding such as Management Engagement and Continuous Improvement tools. A bid to carry forward some of the unused transitional funding into 2010/11, to complete some of this work programme is included elsewhere in this report.

**HR Delivery – Back Office - Shared £50k overspent.** No change from three quarter review. However, savings are anticipated in 2010/11 in this area of £50k - £75k as work continues on streamlining resource inputs and maximising process efficiencies.

**HR Delivery – Non Shared £187k overspend.** The improvement in the underlying position of £82k is primarily due to lower than anticipated expenditure in areas linked to transitional bids. The £139k of transitional funds relates to £6k on the Schools Policy Adviser, £45k on a Business Partner in P & C and £88k linked to excess staffing costs relating to the move to the final HR & OD structure.

### **Borough Solicitor**

<b>Service</b>	<b>Net Budget £000</b>	<b>Budgeted Savings £000</b>	<b>Underlying Budget Pressures £000</b>	<b>Remedial Actions £000</b>	<b>Net Budget Pressures £000</b>
Head of Borough Solicitor	147	(6)	(40)	0	(40)
Democratic Services – Members allowances	1,342	(329)	243	0	243
Democratic Services – Elections	827	0	(350)	0	(350)
Democratic Services - Coroners	446	0	35	0	35
Registration services	(9)	0	(204)		(204)
Democratic Services – Other	1,158	(468)	(71)	0	(71)
Legal Services	1,437	(280)	487	(100)	387
<b>Total</b>	<b>5,348</b>	<b>(1,083)</b>	<b>100</b>	<b>(100)</b>	<b>0</b>

Within the Borough Solicitor's service the underlying position has improved by £245k from the ¾ year position. This is primarily due to:

**Democratic Services – £347k underspend overall.** This area has improved its outturn position by approximately £250k since three quarter. This is due mainly to the registration service which through the review and implementation of higher fee rates in September 2009 has generated a significant surplus against their budget. This was supplemented by a change in accounting treatment relating to the administration charges associated with marriage ceremonies. These will now be recognised in the year that they are receipted rather than record them on the balance sheet against the financial year that the marriage is taking place

Due to the final outturn position it was not necessary to use transitional funds to assist the service.

Key variances in the services outturn are as follows:-

1. Members allowances is overspent by £243k, a slight deterioration of £26k since three quarter, due to travel expenditure and take up of pensions exceeding original estimates.
2. Election budgets are underspent by approximately £350k a decrease of £10k against three quarter. This underspend is still based on a carry forward



request of £250k not being deemed necessary to fund elections in 2011/12 as a request next financial year would generate the required budget to meet financial expectations.

3. Coroners is expected to overspend by £42k. It has been recommended that this area, along with Members allowances, are ring fenced as the budget is not controllable. Charges from Warrington Borough Council are population driven and not subject to negotiation.
4. Registration delivered a £204k underspend which was a significant improvement compared to the balanced position reported at three quarter. A conservative estimate at three quarter was due to not being able to accurately predict how the new fees would affect demand. A review of the 3<sup>rd</sup> and 4<sup>th</sup> quarter income suggests that demand has not been affected by the significant increases.

### **Legal Services - £487k overspend**

This area has worsened by £5k since three quarter. The overspend was unavoidable for this financial year. There were a variety of transitional issues that needed to be addressed, which required significant input from the Service. With a full team, it would have been difficult to meet these demands. In fact, the structure was not settled until some months into the financial year, due to uncertainties about the budgetary position, particularly going forward into 2010/2011, and it was necessary to put in place various temporary arrangements.

The growth bid of £250k that has been agreed for 2010/11 will improve next year's outturn position but the identification of an income target of approximately £42k relating to inherited budgets and the continuing reduction in planning-related income will mean that next year's budget will be challenging.

### **Policy & Performance**

Service	Net Budget £000	Budgeted Savings £000	Underlying Budget Pressures £000	Remedial Actions £000	Net Budget Pressure £000
Head of P&P	49	(14)	125	0	125
Customer Services	3,626	124	(96)	0	(96)
Planning & Performance	959	(220)	(276)	0	(276)
Audit	1,003	(206)	(233)	0	(233)
CEO & Partnerships	2,364	(221)	(181)	0	(181)
Communications	1,347	(650)	396	0	396
Total P&P	9,348	(1,187)	(265)	0	(265)

**Head of Policy & Performance** has an over spend of £125k compared to a budget pressure of £61k offset by transitional funding at three quarter review. The three quarter review contained £61k of approved transitional funding to cover the shortfall in salary budgets inherited from the four legacy councils for this post. This funding

has been removed as Policy and Performance is reporting an under spend as a whole.

Additional budget pressures have arisen due to severance costs not covered by central funding and additional costs of employing an interim member of staff over Cheshire East staff costs. These were not anticipated in the three quarter review.

**Customer Services** is reporting a £96k under spend compared to budget pressure of £141k at three quarter.

The £141k pressure at three quarter was as a result of prudential borrowing costs for the CRM and Telephony capital programme. Prudential borrowing costs are not applicable in 2009-10 as funding has been found from elsewhere, thus removing this budget pressure. Transition costs have also been absorbed within the service and so transition funding of £21k is no longer needed.

The majority of the under spend is as a result of carrying staff vacancies in year, particularly during the last quarter.

**Recommendation : It is requested that £70,263 of the under spend is carried forward into 2010-11.** Due to the delayed CRM procurement, shortening of implementation timescales to still achieve April 2011 completion, and delayed realisation of benefits (contributing to £206k budget challenge), an additional 3 FTE staffing (grade 5) will be required in 2010-11. These are needed to back fill the temporary secondment of Customer Advisors to the CRM implementation team to support business analysis, user testing and user training.

**Planning & Performance** The under spend for Planning and Performance has increased from £50k reported at three quarter to £276k at outturn. The £50k under spend reported at three quarter was after £57k of voluntary redundancy costs had been absorbed by the service. These have now been coded centrally and so the amended three quarter position is £107k under spend.

Both the under spends at three quarter and outturn are as a result of carrying staffing vacancies throughout the year. There were also some additional savings in non staffing costs, through lower relocation and travel expenditure and lower spend on software and CAA audit fees.

**Audit** The under spend for Audit has increased from £90k reported at three quarter to £233k at outturn. The £90k under spend reported at three quarter was after £55k of voluntary redundancy costs had been absorbed by the service. These have now been coded centrally and so the amended three quarter position is £145k under spend.

The lower expenditure is as a result of carrying staffing vacancies for longer than originally predicted in the year due to delays in filling structures. There was also lower expenditure on training and travel / relocation costs.

**Chief Executive and Partnerships** are reporting an under spend of £181k compared to a budget pressure of £120k fully offset by funding of £120k at three quarter. The funding was due to an approved transition cost bid for Local Area Partnership staff and LPSA1 continuation funding to fund payments to Cheshire Community Action. This funding is no longer needed as the related costs can be absorbed by the service.

Savings have been made in 2009-10 on staff costs as vacancies have only been filled towards the end of the year. It was anticipated that these would be filled much earlier in the three quarter review.

Some grant payments made to Community organisations have slipped into 2010-11 due to the size and nature of the grants. **Recommendation : It is requested that £11,000 is carried forward into 2010-11 to fulfil these obligations.**

In addition, delivery of a range of community empowerment projects under the Community Cohesion area based grant has also slipped into 2010-11.

**Recommendation: It is requested that £26,529 is carried forward into 2010-11 to meet the obligations of this grant.**

**Communications** has an over spend of £396k compared to a budget pressure of £453k offset by transitional funding of £311k at three quarter review.

The three quarter review contained £311k of approved transition funding for one off spend across the council for vehicles, external signage, bus shelters, internal branding etc. The total spend in 2009-10 on these transitional areas was £301k. As Policy and Performance have an overall under spend, these transitional costs will be absorbed within Policy and Performance and no transition funding will be sought.

The remaining budget pressure is due to a shortfall in staffing budget. This arises as communications did not receive all of the budget they were forecasting from Assets relating to the Print Unit from the County Council.

**Recommendation : It is requested that £10,000 is carried forward into 2010-11. This is to complete the branding exercise (for external signage etc.) which was not finished in 2009-10.**

### **Transitional funding**

As part of 2009-10 budget transitional funding of £5.2m was approved. This funding recognised that P&C services would be unable to deliver all the savings required as part of the LGR business case on day 1, particularly with regard to staffing reductions, and would need to draw down temporary funding in 2009-10 as they downsized.

The Outturn report contains requests to utilise £4.346m of transitional funding, meaning that £861k remains unspent as at year end. There are a small number of requests to carry forward a portion of this underspend into 2010-11 shown in follows:

Service / Issue	Amount requested £k	Detail	Note
Finance	95	Agency / Consultancy staff related to close down	1
Customer Services (Business Management review)	60	Project manager + business analyst	2
ICT (Photocopying)	50	Termination charges + outstanding lease payments.	3
HR & OD	75	Management and Employee Development	4
Total	280		

#### Note 1 - Finance

This relates to additional costs over and above the available base budget to meet the costs of agency and consultancy staff to assist with the closedown of the 2009-10 accounts. A large number of residual financial issues from LGR are still being managed by the Finance service and additional expertise has been required to cope with this additional workload and to ensure statutory year end deadlines are met. Additional work has been generated by the need to confirm and verify the opening balance sheet position of the new authority (including a significant requirement to revalue former district assets), the reconciliation of legacy systems used to collect income during 2009-10 and the complex financial arrangements underpinning the Shared Services and with CWaC generally.

#### Note 2 – Business Management Review

£60,000 is required to fund Project Management and Business Analyst resources to support the implementation of the Business Management review, including the development and implementation of 'to be' processes for critical business functions such as Income to Cash, Procurement, HR delivery and Facilities Management. The goal of the Business Management review is to enable a step change in the current quality of Business Management activity (as measured by timeliness, accuracy, and compliance) without significant additional staffing.

#### Note 3 – Photocopying

In future all corporate buildings will be managed by the Assets service – this will include all Facilities Management services, including provision of photocopiers. Budgets will be centralised under the Assets service to enable this to happen. However, in the short term the authority has to manage its way out of multiple contracts with different suppliers, with often high penalty charges for the early termination of lease arrangements. Office moves often make it difficult to establish which services are using which machines, thereby making it difficult to continue in the short term with the former district model of recharging photocopying usage out to all service users. This funding will enable the IT service to continue to manage the

issue corporately on behalf of the authority for the first six months of 2010-11. They will continue to pay outstanding leasing and usage charges and possibly some termination charges, which will enable the transition to a more efficient managed print service to progress.

#### Note 4 – HR & OD

Priorities that emerged over the first year of the new Council focused on establishing and consolidating the fundamentals for employees i.e their places of work, roles and responsibilities and key priorities. It has not been timely or appropriate to use transitional funding to invest in development programmes. A carry forward bid of £75k is proposed to support ongoing management and employee development in 2010-11. This will include organising Management Engagement & Development Conferences, CMT and SMT away days, continuing the Lean Education Programme and supporting Change Management training. This programme of work will develop Cheshire East's organisational capacity.

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**APPENDIX 2****CAPITAL PROGRAMME 2009-10****Key Issues and Variances**

Details of major variances (over £250,000) between the in-year budget and final outturn for 2009-10 along with any other issues for Departments are shown below.

**People**

The development of the Children & Families Capital Strategy has taken longer than anticipated owing to the lack of staffing resources in the School Organisation and Capital Strategy Team. The forecast was set assuming that priorities would be identified, and implementation would commence, during 2009/10. Development of the strategy is ongoing to ensure best use of resources. Funding is expected to be prioritised during the first quarter of the 2010/11 financial year and approval for schemes sought, as necessary, during the course of the year.

<u>Devolved Formula Capital in Advance (DFC)</u>			
In Year Budget	£1.050	m	
Outturn	<u>£0.432</u>	m	
Variance	£0.618	m	Underspend
DFC is 100% devolved to schools for them to spend on capital. It is notoriously difficult to forecast as schools can spend the years' allocation in full in the year it is allocated, or 'save' it towards a major scheme at the school. Schools have 3 years and 5 months to spend each year's allocation.			

<u>Schools - Access Initiative</u>			
In Year Budget	£0.501	m	
Outturn	<u>£0.065</u>	m	
Variance	£0.436	m	Underspend
The Children & Families Capital Strategy is still under development and the Schools Access Initiative will be prioritised against schemes in 2010/11 which meet the LA criteria.			

<u>Christ the King Catholic &amp; C of E PS</u>			
In Year Budget	£0.576	m	
Outturn	<u>£0.000</u>	m	
Variance	£0.576	m	Underspend
Timescale revised due to formal Council / Diocese approval and continuing planning approval process. Completion planned for March 2011, final account will be agreed in April / May 2011			

<u>Harnessing Technology</u>			
In Year Budget	£0.630	m	
Outturn	<u>£0.241</u>	m	
Variance	£0.389	m	Underspend
This amount is still to be invoiced by Cheshire West and Chester			

<u>14-19 diploma</u>			
In Year Budget	£0.700	m	
Outturn	<u>£0.000</u>	m	
Variance	£0.700	m	Underspend
The Children & Families Capital Strategy is still under development and this allocation will be prioritised against schemes in 2010/11 which meet the LA and DfE criteria.			

<u>Cledford TLC Scheme</u>			
In Year Budget	£1.219	m	
Outturn	<u>£0.859</u>	m	
Variance	£0.360	m	Underspend
Scheme start delayed due to planning / approvals process - work re-programmed. Completion of scheme October 2010			

<u>Brine Leas Sixth Form</u>			
In Year Budget	£2.922	m	
Outturn	<u>£3.297</u>	m	
Variance	-£0.375	m	Overspend
Scheme programming amended to suit requirements of LSC funding. Completion of scheme September 2010			

<u>Integrated Children's Systems (ICS) East</u>			
In Year Budget	£0.567	m	
Outturn	<u>£0.293</u>	m	
Variance	£0.274	m	Underspend
A report has been submitted that a replacement of the system will be required to start in 10/11 after completion of the PARIS review.			

<u>Harnessing Technology East</u>			
In Year Budget	£0.734	m	
Outturn	<u>£0.089</u>	m	
Variance	£0.645	m	Underspend
This grant runs with the academic year and will be fully spent by end of August 2010.			

<u>TLC Sir William Stanier Comm S</u>			
In Year Budget	£8.478	m	
Outturn	<u>£7.907</u>	m	
Variance	£0.571	m	Underspend
Scheme re-programmed to account for extended work areas and legal negotiations with regard to combined heat & power plant. Project will complete summer 2010			

<u>Community Services Flexible and Mobile Working</u>			
In Year Budget	£0.650	m	
Outturn	<u>£0.143</u>	m	
Variance	£0.507	m	Underspend
Delays in procuring equipment and development time of Phase 1, caused timing of the Phase 2 team to slip into 2010/11.			



<u>National Dementia Strategy - Lincoln House 09-10</u>			
In Year Budget	£1.000	m	
Outturn	<u>£0.498</u>	m	
Variance	£0.502	m	Underspend
Delays in completing planning application and professional fees, and submitting subcontractor certificates caused slippage into 2010/11. It is anticipated that the project will be completed in summer 2010.			

<u>CSC Misters</u>			
In Year Budget	£0.280	m	
Outturn	<u>£0.000</u>	m	
Variance	£0.280	m	Underspend
Unavailability of Property Management capacity time caused delays in obtaining contractors quotes. The misters at Lincoln House have been installed and work is about to commence on Hollins View and Mount View; work on Bexton Court mister systems will follow. The project is expected to complete by the end of 2010/11.			

<u>Sandbach United Football complex</u>			
In Year Budget	£2.200	m	
Outturn	<u>£0.012</u>	m	
Variance	£2.188	m	Underspend
Initial projections indicated that the scheme would progress quite quickly in 2009-10, however delays occurred and the scheme has now slipped into 2010/11 when it is intended that the project will complete.			

## Places

Drainage problems at the Dane Moss Household Waste Recycling Centre (HWRC) may require funding of £0.5 million above the amount currently programmed.

<u>Bridge Maintenance - Minor Works 2009-10</u>			
In Year Budget	£1,200	m	
Outturn	<u>£0.803</u>	m	
Variance	£0.397	m	Underspend
The CEC Bridges maintenance team required an initial period of gaining familiarity with systems and processes. The loss of an engineer led to delays in starting the Wheelock Station Bridge project (£230k) which is now due to start July 2010. The level of underspend will be offset by the transfer of £103k to A532 Merrills and £55k to A523 Hope Green which have both overspent due to contractor claims			

<u>Non Principal Roads Minor Works 2009-10</u>			
In Year Budget	£2,852	m	
Outturn	<u>£3,135</u>	m	
Variance	-£0.283	m	Overspend
The increase in expenditure arises from increased maintenance costs in repairing roads following the severe winter conditions.			

<u>Crewe &amp; Macclesfield HWRC's</u>			
In Year Budget	£0.736	m	
Outturn	<u>£0.004</u>	m	
Variance	£0.732	m	Underspend
<p>The £4k spend relates to ground investigation work at Danes Moss HWRC. Drainage issues are being addressed with consultants and the Environment Agency The solution to drainage could require up to an additional £500k in addition to the current money if the only viable solution is the most expensive option i.e. having to trench and drain to the nearest foul sewer with capacity. Until all parties can agree a solution then site design remains on hold. When the outstanding responses have been received a report setting out the problem/options and preferred solutions will be presented to Members before any action is taken if costs exceed the current approval as seems likely.</p>			

<u>Alderley Edge By Pass - Scheme Implementation</u>			
In Year Budget	£24,930	m	
Outturn	<u>£24,496</u>	m	
Variance	£0.434	m	Underspend
<p>The underspend only represents 2% of the total yearly budget so whilst extremely good progress has been made on the construction and is ahead of programme there is a slight variance to the projected budget.</p>			

<u>Queens Park Restoration - HLF</u>			
In Year Budget	£4,239	m	
Outturn	<u>£1,196</u>	m	
Variance	£3,043	m	Underspend
<p>The expenditure anticipated in 2009 – 10 was not achieved due to the collapse of Wrekin Construction the engineering contractor appointed to carry out the Bridge and Lake Works Contract and the need to redesign the building works package. The lake and bridge works have now been completed by Tolent Construction and they have also been appointed as the main contractor for the building works package. The restoration works programme will be completed by end of April 2011 and the budget will be 95% expended with only retentions and bond monies remaining. The extension of the completion date from 30th December to 30th May 2011 has been agreed with the Heritage Lottery Fund.</p>			

<u>Disabled Facilities Grants</u>			
In Year Budget	£1,081	m	
Outturn	<u>£0.632</u>	m	
Variance	£0.449	m	Underspend
<p>Grants are made to individual households so we are reliant on applications being made to us to be able to commit the funding. Applicants are supported by the home improvement agencies to submit their application; their performance has been slow and a number of applications were made in the last quarter of the financial year. Plans have been put in place to improve this situation, and we are now seeing an improvement in timescales. The budget has been fully committed and work on individual grants is scheduled to start in the first quarter of 2010-11.</p>			

<u>Private Sector Assistance</u>			
In Year Budget	£1,481	m	
Outturn	<u>£0.497</u>	m	
Variance	£0.984	m	Underspend
This budget covers the provision of housing repair loans and grants. Difficulties in establishing legal processes for the security of loans delayed the delivery of the scheme until January 2010. Loans are now being approved and the budget will be fully committed in 2010-11.			

<u>Affordable Housing</u>			
In Year Budget	£0.600	m	
Outturn	0	m	
Variance	£0.600	m	Underspend
This budget covers the Assisted Purchase Scheme which was launched in January 2010. The scheme assists first time buyers who have identified properties to buy within the Cheshire East area. The scheme could not be launched until January 2010 as approval for the scheme was not obtained until then. 33% of the money has now been committed, and the remaining amount will be committed during 2010/11			

<u>Affordable Housing Initiatives</u>			
In Year Budget	£0.468	m	
Outturn	<u>£0.081</u>	m	
Variance	£0.387	m	Underspend
This scheme covers affordable housing initiatives with the HCA and RSLs, with an S106 contribution being used for a project in Holmes Chapel. The budget should be used in 2010/11.			

<u>Social Housing Grants / Enabling Affordable Housing</u>			
In Year Budget	£1,062	m	
Outturn	<u>£0.144</u>	m	
Variance	£0.918	m	Underspend
The greater part of the underspend has been committed for spend in 2010-11. It concerns projects with Housing Associations, and provision of temporary accommodation. After review and consultation a final decision on the future provision will be made in December.			

<u>Housing Grants - S106 Funded (Ex MBC)</u>			
In Year Budget	£0.759	m	
Outturn	<u>£0.047</u>	m	
Variance	£0.712	m	Underspend
There is a contractual arrangement with Moorlands Housing Association to buy empty properties in rural areas in former the Macclesfield BC area and bring them back into use as affordable housing. There are regular progress meetings with Moorlands HA, but it is difficult to find suitably sized and priced properties because of the limited availability in the rural areas.			

<u>CCTV Control Room Relocation</u>			
In Year Budget	£0.290	m	
Outturn	0	m	
Variance	£0.290	m	Underspend
This amount was offered up towards the rationalisation programme for the new CCTV/UTC control room at Macclesfield. There has been a delay in the start of this programme as a decision was made to joint procure the contract for the works, with that of the ICT project, in order to realise further savings from the whole project. Tender documents for the works are due to go out within the next few months.			

<u>Connect2 - Crewe &amp; Nantwich Greenway</u>			
In Year Budget	£0.530	m	
Outturn	£0.032	m	
Variance	£0.498	m	Underspend
This scheme has been delayed in its delivery for several reasons including resources and land negotiations, however it is expected the scheme will start on site in the first quarter of the new financial year.			

<u>S278 Macclesfield Learning Zone</u>			
In Year Budget	£0.300	m	
Outturn	£0.010	m	
Variance	£0.290	m	Underspend
S278 Projects are dependent upon Developer progress which is largely out of the Authority's control. This project has changed significantly since the original agreement and is now complete. S278 projects are fully funded, any funding shortfall will be invoiced to the Developer and any funding surplus will be refunded			

<u>Project Development - Middlewich Eastern By Pass</u>			
In Year Budget	£0.400	m	
Outturn	£0.021	m	
Variance	£0.379	m	Underspend
The Middlewich Eastern Bypass is a partnership project with funding driven by the private sector in association with development accessed from the scheme. A significant part of the financial package for the project was identified as coming from the North West Development Agency and under their grant funding rules the scheme has to be procured through the Highway Authority. Cheshire East monies were identified in the 09/10 financial year to both fund the scheme procurement process and a block of finance determined as the initial element of the Local Authority contribution. A changing economic climate meant that the private sector element of the monies for the scheme has not been secured to the original timescale - such that the authority's funds were not required and the allocation for 2009/10 was written down to a level of funding that was used to fund a study into alternative ways of funding the bypass scheme			

<u>Crewe Town Squares - Lyceum Square</u>			
In Year Budget	£1,360	m	
Outturn	£0.902	m	
Variance	£0.458	m	Underspend

Works were delayed by having to re-tender the works following receipt of confirmation of funding from the NWDA only in the Autumn. The works then commenced on site towards the end of the financial year. The works will be completed in the following financial year

### **Performance & Capacity**

#### **Building maintenance funding**

The uncertainty of future funding causes significant difficulties in the management of the maintenance programme. To maximise efficiencies and value for money a robust funding stream is vital to ensure the quality of our buildings and the reduction of the maintenance backlog. Procurement and specification of large complex boiler / roof / refenestration programmes have significant lead times; if funding is reduced then the result will be a significant waste of resources for the authority. Failure to provide a guaranteed year on year maintenance fund will result in the long term dilapidation of the property asset, an increase in Health and Safety issues, increased reactive maintenance with the resultant resource implication, as reactive maintenance is resource intensive and provides significantly reduced value for money for the Authority.

### **Policy & Performance**

<u>Customer Relationship Management &amp; Telephone System</u>			
In Year Budget	£1.705	m	
Outturn	<u>£0.099</u>	m	
Variance	£1.606	m	Underspend
The CRM procurement has been delayed resulting in a slippage of integration costs into 2010-11 In addition, the transition phase for the website has lasted longer than anticipated. This has led to a delay in the web development part of the transformation phase, pushing costs into 2010-11			

### **Borough Treasurer & Assets**

<u>Farms Estate</u>			
In Year Budget	£1.410	m	
Outturn	<u>£0.025</u>	m	
Variance	£1.385	m	Underspend
Capital spending / investment has been limited, reflecting the delayed disposals programme, a very limited response from tenants in relation to NVZ (nitrate vulnerable zone) work and limited movement by tenants partly in anticipation of the development of management policy objectives resulting from the ongoing service review. It is however anticipated that activity on disposals will increase in the first quarter of 2010-11 and NVZ's in the second quarter.			

<u>Building Maintenance</u>			
In Year Budget	£5.645	m	
Outturn	<u>£1.943</u>	m	
Variance	£3.702	m	Underspend
The Asset Management Service have delivered an underspend on Capital Planned Maintenance in 2009-10. This is not a typical position and has been heavily influenced by a number of factors outlined below:- <ul style="list-style-type: none"> <li>• Uncertainties over the formal budget allocation for Planned Maintenance;</li> <li>• Uncertainties over the availability of acceptable procurement processes and contractual arrangements for building works, resulting in further delays within the delivery and implementation of project works on site.</li> <li>• Limited staffing resources within Asset Management to assist in the procurement</li> </ul>			

and delivery of project works.			
<ul style="list-style-type: none"> <li>Uncertainties over the availability and reliability of condition assessment data for many of the former district properties upon which to base a planned programme of maintenance works.</li> </ul>			
<u>Single Revenue &amp; Benefits Systems</u>			
In Year Budget	£0.444	m	
Outturn	£0.035	m	
Variance	£0.409	m	Underspend
The variance relates to a delay in the implementation date following the need to re-tender. Payments have been reprofiled to reflect instalments payable at various stages of completion.			

<u>Flexible and Mobile working</u>			
In Year Budget	£0.585	m	
Outturn	£0.107	m	
Variance	£0.293	m	Underspend
The programme has slipped due to a number of factors: <ul style="list-style-type: none"> <li>Conflicting resource requirements and priorities within Shared Services.</li> <li>The alignment of quarter 1 and quarter 2 commissioned projects with the strategic direction of ICT strategy and delays in independent projects.</li> </ul>			

<u>Government Connect</u>			
In Year Budget	£0.290	m	
Outturn	£0.025	m	
Variance	£0.265	m	Underspend
The programme has slipped due to a number of factors: <ul style="list-style-type: none"> <li>Conflicting resource requirements and priorities within ICT Shared Service</li> <li>Delays in completion of prerequisite pieces of work</li> <li>Major revision of Code of Connection requirements issued by DWP</li> </ul>			

<u>Enterprise Content Management proposal</u>			
In Year Budget	£0.500	m	
Outturn	£0.061	m	
Variance	£0.439	m	Underspend
Under the original Project Plan Phase 1 was to be concluded in March 2010 with Phase 2 completion date planned for December 2010. The Project experienced significant delays in the start-up phase, largely due to lack of resources and procedural difficulties external to our service and outside of our control. Phase 1 of the contract started in mid April 2010, with early adopter roll outs scheduled for August, September and October. Officers have consulted with key stakeholders within the business and are confident that they will deliver stated benefits and meet expectations. It is therefore requested request that the variance of £439K is approved for slippage at this stage.			

<u>Data Centre Macclesfield</u>			
In Year Budget	£0.495	m	
Outturn	£0.028	m	
Variance	£0.467	m	Underspend
Work relating to the removal of equipment from the data centre will continue in the first quarter of 2010/11. As the data centre project is now aligned with the CCTV/UTC project with regards to single M&E equipment for both solutions and a single			

procurement exercise , the unique nature of the project requires a potential full OJEU procurement route. Therefore the business requirements for both have been revisited to ensure integration and maximum savings. It is anticipated that the full £467k will be committed in the 2010/11 financial year on Design Consultancy, an M&E refit as well as staffing costs.

<u>Transforming Cheshire - Improving Oracle (Shared Services)</u>			
In Year Budget	£1.038	m	
Outturn	£0.538	m	
Variance	£0.500	m	Underspend
Reasons for this slippage are:			
<ul style="list-style-type: none"> <li>• Conflicting resource requirements and priorities within ICT Shared Service</li> <li>• Delays in completion of prerequisite pieces of work</li> <li>• A number of departmental services, corporate initiatives and priorities are dependent on the R12 technology.</li> </ul>			

<u>Development Management System</u>			
In Year Budget	£0.473	m	
Outturn	£0.055	m	
Variance	£0.418	m	Underspend
Conflicting resource requirements and priorities within Shared Services meant a significant delay in starting this work. It was necessary to carry out a complete review of the project scope starting with a review of the infrastructure supporting the Development Management system. Investment is required to improve service delivery and support the wider transformation programme which will generate savings, efficiencies and improved performance.			

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Department/Scheme	Total Approved Budget	Prior Year Spend	In Year Budget 2009-10	Actuals To 31st March 2010	Forecast Expenditure 2010-11
	£000's	£000's	£000's	£000's	£000's
<b>People</b>					
<b>Ongoing Schemes</b>					
2008-09 Building Review Block	192	90	102	18	84
Refurb Day Cent Mountview	40	3	37	37	
Maint Old Peoples Centres	24	19	5	5	
Mayfield Centre	10	4	6	0	6
Extra Care Housing	3,067	80	1,850	1,978	1,010
Mental Health Provider	226	146	79	3	77
Cypress House CSC Misterys 08-09	75	0	75	70	5
Modernising ICT Delivery	638	270	369	216	153
Enabling Model of Social Care	58	0	58	0	58
Childrens Centres Ph3 East	213	0	213	0	0
East Cheshire Minor Works Ph3	331	0	198	43	357
Signage (£5k*20 centres, estimate)	0	0		0	46
Nantwich Rural Children's Centre (Wrenbury) Ph3	0	0		0	20
Nantwich Rural Children's Centre (Audlem) Ph3	0	0		0	20
Congleton Childrens Centres Ph3	347	32	315	264	0
East Rural Programme Ph3	150	0		0	0
Oakencloough nursery area refurbishment				0	20
Holmes Chapel Library Childrens Centres Ph3	5	0	5	0	20
Sandbach Childrens Centres Ph3	717	0	100	71	614
Alsager Health Centre Ph3	11	0	11	0	
Wilmslow Library Childrens Centres Ph3	61	0	61	0	0
Shavington Childrens Centres Ph3	543	11	532	469	8
Mablins Lane Childrens Centres Ph3	756	13	743	528	127
SCP Childrens Services	47	11	36	0	36
IS for Parents & Providers East	18	9	9	9	
ICT Childrens Centres Ph3 East	125	0	104	2	123
Childrens Homes Rationisation	1,009	939	70	70	
Access Initiative 08-09 East	146	9	137	81	56
Devolved Formula Cap 08-09 East	5,131	1,686	2,000	2,031	969
Integrated Children's Systems (ICS) 08-09 East	922	112	567	293	517
Children's Workforce Dev Sys East	70	0	70	0	70
Adults workforce Census East	15	0	15	0	15
Harnessing Technology East	1,091	357	734	89	645
Home Access for Targeted groups East	132	0	132	4	127
County Minor Works 08-09 East	0	0		0	
Partnership/ H & S East	13	0	13	0	12
Land Drainage 08-09 East	57	37	20	0	
Feasibility Studies 08-09 East	0	0		0	
Repairs to Mobile Classroom Ext Schs East	100	0	100	29	71
Redesignation of Specialist Schools	100	0	100	50	
Alsager Highfields Toilet adaption	215	7	208	202	5
TLC Vernons PS Amalgamation	3,753	174	3,079	2,920	659
Gorseley Bank Floor Repair	1,768	210	1,558	1,311	247
Brine Leas Sixth Form	7,311	314	2,922	3,297	3,700
Kings Grove High School, Crewe	150	20	130	192	0
Oakencloough PS	980	970		5	
Devolved Formula Capital 07-08 East	5,170	3,738	950	757	675
TLC Dean Oak's PS	3,187	2,324	863	826	37
Manor Park PS	734	719	15	3	12
Devolved Formula Capital 06-07 East	4,765	4,492	273	181	
TLC 2006-07 East	246	246		0	
TLC Oakefield Prim&Nursery Sch	2,037	2,028	8	1	7
Brine Leas HS - Sports Hall	410	410		0	
TLC Sir William Stanier Comm S	21,598	13,043	8,477	7,907	649
Monks Coppenhall	1,472	1,428	0	5	
Playground Mark Phase1 NOF East	116	98	18	5	
Macc Reorg Rebuild Park Lane	15,057	15,058		0	
Shavington Community Health & Fitness Centre	406	6	400	384	
Bridges and other structures on Middlewood Way	828	590	135	121	117
Cumberland Infield Floodlighting	82	4	78	86	
Barony Park Astro-turf	51	5	46	45	
Alderley Park Tennis Courts	28	26	2	0	2
Springfield Road Allotments	36	0	36	10	26
Macclesfield Canal Footbridge	161	0	161	168	
Bollington Rec Ground - Green Flag Status	140	135	5	3	
The Moor, Knutsford - Green Flag Status	112	98	13	10	
Middlewood Way Footpath Repairs/Countryparks Footpaths	128	7	121	118	0
Wilmslow LC Plant and Equip	22	0		18	
Crewe Pool Health & Safety Works	270	0	270	270	
Middlewood Way Fencing	69	45	24	17	7
Legionella Works (Joint Use)	26	14	12	0	
Improvements to Congleton Park	35	0	35	2	28
Bromley Farm "Kick About" Area	47	25	22	21	
Alsager Skate Park/Milton Park	27	2	7	2	23
Allotment Improvements	15	12	3	0	
Play Area Improvements	100	80	20	14	6
Congleton Park Community Store	65	6	59	65	

Final Outturn 2009-10

Department/Scheme	Total Approved Budget	Prior Year Spend	In Year Budget 2009-10	Actuals To 31st March 2010	Forecast Expenditure 2010-11
	£000's	£000's	£000's	£000's	£000's
Sandbach Park Building Refurbish	29	10	20	0	20
Middlewood Way Viaduct Repairs	546	460	86	-11	86
Improving Leisure Facilities	55	46	9	-15	0
Alsager LC - Electrical Dist Board	12	9	2	0	
Piggenshaw Brook	105	6	99	35	65
Lawton Green Landscaping	8	0	8	0	8
Cranage Bowling Green & Pavilion refurbishment	20	1	19	0	19
Nantwich Pool Enhancements (part-funding)	1,385	0		0	700
Playgrounds	64	43	21	0	21
BMX Track (Drainage & Improvements)	54	44	10	0	10
Libraries Facilities	500	60	440	377	63
Libraries RFID - Self service	0	0		0	0
Sandbach United Football complex	2,200	0	2,200	12	2,188
<b>Total On-going schemes</b>	<b>93,033</b>	<b>50,837</b>	<b>31,731</b>	<b>25,722</b>	<b>14,645</b>
<b>New Starts 2009-10</b>					
Common Assessment Framework - Demonstrator Bid	2,235	0	169	0	2,235
Building Review	180	0	180	0	180
Mental Health Capital	99	0	99	27	72
Social Care IT Infrastructure	96	0	96	19	77
Common Assessment Framework	50	0	50	6	44
Community Services Flexible and Mobile working	650	0	650	143	507
National Dementia Strategy - Lincoln House	1,000	0	1,000	498	502
Community Support Centre (CSC) Misters	280	0	280	0	280
The Willows Refurb Phs 2	318		318	318	
Schools - Access Initiative	668	0	501	65	603
Underwood West PH3 Expansion				0	469
Schools - Minor Works (Basic Need)	582	0	181	306	471
Feasibility 09-10	50	0	50	5	45
VA Contributions 09-10	50	0	50	37	13
Land Block 09-10	50	0	50	3	47
Land Drainage MWK 09-10	77	0	77	82	15
Children's Social Care	36	0	36	0	36
Devolved Formula Capital	5,693	78	2,500	2,360	2,222
Extended Schools	363	0	100	0	363
Specialist Schools	0	0	0	0	0
Springfield Spec School	120	0	90	10	110
Harnessing Technology	801	0	630	241	560
14-19 diploma	1,000	0	700	0	1,000
SureStart Aiming High for Disabled Children	168	0	168	75	93
Primary Capital Programme	324	0		0	0
Cledford TLC Scheme	3,289	0	1,219	859	2,430
Contact Point / Further Dev of Children's Hub/ e-CAF	382	0	229	53	278
Wilmslow Specialist Sports College	616	0	5	0	616
Capital for Kitchen & Dining Facilities	600	0	200	20	580
Devolved Formula Capital in Advance	2,277	0	1,050	409	1,391
Primary School & YOT Extension repairs	230	0	230	0	230
Schools - Modernisation Programme	0	0		0	862
Kings Grove Mobile Replacement	790	0	70	2	788
The Dingle Refurbishment	172	0	172	0	0
Stapely Broad Lane PS - Replacement of temp accomodation.	906	0	70	18	889
Offley Primary School	845	0	57	15	873
Christ the king Catholic & C of E PS	3,039	0	576	0	3,112
Christ the king Catholic & C of E PS - Phase 1	211	0	211	138	
Play Capital	1,100	0	473	468	632
Leisure Centre General Equipment	32	0	32	8	24
LTP - Public Right of Way Improvements	24	0	24	17	7
Swim for Free Capital	128	0	128	41	87
Sandbach Park	128	0	128	0	128
Demolition of Carrs Pavilion - Ticket Office	13	0	13	0	13
Badger Relocation	115	0	115	16	99
Lower Heath Play Space Renewal,	120	0	6	0	120
Congleton Park Improvements - Town Wood	82	0	0	0	82
Keepers Close / Mill Close	18			0	18
Shell House, Station Road, Wilmslow	128			0	128
Twinnies Court, Lacey Green, Wilmslow	31			0	31
Mallery Court, Bernisdale Road, Mobberley	30			0	30
Ilford Imaging Site, Mobberley, Knutsford	47			0	47
Land South West of Moss Lane	487			89	398
The Larches, Kennedy Avenue, Macclesfield	65			63	
Land off Robin Lane, Lyme Green, Sutton	43			0	43
Earl's Court, Earlsay, Macclesfield	145			99	47
Wheel Scape - South Park, Macclesfield				0	79
Ground work Cheshire - Beech Rd Play Area				13	
Ground Work Cheshire - Weston Toddler play area				0	20
Meriton Road Park Fitness Zone					19
<b>Total New Starts</b>	<b>30,982</b>	<b>78</b>	<b>12,982</b>	<b>6,520</b>	<b>24,044</b>
<b>Total People Programme</b>	<b>124,015</b>	<b>50,914</b>	<b>44,714</b>	<b>32,243</b>	<b>38,689</b>

Department/Scheme	Total Approved Budget	Prior Year Spend	In Year Budget 2009-10	Actuals To 31st March 2010	Forecast Expenditure 2010-11
	£000's	£000's	£000's	£000's	£000's
<b>Places</b>					
<b>Ongoing Schemes</b>					
Section 278 Agreements (2007-08)	153	21	59	9	2
Section 278 Agreements (2006-07)	559	175	357	23	340
Alderley Edge By-Pass Scheme Implementation	51,600	6,178	24,930	24,496	15,774
Section 278 Agreements (2005-06)	206	132	7	0	2
Section 278 Agreements (2004-05)	244	160	26	8	18
Section 278 Agreements (2003-04)	252	189	12	49	9
Section 278 Agreements (2002-03)	34	33	1	0	1
Section 278 Agreements (pre 2002-03)	1,909	1,411	123	0	
Improvements to Chapel Street Car Park	165	3	162	0	162
Choice Based Lettings	232	59	173	107	66
Queens Park Restoration	6,477	2,238	4,239	1,196	3,026
Crewe Town Squares/ Shopping Facilities Refurbishment & Toilets	3,146	1,846	0	28	1,272
Crewe Town Squares - Lyceum Square	1,866	166	1,360	902	798
Crewe and Macc HWRCs	870	117	736	4	749
Road Safety Schemes - Minor Works	126	1	125	24	125
Connect2 - Crewe & Nantwich Greenway	530	0	530	32	497
Parkgate	2,382	72	0	157	2,152
Section 278 Agreements - (2008-09)	357	34	227	16	83
Flowerpot Junction Improvements	1,032	925	73	45	
Claims	3	3	0	0	
Bus Quality Partnership/Public Transport Improvements	120	100	20	2	18
Tatton Park - Farm Entrance	30	20	10	0	10
Tatton Park - Boundary Fence	203	201	2	0	2
Pyms Lane Closed Landfill Site	49	5	44	0	44
Alsager Closed Landfill Site	100	0	100	0	100
Closed Landfill Sites - Maint & Improvements	0	0	0	0	
Newgate Gas Works	258	173	85	85	
Merelake Way Bridge Repairs	54	25	28	28	1
St Peters Retaining Wall	113	91	22	22	
Dane Embankment Repairs	470	419	51	49	2
Air Quality Monitoring Equipment	55	28	27	14	13
Public Convenience Provision (CEC)	74	4	69	0	69
Art in a Roundabout way	12	12	0	0	
Street Furniture	31	26	5	5	0
Highway Adoption - Talke Road	7	0	7	0	7
Antrobus Street Car Park	109	25	84	84	
The Crescent - Car Park Provision	7	5	2	2	
Highway Adoption - Springvale	18	14	5	0	5
Vehicle & Plant Replacement	389	237	0	40	0
Crematorium Plant Repairs	275	110	55		55
Jordangate MSCP	570	530	40	3	
Alderley Edge CCTV	66	8	57	38	
South Drive Car Park	100	0	100	106	
Spring Street Car Park	3,743	3,743	0	20	
Disabled Facilities Grants	1,832	1,484	348	348	
Victoria Street Car Park Lighting Renovation	30	11	19	15	4
Outdoor Market Covered Stand	0	0	0	0	
Car Park Works and Pay & Display Thomas St Car Park (East)	128	2	126	117	
Market Square, Crewe - Interim Improvements	178	99	79	110	
West Street Environmental Improvements	546	3	543	593	
Social Housing Grants/ Enabling Affordable Housing	1,062	0	1,062	144	948
Affordable Housing Initiatives	869	365	468	81	423
Alley Gating	497	468	29	41	18
CCTV Control Room Relocation	290	0	290	0	
CCTV Cameras	65	7	58	51	
New Cemetery Land/ Infrastructure - Pyms Lane	107	87	20	0	20
New Cemetery Land/ Infrastructure - Weston	0	0	0	0	
Housing Energy Efficiency Grants	99	98	1	1	
Leighton Brook Park	385	137	248	231	18
Capital Programme Management Support	51	1	50	1	49
Quakers Coppice	47	0	47	40	7
Nantwich Market Town Initiative	11	11	0	0	
Nantwich Old Mill Wall	15	15	0	0	
Project Development - Alderley Edge By Pass	3,485	3,415	70	83	
Business Development Land Acquisition	0	0	0	0	
Housing Grants - S106 Funded (Ex MBC)	1,045	286	759	47	712
Waste Transfer Station (Crewe & Nantwich)	40	0	40	0	40
Principal Roads Maintenance - Minor Works (2008-09)	1,000	998	1	1	
Principal Roads Maintenance - Major - A534 Wrexham Road, Burland	465	441	24	31	
Principal Roads Maintenance - Minor Works (2007-08)	856	854	2	2	
Principal Roads Maintenance - Minor Works (2005-06)	107	107	0	-2	
Principal Roads Maintenance - Minor Works (2004-05)	123	119	5	5	
Non Principal Roads Maintenance - Minor Works (2008-09)	1,623	1,604	19	19	
Non Principal Roads Maintenance - Minor Works (2007-08)	1,162	1,162	0	0	
Non Principal Roads Maintenance - Minor Works (2006-07)	39	36	3	3	
Non Principal Roads Maintenance - Minor Works (2005-06)	13	0	13	13	
Non Principal Roads Maintenance - Minor Works (2004-05)	209	195	14	14	

Department/Scheme	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To 31st March 2010	Forecast Expenditure
	£000's	£000's	2009-10 £000's	£000's	2010-11 £000's
Safer Routes to Schools - Minor Works (2008-09)	159	148	11	21	
Safer Routes to Schools - Minor Works (2007-08)	88	86	0	2	
Safer Routes to Schools - Minor Works (2006-07)	33	31	2	2	
Safer Routes to Schools - Minor Works (2005-06)	31	31	0	-1	
Bridge Maintenance - A523 Hope Green Bridge	55	0	55	55	
Bridge Maintenance - A5232 Merrills Bridge	1,535	1,535	0	104	
De-trunked Roads Maintenance - Major - A6 Buxton Rd, Disley	837	847	0	-11	
De-Trunked Roads Maintenance - A523 London Rd, Bosley	453	443	10	45	
De-trunked Roads Maintenance - Minor Works (2007-08)	190	175	15	16	
De-trunked Roads Maintenance - Major - Whitchurch Rd, Whitley Moor	596	613	0	-12	
De-trunked Roads Maintenance - Major - A49 Whitchurch Road	763	785	0	-24	
Integrated Area Programme - Rural Communities Programme 06-07	230	230	0	-36	
Integrated Area Programme - Macclesfield UTC	2,405	2,390	0	-34	
Arclid/Congleton HWRC	47	40	7	7	
Integrated Area - Minor Works (2008-09)	109	109	0	48	
Integrated Area - Minor Works (2007-08)	700	698	2	71	
MIDMAN - A534 Nantwich Road	677	674	0	0	
Project Development - C&N Cycleway	27	27	0	41	
Project Development - A534 Study	20	20	0	3	
Local Safety Schemes - Minor Works (2007-08)	66	66	2	0	
Local Safety Schemes - Minor Works (2005-06)	166	166	0	3	
RSS - A530 Middlewich Road	33	33	0	28	
TJSF - A538 Wilmslow Major Improvements	1,468	1,388	0	0	
TJSF - School Lane, Warrington	175	175	0	-1	
IAP - Willaston Village 20 mph zone	318	316	0	-3	
<b>Total On-going schemes</b>	<b>106,554</b>	<b>42,569</b>	<b>38,394</b>	<b>29,907</b>	<b>27,641</b>
<b>New Starts 2009-10</b>					
CDRP - Building Safer Communities Fund	80	0	80	66	14
CDRP - Alley Gating	25	0	25	14	11
LTP - Principal Roads Maintenance	1,361	0	1,361	1,502	
LTP - Principal Roads Maintenance - Asset Management	76	0	76	81	
LTP - Non Principal Roads Maintenance	2,852	0	2,852	3,135	
LTP - Non Principal Roads Maintenance - Asset Management	60	0	60	68	
LTP - Crewe Infrastructure Project	494	344	250	7	143
LTP - Crewe Green Link Road	8,384	8,093	290	143	147
LTP - A533 Middlewich Eastern By Pass	825	363	400	21	2
LTP - East Cheshire Transport Study	150	0	150	145	5
LTP - Road Safety Schemes	978	0	504	340	474
LTP - Safer Routes to Schools	252	0	252	106	135
LTP - Bus Quality Partnerships/Public Transport Inf	285	0	285	141	144
LTP - Demand Management	24	0	24	0	24
LTP - Project Development Schemes - Minor Schemes	19	0	19	16	3
LTP - Local Area Programmes - North	219	0	219	183	0
LTP - Local Area Programmes - South	173	0	173	94	
LTP - Local Area Programmes - South - Nantwich Directional Signing	177	0	177	184	
LTP - SEMMMS - Regeneration allocation - Major Projects	2,806	2,619	187	269	
LTP - SEMMMS - Transport element - BQP/PTI	2,515	2,315	200	295	
LTP - SEMMMS - Environment Services allocation	1,209	0	1,209	984	21
LTP - Detrunked Roads Maintenance - Major Scheme	818	0	818	831	
LTP - Bridge Maintenance	1,203	0	1,200	803	248
LTP - Highway Maintenance	968	0	968	0	
LTP - Fixed Fee - Capitalised Salaries - Environmental Services	1,283	0	1,283	1,283	
LTP - Fixed Fee - Capitalised Salaries - Regeneration	175	0	175	175	
Waste Infrastructure Capital Grant	677	0	677	505	172
Disabled Facilities Grants	1,070	0	1,081	632	449
Private Sector Assistance Initiative	1,481	0	1,481	497	984
Affordable Housing - Assisted Purchase Scheme	600	0	600	0	600
Development of land at Alderley Edge Cemetery	100	0	100	7	93
Car Park Charges Congleton	160	0	160	109	51
Thomas Street Car Park	105	0	105	35	79
Parking Projects in Poynton	0	0	75	0	75
CCTV System review	50	0	50	0	
East UTC System	50	0	50	0	
Section 278's - 09-10 New Starts	68	0	31	19	50
Transport Asset Management Grant	162	0	162	187	0
Cheshire Safer Roads Partnership	606	405	201	147	54
Tatton Park - Office Accommodation	45	0	45	21	24
Tatton Park - Conservatory/Orangery	160	0	160	0	298
Adaptations to Pym's Lane Garage	6	0	6	0	6
Crewe & Nantwich Grant - YMCA	0	0	500	500	
<b>Total 2009-10 New bids approved</b>	<b>32,751</b>	<b>14,140</b>	<b>18,721</b>	<b>13,545</b>	<b>4,306</b>
<b>Total Places Programme</b>	<b>139,305</b>	<b>56,709</b>	<b>57,115</b>	<b>43,452</b>	<b>31,947</b>

Department/Scheme	Total Approved Budget	Prior Year Spend	In Year Budget 2009-10	Actuals To 31st March 2010	Forecast Expenditure 2010-11
	£000's	£000's	£000's	£000's	£000's
<b>Borough Solicitor (Monitoring Officer)</b>					
<b>2009-10 New Starts</b>					
Integrated Legal ICT System	60	0	0	1	59
<b>Total 2009-10 New Starts</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>59</b>
<b>Total Borough Solicitor Programme</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>59</b>
<b>Borough Treasurer &amp; Assets</b>					
<b>Ongoing schemes</b>					
Disability Compliance Work	523	479	44	141	0
Building Alteration & Improvements	439	361	78	107	0
County Farms 2008-09	238	0	238	114	124
County Farms 2007-08	1,382	1,382	0	0	0
Municipal buildings - Reg accommodation (name Change)	200	0	200	0	200
Transforming Cheshire - County Farms Disp	0	0	0	0	0
County Farms 2005-06	0	0	0	0	0
Wheelock St	12	12	0	0	0
Urgent Safety Works	19	18	1	0	1
Fixed Electrical Installation	153	65	0	7	81
Asbestos Remedial Works	60	60	0	0	0
Premise Improvement Works	0	0	0	3	0
Westfields Entrance Improvement Works	9	0	0	0	9
Fire Risks Assessment	338	230	0	130	0
Church Walls	60	12	0	2	46
Disability Discrimination Act Improvements/ Adaptations	264	121	0	4	139
Public Building Repairs	1,164	457	707	483	73
Minor Works 2007-08	47	29	0	18	0
Minor Works 2006-07	68	0	0	24	44
Septic Tanks (moved from places)	315	0	0	0	81
ICT Investment	148	-22	0	0	0
Transforming Cheshire - Information Management	1,410	447	224	69	191
Transforming Cheshire - Improving Oracle (Shared Services)	1,770	732	1,038	538	500
Data Centre	1,294	751	542	690	0
Network Optimisation	0	0	0	0	0
New Developments - Schemes under £100k	0	0	0	0	0
Transforming Cheshire - Information Management	75	75	0	0	0
Internet	0	0	0	0	0
CRAG Phase 4	0	0	0	0	0
Shared Services	0	0	0	0	0
e-Payments	0	0	0	0	0
UPS for Core CCC	0	0	0	0	0
CLI for 999 calls	0	0	0	0	0
Network Readiness	50	50	0	0	0
MS Projects Server	0	0	0	0	0
Time Recording using Business Objects	0	0	0	0	0
Internet Extension to districts	0	0	0	0	0
Archiving and Managing Legacy	17	17	0	0	0
Windows 2003 Corp Serv Upgrade	215	215	0	0	0
Upgrade to Corporate Telephone	1,607	1,608	0	0	0
CSBS (Rename HR Shared Services)	175	138	0	0	37
NHS LINK / Connected Cheshire	80	68	0	0	11
Real Time Monitoring	23	23	0	0	0
Electronic Social Care	11	11	0	0	0
Integrated Children's Centre	367	334	0	31	0
ICT Small Projects Block New scheme	301	0	301	0	153
<b>Total On-going schemes</b>	<b>12,833</b>	<b>7,671</b>	<b>3,373</b>	<b>2,360</b>	<b>1,690</b>

Department/Scheme	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To 31st March 2010	Forecast Expenditure
	£000's	£000's	£000's	£000's	£000's
<b>2009-10 New Bids</b>					
Office Accommodation Strategy	9,450	0	2,350	2,291	7,409
Farms Estates Reorganisation & Reinvestment	1,410	0	1,410	25	1,385
Building Maintenance Programme	5,645	0	5,645	1,943	1,749
Energy Efficiency Savings	75	0	75	58	17
Single Revenue & Benefits Systems	444	0	444	35	409
Development Management System	437	0	437	55	382
ICT Transitional Development Programme	1,295	0	1,295	1,295	0
Click into Cheshire	39	0	39	21	18
Government Connect	290	0	290	25	265
Essential Replacement of Core ICT Infrastructure	891	0	891	890	0
ICT Security & Research	209	0	209	77	132
Enterprise Content Management proposal	500	0	500	61	439
Flexible & Mobile Working	1,425	0	585	107	778
Oracle Migration/Cutover Activities	51	0	51	1	50
Data Centre Macclesfield	495	0	495	28	467
<b>Total 2009-10 New bids</b>	<b>22,656</b>	<b>0</b>	<b>14,716</b>	<b>6,912</b>	<b>13,500</b>
<b>Total Borough Treasurer &amp; Assets Programme</b>	<b>35,488</b>	<b>7,671</b>	<b>18,089</b>	<b>9,272</b>	<b>15,190</b>
<b>Policy &amp; Performance</b>					
<b>On-going schemes</b>					
Transforming Cheshire - Customer Access	419	198	36	3	33
Tc customer Access	32	32	0	0	
Customer Access	75	1	74	12	62
CRM Integration	7	0	0	0	7
Customer First - Remote Sites	17	0	0	0	17
Telephone IP Extension to Remote Sites	5	0	0	0	5
Backup Switchboard	6	0	0	0	6
Server Replacement	19	0	0	0	19
Fluency Changes & Reporting	10	0	0	0	10
Excelcis	10	0	0	0	10
Capital Investment Scheme Grants	377	0	377	250	127
<b>Total On-going schemes</b>	<b>977</b>	<b>231</b>	<b>487</b>	<b>265</b>	<b>296</b>
<b>2009-10 New Bids</b>					
Customer Relationship Management & Telephone System	1,705	0	1,705	99	1,356
Performance Management System New scheme	100	0	90	0	100
<b>Total 2009-10 New bids</b>	<b>1,805</b>	<b>0</b>	<b>1,795</b>	<b>99</b>	<b>1,456</b>
<b>Total Policy &amp; Performance Programme</b>	<b>2,782</b>	<b>231</b>	<b>2,282</b>	<b>364</b>	<b>1,752</b>
<b>HR &amp; Organisational Development</b>					
<b>2009-10 New Bids</b>					
Accident Reporting system New scheme	18	0	18	0	18
<b>Total 2009-10 New bids</b>	<b>18</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>18</b>
<b>Total HR &amp; Organisational Development Programme</b>	<b>18</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>18</b>
<i>Total Committed schemes approved by Council</i>	<i>213,397</i>	<i>101,308</i>	<i>73,985</i>	<i>58,254</i>	<i>44,272</i>
<i>Total New bids 09-10 - Approved by Council</i>	<i>88,272</i>	<i>14,218</i>	<i>48,232</i>	<i>27,078</i>	<i>43,383</i>
<b>Total 2009-10 Programme for On-going &amp; approved new starts</b>	<b>301,669</b>	<b>115,526</b>	<b>122,218</b>	<b>85,332</b>	<b>87,655</b>
<b>Total 2009-10 New bids to be approved</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Cheshire East 2009-10 Capital Programme</b>	<b>301,669</b>	<b>115,526</b>	<b>122,218</b>	<b>85,332</b>	<b>87,655</b>

## Matters for Decision - Requests for Supplementary Capital Estimates (SCEs) &amp; Virements

					Virement FROM ...	
Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement	Funding of SCE/Virement	Starts Year	Amount Requested £
Chief Officers in consultation with relevant Cabinet Member and Resources Member are asked to approve SCE and Virements over £100,000 and up to and including £500,000						
People						
Children & Young People						
Schools - Access Initiative	2009/10	192,202	Virement	Brine Leas Sixth Form	2008/09	192,202
TLC Vernons PS Amalgamation	2009/10	324,000	Virement	Primary Capital Programme	2009/10	324,000
Underwood West PH3 Expansion	2009/10	468,577	Virement	Childrens Centres Ph3 East	2008/09	204,251
			Virement	Alsager Health Centre Ph3	2008/09	10,917
			Virement	Wilmslow Library Childrens Centres Ph3	2008/09	60,748
			Virement	Shavington Childrens Centres Ph3	2008/09	55,384
			Virement	Mablins Lane Childrens Centres Ph3	2008/09	88,854
			Virement	Sandbach Childrens Centres Ph3	2008/09	11,853
			Virement	Congleton Childrens Centres Ph3	2008/09	36,570
Places						
Environmental Services						
A532 Merrills Bridge	2003-04	103,715	Virement	Bridge Maintenance Minor Works	2003-04	103,715
Gurnett Bridge, Hall Lane, Sutton	2010-11	400,000	Virement	Bridge Maintenance Minor Works	2010-11	400,000
09-10 Principal Roads - Minor Works	2009-10	140,880	Virement	Project Development - Middlewich Eastern BP	2003-04	100,000
				SEMMMS - Other Measures	2002-03	40,880
09-10 Non Principal Roads - Minor Works	2009-10	282,100	Virement	Local Area Programme South - Minor Works	2009-10	100,000
				SEMMMS - Other Measures	2002-03	41,390
				Project Development - Middlewich Eastern By Pass	2003-04	112,774
				Bridge Maintenance Minor Works	2003-04	27,936
Planning & Policy						
Crewe & Nantwich Grant - YMCA	2009-10	500,000	SCE	Fully Funded - Grant from HCA		500,000
Regeneration						

## Matters for Decision - Requests for Supplementary Capital Estimates (SCEs) &amp; Virements

Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement	Funding of SCE/Virement	Virement FROM ...	
					Starts Year	Amount Requested £
Tatton Park - Conservatory/Orangery	2009-10	138,000	Virement	Building Maintenance Programme - P&C Assets	2009-10	138,000
Safer Roads Iphone Application	2010-11	106,000	SCE	Fully funded by Grant	2010-11	106,000
<b>Performance &amp; Capacity</b>						
Assets						
Disability Compliance Work	2009/10	97,000	Virement	Public Repairs	2009/10	97,000
Building Alteration & Improvements	2009/10	29,000	Virement	Public Repairs	2009/10	29,000
Premise Improvement Works	2009/10	3,000	Virement	Public Repairs	2009/10	3,000
Fire Risks Assesment	2009/10	22,000	Virement	Public Repairs	2009/10	22,000
Office Accommodation Strategy - Delamere House	2009/10	250,000	Virement	Customer Relationship Management & Telephone Sys	2009/10	250,000
ICT						
Data Centre	2009/10	148,000	Virement	Small Projects	2009/10	148,000
<b>Cabinet are asked to approve SCE and Virements over £500,000 and up to and including £1.0m</b>						
<b>People</b>						
Children & Young People						
Schools - Modernisation Programme	2009/10	862,000	Virement	Gorsey Bank	2008/09	538,000
			Virement	TLC Vernons PS Amalgamation	2009/10	324,000
<b>Performance &amp; Capacity</b>						
Assets						
Building Maintenance Programme	2009/10	585,000	SCE	Revenue contribution	2009/10	585,000



## Matters for Decision - Requests for Supplementary Capital Estimates (SCEs) &amp; Virements

					Virement FROM ...	
Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement	Funding of SCE/Virement	Starts Year	Amount Requested £
Council are asked to approve SCE and Virements over £1.0m and funding from future years and funding from reserves						
People						
Children & Young People Gorsey Bank	2008/09	538,000	SCE	Capital Reserve - Agreed by Lisa Quinn	2009/10	538,000
Health & Wellbeing Ground work Cheshire - Beech Rd Play Area	2009/10	12,762	SCE	Capital Reserve	2009/10	12,762
Places						
Environmental Services Vehicle & Plant Replacement	2002-03	39,825	SCE	Fully funded by earmarked Capital Reserve	2002-03	39,825
Safe & Stronger Communities Alley Gating, Crewe	2008-09	24,669	SCE	Funded Crewe & Nantwich BC - Capital Reserve		24,669
Performance & Capacity						
Total value of Supplementary Capital Estimates/Virements		5,266,730				5,266,730

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## Delegated Decisions - Requests for Supplementary Capital Estimates (SCEs) &amp; Virements

Virement FROM ...						
Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement	Funding of SCE/Virement	Starts Year	Amount Requested £
Chief Officers are asked to approve SCE and Virements up to and including £100,000						
People						
Children & Young People						
Christ the King Catholic & C of E PS	2009/10	73,410	Virement	Christ the king Phase 1	2009/10	73,410
Schools - Minor Works (Basic Need)	2009/10	86,000	Virement	The Dingle Refurbishment	2009/10	86,000
Kings Grove High School, Crewe	2008/09	62,020	SCE	School Contribution	2009/10	62,020
Land Drainage MWK 09-10	2009/10	20,322	Virement	Land Drainage 08-09 East	2008/09	20,322
Schools - Minor Works (Basic Need)	2009/10	36,694	SCE	School contribution - 0809 Falibroom		36,694
Offley Primary School	2009/10	43,259	Virement	Devolved Formula Capital 06-07 East	2006/07	43,259
Schools - Minor Works (Basic Need)	2009/10	49,333	Virement	Devolved Formula Capital 06-07 East	2006/07	49,333
Nantwich Rural Children's Centre (Audlem) Ph3	2009/10	20,000	Virement	East Rural Programme Ph3	2009/10	20,000
Nantwich Rural Children's Centre (Wrenbury) Ph3	2009/10	20,000	Virement	East Rural Programme Ph3	2009/10	20,000
Signage (£5k*20 centres, estimate)	2009/10	46,000	Virement	East Rural Programme Ph3	2009/10	46,000
Middlewich & Holmes Chapel CC (HC) Ph3	2009/10	14,750	Virement	East Rural Programme Ph3	2009/10	14,750
East Cheshire Minor Works Ph3	2009/10	69,462	Virement	East Rural Programme Ph3	2009/10	49,250
			Virement	Sandbach Childrens Centres Ph3	2008/09	20,212
Oakencrough nursery area refurbishment	2009/10	20,000	Virement	Congleton Childrens Centres Ph3	2008/09	14,369
			Virement	Oakencrough PSE	2008/09	5,453
			Virement	Monks Coppenhall Child Centre	2008/09	178
Redesignation of Specialist Schools		292	SCE	School Contribution (total £52,292 due)	2009/10	292
Childrens Homes Rationalisation		3,188	SCE	Revenue Contribution	2009/10	3,188
Feasibility 10-11	2010/11	45,030	Virement	Feasibility 09-10	2009/10	45,030
VA Contributions 10-11	2010/11	12,997	Virement	VA Contributions 09-10	2009/10	12,997
Land Block 10-11	2010/11	46,650	Virement	Land Block 09-10	2009/10	46,650
Land Drainage 10-11	2010/11	15,140	Virement	Land Drainage MWK 09-10	2009/10	15,140
Schools - Basic Need	2010/11	448,471	Virement	Schools - Minor Works (Basic Need)	2009/10	448,471
Schools - Access Initiative	2010/11	603,439	Virement	Schools - Access Initiative	2009/10	603,439
Mallbank Redesignation of Specialist School	2010/11	50,000	Virement	Redesignation of specialist schools	2010/11	25,000
			Virement	School contribution	2010/11	25,000
Tytherington High School Redesignation of Specialist School	2010/11	50,000	Virement	Redesignation of specialist schools	2010/11	25,000
			Virement	School contribution	2010/11	25,000

## Delegated Decisions - Requests for Supplementary Capital Estimates (SCEs) &amp; Virements

Virement FROM ...						
Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement	Funding of SCE/Virement	Starts Year	Amount Requested £
<b>Health &amp; Wellbeing</b>						
Macclesfield Canal Footbridge	2008/09	6,589	Virement	Alsager LC - Electrical Dist Board	2008/09	3,000
				Wilmslow LC Plant and Equip	2008/09	3,589
Congleton Park Community Store	2008/09	5,642	virement	Improvements to Congleton Park	2008/08	5,642
Cumberland Infield Floodlight	2008/09	8,013	virement	Bollington Recreation Gr - GFS	2008/09	2,279
			virement	The Moor Knutsford - GFS	2008/09	2,672
			virement	Middlewood Way Footpath Repairs/Countryparks Footpaths	2008/09	2,728
			virement	Barony Park Astro-turf	2008/09	334
<b>Places</b>						
Environmental Services						
Local Area Programme South - Minor Works	2009-10	20,925	Virement	Bridge Maintenance Minor Works - 09-10	2009-10	20,925
07-08 Non Principal Rds - Minor Works	2007-08	275	Virement	De-Trunked Rds - A6 Buxton Rd, Disley	2007-08	275
04-05 Principal Rds - Minor Works	2004-05	472	Virement	Integrated Area - Macclesfield UTC	2004-05	472
De-Trunked A51 Millstone Lane, Nantwich	2009-10	13,113	Virement	Local Area Programme North - Minor Works	2009-10	13,113
Local Area Programme South - Nantwich Signing	2009-10	7,487	Virement	Local Area Programme North - Minor Works	2009-10	7,487
De-Trunked A523 London Rd, Bosley	2008-09	35,229	Virement	Integrated Area - Rural Community Projects,Crewe	2006-07	35,229
West Street Environmental Improvements	2008-09	50,601	Virement	SEMMMS - Other Measures	2002-03	50,601
07-08 De-Trunked Roads Minor Works	2007-08	1,015	Virement	SEMMMS - Other Measures	2002-03	1,015
07-08 Integrated Area Programme - Minor Works	2007-08	68,991	Virement	SEMMMS - Other Measures	2002-03	68,991
Flood Alleviation - Vicarage Lane, Sandbach	2010-11	100,000	SCE	Fully funded by Environment Agency Grant	2010-11	100,000
PRN - A534 Wrexham Rd, Burland	2007-08	6,769	Virement	Local Area Programme North - Minor Works	2009-10	1,744
			Virement	De-Trunked - A49 Whitchurch Rd	2006-07	1,926
			Virement	Principal Roads - Minor Works	2005-06	1,687
			Virement	SEMMMS - Other Measures	2002-03	1,412
Integrated Area Programme - Minor Works	2008-09	47,995	Virement	Integrated Area - Macclesfield UTC	2004-05	34,239
				Local Area Programme North - Minor Works	2009-10	13,756
Safer & Stronger Communities						
Alley Gating, Crewe	2008-09	4,050	Virement	Jordangate MSCP	2007-08	4,050
South Drive Car Park, Wilmslow	2008-09	6,000	Virement	Jordangate MSCP	2007-08	6,000
Spring Street Car Park	2007-08	20,177	Virement	Jordangate MSCP	2007-08	20,177
Thomas Street Car Park West	2009-10	8,354	Virement	Thomas Street Car Park East	2008-09	8,354

## Delegated Decisions - Requests for Supplementary Capital Estimates (SCEs) &amp; Virements

Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement	Virement FROM ...		Starts Year	Amount Requested £
				Funding of SCE/Virement			
Parking Projects in Poynton	2009-10	75,000	SCE	Funded S106 Contribution			75,000
Planning & Policy							
Social Housing Grants 08-09	2008-09	30,915	SCE	Funded S106 Contribution - The Hollies, Aston			30,915
Disabled Facilities Grant	2009-10	11,240	SCE	Funded - West Pennine Housing Association			11,240
Market Square Crewe, Interim Improvements	2008-09	31,596	Virement	Crewe Town Squares/Shopping Facilities Refurbishment & Toilets	2002-03		31,596
Regeneration							
NPRN Asset Management - 09-10	2009-10	8,265	Virement	Road Safety Schemes - Minor Works	2009-10		8,265
PRN Asset Management - 09-10	2009-10	4,716	Virement	Road Safety Schemes - Minor Works	2009-10		4,716
S278 Maplewood, Macclesfield	2009-10	1,000	SCE	Fully funded by Developer contributions	2009-10		1,000
S278 B5071 Gresty Road	2006-07	3,679	SCE	Fully funded by Developer contributions	2006-07		3,679
S278 B5085 Town Lane, Mobberley	2003-04	22,940	SCE	Fully funded by Developer contributions	2003-04		22,940
Proj Dev - Crewe & Nantwich Cycleway	2008-09	41,387	Virement	Project Development - Middlewich Eastern By Pass	2003-04		41,387
Proj Dev - A534 Study	2008-09	3,364	Virement	Road Safety Schemes - Minor Works	2009-10		3,364
Road Safety Schemes - Minor Works - 08-09	2008-09	24,344	Virement	Road Safety Schemes - Minor Works	2009-10		24,344
Safer Routes to School - Minor Works - 08-09	2008-09	10,174	Virement	Safer Routes to Schools - Minor Works 09-10	2009-10		10,174
Transport Asset Management Grant	2008-09	24,624	Virement	Project Development - Middlewich Eastern By Pass	2003-04		24,624
Local Safety Schemes - 05-06	2005-06	3,312	Virement	Project Development - Middlewich Eastern By Pass	2003-04		3,312
Road Safety Sch - A530 Middlewich Road	2005-06	28,140	Virement	Road Safety Schemes - Minor Works	2009-10		28,140
Project Development - Alderley Edge By Pass	2004-05	12,863	Virement	Road Safety Schemes - Minor Works	2009-10		12,863
SEMMMS - Major Projects	2002-03	81,795	Virement	Road Safety Schemes - Minor Works	2009-10		81,795
SEMMMS - BQP/PTI	2002-03	95,399	Virement	Project Development - Middlewich Eastern By Pass	2003-04		95,399
Performance & Capacity							
<b>Total Delegated Decisions</b>		<b>2,762,907</b>					<b>2,762,907</b>

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**Matters for Decision - Requests for reductions in Approved Budgets**

Appendix 4c

Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason
<b>PEOPLE</b>				
The Dingle Refurbishment	172,000	86,000	86,000	Budget has been double counted : should only be school contribution £86k ; further £86k already supported from Minor Works 40ABCMWK0900000
Redesignation of Specialist Schools	100,000	50,000	50,000	Of the two schools selected to receive grant from the DCSF, one of the schools is a private school that would receive its share directly so would not come into the CEC capital programme.
Monks Coppenhall Child Centre	1,472,439	1,432,793	39,646	Tidy exercise, the scheme is a 2004/05 scheme. Budget should have been reduced at the beginning of 2008/09 as Phase 2 monies had already been accounted for by the DCSF. Budget still in programme as £5k spend was planned for 2009/10.
Childrens Centres Ph3 East	212,993	204,251	8,742	DCSF reduced the 0809 carry forward due to phase 2 schemes
Oakenclough PSE	980,377	980,354	23	Tidy exercise
	2,937,809	2,753,398	184,411	Reduced revenue contribution and virement to Places of £138k
<b>PLACES</b>	0	0	0	
<b>PERFORMANCE &amp; CAPACITY</b>				
Building Maintenance Programme	5,645,000	3,692,000	1,953,000	
<b>Totals</b>	<b>8,582,809</b>	<b>6,445,398</b>	<b>2,137,411</b>	

**Matters for Decision - Requests for Carry Forwards of Uncommitted Block Provisions**

Block Provision	Approved Budget 2009-10 £000	Request to Carry Forward Uncommitted Budget £000	Carry Forward to be added to Next Years Block Provision Y/N
<b>PLACES</b> 09-10 Bus Quality Partnerships - Minor Works This unspent and uncommitted element of the 2009-10 BQP/PTI Minor works allocation is to be carried forward to support the wider LTP programme and specifically to tackle the effects of the severe winter we have just experienced. The exact allocation and usage of this carry forward to be determined in the run up to 1st Quarter Review.	285	144	Y
	<b>285</b>	<b>144</b>	

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## CHESHIRE EAST COUNCIL

### REPORT TO: CABINET

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**Date of Meeting:** 19th July 2010  
**Report of:** Borough Treasurer & Head of Assets and Head of Policy & Performance  
**Subject/Title:** Business Planning Process 2011/2014  
**Portfolio Holders:** Councillor Keegan / Councillor Brown

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#### **1 Report Summary**

- 1.1 The Council will set its Budget for 2011/2012 in February 2011 and approve its Corporate Plan in March 2011. To reach those points a comprehensive Business Planning process is required to enable the Council to demonstrate:
- Clear links between Corporate and Financial Planning.
  - Adherence to best practice.
  - The development of robust proposals that have been challenged and consulted upon.
- 1.2 This report sets out the Business Planning Cycle that will be used to secure these requirements.

#### **2 Decision Requested**

- 2.1 To agree the Business Planning Process for 2011/2014.

#### **3 Reasons for Recommendations**

- 3.1 The Council requires an agreed process to take it through to Budget and Council Tax Setting in February 2011.

#### **4 Wards Affected**

- 4.1 Not applicable

#### **5 Local Ward Members**

- 5.1 Not applicable

#### **6 Policy Implications            – Climate Change                                              – Health**

- 6.1 The report outlines the need to generate policy proposals which will impact on service delivery.

## **7 Financial Implications (Authorised by the Borough Treasurer)**

- 7.1 The report includes details of policy proposals which will affect service budgets from 2011/2012 onwards.

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

- 8.1 The Council should have robust processes so that it can meet statutory requirements and fulfill its fiduciary duty.

## **9 Risk Management**

- 9.1 The steps outlined in this report will significantly mitigate the four main legal and financial risks to the Council's financial management:
- The Council must set a balanced Budget
  - The Council must set a legal Council Tax for 2011/2012
  - The Council should provide high quality evidence to support submissions for external assessment. This can have the affect of reducing scrutiny, and audit charges that can be related to risk.
  - That Council borrowing will comply with the Treasury Management Strategy which is underpinned by the Prudential Code.

A more detailed risk analysis is set out in the report.

- 9.2 In most cases a risk assessment of the individual proposals being put forward will be carried out by each directorate.

## **10 Background and Options**

- 10.1 The Business Planning Process for 2010/2011 was successful and resulted in an agreed Budget. However, a number of potential improvements have been made. A revised process for 2011/2014 is attached including:
- A brief Financial Analysis of the Authority's position to show the funding position in relative terms and the impact of the current proposals set out as part of the 2010/2013 process.
  - The process for 2011/2014 with details of how it will be improved and a timetable.
  - An analysis of stakeholder needs and consultation proposals.
  - A glossary of terms.
  - Annexes providing more detail on key areas.
- 10.2 The Council is facing challenges in 2010/2011 as funding levels are reduced in-year. The process of delivering these reductions and looking ahead to the next three years will be linked together under a single Business Planning Process. This will enable a clear role for the various groups involved in the process.

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

- 11.1 The Medium Term Financial Strategy and the associated planning assumptions will impact on the first Term by setting a framework for the development of budgetary and policy options and Capital Schemes which will impact on service delivery and Council Tax levels.

## **12 Access to Information**

- 12.1 The background papers relating to this report can be inspected by contacting the report writers:

Name: Lisa Quinn  
Designation: Borough Treasurer and Head of Assets  
Tel No: 01270 686628  
Email: [lisa.quinn@cheshireeast.gov.uk](mailto:lisa.quinn@cheshireeast.gov.uk)

Name: Vivienne Quayle  
Designation: Head of Policy and Performance  
Tel No: 01270 685859  
Email: [vivienne.quayle@cheshireeast.gov.uk](mailto:vivienne.quayle@cheshireeast.gov.uk)



## **Appendix**

**Business Planning Process Report 19<sup>th</sup> July 2010**

# **Business Planning Process for 2011/2014**

# Contents

**Foreword by Cllr Frank Keegan and Cllr David Brown**

**Comment from the Borough Treasurer, Lisa Quinn and Head of Policy & Performance, Vivienne Quayle**

**Overview**

**How to Read this Document**

**1 - Introduction and Challenge**

**2 - Financial Stability**

**3 - Business Planning Process 2011/2014**

**4 – Priorities & Performance**

**5 - Capital Programme Guidance (to follow)**

**6 - Stakeholder Analysis and Consultation Plan**

**7 - Risk Management**

**8 - Glossary of Terms**

**Annexes:**

- 1. Response to Feedback on 2010 Process**
- 2. Notes on Financial Assumptions**
- 3. Options for Allocation of Budget Savings Targets**
- 4. A Structured Approach to Financial Management**
- 5. Alignment of Key Partner Financial Planning Processes**

## Foreword

### Cllr Frank Keegan

The 2010/2011 Budget Setting Process was successful. But, the challenges facing the Council continue to grow. The Council receives significant funding from Central Government and the recent announcements to cut Public Spending will impact on the local area.

Services delivered by Cheshire East Council must continue to adapt to the modern service user. And, through significant up front investment, we aim to build services that are suited to the needs of our local citizens. We aim to get full value from the resources we have.

The Council is not well funded from central Government in comparison to most local authorities, so we also rely on local people understanding the pressure the Council faces and how we can meet these demands.

Transforming services can be costly in the short term, and there may be pressure on financial reserves. This can be mitigated by working with our partners and by staying open to new ideas and innovation. Investment will always be balanced against risk.

Throughout 2010/2011 the Council will challenge whether certain discretionary services can continue to be provided in the current climate and whether these services offer the best value to local taxpayers.

This document sets out the framework for delivery of the Council's priorities and performance ambitions as part of the 2011/2012 Budget Setting Round. It will provide an analysis of the current position and set out the Financial Context for Cabinet Members and Lead Officers to respond to.

We will challenge the resulting proposals and strong justification will be needed for any investment proposals. I look forward to working with all stakeholders to respond to the common issues we face.

*Cllr Frank Keegan*

Resources Portfolio Holder

### Cllr David Brown

Cheshire East is committed to its vision of "working together to improve community life." We have achieved a lot in 2009/2010 and Cheshire East, as an area, has much to be proud of. We genuinely want to work with all our partners, customers and interested parties to improve the lives of people in Cheshire East.

We have a fantastic opportunity moving forward to use our sustainable community strategy to properly focus our time and resources on those areas that matter most to the people of Cheshire East. We want to improve performance outcomes (not count inputs), we want to do everything we do in the most cost effective way and we want to satisfy our customers.

To do this in a time of austerity is a particular challenge but it is one that we are well placed to tackle. Empowering our citizens and a sense of civic pride is fundamental to moving forward in the difficult months and years ahead.

Neighbourhood action, a community spirit and a combined effort is the way forward. The Council can not, and does not wish to, deliver all the services in a local area that we might be used to. It can though ensure that the most vulnerable people, the areas of most need and the most required services and performance outcomes are continually improved and we can have a shaping role in the way that the area of Cheshire East develops, grows, influences and flourishes.

All our processes are about this and this business planning process will build on the sustainable community strategy and our corporate and service plans to drive forward the best outcomes for the people and localities of our Borough.

*Cllr David Brown*

Performance & Capacity Portfolio Holder

## Comment from the Borough Treasurer

The Business Planning Process for 2010/2013 was another step in the right direction and again resulted in a balanced Budget. However, the Authority must respond to the new demands being placed upon it and make a clear statement of where it wants to get to and what it wants to achieve.

This document forms part of that process and sets a framework for the interpretation of the Council's priorities and assessment of performance into tangible impacts on service delivery.

I will work with the Head of Policy & Performance to lead the Business Planning Process for 2011/2012, in conjunction with the Corporate Management team and to the satisfaction of the Cabinet and all other Members.

*Lisa Quinn*

Borough Treasurer & Head of Assets

## Comment from the Head of Policy & Performance

It is vital that we align the priorities for our Cheshire East community with the financial resources available. Through extensive consultation we have produced a Sustainable Community Strategy reflecting the views, thoughts and aspirations of ourselves, our partners and our customers. Its title is "Ambition for All." That is what this business planning process is all about.

We have agreed seven priorities for action within our strategy which are about nurturing strong communities, creating the conditions for business growth, unlocking the potential of our towns, supporting young people, ensuring a sustainable future, preparing for an increasingly older population and driving out the cause of poor health.

As an organisation we want to focus on giving people more choice about services, empowering the community to act in its best interests, protecting vulnerable people and being an excellent organisation. Our collective and ambitious aims must not be constrained by the financial resources available we must instead find better ways of delivering, better ways of collaborating and better ways of achieving outcomes.

The reality is that we will have to make difficult choices about how we use the financial resources available – by being clear about what we want to achieve through our community strategy and corporate plan we can make sure that things that really matter have scope for development and our finances, resources, focus and time is spent on making those things happen.

*Vivienne Quayle*

Head of Policy & Performance

# Overview

**The Business Planning Process sets out the approach the Council will take to enable delivery of local priorities within the limits of available funding.**

**The below list identifies some of the main points contained within the report and the process for 2011/2012 and beyond:**

- Feedback from the 2010 process is being used to improve the process for 2011 and beyond
- The Council remains relatively low funded in comparison to UK Local Authorities
- Additional revenue savings targets will be in the region of £10m per annum in the Medium Term
- The Council's Reserves will be risk assessed and exist as the sole contingency for any future financial issues
- The Business Planning Process will develop a 'Golden Thread' for corporate planning within Cheshire East Council
- Timescales and Communication channels will be established that allow all stakeholders to engage in the Business Planning Process



# How to Read this Document

This document is structured into the following key areas:	
<b>1 - Introduction and Challenges</b>	This Section sets out the purpose of the report and presents a number of challenges facing Cheshire East in the Business Planning Process.
<b>2 - Financial Stability</b>	This Section describes some of the funding issues related to Cheshire East and sets out the financial assumptions which will establish the funding available for service delivery in the Medium Term.
<b>3 - Business Planning Process 2011/2014</b>	This Section provides detail of key dates within the process and shows when relevant consultations will take place.
<b>4 - Priorities and Performance</b>	This Section identifies the source of the key priorities and objectives that will lead and support Business Planning.
<b>5 - Capital Programme Guidance</b>	Although Capital Programming is an important element of Business Planning this area is still being developed and more detail will follow in later reports.
<b>6 - Stakeholder Analysis and Consultation Plan</b>	This Section shows how the main consultees will be communicated with
<b>7 - Risk Management</b>	This Section contains a list of potential risks to the process and provides relevant mitigating actions.
<b>8 - Glossary of Terms</b>	This Section provides the reader with explanations of the key words and phrases relevant to Local Authority Financial Management.
<b>Annexes:</b>	
<b>Annex 1</b>	Responses to feedback on the 2010/2011 Business Planning Process
<b>Annex 2</b>	Further Notes on the Financial Assumptions contained within the Report
<b>Annex 3</b>	Options for allocating Financial Savings Targets (as provided to CMT)
<b>Annex 4</b>	Further Detail of the Structured approach to the Financial Planning element of the Process
<b>Annex 5</b>	Timetable of Business Planning for Relevant Partners aligned to the Cheshire East Council Process

# **1. Introduction & Challenges**

## **Introduction**

1. The aim of this document is to set out a comprehensive process which will enable the Council to clearly set out what it wants to achieve resulting in the setting of a Budget and Council Tax in February 2011 to the satisfaction of Members, the Monitoring Officer (in relation to Financial Procedure Rules), the Borough Treasurer and Key Stakeholders. The Budget will represent the collective priorities of the Council and aim to achieve ambitious outcomes and customer satisfaction within the financial envelope available.
2. We are determined to take a variety of issues into account such as the views of key stakeholders and the political, social and financial environment in the national and local area.
3. The Budget will make best use of staff resources, available data and research to achieve this aim.
4. The report sets out the Business Planning and Financial Planning process that the Council will follow from July 2010. It is intended that this document provides a clear description of the process and forms guidance for Members and Officers when responding to the inputs required by the process.
5. The current national political picture, realignment of ways of working and financial situation make it vital for the process to be launched quickly in order for work to begin on the development of options.

## **Challenges**

6. There are a number of challenges to be addressed within the document. These are shown on the following page:

<b>Challenge 1</b>	<b>Learning from Feedback on the Business Planning Process for 2010/2013.</b>	<b>Page 8</b>
<b>Challenge 2</b>	<b>Making a clear link between the Council's priorities and resource allocation.</b>	<b>Page 8</b>
<b>Challenge 3</b>	<b>Linking the desired performance outcomes and analysing the Council's current position in terms of value for money (VFM).</b>	<b>Page 9</b>
<b>Challenge 4</b>	<b>Meeting Financial Management Best Practice</b>	<b>Page 9</b>
<b>Challenge 5</b>	<b>Ensuring there is a widespread awareness and buy-in to the process by all interested parties and an ability for all to influence the outcome.</b>	<b>Page 9</b>
<b>Challenge 6</b>	<b>Enabling proposals to be fully scrutinised and challenged in an appropriate environment with recommendations being clearly communicated to all parties.</b>	<b>Page 10</b>
<b>Challenge 7</b>	<b>Analysing the Council's financial position based on the best information available.</b>	<b>Page 10</b>
<b>Challenge 8</b>	<b>Establishing early agreement on the method of allocated financial targets</b>	<b>Page 10</b>
<b>Challenge 9</b>	<b>Enhancing consultation arrangements and maximising the benefits of collaboration with our key partners.</b>	<b>Page 11</b>

Each Challenge is considered in more detail on the following pages.

### **Challenge 1:**

#### **Learning From Feedback on the Business Planning Process for 2010/2013**

Consultation with Members, officers and stakeholders, during the latter stages of the Business Planning Process allowed the Strategy and Funding Team to review the process and record feedback from those most involved.

This was conducted through consultation events, training, scrutiny and meetings with Corporate Management Team (CMT). This sometimes happened before the process had ended to ensure some of the key learning points were still current and could be recorded.

The purpose of the feedback was to improve the Business Planning Process as it moves forward to consider the period 2011/2012 to 2013/2014.

A table summarising the key items of feedback is provided at **Annex 1**, this includes the actions that have already or will be taken to resolve the issues raised. Annex 1 also provides references to the relevant sections contained within this document.

### **Challenge 2:**

#### **Making a clear link between the Council's priorities and resource allocation**

The Business Planning Process for 2010/2013 was based on an interim Corporate Plan. Recent work has been undertaken to update the plan for 2010/2011 and complement the budget setting process.

**Section 4** shows how work in this area is underway and captures the relevant priorities and outcomes which will lead the challenge process for Service Plans in 2011.

**Challenge 3:**

**Linking the desired performance outcomes and analysing the Council's current position in terms of Value For Money (VFM).**

An analysis of the Council's performance is underway and work to establish the Council's relative VFM position is also being researched. Taking account of these issues will form a step in the process.

**Section 4** will set out the approach to this issue and show how Transformation will play an integral role in understanding the approach to service delivery and establishing how change can be managed.

**Challenge 4:**

**Meeting Financial Management Best Practice**

The change in Government brought an end to the Comprehensive Area Assessment; however, the issues raised under the Use of Resources element in relation to Financial Planning may form best practice and can continue to be acknowledged.

The Council will also consider guidance and models published by CIPFA and will constantly challenge existing practices in comparison to other appropriate public or private sector organisations.

The Borough Treasurer & Head of Assets will identify proposed improvements through the Business Planning Cycle.

**Challenge 5:**

**Ensuring there is a widespread awareness and buy-in to the process by all interested parties and an ability for all to influence the outcome.**

The Business Planning Guidance will be widely circulated. This includes a comprehensive timetable in Section 3 which sets out the key stages of the process and how different stakeholder groups can feed in their views.

Cheshire East Council will use:

- a. Briefings to Members, Officers, Local MP's and key stakeholders
- b. Committee Reports, including Scrutiny and Overview
- c. Publication of key facts and supporting analysis on the website
- d. Consultation Events
- e. Local Press Releases
- f. Local Area Partnership networks

**Challenge 6:**

**Enabling proposals to be fully scrutinised and challenged in an appropriate environment with recommendations being clearly communicated to all parties.**

The process will include improved challenge arrangements that will form an integral part of the process as described in **Section 3**.

The challenge meetings will be attended by Cabinet Members and Senior Officers and will integrate with in-year monitoring of the Council's Budget.

All Members of the Council have the opportunity to challenge the proposals directly with officers or Cabinet Members and can use the detail within the Planning Cycle to inform them of key deadlines.

The Challenge process will be supported and co-ordinated by the Strategy and Funding team. The meetings will be based on a redesigned policy proposal form which will also capture the Challenge outcomes

**Challenge 7:**

**Analysing the Council's financial position based on the best information available.**

This is addressed in **Section 2** where the funding position facing the Authority and appropriate key planning assumptions are reviewed.

**Challenge 8:**

**Establishing early agreement on the method of allocated financial targets**

To maintain financial stability the Council will have to make savings in excess of the current Medium Term Financial Strategy targets. **Section 2** considers options on how financial savings targets could be approached (also see **Annex 3**).

The work of the Transformation Team is integral in clarifying how cross cutting savings can be owned and achieved.

**Challenge 9:**

**Enhancing consultation arrangements and joining up with the other major local public service organisations**

The Council will improve the consultation sessions and aim to share detailed proposals earlier.

The Council will also work to align the elements of establishing common assumptions, developing service options and publishing, and consulting on proposals, with the key local public service partners of Police, Fire and the Central and Eastern Cheshire PCT. Further details are set out in **Section 6** and **Annex 5**.

## 2. Financial Stability

### Introduction

7. This section will focus on several areas:
  - A **Financial Analysis** of the funding position facing the Council in the Medium Term.
  - A review of the **Key Planning Assumptions** to be used in the Financial Scenario
  - Setting out the estimated **Funding Shortfall**.
  - An explanation of the approach to **Reviewing the Scenario** on an ongoing basis.
8. The Council uses financial modelling to show the effects of known and estimated changes in funding and expenditure over the Medium Term. The model is referred to as the Financial Scenario (or Scenario). This model rolls forward the effects of in-year financial changes and inflationary predictions, moving the Council's Base Budget up or down accordingly.

### Financial Analysis

9. The release of statistical data for 2010/2011 by the Chartered Institute of Public Finance and Accountancy makes it possible to refresh the analysis of the Council's funding position.
10. Government Funding

The different sources of funding for local services are influenced by many factors. Approximately two thirds of funding comes from central Government but, for example, schools funding is affected by pupil numbers whereas other grants from Government may relate to meeting performance targets or the needs of local people relative to other local authority areas. Funding received directly from local citizens and businesses, however, will be affected by the ability to pay, the levels of service delivery and even market forces where there is competition or choice in services.

The current methods of calculating central Government financial support to the Council means very limited financial assistance is given due to the relative affluence of local people. The Council must therefore rely heavily on Council Tax payments to support service delivery. It is therefore highly accountable to local service users. This is positive in many ways as it can help to engage local residents in establishing how local services should be delivered.



## 11. Central Adjustments

The Council predicts the level of funding it will receive from Council Tax and Government grants to arrive at a total income figure. Several “central adjustments” are made to this total to withhold funding for items such as inflation and transfers to reserves. The total funding less central adjustments gives the amount available for service expenditure.

## 12. Grant Funding of Council Expenditure

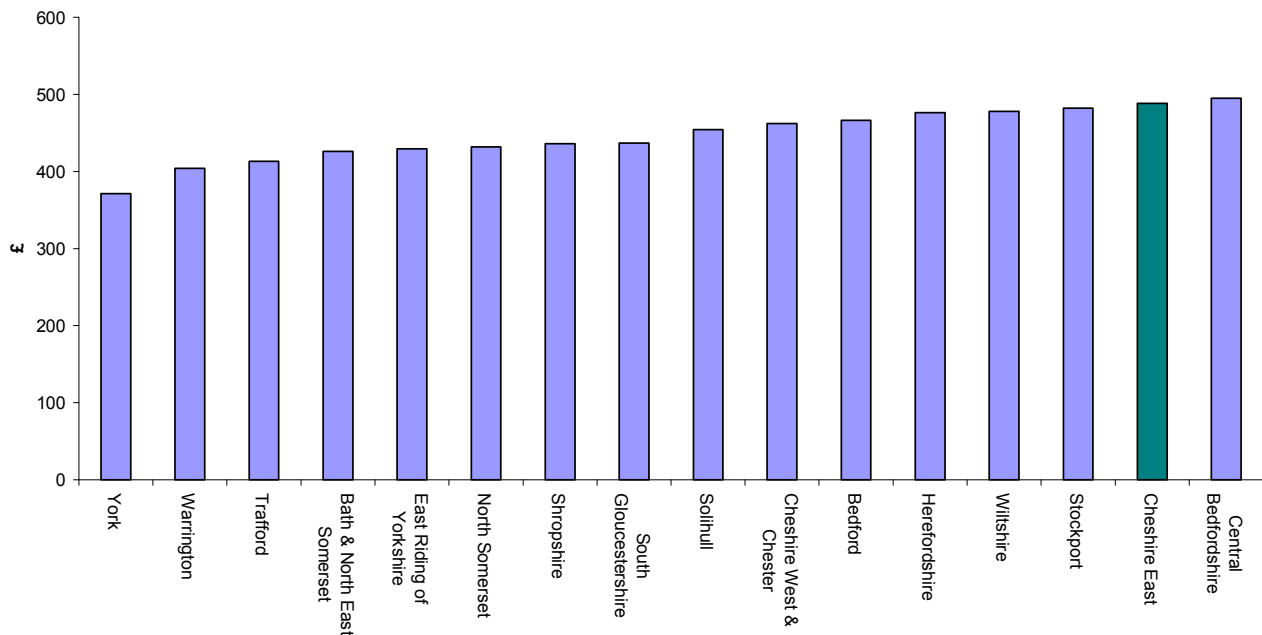
Cheshire East receives two main types of grants, Formula Grant and Specific Grants

Grant funding to Cheshire East is relatively low when compared with other Councils. Even within a family group of councils, or “Nearest Neighbours” (a group which is determined by statistical similarities), Cheshire East receives significantly less support from grants than others.

**Charts 1, 2 and 3** (below & overleaf) demonstrate the Authority’s position in relation to Council Tax raised, and NNDR and RSG provided by Central Government, when compared with Nearest Neighbours. They show that Council Tax funding raised locally is just above our comparators, but that we receive much lower levels of RSG and NNDR funding in comparison. The result is that total funding is below our Nearest Neighbours.

**Chart 1**

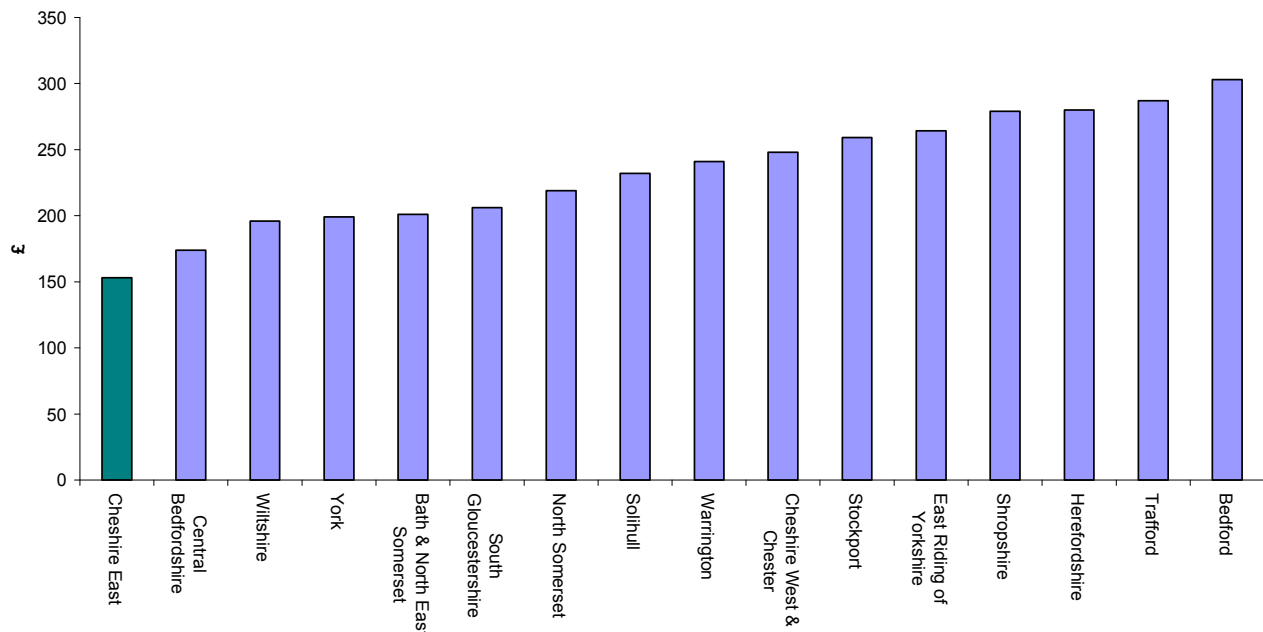
**Council Tax requirement per head of population for Cheshire East Council is second highest compared to our Nearest Neighbours for 2010-11**



Source: CIPFA Council Tax Demands and Precepts Statistics 2010-11

Chart 2

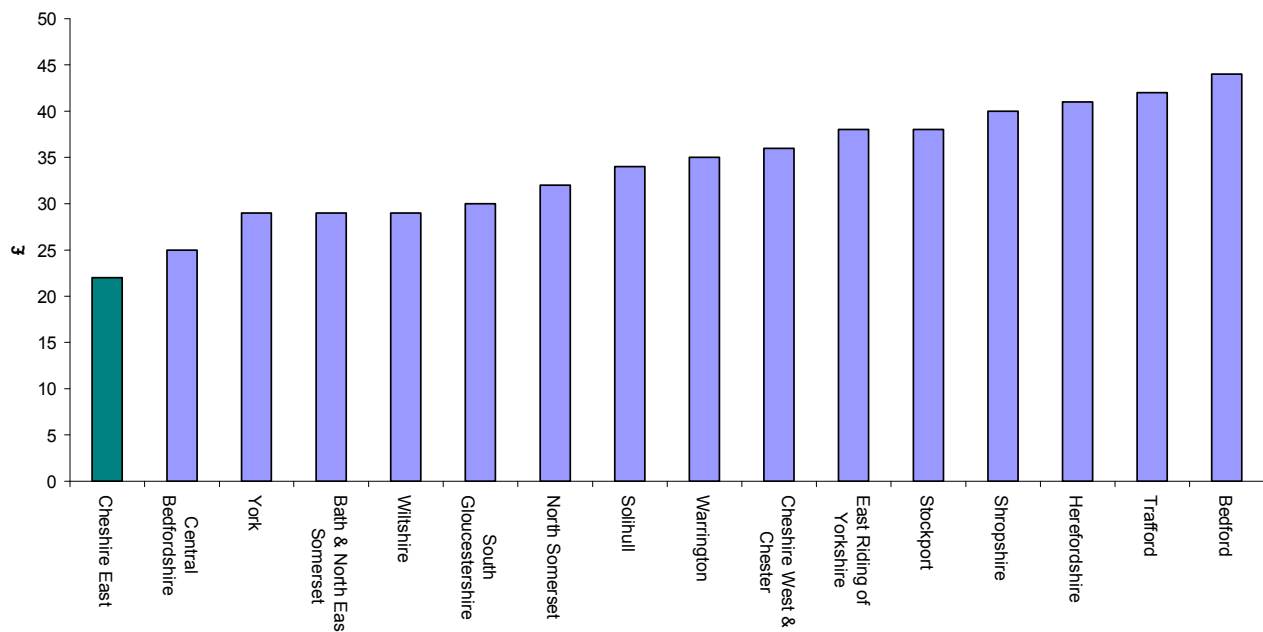
**Cheshire East Council receives the lowest level of Business Rates per head compared to our Nearest Neighbours for 2010-11**



Source: CIPFA Council Tax Demands and Precepts Statistics 2010-11

Chart 3

**RSG Per Head of Population - Cheshire East Council receives the lowest level of RSG per head compared to our Nearest Neighbours in 2010-11**



Source: CIPFA Council Tax Demands and Precepts Statistics 2010-11

## Key Planning Assumptions

13. This section sets out the detailed estimates which will be used to complete the Financial Scenario. The table below summarises the Key Planning Assumptions used in the Scenario and their impact and associated risks. Further details are also provided at **Annex 2** in relation to certain items.

<b>Item</b> (Notes are located in Annex 2)	<b>2011 Assumption</b>	<b>Impact</b>	<b>Comment Risk / Issue</b>
<b>Council Tax</b>	0% per annum.	1% = £1.7m	The impact of a Central Government freeze on Council Tax increases in 2011/2012 is not yet known
<b>Council Tax Collection Fund</b>	Nil surplus/deficit in 2011/2014.	Changes are reflected £ for £ in the Net Budget	Higher or lower collection rates will cause variances
<b>Council Tax Base</b> (See Note i)	Increase of 0.3% per annum	0.3% = £0.53m	Growth is estimated based on recent trends
<b>Formula Grant</b>	Reduction of 6% as part of central government cuts	1% = £0.6m	Subject to Spending Review in October 2010
<b>Pay Inflation</b> (See Note ii)	0% per annum	1% = £1.3m	2 year Government 'Pay Freeze' supports this approach
<b>Non Pay Inflation</b> (See Note iii)	3% per annum (this relates to non-pay expenditure net of income from charges)	1% = £0.8m	Inflationary pressures may be higher and create real terms reductions in spend.
<b>Pension</b> (See Note iv)	Actuarial Estimates of £0.7m	£0.7m	A pensions review will be carried out as part of Coalition Spending Review
<b>Exceptional Inflation</b>	1.75% per annum	1% = £0.8m	Services absorbed above inflation increases in 2010

<b>Item</b> (Notes are located in Annex 2)	<b>2011 Assumption</b>	<b>Impact</b>	<b>Comment Risk / Issue</b>
<b>Contingency</b>	0% per annum	1% = £2.1m	The Reserves Strategy will have to hold balances related to risk
<b>Specific Grants (excluding DSG)</b>	Base Budget reduced by £2m from 2010/2011 revenue grant cuts. Further cuts of 6% as part of Central Government Cuts	1% = £1.8m	Subject to Spending Review in October 2010
<b>Capital Financing</b> (See Note v)	Costs of £15m in 2011/2014	Changes are reflected £ for £ in the Net Budget	To be reviewed as Capital Programme is developed
<b>Transitional Costs</b>	£7.1m to provide for the actuarial costs of early retirements and relocation costs from LGR.	Changes are reflected £ for £ in the Net Budget	Further redundancy will increase this item
<b>Contribution to/from Reserves</b> (See Note vi)	£5.2m contribution to reserves to ensure a minimum strategic level is retained	Changes are reflected £ for £ in the Net Budget	Insufficient levels of Reserves will not provide working balances nor meet emergencies or unforeseen service demand
<b>Further Contribution to Reserves to cover savings shortfalls</b>	In 2009/2010 the Authority outturn exceeded budget. Overall savings targets were therefore not entirely achieved. It could be prudent to assume that future targets could be missed due to delayed implementations or revision of impacts of higher risk strategies. However, there are no assumed contingencies at this stage.	= a % of combined Savings Targets which would be included as a Budget Contingency	Service planning that is sufficiently robust reduces the need for contingency

## The Funding Shortfall

### 14. Current Policy Proposals / Funding Gap

The resulting shortfall, based on the assumptions in the scenario, must be addressed by asking Directorates to generate Policy Proposals following the guidance issued by the Strategy and Funding Team with the Support of the Transformation and Policy & Performance Teams.

With the above assumptions in the Scenario, the resulting shortfall in 2011/2012 would be £11.4m, in 2012/2013 £11.2m, and in 2013/2014 £9.9m.

A series of targets, based on options appraisal impacts and priorities would therefore need to be set by CMT working with Portfolio Holders.

Based on the assumptions set out in the previous sections, the predicted funding shortfalls facing the authority over the three year period are set out below:

	<b>2011/2012</b> <b>£m</b>	<b>2012/2013</b> <b>£m</b>	<b>2013/2014</b> <b>£m</b>
Existing Savings requirement*	9.6	5.1	-
Estimated Additional in-year Savings Requirement	11.4	11.2	9.9
<b>Total Savings Requirement*</b>	<b>21.0</b>	<b>16.3</b>	<b>9.9</b>

\*Note: at this stage it is assumed that any Savings Requirement must have a permanent affect on the base budget.

In response to feedback from CMT, at this stage the funding gap is not allocated to directorates or cross cutting themes. That step will form part of the Business Planning Process and will be informed by CMT and the Cabinet.

## Reviewing the Scenario

15. The following five strands will be used to structure any further update of the scenario position:

<b>Measure 1 ~ Challenge Funding Assumptions</b>
<ul style="list-style-type: none"> <li>○ The Cabinet report sets out a number of key planning assumptions based on funding levels. These assumptions can be challenged to ensure they are up to date and reflect current Council policy.</li> <li>○ Specifically the Borough Treasurer &amp; Resources Portfolio Holder will review these items and report changes to CMT/Cabinet</li> </ul>
<b>Measure 2 ~ Increase Council Tax</b>
<ul style="list-style-type: none"> <li>○ The Coalition Government have set out a promise of a Council Tax freeze in 2011/2012 meaning there is limited scope for local input here; however tax base and collection fund surplus or deficit can be considered.</li> <li>○ The Resources Portfolio Holder will brief Cabinet on proposals in this area</li> </ul>
<b>Measure 3 ~ Use General Reserves</b>
<ul style="list-style-type: none"> <li>○ The Council's reserves strategy uses risk assessment to inform the prudent level of reserves. This complies with the requirement to maintain adequate reserves</li> <li>○ The scenario already includes a commitment to repay transitional costs from the LGR process.</li> <li>○ The key risk from using reserves to support the revenue budget is sustainability. This relates not only to the clear fact it is an approach that cannot be repeated in the medium term, but also to the risk on the Council's financial standing.</li> <li>○ The Borough Treasurer, as Section 151 Officer, will inform CMT/Cabinet of issues in this area</li> </ul>
<b>Measure 4 ~ Reduce Expenditure</b>
<ul style="list-style-type: none"> <li>○ The 2010/2011 MTFS proposals from services highlighted significant efficiencies in 2011/2012 and this may increase in the light of Government Grant announcements. The Council can challenge services to increase efficiency or reduce services whilst retaining focus on the Council's priorities.</li> </ul>
<b>Measure 5 ~ Increase Income</b>
<ul style="list-style-type: none"> <li>○ Income from customers paying for Council services relates to only 8% of total income. Analysis of other similar authorities suggests this could be significantly increased.</li> <li>○ The Income &amp; Funding Strategy (in development) will inform proposals in this area</li> </ul>

## Conclusion on Financial Stability

16. The Council receives comparatively low funding support and the current climate has created financial challenges. The document will now go on to consider how to respond to these issues.

# 3. Business Planning Process

## 2011/2014

### Introduction

17. This section sets out the key stages of the Business Planning Process for 2011/2014.

18. Formal consideration and approval of a clear and robust Business Planning Process is a key step in enabling the Authority to set out how it will deliver a sustainable Budget for the following year.

19. The aim is to allow:

- Further development of the links between corporate and financial planning on both a medium term and annual basis
  - o This aim will be met through development of the '**Golden Thread**' which links personal planning through to community planning
- Adherence to Best Practice
  - o This aim will be met through research, open, clear reporting and reference to models such as the Use of Resources Key Lines of Enquiry
- Development of robust proposals that have been challenged and consulted upon
  - o This aim will be met through detailed advanced planning and engagement of key stakeholders during the process

20. The business planning process requires an understanding of what the Council aims to deliver and achieve each year. This in turn must be matched by an understanding of the cost of such activity and the ability to raise the necessary income to fund this. This must lead to a balanced annual budget, set in February of each year.

21. 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.

22. 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.

The Improvement and Development Agency (IDeA) has produced a checklist of questions to support effective planning:

- *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 sorts of questions can provide a framework for strategic, business and financial planning in Cheshire East, and this area will be developed by CMT / Cabinet Members.

23. It is proposed that the authority operates a rolling three year MTFS process for the period 2011/2014. The next year in any cycle will receive the most detailed and significant modelling and scrutiny during the planning process. This is essential to ensure the balanced budget duty is met. Years two and three will reflect up to date estimates and proposals which will enhance the overall robustness of the Council's financial standing.

### **The 'Golden Thread'**

24. The Business Planning Process is set within the overall planning framework in which the Council is operating. This framework enables the translation of the long term vision into specific strategies and action plans to achieve those aims.

25. The framework consists of:

- The Sustainable Community Strategy setting out the long term vision for the Cheshire East community.
- The Local Area Agreement setting out local priorities.
- The Corporate Plan setting out the objectives of Cheshire East Council.
- Key Strategies and Plans.
- Service / team / individual objectives.

These processes form the golden thread from long term vision to individual action to make it possible for each member of staff to identify how they contribute.

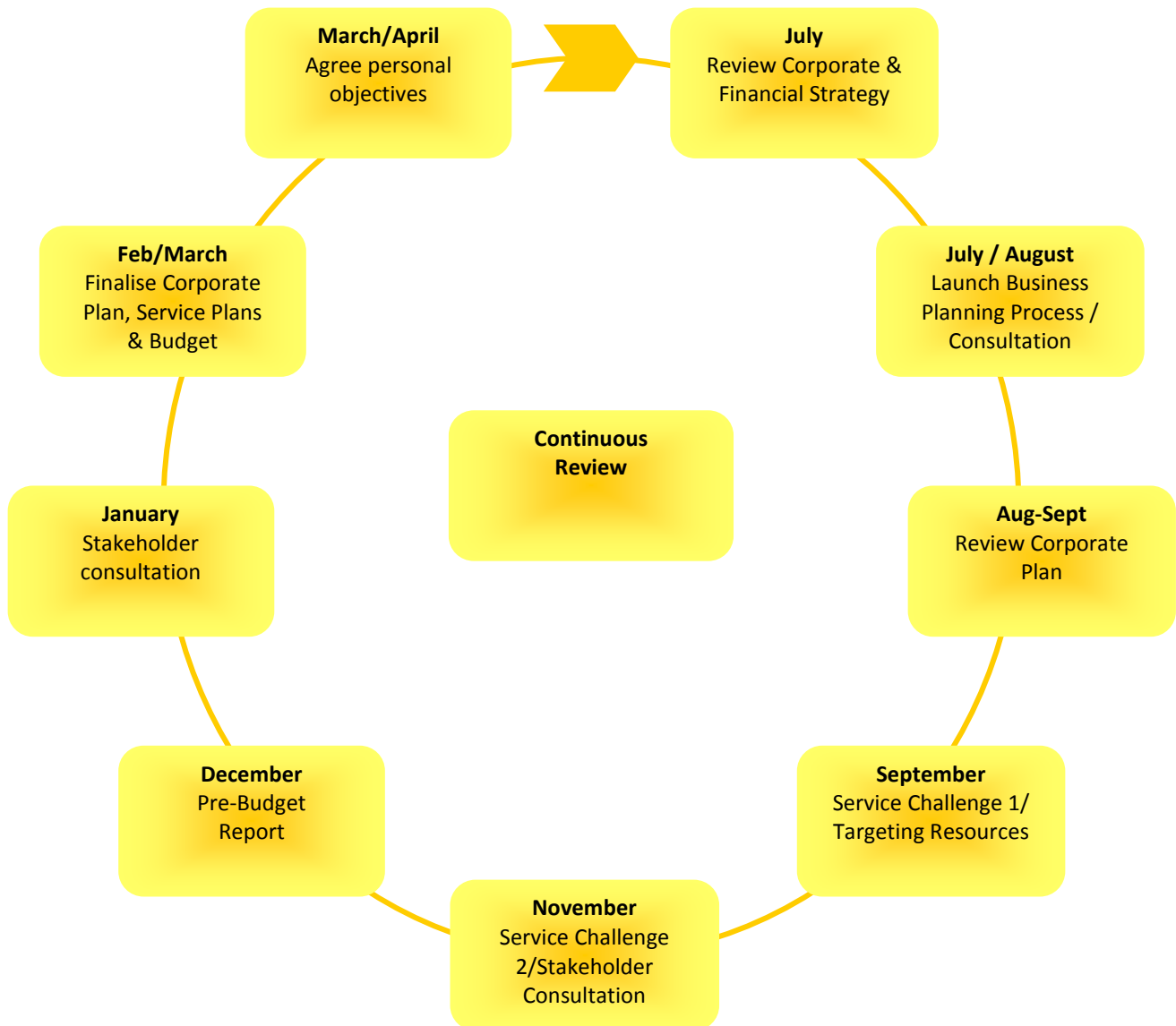


26. The Business Planning Process enables the translation of the Corporate Plan into agreed changes to service budget levels and the resulting key strategies and plans and detailed objectives to ensure those priorities can be delivered.
27. Business and service planning translate the corporate plan into annual directorate commitments to deliver priorities and detailed service level action plans for delivery. Annual business planning is driven by:
- Corporate priorities and directorate's 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'.
28. 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.
29. The Council is adopting a transformation approach that will provide a framework for delivering major changes to service provision. That programme acts as an intrinsic part of the Business Planning Process.

### **Annual Cycle**

30. The draft high level process is attached overleaf and sets out the key stages during this year.

## Business Planning Process 2011/2014



31. The full picture on priorities for 2011/2014 and current performance will not be available until August so the Business Planning Process will include the Financial Scenario but will not allocate targeted investment or targeted savings. That task will form part of the process as work for CMT and Cabinet, based on the priority and performance information, when it becomes available.

32. Forming a link between performance and budget planning will take forward evidence based decision making. This will rely on clear explanations of the issues, options available and the impact of decisions.

## Initial Timetable

33. The table sets out the initial stages of the process:

June	Key messages from Corporate Plan Priorities / VFM / Performance data available
June	Member Budget Consultation Group receive Business Planning Update
19 July	Cabinet receive full Business Planning Process report
23 July	Business Planning Process launch event
26 July	Issue guidance to officers and Members
Early August	Detailed work begins on translation of Corporate Plan Priorities / VFM / Performance data into policy proposals.
Early August	CMT / Cabinet meet to agree targeted investment and targeted savings

## Allocation of Financial Savings Targets

34. Feedback from CMT was clear in that allocating savings targets relates to priority and investment targets, not just savings and efficiency targets (which have previously been allocated on a pro-rata basis). Although pro-rata allocation may appear equitable and difficult to argue against, it is also a blunt instrument and not suitable to shift resources to priority areas nor reduce or cease service provision in lower priority areas.

35. The options being considered include:

- Pro-rata to net spending.
- Pro-rata savings in excess of the total savings requirement to create a fund which services can bid against for growth based on set criteria.
- A plus or minus against each service as determined by priority.
- Acknowledging growth pressures being faced by individual services.

An assessment of each option is set out in **Annex 3**. A recommendation is needed from CMT/Cabinet on the proposed way forward.

## Developing Robust Proposals

36. In relation to business planning for 2011/2014 it is suggested that:

- Once Council priorities for 2011/2014 (and beyond) have been established in the corporate plan, directorates will be asked to identify policy options and programme developments that will support the corporate priorities – including detailed impacts of any proposals
- Undertake a similar process for performance and VFM issues.
- Services also be asked to identify ‘unavoidable growth’ – the result of demographic, service demand or compliance pressures for example
- 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.

37. The Directorate responses will be subject to Challenge in late September. There will be greater emphasis on this stage than in previous years with services expected to declare all known pressures and savings options at this stage.

38. CMT will receive the responses and have the opportunity to raise issues before the formal challenge events involving Cabinet Members.

39. If services are unable to meet agreed targets a CMT directed intervention team will be assembled to provide assistance. Challenge phase 2 would only be undertaken in exceptional circumstances and where the intervention team have generated additional proposals.

40. The Leader and Chief Executive will continue to be involved at the post Challenge round up sessions. The recommended verdict on each proposal will be recorded on a redesigned policy proposal form and used to inform that meeting. Their decisions will be promptly circulated.

### **Consultation and Engaging Stakeholders**

41. During the development of directorate proposals elected Members may wish to engage directly with Cabinet Members and service managers. Scrutiny and Overview meetings may also aim to tie-in with the development of proposals.

42. It is envisaged that formal consultation will take place in:

- **July/August:** To introduce the planning process and provide context for the way forward through briefings and issue of guidance.
- **November:** On the new priorities, through LAPs.
- **January:** As wider consultation on the Pre Budget Report.

43. There is an aim to move towards joint consultation events with Police, Fire and the PCT.

44. A mechanism for engaging members of the public will be further researched.

### **A Structured Approach**

45. The 2010/2013 Financial Planning Process was approved by Cabinet in June 2009. It 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.

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

47. Annex 4 provides a more complete description of the structured approach to financial planning, details of which are summarised below:

**First Stage – May to July 2010 – Establish Baseline**

There is a need to establish the starting point for planning purposes.

**Second Stage – June to September 2010 – High Level Planning**

Review Scenario Assumptions:

**Third Stage – October 2010 to January 2011 – 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 2011.

**Fourth Stage – January to February 2011 – Finalisation of the 2011/2012 Budget**

This stage involves budget consultation, final adjustments and refinements and the setting of the Budget and Council Tax for 2011/2012.

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

**Dedicated Schools Grant**

49. A substantial part of the total base budget (£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.
50. 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 process officers will calculate the amount of DSG receivable for 2011/2014, consider any commitments such as teachers' pay awards, any outturn issues and set out any shortfall or flexibility.
51. This overall financial envelope will then be used as the basis for generating policy options.
52. The DSG Budget Setting process will follow the standard timescale.
53. Policy options would be included within the Consultation documents to ensure the Authority meets any requirements to publish and consult on options and, where necessary, seek agreement from the Schools Forum. Specific consultation meetings with the Schools Forum will be arranged accordingly.

**Standards Fund Grant (and others)**

54. 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.

## **Efficiency**

55. The current Comprehensive Spending Review set cumulative targets of 3% per annum for the period 2008/2009 to 2010/2011. However, it is not necessary to set formal targets in each area. Specific targets were not set for 2009/2010, given that substantial levels of savings were incorporated into the budget as part of the LGR process.
56. Efficiency describes the act of increasing outputs from resources. This aim is embedded within the Council's values and manifests in transformation and business planning.

## **Alignment**

57. The work undertaken to develop an aligned approach to Budget Setting with the key stakeholders of Cheshire Police, Cheshire Fire and Rescue and Central and Eastern Cheshire PCT will factor into this work.
58. All authorities have expressed interest in joined up consultation events and sharing of consultation publications.
59. Therefore this will form a key step forward in consultation arrangements.

# 4. Priorities and Performance

## Introduction

60. This section considers information on priorities and performance to enable those issues to be factored into the development of new proposals.

61. It is intended that high level information will be available during July with detailed findings available in August.

62. The Business Planning Process is set within the overall planning framework in which the Council is operating. This framework enables the translation of the long term vision into specific strategies and action plans to achieve those aims.

63. The framework consists of:

- The Sustainable Community Strategy setting out the long term vision for the Cheshire East community.
- The Local Area Agreement setting out local priorities.
- The Corporate Plan setting out the objectives of Cheshire East Council. Key Strategies and Plans.
- Service / team / individual objectives.

64. These processes form the golden thread from long term vision to individual action to make it possible for each member of staff to identify how they contribute.

65. This will be developed with Policy / Performance & Transformation Teams using principles established at CMT / Cabinet away day on 30th June 2010

## Analysis of Key Priorities

66. The Council has worked with partners and local communities over recent months to develop a Sustainable Community Strategy which sets out a vision for Cheshire East for the next 25 years, and the priorities we need to address in the short term. The Sustainable Community Strategy is called “Ambition for All” and has the following vision:

“Cheshire East is a prosperous place where all people can achieve their full potential, regardless of where they live. We have beautiful, productive countryside, unique towns with individual character and a wealth of history and culture. The people of Cheshire East live active and healthy lives and get involved in making their communities safe and sustainable places to live.”

67. The seven priorities for action are:

- Nurture strong communities
- Create conditions for business growth
- Unlock the potential of our towns
- Support our children and young people
- Ensure a sustainable future
- Prepare for an increasingly older population
- Drive out the causes of poor health

68. If we are to achieve the vision and to make good progress in addressing these priorities then all partners must be clear on the contribution they must make and set this out in our individual business plans. For the Council this is our Corporate Plan where we have identified five Corporate Objectives:

- To give the people of Cheshire East more choice and control about services and resources
- To grow and develop a sustainable Cheshire East
- To improve life opportunities and health for everybody in Cheshire East
- To enhance the Cheshire East environment
- Being an excellent Council and working with others – to deliver for Cheshire East

### **Analysis of Key Performance Data**

69. The following issues will inform Business Planning for 2011/2012:

- *Local Area Agreement performance indicators key performance from 2009/2010*
- *Other performance indicators key performance from 2009/2010*
- *Place Survey findings*
- *Other Customer satisfaction data*



# **5. Capital Programme**

## **2011/2014**

Development of the Capital Programme for 2011/2014 will be reported to Cabinet in August and be added to this document in due course

# 6. Stakeholder Analysis and Consultation Plan

## Stakeholder Analysis

70. A key part of the process to improve consultation and communication of the process is the production of a stakeholder analysis and an action plan to minimise risk to the project.

71. There are several key steps to complete a stakeholder analysis. They are:

**- Identify the policy changes or objectives being considered.**

In this case it will be service proposals that will impact on Directorate spending levels.

**- Identify all the stakeholders associated with the issue being considered.**

The key stakeholders for Cheshire East Council are:

- Elected Members
- Members of the public / Service Users / Council Tax payers
- Staff
- Primary Care Trusts
- Trades Unions
- Police
- Fire
- Voluntary / third sector organisations
- Care providers
- Connexions
- Town and Parish Councils / Local Area Partnerships
- Neighbouring local authorities, particularly those in the same sub region
- Joint Officer Board for Shared Services
- The Coalition Government are not shown in the analysis as relationships are still to be understood with regard to the balance of Central / Local Power

**- Organise the stakeholders according to their degree of interest and power.**

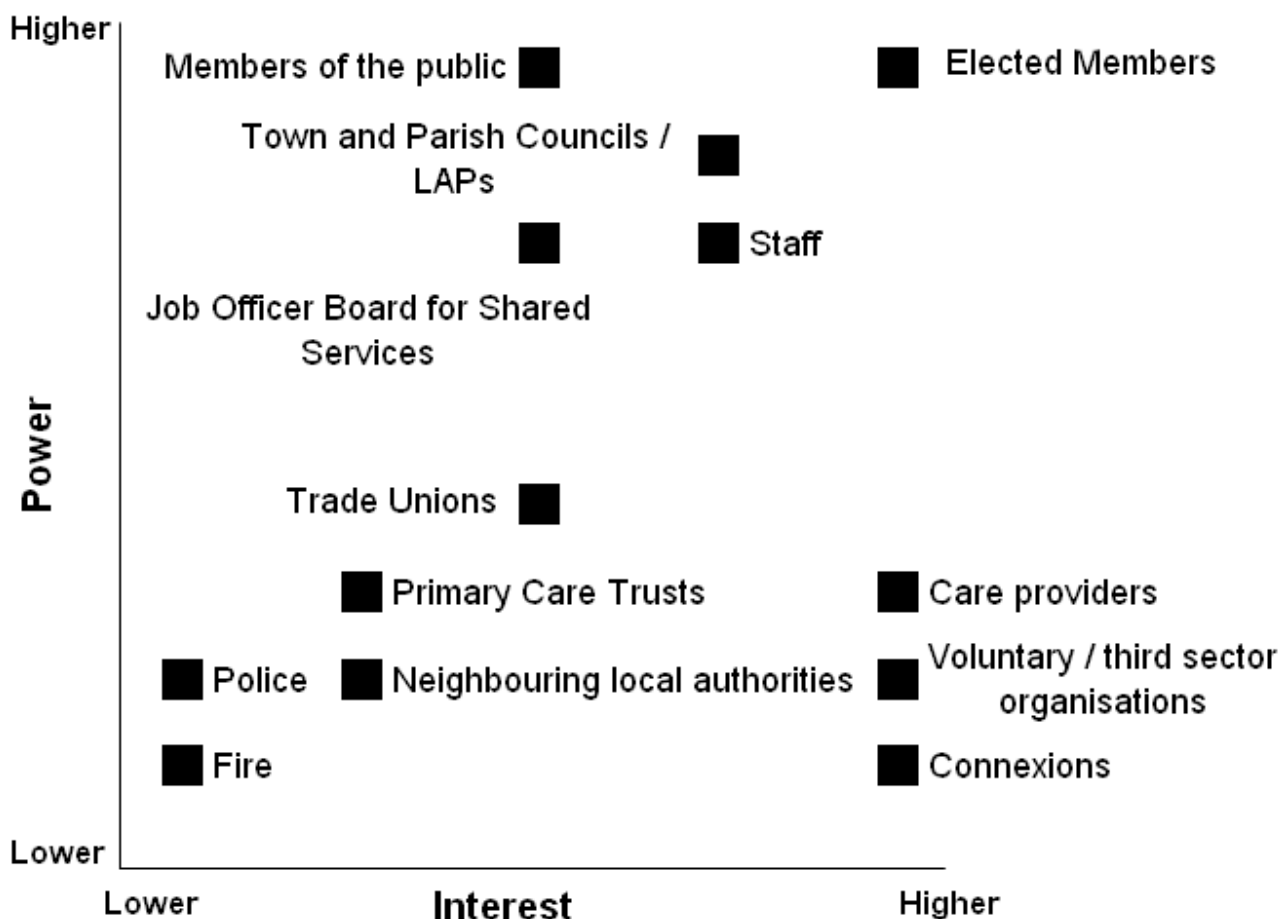
In this case, interest is a measure of how they will be affected and therefore how much interest they will have in it, and power is a measure of the direct influence they have and therefore to what extent they can help achieve or block key proposals.

For example, a small voluntary organisation that receives grant funding from the Council has significant interest in the project, as it could mean their funding would cease, but they have relatively low influence, being one of many such organisations that account for a small proportion of Council spend.

Alternatively, a Parish Council would not be directly affected by many Council policies. However, collectively, they have a significant influence over the local service delivery and therefore with elected Members of the Authority.

The chart below sets out an analysis for Cheshire East Council. Each stakeholder group has been rated relative to other groups.

### Comparison of Interest and Influence of Stakeholders



72. This analysis can then be interpreted to determine the level of engagement for each stakeholder group, some which must be fully engaged and some which only need to be kept informed.

73. The results of the analysis suggest the following actions:

<b>Stakeholder Group</b>	<b>Action</b>
Elected Members, in particular the Overview and Scrutiny Function	Fully engage them to process and provide formal opportunities for them to comment.
Members of the public	Fully engage them to process and provide formal opportunities for them to comment.
Staff	Fully engage them to process and provide formal opportunities for them to comment.
Primary Care Trusts	Keep informed through meetings with members of CMT and Business Planning Team
Trade Unions	Keep informed through Staff Panel and Regular Briefings
Police	Keep informed through meetings with Business Planning Team
Fire	Keep informed through meetings with Business Planning Team
Voluntary / third sector organisations	Keep informed through consultation events
Care providers	Keep informed through consultation events
Connexions	Keep informed through meetings with Member of CMT
Town and Parish Councils / Local Area Partnerships	Fully engage them to process and provide formal opportunities for them to comment.
Neighbouring local authorities, particularly those in the same sub region	Fully engage them to process and provide formal opportunities for them to comment.
Joint Officer Board for Shared Services	Fully engage them to process and provide formal opportunities for them to comment.

## Consultation Arrangements

### 74. Introduction

Having conducted an analysis of the relevant stakeholders, work will be carried out with the Council's Communications Team to determine the most appropriate material and media to use to consult on the 2011/2014 Business Planning process.

### 75. Alignment

The work undertaken to develop an aligned approach to Budget Setting with the key stakeholders of Cheshire Police, Cheshire Fire and Rescue and Central and Eastern Cheshire PCT will factor into this work.

All authorities have expressed interest in joined up consultation events and sharing of consultation publications. Therefore this will form a key step forward in consultation arrangements.

## 76. Consultation Programme

The following dates have been reported in the Committee diary for Consultation Events. Members are asked to ensure they keep the dates free to ensure they can attend the sessions:

### **November 2010**

**16<sup>th</sup> - afternoon**  
**17<sup>th</sup> - evening**  
**18<sup>th</sup> - morning**  
**19<sup>th</sup> - afternoon**

### **January 2011**

**13<sup>th</sup> - evening**  
**18<sup>th</sup> - evening**  
**19<sup>th</sup> - morning**  
**20<sup>th</sup> - afternoon**  
**21<sup>st</sup> - staffing committee**  
**25<sup>th</sup> - Schools Forum**

# 7. Risk Management

## Risk Assessment – Business Planning Process 2011/2014

Ref	Risk	Assessment of Risk (now) H / M / L	Proposed Mitigating Action	Assessment of Risk After Mitigating Action H / M / L	Manager
1	Failure to deliver a balanced Budget, Capital Programme, DSG Budget and Council Tax in February 2011 for Council approval.	M	Ensure robust Business Planning process is followed and all necessary stages are achieved.	L	Alex Thompson
2	Slippage in the Business Planning process due to deadlines not being achieved.	M	Develop plans based on feedback from 2010/2011 process and engage key Members and officers early in process	L	Alex Thompson
3	Links to Corporate Priorities – failure to clearly link resource allocation / investment / disinvestment to priorities in the Community Strategy / Corporate Plan.	H	Maintain regular contact with Policy and Performance staff to align process and timetable accordingly.	L	Alex Thompson

<b>Ref</b>	<b>Risk</b>	<b>Assessment of Risk (now) H / M / L</b>	<b>Proposed Mitigating Action</b>	<b>Assessment of Risk After Mitigating Action H / M / L</b>	<b>Manager</b>
4	When further information is known, such as the Spending Review 2010, the Key Planning Assumptions do not match actual information and there is a greater funding gap than used for planning purposes. Potential need to issue revised targets at a later stage in the process.	H	Establish robust set of assumptions challenged and agreed by Management Team and Cabinet as basis for planning. Research and retain high awareness of emerging issues (ie through Society of County Treasurers)	M	Alex Thompson
5	In year cost pressures result in increasing savings targets	H	Robust monitoring and effective remedial actions to address pressures / reduce demand for services.	M	Alex Thompson
6	Coalition proposals affect local funding in relation to Council Tax or Charging for services	H	Research and retain high awareness of emerging issues (ie through Society of County Treasurers) Cabinet Members to make challenging decisions over service levels.	M	Alex Thompson
7	Budget Consultation – failure to deliver a Politically acceptable set of policy proposals for consultation purposes.	M	Carry out stakeholder analysis and maintain regular contact with Departmental and Finance Leads to ensure Cabinet Members fully involved in development of proposals.	L	Alex Thompson

<b>Ref</b>	<b>Risk</b>	<b>Assessment of Risk (now) H / M / L</b>	<b>Proposed Mitigating Action</b>	<b>Assessment of Risk After Mitigating Action H / M / L</b>	<b>Manager</b>
8	Inadequate capacity within Financial Planning team due to delays in recruitment process / loss of temporary staff and expertise at critical time in process.	M	Ensure recruitment process is promptly completed and skilled team is available.	L	Alex Thompson
9	Organisational Capacity is limited through workload / illness / emerging issues so responding to deadlines is too challenging.	M	Early, quality, communications and engagement of key staff. Use Communications Team to assist and obtain buy-in from key senior officers to ensure relevant support is always provided	L	Alex Thompson



# 8. Glossary of Terms

*Cross references to other terms are shown in **bold**.*

**Accruals basis** – an accounting concept which requires that income and expenditure are recognised as they are earned or incurred, not as they are received or paid.

**Amortisation** – the loss in value of an intangible asset due to its use by the company is accounted for by means of amortisation. Amortisation is a so-called “non-cash” charge insofar as it merely reflects accounting assessments of the loss in value.

**Appropriations to / from reserves** – these are respectively, the movement of monies into **reserves** from the Revenue Account, or out of **reserves** to the Revenue Account.

**BVACOP Best Value Accounting Code of Practice** – prepared and published by **CIPFA** with the aim of modernising the system of local authority accounts and reporting. Provides standard service and subjective analyses of local government expenditure and income, and standard costing definitions.

**Billing authority** – a local authority empowered to set and collect **council taxes**, and manage the **Collection Fund**, on behalf of itself and local authorities in its area. In England, shire and metropolitan districts, the Council of the Isles of Scilly, unitary authorities, London Boroughs and the City of London are billing authorities.

**Budget requirement** – an amount calculated, in advance of each year, by each **billing authority**, by each **major precepting authority** and by each **local precepting authority**. It is broadly the authority’s estimated net **revenue expenditure** allowing for movement in reserves. It is, therefore, the estimate of the amount to be met from **Formula Grant**, **GLA** general grant and from **council tax** income.

**Business rates** – see **NNDR**.

**Capital charges** – charges to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

**Capital expenditure** – expenditure on the acquisition of fixed assets or expenditure, which adds to and does not merely maintain the value of existing fixed assets. This standard accounting definition is modified in local government by regulations and directions made under Local Government Act 2003.

**CERA Capital expenditure charged to revenue account** – a method of financing **capital expenditure** where the expenditure is financed directly from revenue account in the year it is incurred.

**CIPFA Chartered Institute of Public Finance and Accountancy** – the professional accountancy body for public services.

**Capital receipts** – income from the sale of capital assets. Such income may only be used for purposes authorised by regulations under Local Government Act 2003, for example to repay loan debt and to finance new **capital expenditure**.

**Capitalised current expenditure** – expenditure which would normally score as **current expenditure** but which a local authority has been allowed to capitalise by a direction issued by the Secretary of State (eg redundancy payments).

**Capping** – when the government limits a local authority's **budget requirement** and hence its **council tax**.

**Cash basis** – an accounting convention in which transactions are recorded in the period in which payment is made or received as opposed to the period in which the transaction took place (**accruals basis**). **Capital expenditure** and **capital receipts** were, for many years, recorded on a cash basis but local authorities now account for them on an **accruals basis**.

**Collection fund** – the fund administered by a **billing authority** (from 1 April 1993) into which **council taxes** are paid, and from which payments were made to the general fund of **billing and major precepting authorities**. **NNDR** collected by a billing authority is also paid into the fund before being passed on to central government for distribution to local authorities.

**Community assets** – are assets that the local authority intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal, for example parks and historic buildings.

**Community charge** – the local domestic charge that was in operation between 1 April 1990 and 31 March 1993. Also known as the 'poll tax'.

**Consumer Price Index** - The Consumer Prices (CPI) and the Harmonised Index of Consumer Prices (HICP) are the same index. The index has been designed as a macro-economic measure of consumer price inflation. It forms the basis for the Government's inflation target which the Bank of England's Monetary Policy Committee is required to achieve. It has been developed according to internationally agreed rules and is internationally known as the HICP. The HICP is used for international comparisons of inflation.

**Council tax** – a local charge (or charges) set by the **billing authority** in order to collect sufficient revenue to meet their demand on the **collection fund** and the precepts issued by the precepting authorities. It replaced the **community charge** on 1 April 1993 and is based on the value of the property and the number of residents. The Valuation Office Agency assesses the properties in each district area and assigns each property to one of eight valuation bands; A to H. The tax is set on the basis of the number of Band D equivalent properties. Tax levels for dwellings in other bands are set relative to the Band D baseline.

**Council tax benefit** – an income related social security benefit designed to help people on low income pay their **council tax**. Council tax benefit replaced community charge benefit on 1 April 1993.

**Council tax requirement** – for billing and local precepting authorities this is the amount calculated under section 97(1) of the 1988 Act to be transferred from the **Collection fund** to the General Fund (except where the amount calculated is negative, in which case it is the amount to be transferred from the General Fund to the **Collection fund**).

**Credit arrangements** – forms of credit that do not involve the borrowing of money by a local authority (e.g. finance leases).

**Current expenditure** – a general term for the direct running costs of local authority services including employee costs and running expenses but excluding capital financing charges. Particular definitions include **net current expenditure**.

**DSG Dedicated Schools Grant** – there was a change in the funding of **specific and formula grants** in 2006/2007 largely due to changes in the way that expenditure on schools is funded. From 2006/2007, local authorities receive Dedicated Schools Grant (DSG) as within specific grant rather than funding previously included in formula grant

**Deferred capital receipts** – these represent amounts derived from the sale of assets, which will be received in instalments over agreed periods of time. They arise mainly from mortgages on the sale of council houses and form the main part of mortgages.

**Deferred charges** – these represent expenditure of a capital nature where no fixed asset is created but which may properly be financed over a period of years, for example renovation grants.

**Depreciation** – Depreciation is the accounting recognition of the loss in value of a tangible fixed asset due to its use or its holding/ownership by the company. It thus covers two different phenomena: wear due to the use of a product (machines, fittings, cars, vehicles, buildings, etc.) and obsolescence, due to technological advances in the industry. Depreciation is a so-called “non-cash” charge insofar as it merely reflects accounting assessments of the loss in value.

**Distributable amount** – the amount of centrally-collected **NNDR** that is estimated to be available to be distributed to local authorities.

**Earmarked reserves – reserves** held by an authority which are to be used for specified purposes.

**EPCS Environmental, protective and cultural services** – one of the main blocks of local authority spending, which has its own relative needs formulae under the **RSG** system. The formulae are based on resident population and modified for sparsity, density, deprivation and for higher wage cost areas.

**Fees and charges** – see **sales, fees and charges**.

**FRS17 Financial Reporting Standard 17**– From 2003/2004 local authorities’ final accounts were required to comply in full with Financial Reporting Standard 17 (FRS17) on retirement benefits. This requires future liabilities for retirement benefits to be recognised in the accounts for all the main categories of local government employees (other than teachers).

**Fixed assets** – assets that yield benefits to the local authority and the services it provides for a period of more than one year.

**Formula Grant** – the main channel of government funding. This includes **Redistributed business rates, Revenue Support Grant**, and Police Grant. The distribution is determined by the four block model, taking account of authorities’ relative ability to raise **council tax** and the floor damping mechanism.

**GDP deflator** – the GDP implied deflator is a measure of general inflation in the domestic economy. It reflects the movements of hundreds of different price indicators (especially of wages and profits) for the individual components of **GDP**.

**Gearing** – a measure of the impact on council taxes of increasing budgets. This varies widely between local authorities. An authority that meets 25% of its **budget** through **council tax** is said to have a gearing of 4.0. Therefore, a 1% increase in budget would lead to a 4% increase in council tax.

**GFRA General Fund revenue account** – the General Fund is the fund within which, since April 1990, most transactions of a local authority take place. Other funds held by a local authority may include a **collection fund**, pension fund and trust funds held for charitable purposes. The General Fund revenue account holds the revenue transactions of the General Fund.

**GDP Gross domestic product** – is a measure of the total domestic economic activity. It is the sum of all incomes earned by the production of goods and services on UK economic territory, wherever the earner of the income may reside. GDP is equivalent to the value added to the economy by this activity. Value added can be defined as income less intermediate costs. Therefore growth in GDP reflects both growth in the economy and price changes (inflation).

**Gross expenditure** – see **total gross expenditure**

**Gross total cost** – includes all expenditure relating to a service/activity, including employee costs, expenditure costs, expenditure relating to premises and transport, supply and services, third party payments, transfer payments, support services and **capital charges**. Specifically it includes **capital charges** calculated in accordance with existing capital accounts guidance, but with certain aspects changed.

**Hereditament** – property which is or may become liable to **NNDR**, and thus appears on the rating list, compiled and maintained by the Valuation Office Agency of HM Revenue and Customs.

**Housing benefit** – financial help given to local authority or private tenants whose income falls below prescribed amounts. Central government finances about 95% of the cost of benefits to non HRA tenants ('rent allowances') and the whole of the cost of benefits to HRA tenants. Some local authorities operate 'local schemes' whereby they finance allowances in excess of the standard payments.

**HRA Housing revenue account** – a local authority statutory account, within the general fund, covering current income and expenditure on its housing services relating to its own housing stock.

**Hypothecated grants** – see **ring fenced grants**.

**Impairment** – this is where the value of an asset falls below the carrying (or book) value in the accounts and so to reflect the commercial reality of the situation a charge is made in the running costs.

**Intangible asset** – this is a non-physical fixed asset. Intangible fixed assets include patents, brands, etc.

**Joint arrangements** – refers to the transfer of money between one local authority and another, as distinct from joint arrangements between local authorities and health authorities, fishery boards or any outside bodies. This includes situations where two or more authorities jointly finance an enterprise, or where one authority carries out work on behalf of another.

**LSVT Large and Small scale voluntary transfer** – transfer of council housing stock to Registered Social Landlords.

**Levy** – a payment that a local authority is required to make to a particular body (a levying body). Levying bodies include national parks authorities and passenger transport authorities.

**Local precepting authority** – parish councils, chairmen of parish meetings, charter trustees and the treasurers of the Inner and Middle Temples. These local authorities make a **precept** on the **billing authority's** general fund.

**Major precepting authority** – county councils, police authorities, metropolitan county fire and civil defence authorities, combined fire and rescue authorities and the **GLA**. These local authorities make a **precept** on the **billing authority's collection fund**.

**MRP Minimum revenue provision** – the minimum amount which must be charged to a revenue account each year and set aside as provision for repaying borrowing and meeting other credit liabilities.

**NNDR National non-domestic rates** – are a means by which local businesses contribute to the cost of local authority services. They are also known as **business rates**. On 1 April 1990 the rating of non-domestic (mainly commercial and industrial) properties was substantially reformed. Before 1990/1991, rate poundages were set individually by local authorities and varied from authority to authority. Since 1 April 1990, a single national poundage has been set by the Government.

**National non-domestic rates multiplier** – the factor by which a **hereditament's** rateable value is multiplied in order to calculate the gross rates due on it before deductions.

**NCE Net current expenditure** – is, essentially, spending on services. It is defined as expenditure on employees and running expenses net of **sales, fees and charges**, internal recharges, other non-grant income (such as receipts from other authorities), but gross of expenditure funded by **specific grants** and interest receipts.

**NRE Net revenue expenditure** – is derived from revenue expenditure by deducting expenditure funded by specific grants inside **AEF**. It also represents spending other than the use of reserves, to be funded by the **budget requirement**.

**(Net total cost** – is **gross total cost** less income including **sales, fees and charges** and all **specific grants** (i.e. all grants except **general grants**).

**Net total cost excluding specific grants** – is **gross total cost** less income other than **specific grants**. This is equivalent to **net current expenditure** plus **capital charges**.

**NDPB Non-departmental public bodies** – an organisation that is not a government department but which has a role in the processes of national government, these include organisations such as the Sports Council, English Heritage and Natural England.

**Non-operational assets** – are **fixed assets** held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

**ONS Office for National Statistics** – is the government agency responsible for compiling, analysing and disseminating many of the United Kingdom's economic, social and demographic statistics including the **Retail Price Index**, trade figures and labour market data as well as the periodic census of the population and health statistics.

**Operational assets** – are **fixed assets** held and occupied, used or consumed by a local authority in the direct delivery of those services for which it has either a statutory or a discretionary responsibility.

**Pension funds** – for the Local Government Pension Scheme, the funds that invest employers' and employees' pension contributions in order to provide pensions for employees on their retirement and pensions for employees' dependants in the event of death of the employee. The Local Government Pension Scheme consists of 81 pension funds that provide pensions for most local government workers in England, excluding teachers, police and firefighters.

**Precept** – the amount of money (**council tax**) that a **local** or **major precepting authority** has instructed the **billing authority** to collect and pay over to it in order to finance its net expenditure, i.e. **budget requirement** less income from **NNDR** and **RSG**.

**PFI Private finance initiative** – started in 1997/1998, PFI offers a form of **Public-private partnership** in which local authorities do not buy assets but rather pay for the use of assets held by the private sector.

**Procurement** – expenditure on goods and services

**Provisions** – sums set aside to meet any liabilities or losses in respect of a past event which are likely or certain to be incurred, but uncertain as to the amounts or dates on which they will arise.

**Prudential capital finance system** – this is the informal name for the system introduced on 1 April 2004 by Part 1 of the Local Government Act 2003. It allows local authorities to borrow without Government consent, provided that they can afford to service the debt from their own resources.

**The Prudential Code** – a professional code of practice prepared by **CIPFA**, for the prudential system introduced on 1 April 2004 (see **Prudential capital finance system**). Local authorities are required by legislation to have regard to the Code.

**PPP Public-private partnership** – a joint venture where the private sector partner agrees to provide a service to a public sector organisation. The **PFI** is one form of a PPP.

**Public sector net borrowing** – a concept based on internationally agreed definitions. It measures the change in the public sector's accruing net financial indebtedness. It is an accrual concept, whereas the closely related net cash requirement is almost entirely a cash measure. It is the government's preferred measure of the short term impact of fiscal policy.

**Recharges** – the collective term for accounting entries representing transfers of (or to cover) costs initially debited elsewhere. They therefore comprise apportionments and charges.

**Redistributed non-domestic rates** – **non-domestic rates** which, having been paid into the non-domestic rating pool, are redistributed between local authorities on the same basis as **Formula Grant**. (See **NNDR**).

**Reserves** – sums held to finance future spending for purposes that are not specifically provided for (as with a **provision**). Reserves held for stated purposes are known as **earmarked reserves**. The remainder is **unallocated reserves**.

**RPI Retail price index** – is the main domestic measure of inflation in the UK. It measures the average change in the prices of goods and services purchased by most households in the UK.

**RA Revenue accounts budget estimates return** – **General Fund Revenue Accounts** return for budget estimates.

**RG Revenue accounts budget estimates return:** return for budget estimates of income from **specific grants** and **special grants**.

**Revenue expenditure** – in a general sense, expenditure on recurring items including the running of services and capital financing. A particular definition of revenue expenditure is that derived from **gross revenue expenditure** by deducting spending met by grants outside **AEF** (including rent allowance grant, mandatory student awards grant and council tax benefit grant).

**RO Revenue Outturn Returns** – suite of forms gathering outturn figures for the **General Fund Revenue Account** consisting of the RS, RG, RO1 to RO6, **TSR** and **SAR**.

**RSG Revenue Support Grant** – a general grant which replaced rate support grant in 1990/1991. Now it is distributed as part of **Formula Grant**.

**Ring-fenced grants** – these grants fund particular services or initiatives considered a national priority, and must be spent on a particular service.

**Sales, fees and charges** – charges made to the public for a variety of services such as the provision of school meals, meals-on-wheels, letting of school halls and the hire of sporting facilities, library fines and planning application fees.

**Settlement** – the Local Government Finance Settlement is the annual determination made in a Local Government Finance Report by affirmative resolution of the House of Commons in respect of the following year of: the amount of Revenue Support Grant and Non Domestic Rates to be distributed to local authorities; how that support will be distributed; and the support for certain other local government bodies.

**Small business rate relief** – The scheme offers rate relief at 50% to eligible.

**Specific formula grants** – these are distributed outside the main formula, but do not have to be spent on a specific service, for example the Neighbourhood Renewal Fund.

**Specific grants** – these are grants paid by various government departments outside the main formula. They include **ring-fenced grants** and **specific formula grants**.

**SORP Code of Practice on Local Authority Accounting in the United Kingdom – a Statement of Recommended Practice** – prepared by a joint committee of **CIPFA** and the Local Authority (Scotland) Accounts Advisory Committee. The Code gives a comprehensive statement of the accounting concepts, accounting policies and estimation techniques to be followed by local authorities, and also sets out the format of the accounting statements.

**SCE Supported Capital Expenditure** – the term for most forms of central government support for local authority **capital expenditure** from 1 April 2004. Supported Capital Expenditure (Revenue) **SCE(R)** – is the amount of expenditure towards which revenue grant support will be paid to a local authority on the cost of its borrowing. The revenue grant support is provided to help authorities with the costs of financing loans. Supported Capital Expenditure (Capital) – **SCE(C)** – is the term used for capital grants.

**Sustainable investment rule** – this is a fiscal rule which requires that public sector net debt, as a proportion of **Gross Domestic Product (GDP)** will be held, over the economic cycle, at a stable and prudent level.

**Tangible fixed asset** – this is defined as a physical fixed asset and includes land, buildings, plant and machinery. These are held for use for by the authority for a period over more than one year.

**Taxbase** – the number of Band D equivalent properties in a local authority's area. An authority's taxbase is taken into account when it calculates its **council tax**, and when central government calculates allocations of formula grant.

**Total cost** – see **gross total cost** and **net total cost**.

**Total gross expenditure** – gross spending, taking all local authority accounts together (except pension funds), after eliminating double counting of flows between services, accounts and other authorities, where this is possible. Total gross expenditure is divided into gross **revenue expenditure** and gross **capital expenditure**

**TME Total managed expenditure** – this includes **current** and **capital expenditure** as well as depreciation but excludes financial account transactions.

**Trading services** – local authority services, which are, or are generally intended to be, financed mainly from charges levied on the users of the service. External trading services are typically organisations funded mainly by sales outside the authority. Internal trading services are typically organisations funded mainly through contracts with local authority departments, with the authority funding any loss, or receiving any surplus at the end of each year.

**TSRA Trading services revenue account** – a local authority account, covering current income and expenditure on its **trading services**.

**Unallocated reserves – reserves** held by an authority which may be used for any purpose.

**Unhypothecated grant** – see **general grant**.





# Annexes

## Annex 1 ~ Response to Feedback on 2010 Process

Feedback	Response	Reference:
The Budget Setting Process needs to be aligned with key stakeholders	Meetings arranged with Police, Fire and Central and Eastern Cheshire PCT	Annex 5
Greater engagement of CMT in the processes through regular discussions	To be addressed as part of the new timetable	Section 3
Share a draft timetable as soon as possible	CMT will receive the draft timetable as part of a comprehensive BPP report	Section 3 Paragraph 30
Full alignment with the Corporate / Service planning process is essential	To be addressed through meetings with Policy and Performance.	Section 3 Paragraphs 24 to 29
Important to ensure proposals are deliverable	Enhanced Policy Proposal forms will be a key element of the Challenge Process. Officers will be given adequate time to submit proposals	Section 3
Cabinet need to provide a clear steer on their wishes for the next three years	To flow from Community Strategy and away days.	-
Need to promote positive messages that the Council is in a relatively strong Financial position	To be addressed in material for publication and consultation events though consultation with Communications Team and regular briefings.	Section 6
How to deal with non ring fenced funding sources and total place issues	Community Strategy to provide clear direction but further development required.	Section 4
Use standard terminology throughout the process	This will be actioned and a glossary of terms produced and refined.	Section 8
Care re magnitude of central adjustment and scope to create or remove a funding gap	Full details of assumptions, impact and sensitivity to be reported to Cabinet.	Section 2
Maintain format on five measures throughout the process	Agreed	Section 2 Paragraph 15

Feedback	Response	Reference:
<b>The following items will be addressed by the Borough Treasurer &amp; Head of Assets and the Head of Policy &amp; Performance during the process</b>		
Create Budget impact briefing earlier in the process and keep it up to date	This will be developed.	
Provide summarised information wherever possible	This will be addressed	
Handle the detailed Fees and Charges Schedule separately from the main budget setting process.	Agreed ~ delegated decisions to managed	
Circulate Challenge pages well in advance to ensure they can be read	Agreed	
Themed approach to avoid silos	To be developed with Policy & Performance and Transformation Teams.	
Aim for Comprehensive Business Plan and Annual Report	This is the goal of the above developments	
Ensure purpose and outcomes of each meeting are clear	All reports will contain scene setting, purpose and implications of delay in decision making. Outcomes will be circulated to Cabinet and CMT after each stage is complete.	
Challenge meetings should not be used to create policy	This is agreed and the challenge meetings will be chaired by Lisa Quinn with feedback recorded for the Chief Executive & Leader of the Council, and Corporate Management Team.	
Set up Challenge meetings further in advance and ensure all relevant parties can attend	The meetings will be staged for late September.	
Adopt standard approach to Challenge and ensure that all service areas are considered	Chair will adopt consistent approach with agenda / key questions.	

## Annex 2

### Notes on Financial Assumptions:

#### i) **Council Taxbase**

This represents the estimated number of band D equivalent properties used for setting the Council Tax. The 2010/2011 taxbase was 145,171 with each 0.1% change equating to £0.177m.

#### ii) **Pay Inflation**

Pay inflation is applied to 62% of the budget. On a base of £133m each 1% equals £1.33m. In response to the unions' claim of 2.5%, the local government employers are seeking a pay freeze for 2010/2011. Inflation (CPI) is currently running at 3.7% per annum, but given the current economic situation, the council tax freeze and reductions in revenue grant funding by central government in 2010/2011 of £2m with further reductions expected in future years, it is assumed that no pay award will be made.

(Sources

- Office for National Statistics Consumer Price Index annual rate of inflation at April 2010
- Local government employers letter of 20 January on pay 2010/2011 on their website
- "The Coalition Programme for Government May 2010" on freezing Council Tax for at least one year and seeking to freeze it for a further year
- Department of Communities & Local Government paper June 2010 "Local government contribution to efficiencies in 2010/2011" on grant reductions).

#### iii) **Non Pay Inflation**

Non pay inflation is applied to 38% of the budget (net of all fees and charges). Based on a budget of £82m each 1% equals £0.8m. With inflation currently running at 3.7% per annum, the Authority is facing considerable inflationary pressure. Therefore, an assumption of 3% per annum is recommended plus an additional provision for exceptional items at 1.75% per annum.

#### iv) **Pensions**

This relates to a provision for the additional employer contributions resulting from an actuarial review. A half percent increase in the employers contributions each year for 2011/2014. For 2011/2012 this amounts to £0.7m.

The Coalition have also announced that there will be a review of Public Sector Pensions, which could unveil early steps by September 2010, with full proposals by April 2011.

(Note – The results of the Actuarial valuation will not be known until the Autumn, but Cheshire Pension Fund is suggesting ways to mitigate the likely increases to employers contribution rates. The current thinking is a cap on increases of 0.5% each year. The assumption above is based on that level of increase).

**v) Capital Financing**

Capital Financing consists of interest on loans plus provision for the repayment of loans net of interest receivable on cash balances. The current figures of £15m in 2011/2012, and £16m in 2012/2013 and 2013/2014 are very much provisional ones and will be further developed during the year. Originally a £2m reduction for 2010/2011 was agreed as part of the Budget setting process, but the provisional figures currently reflect the worst case scenario and do not include this reduction.

**vi) Contribution to / from Reserves**

A one off allocation from / to the financial scenario to the Council's General Reserves. A minimum strategic level of reserves will be maintained in accordance with the Reserves Strategy approved as part of the MTFS process for 2009/2010. 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.

## Annex 3

### Options for Allocation of Budget Savings Targets

Method of Target Allocation	Strengths / Opportunities	Weaknesses / Threats
Allocate targets to services pro-rata to Base Budgets.	<ul style="list-style-type: none"> <li>- Difficult to argue against.</li> <li>- Equitable.</li> <li>- Feasible.</li> </ul>	<ul style="list-style-type: none"> <li>- Ignores differing needs / priorities in services.</li> <li>- Does not take into account income sources, such as grant funding, or size of gross budget.</li> </ul>
Allocate targets to services pro-rata to Base Budgets. Set savings in excess of target to create a fund for targeted investment.	<ul style="list-style-type: none"> <li>- Difficult to argue against.</li> <li>- Equitable.</li> <li>- Feasible.</li> <li>- Allows targeted investment.</li> </ul>	<ul style="list-style-type: none"> <li>- Does not take into account income sources, such as grant funding, or size of gross budget.</li> </ul>
Plus or minus against each service – related to priorities. This would require: <ul style="list-style-type: none"> <li>- a link between the priorities and individual service areas</li> <li>- a percentage or financial change scale.</li> </ul>	<ul style="list-style-type: none"> <li>- Clear steer over direction for each service.</li> <li>- Allows redistribution to priority areas.</li> </ul>	<ul style="list-style-type: none"> <li>- May not provide sufficient clarity over expectations.</li> <li>- Negative impact on morale for services classified as a minus.</li> <li>- Might not address poor VFM in certain areas.</li> <li>- Pre- empts further debate on resource allocation.</li> </ul>
Acknowledge growth pressures raised by services i.e. ringfencing growth areas and pro-rata the savings required.	<ul style="list-style-type: none"> <li>- Ensures services take a long-term view of growth</li> </ul>	<ul style="list-style-type: none"> <li>- Ultimate focus on year one may mean plans are out of date.</li> <li>- Higher targets across the board.</li> <li>- Small levels of growth included in 2011/2013.</li> <li>- Can encourage overstating of growth in later years offset by unspecified savings.</li> <li>- Needs to be linked to outturn forecasts.</li> </ul>

## Annex 4

### A Structured Approach to Financial Management

The 2010/2013 Financial Planning Process was approved by Cabinet in June 2009. It 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.

#### • Stage One – May to July 2010 – Establish Baseline

There is a need to establish the starting point for planning purposes in terms of:

- Detailed base budgets.
- Identifying permanent adjustments following revised structures.
- Identify significant emerging issues and progress to date e.g. Growth Incentives, etc. to establish any potential impact.

#### • Stage Two – June to September 2010 – 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 2010/2011 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 2010 to January 2011 – 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 2011.

#### • Stage Four – January to February 2011 – Finalisation of the 2011/2012 Budget

This stage involves budget consultation, final adjustments and refinements and the setting of the Budget and Council Tax for 2011/2012.

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

## Annex 5

### Alignment of Key Partner Financial Planning Processes

#### High Level Budget Setting Timetable Setting out Key Areas for Alignment

2010/2011	Central & Eastern Cheshire PCT	Cheshire Fire and Rescue Service	Cheshire Police Authority	Cheshire East Council
April				
May				
June				Financial Scenario Consult on Corporate Priorities
July	<b>Agree Common Key Planning Assumptions</b>	<b>Agree Common Key Planning Assumptions</b>	<b>Agree Common Key Planning Assumptions</b>	<b>Agree Common Key Planning Assumptions</b>  Launch Process and Targets
August	<b>Prepare High Level Proposals</b>	<b>Prepare High Level Proposals</b>	<b>Prepare High Level Proposals</b>	<b>Prepare High Level Proposals</b>
September	Refresh Summary 5 year Plan based on assumptions & scenarios  <b>Understand Funding Flows</b>			Challenge Directorate Responses  <b>Understand Funding Flows</b>



2010/2011	Central & Eastern Cheshire PCT	Cheshire Fire and Rescue Service	Cheshire Police Authority	Cheshire East Council
October	Consult on Service Priorities PCT Challenge responses			Refine Responses
November	Consult on Service Priorities PCT Challenge responses			Consult on Service Priorities Challenge - Phase 2
December	Operating Framework normally published late December	Provisional Funding Announced	Provisional Funding Announced	Provisional Funding Announced
January	Refinement & Submission of 5 year Commissioning Plan to DOH  <b>Draft Pre Budget Report</b>  <b>Consultation on Pre-Budget Report</b>  Engagement & Communication with Providers  Final Funding Clarification	   <b>Consultation</b>      Final Funding Announced	   <b>Consultation</b>      Final Funding Announced	<b>Publish Pre-Budget Report</b>   <b>Consultation on Pre-Budget Report</b>   Final Funding Announced

2010/2011	Central & Eastern Cheshire PCT	Cheshire Fire and Rescue Service	Cheshire Police Authority	Cheshire East Council
February	Set Budgets & submit Initial Financial Plan for 2010/2011 & 2011/2012 to DOH  <b>Form part of Council Tax Leaflet</b>	Set Budget and Council Tax  <b>Form part of Council Tax Leaflet</b>	Set Budget and Council Tax  <b>Form part of Council Tax Leaflet</b>	Set Budget and Council Tax  <b>Form part of Council Tax Leaflet</b>
March	Submit Final Financial Plan for 2010/2011 & 2011/2012 to DOH  Board Approval of Budget Book	Produce Budget Book	Produce Budget Book	Produce Budget Book



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

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<b>Date of Meeting:</b>	19 <sup>th</sup> July 2010
<b>Report of:</b>	Head of Human Resources and Organisational Development
<b>Subject/Title:</b>	Corporate Plan
<b>Portfolio Holder(s)</b>	Councillor Brown

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**1.0 Report Summary**

- 1.1 To update Members on the outcome of consultation about the Corporate Plan.

**2.0 Decisions Requested**

- 2.1 To determine any final amendments to the Corporate Plan and to recommend that it be adopted by Council on 22<sup>nd</sup> July 2010.

**3.0 Reasons for Recommendations**

- 3.1 To enable the Corporate Plan to be adopted by the Council.

**4.0 Wards Affected**

- 4.1 All.

**5.0 Local Ward Members**

- 5.1 All.

**6.0 Policy Implications including**

- 6.1 The Corporate Plan provides the framework for all policy development within the Council. It is important that the priorities plans and ambitions set out within the plan are translated into objectives and actions for delivery within departmental, service, team and individual performance plans.

**7.0 Financial Implications 2010/11 and beyond (Authorised by the Borough Treasurer)**

- 8.1 There are likely to be financial implications in delivering the plan. In planning the delivery of the plan the Council will need to prioritise key actions and allocate available resources accordingly.

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

- 9.1 The Corporate Plan forms part of the Policy Framework and must be submitted to Council for adoption following a process prescribed in the Budget and Policy Framework Procedure Rules.

## **10.0 Risk Management**

- 10.1 None

## **11.0 Background and options**

- 11.1 The Council's inaugural Corporate Plan was adopted on an interim basis for 2009/10 in order to set direction and allow Cheshire East to set a budget.
- 11.2 This plan now needs to be replaced and we have an option to either refresh the original plan for a further year or to produce a new plan aligned to the Council's mid term financial planning. In order to provide a longer term focus on our plans along with how the Council's resources should be prioritised, a decision was taken to produce a three year Corporate Plan for the period 2010 to 2103.
- 11.3 The purpose of the Corporate Plan is to set the overall strategic direction of the Council for the next three years, against which the objectives, priorities resources and actions of the Council and it's departments, services, teams and individuals can be aligned, set and performance managed.
- 11.4 In terms of its production, the draft plan emerged from the Cabinet and CMT away-day on 26<sup>th</sup> January 2010 (which looked at the Council's vision and priorities) and from the 2010 to 2013 business planning consultation process in January. In pulling the outcomes of the away-day together it was evident that the priorities identified could be readily grouped in 5 areas, which have become the 5 proposed Corporate Objectives, as follows:
- To give the people of Cheshire East more choice and control about services and resources.
  - To grow and develop a sustainable Cheshire East.
  - To improve life opportunities and health for everybody in Cheshire East.
  - To enhance the Cheshire East environment.
  - Being an excellent Council and working with others – to deliver for Cheshire East.
- 11.5 The plan along with the 5 proposed objectives have been the subject of consultation with; CMT, SMT, the Chairs and Vice Chairs of Scrutiny, a Member briefing and Cabinet formally on 14<sup>th</sup> June 2010. Arising from this further drafting amendments have been made since Cabinet

considered the draft plan. These further amendments have been in the form of minor changes and improvements to the terminology used and some changes to the layout of Appendix 1. In addition section 9 “How We Will Resource Our Priorities” has been updated. The final version of the report however has changed little from the version Cabinet has already considered.

- 11.6 As the final stage of the consultation process the five Scrutiny Committees will consider the plan during July, culminating at the Sustainable Communities Scrutiny Committee on 15<sup>th</sup> July. Appropriate minutes from the Scrutiny Committees will be tabled at the Cabinet meeting in order that the views of the Committee can be considered. A verbal update can also be provided.
- 11.7 A copy of the Corporate Plan will be circulated to all Members of the Council early in July by Democratic Services. Further copies will not be included within the agenda packs for Cabinet and the Scrutiny Committees and Members are asked to bring their copy with them to the forums they sit on. Further copies will of course be available on the day should they be required.

## **12.0 Access to Information**

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

Name: Paul Bradshaw  
Designation: Head of HR & OD  
Tel No: 01270 686027  
Email: [paul.bradshaw@cheshireeast.gov.uk](mailto:paul.bradshaw@cheshireeast.gov.uk)

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## **CHESHIRE EAST COUNCIL**

### **REPORT TO: Cabinet**

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**Date of Meeting:** 19<sup>th</sup> July 2010  
**Report of:** Head of Policy & Performance  
**Subject/Title:** Cheshire East Sustainable Community Strategy  
**Portfolio Holder:** David Brown

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#### **1.0 Report Summary**

- 1.1 To update Members on the outcome of consultation about the Sustainable Community Strategy.

#### **2.0 Decisions Requested**

- 2.1 To determine any final amendments to the Sustainable Community Strategy and to recommend that it be adopted by Council on 22<sup>nd</sup> July 2010.

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

- 3.1 To enable the Sustainable Community Strategy to be adopted by the Council.

#### **4.0 Wards Affected**

- 4.1 All

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

- 5.1 All

#### **6.0 Policy Implications**

- 6.1 The Sustainable Community Strategy provides the framework for all policy development within Cheshire East. It is important that the priorities and ambition set out in the Strategy are translated into delivery through partner agencies' business plans and issue based plans.

#### **7.0 Financial Implications 2010/11 and beyond (authorised by the Borough Treasurer)**

- 8.1 There are likely to be financial implications in delivering the Strategy. In planning its responsibilities in delivering the Strategy, the Council will need to prioritise key actions and allocate resources accordingly.

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

- 9.1 The Sustainable Community Strategy forms part of the Policy Framework and must be submitted to Council for adoption following a process prescribed in the Budget and Policy Framework Procedure Rules.

## 10.0 Risk Management

10.1 None

## 11.0 Background and Options

11.1 Over recent months, the Cheshire East Local Strategic Partnership (LSP) has been preparing a Sustainable Community Strategy for Cheshire East. The purpose of the Strategy is to set the overall strategic direction and long term vision for the economic, social and environmental well-being of the area from 2010 to 2025, in a way that contributes to sustainable development. It tells the 'story of the place' backed by clear evidence and analysis.

11.3 Preparation of the strategy began at the first LSP Assembly in October 2009 and a range of engagement and consultation activities took place in the early part of 2010. These enabled service providers, businesses, town & parish councils, community & voluntary groups and members of the public to shape the Strategy.

11.3 In terms of its production, the draft Strategy has emerged from this extensive engagement exercise and it became evident that the priorities identified could be readily grouped in 7 areas which have become the 7 priorities for action as follows:

- Nurture strong communities
- Create conditions for business growth
- Unlock the potential of our towns
- Support our children and young people
- Ensure a sustainable future
- Prepare for an increasingly older population
- Drive out the causes of poor health

*The vision which emerged is that "Cheshire East is a prosperous place where all people can achieve their potential, regardless of where they live. We have a beautiful productive countryside, unique towns with individual character and a wealth of history and culture. The people of Cheshire East live active and healthy lives and get involved in making their communities safe and sustainable places to live"*

11.4 The Strategy along with the vision and priorities has been the subject of consultation with CMT, Sustainable Communities Scrutiny Committee and Cabinet formally on 14<sup>th</sup> June 2010. Arising from this, further drafting amendments have been made since Cabinet considered the draft Strategy. These further amendments have been in the form of changes and improvements to the terminology used. In addition, the priority area of Supporting our Children and Young People has been updated. Other than this, the final version has changed little from the version Cabinet has already considered.

11.5 As the final stage of the consultation process Sustainable Communities Scrutiny Committee will consider the Strategy on 15<sup>th</sup> July. Appropriate minutes from the Scrutiny Committee will be tabled at the Cabinet meeting in order that

the views of the Committee can be considered. A verbal update can also be provided.

- 11.6 The Executive Board of the Local Strategic Partnership considered the draft Strategy at its meeting on 28<sup>th</sup> June, 2010 and agreed to adopt the Strategy on behalf of the Partnership.

## **12.0 Access to Information**

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

Name: Zandra Neeld  
Designation: Strategic Partnerships Manager  
Tel No: 01270 686633  
Email: [zandra.neeld@cheshireeast.gov.uk](mailto:zandra.neeld@cheshireeast.gov.uk)

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# **CHESHIRE EAST COUNCIL**

## **REPORT TO: CABINET**

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**Date of Meeting:** 19<sup>th</sup> July  
**Report of:** Adrian Fisher, Head of Planning and Policy  
**Subject/Title:** Extension of Conservation Areas :  
1. Moody Street, Congleton  
2. West Street, Congleton

**Portfolio Holder:** Cllr Jamie Macrae

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### **1.0 Report Summary**

- 1.1 The purposes of the two Conservation Area Appraisals which have been undertaken are, in accordance with the methodology recommended by English Heritage, to define and record the special architectural and historic interest of the West Street and Moody Street Conservation Areas in Congleton. The West Street Conservation Area was designated by Cheshire County Council in 1969 and the boundaries were amended by Congleton Borough Council in 1980. The Moody Street Conservation Area was designated by Congleton Borough Council in 1980 and the boundaries amended in 1990.
- 1.2 The draft Conservation Area appraisals were both approved for consultation purposes, in early 2010 and were subject to consultation over a 6 week period between the 12<sup>th</sup> March and 23<sup>rd</sup> April 2010. The public consultation has resulted in modifications to the content of both the Moody Street and West Street Conservation Area Appraisals and changes to the recommended boundary revisions. A total of eight written responses were received during the consultation period. These representations are summarised in the reports in Appendix 1.

### **2.0 Decision Requested**

- 2.1 That Cabinet approves the amended extensions to the boundaries of the Conservation Areas for formal designation and that the Conservation Area Appraisals be adopted.
- 2.2 That it be noted that the Strategic Director Places and/or the Head of Planning and Policy will undertake all necessary formal procedures and notices to amend the Conservation Area boundaries; including complying with statutory requirements and notifying all property owners, Local Land charges and G.I.S., and that such officers be authorised, so far as is necessary, to undertake such steps.

### **3.0 Reasons for Recommendations**

- 3.1 To allow the formal adoption of the Moody Street and West Street Conservation Area Appraisals incorporating some, though not all, of the proposed changes to the boundary, and incorporating actions identified in the management proposal.

### **4.0 Wards Affected**

- 4.1 Congleton Town East and West

**5.0 Local Ward Members**

5.1 Congleton Town East and West

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

6.1 Neither Conservation Area appraisals contain any policy implications for climate change and health.

**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 costs of consultation and notification attached to the adoption of the Conservation Area appraisal will be met within the 2010/11 budget for Spatial Planning.

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

9.1 Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990 places an obligation on local planning authorities from time to time to determine which parts of their area are areas of special architectural or historic interest, the character or appearance of which it is desirable to preserve or enhance, and to designate those areas as Conservation Areas. A duty to review from time to time the past exercise of these functions and to determine whether any further parts should be designated is included.

Section 70 of the Planning (Listed Buildings and Conservation Areas) Act 1990 requires the local planning authority to notify the Secretary of State and of the designation, and to advertise the designation in the London Gazette and at least one local newspaper, in this case the Congleton Chronicle. Further notification, such as to English Heritage and local residents is clearly also advisable and recommended.

**10.0 Risk Management**

10.1 Failure to follow the required process could result in challenge. However, statutory requirements of the Conservation Area appraisal have been met.

**11.0 Background and Options**

11.1 It is the responsibility of Cheshire East Council to determine which parts of its area are considered to be of architectural or historic interest, the character or appearance of which it would be desirable to preserve or enhance, and to designate such areas as Conservation Areas. Government guidance and established best practice stress the need for proper assessment of such areas by means of a “character appraisal” to determine their merit for Conservation Area status and for the public consultation to be undertaken prior to designation.

11.2 The purpose of the Conservation Area appraisal is to

- Identify those elements of a Conservation Area that contribute to its character.
- Identify elements which detract from the character
- Propose measures to maintain or improve the positive character, local distinctiveness and sense of place within Congleton.

11.3 It is a statutory duty to review existing boundaries from time to time, understanding the character of the Conservation Area and the public perceptions of it. Alongside the Conservation Area boundary review, Article 4 (2) Directions can be introduced to limit the alterations that can be made without the need for planning permission. They do so only on residential properties and on their elevations that front a highway. This recommendation is supported by the community and could be introduced as part of a longer term management plan for the area, requiring additional work and consultation to introduce it.

11.4 The main implications of Conservation Area designation would be:-

- Conservation Area consent would be required prior to demolition of any buildings.
- Six weeks' prior notification of any tree felling, topping or lopping would be required (over a 75mm trunk diameter and 1m off the ground applies to this ruling)
- Additional planning controls would be introduced. Most works to the exterior of buildings would require planning permission.
- In the determination of applications for development, the Council is required to have special regard to the character and appearance of the area.

11.5 The draft Moody Street and West Street Conservation Area Appraisals went to simultaneous public consultation over a 6 week period between the 12<sup>th</sup> March 2010 to 23<sup>rd</sup> April 2010. The Conservation Officer and the consultant who wrote the Appraisals held two well attended ‘surgeries’ at Congleton Library on the evening of 22<sup>nd</sup> March and the morning of 23<sup>rd</sup> March.

Consultation Publicity included:

- Notification to Congleton Town Council
- Written notification to the occupiers of all buildings within the proposed new extended boundaries of the Conservation Area.
- The public exhibitions at Congleton Library on 22<sup>nd</sup> and 23<sup>rd</sup> March at which Michael Scammell, Cheshire East Conservation Officer and Kathryn Sather of Kathryn Sather Associates, author of the Appraisals, were available to listen to concerns, answer any questions and offer advice. Well over twenty persons expressed their views and a total of six written responses were subsequently received. These are summarized in Appendix 1.

Copies of the document were available for public view at Congleton Library. A Press Release was also issued on the 10<sup>th</sup> March 2010 and publication of the draft Appraisal available for download on the Cheshire East website.

Details of responses and proposed actions are set out in Appendix 1. Two representations requested extension of the Moody Street Conservation Area to include the allotments on Swan

Meadow. This small plot of private allotments has a clear historic link to the early Victorian terraced housing in the adjacent streets and helps to illustrate the social history of the area. The boundary line has been revised to incorporate these areas; the revised Conservation Area boundary is shown in Appendix 2.

One representation requested the revision of the boundary line along West Street to exclude vacant commercial and industrial buildings. This prompted a review which did identify the car park and other subsidiary areas as marginal in terms of positive contribution to historic character. It is important to assess character areas carefully to avoid inclusion of elements which may devalue the overall quality of the proposed area. The boundary line has been revised and is shown in Appendix 2. Copies of the representations are available for inspection in the Planning Department.

Owners of affected houses were consulted on the proposal to extend the Conservation Area in March and April and the five supportive responses received and one objection are summarised in Appendix 1. Written notification will be sent to all properties within the Conservation Area boundaries in the event of formal adoption of the appraisal and extension of the boundaries.

Both Congleton Town Council and Congleton Partnership have stated their willingness for Cheshire East Council to proceed with the designation of the boundary changes and adoption of the appraisal.

### 12.0 APPENDIX

Appendix 1 – Revised Conservation Area boundaries for Moody Street and West Street, Congleton

Appendix 2 – Conservation Area Appraisal for Moody Street

Appendix 2 – Conservation Area Appraisal for West Street, Congleton

Appendix 4 – The report of Consultation on the Conservation Area Appraisals-

### 13.0 *For further information*

**Portfolio Holder:** Councillor Jamie Macrea

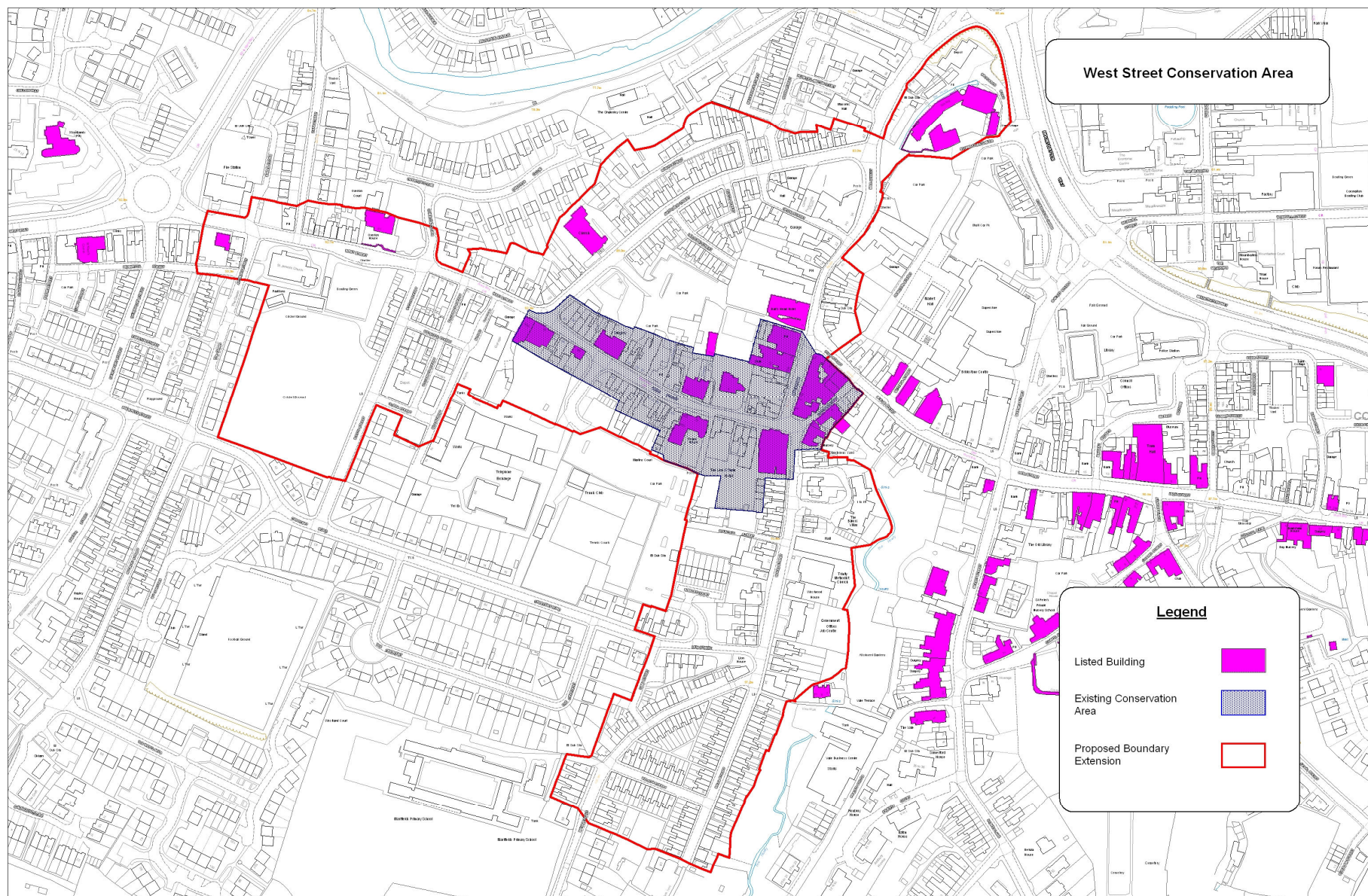
**Officer:** Design and Conservation Officer, Emma Mellor

**Telephone;** 01625 504672

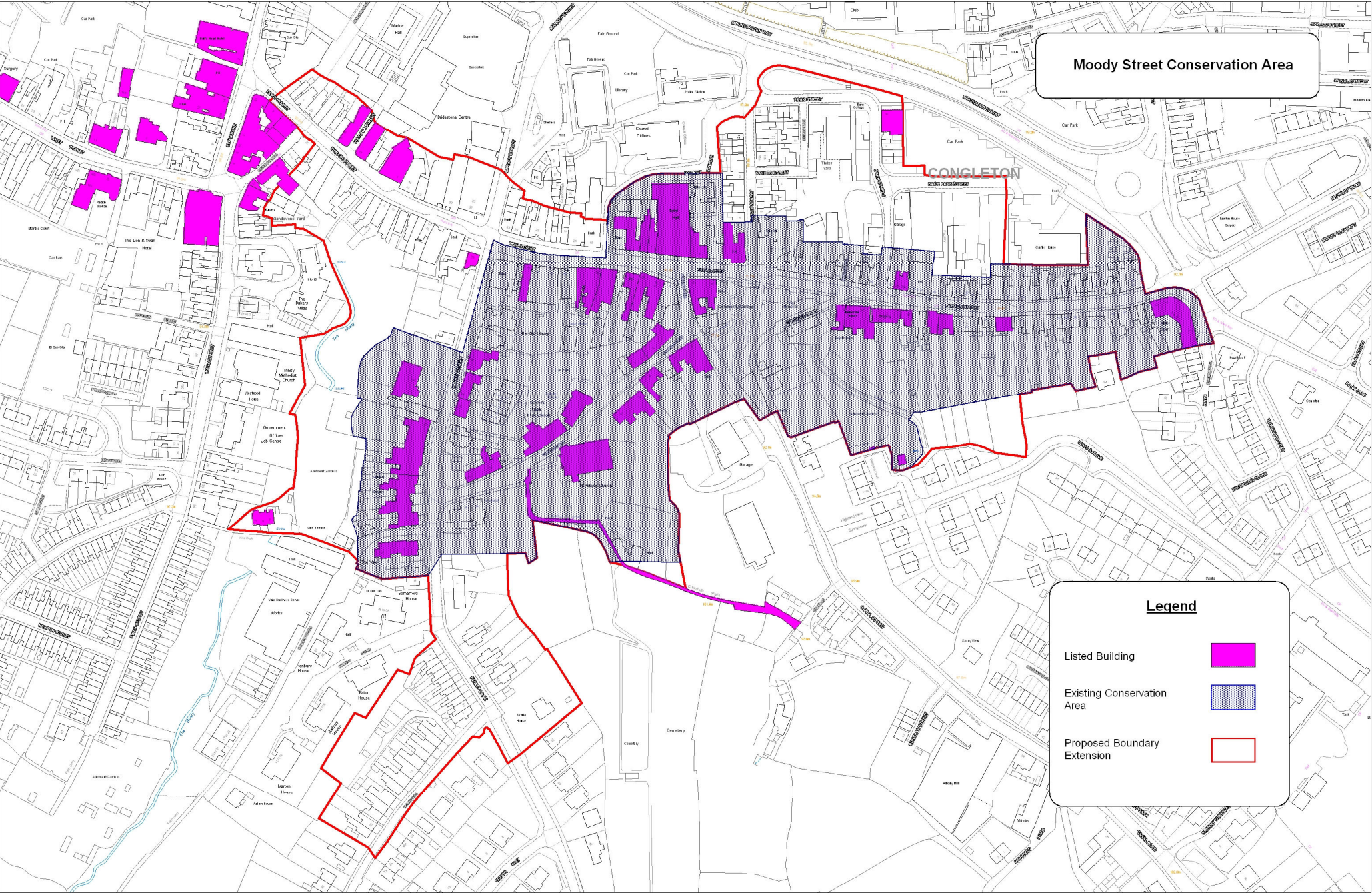
**Email;** [emma.mellor@cheshireeast.gov.uk](mailto:emma.mellor@cheshireeast.gov.uk)



## Existing Conservation Area Boundary and Proposed extensions







**APPENDIX 4****CONSULTATION REPONSES**

The draft Moody Street and West Street Conservation Area Appraisals went to simultaneous public consultation over a 6 week period between the 12<sup>th</sup> March 2010 to 23<sup>rd</sup> April 2010. The Conservation Officer and the consultant who wrote the Appraisals held two well attended 'surgeries' at Congleton Library on the evening of 22<sup>nd</sup> March and the morning of 23<sup>rd</sup> March.

COMMENTS	
1	Include allotments on Swan Meadow (behind Howey Lane) Mill, adjoining 19 <sup>th</sup> century workers cottages
2	Include woodland and allotments, as above
3	3-15 Howey Hill - terraced houses should be included within the CA extension
4 <b>OBJECTION</b>	Policy references need updating in the appraisal:: remove references to Cheshire Structure Plan and PPG 15. The boundary extension includes buildings of limited interest. Call for the removal of certain properties from the proposed boundaries.
5	Article 4 Directions need to be applied to properties within the conservation area to provide additional character protection Photographic surveys should be carried out Congleton Park, Park Road and a 20 <sup>th</sup> century chapel should be included in the extended area. Library display might have been left in-situ for a longer period of time for people to enjoy!
6	Leaflets to raise awareness of conservation are status, aspirations for long term management Survival of Staffordshire Knot pub sign?

**ACTIONS- PROPOSED/TAKEN**

COMMENT	
1& 2	Link between traditional housing and private allotments seems valid and illustrates social history of the area. Include allotments in the conservation boundary  Redraw the extension boundary to exclude West Street car park, tennis courts and work sheds as these areas contribute little to character value. (see map for exclusions)
3	3-15 Howey Hill, are already proposed for inclusion in the Conservation Area extension
4	Removal of references to out of date policies and update including reference to PPS 5 which replaces PPG 15 during the consultation period of the appraisals.

	<p>Some of the properties in West Street considered to be detrimental to the Conservation Area are already contained within the original Conservation Area boundary. These areas have been highlighted as areas of significance and require flagging up for future enhancement. Others have some historic interest or make some positive contribution to the street scene, even if they have not previously been maintained in accordance with conservation principles. However, some areas of neutral or negative influence contained within the proposed boundary (see b above) have been reassessed in light of the objection and adjusted accordingly. (See new Conservation Area boundary map).</p>
5 & 6	<p>Article 4 Directions are not proposed initially, but could not be ruled out if the exercise of permitted development rights threatens character. Their use would require a full photographic survey and further consultation with affected residents.</p> <p>Leaflets will be produced and sent with letters informing owners within the new agreed conservation area boundary, once approved. This initiative will raise conservation awareness in the area and assist with long term management of the historic building stock.</p> <p>Congleton Park and Park Road are both separated from the Town Centre conservation areas by Mountbatten Way which forms a major character barrier. A separate conservation area would not be ruled out in the future, if resources permit, but extension of the existing areas does not seem appropriate in these circumstances.</p>

# **CHESHIRE EAST COUNCIL**

## **REPORT TO: CABINET**

---

**Date of Meeting:** 19<sup>th</sup> July 2010  
**Report of:** Head of Planning and Policy  
**Subject/Title:** Local Development Framework Documents  
**Portfolio Holder:** Cllrs David Brown and Jamie Macrae

---

### **1.0 Report Summary**

1.1 This report considers a number of reports which will form part of the Cheshire East Local Development Framework (LDF). These include:

- Statement of Community Involvement (SCI);
- Alsager Town Centre Supplementary Planning Document (SPD);
- Smallwood Village Design Statement SPD;
- Cheshire East Local List of Historic Buildings and its supporting SPD; and

1.2 The report has been considered by Strategic Planning Board and their comments will be reported at this meeting.

### **2.0 Decision Requested**

2.1 To recommend the adoption of the Statement of Community Involvement Alsager Town Centre SPD, the Smallwood Village Design Statement SPD, the Local List of Historic Buildings and its accompanying SPD and to commence the process in paragraph 9.4 of this report.

### **3.0 Reasons for Recommendations**

3.1 To make clear the procedures and intentions of the Council regarding community involvement in the production of planning policy through the LDF and in Development Management decisions, to supplement existing planning policies, provide additional practical guidance and support for those involved in the planning of new development within the Borough.

### **4.0 Wards Affected**

4.1 All

### **5.0 Local Ward Members**

5.1 All

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



- 6.1 All planning policy work is intended to promote sustainable development. The SPDs have been subject to a sustainability appraisal to ensure that their policies are in line with this principle. The SCI makes it clear that the Council favours electronic means of consultation wherever possible as a means of reducing resource use.

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

- 7.1 None.

**8.0 Financial Implications 2010/11 and beyond (Authorised by the Borough Treasurer)**

- 8.1 All documents will be published on the Council's website. The costs of consultations set out in the SCI will be met from current and future Spatial Planning and Development Management budgets. The Alsager Town Centre SPD provides further guidance in relation to Section 106 financial contributions for future development within Alsager Town Centre. The cost of notification letters and publicity following the designation of the Local List will be met from the 2010/11 budget for Spatial Planning.

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

- 9.1 The preparation of a Statement of Community Involvement is a statutory requirement set out in the 2004 Planning and Compulsory Purchase Act. The proposals for consultation set out in the SCI exceed the minimum requirements detailed in the Town and Country Planning (Local Development) (England) Regulations 2004 (as amended in 2008, 2009 and 2010).
- 9.2 The procedures for preparing and adopting SPDs set out in Government Regulations will be followed. The Alsager Town Centre SPD provides further guidance for development management and will be used within the decision making process as a material consideration. It also provides further guidance in relation to Section 106 financial contributions for future development within Alsager Town Centre.
- 9.3 The following properties included in the Local List are owned by Cheshire East Council:
- Town Hall, 34 Wellington Road, Bollington SK10 5JR
  - Park Lodge, 149 Buxton Road, Macclesfield, SK10 1JX
  - St Barnabas School, Byrons Street, SK11 1LT
  - Victoria Park Bandstand, Fence Avenue, Macclesfield SK10 1LT
  - 113 London Road, Macclesfield, SK11 7RL
  - Boddington Arch, Cliff Road, Wilmslow
  - Fulshaw C of E Primary School, Nursery Lane, Wilmslow SK9 6AB,
  - Poynton Park Boathouse, Poynton

- Bollington War Memorial, Palmerston Street, Bollington
- Water Street School, Water Street, Bollington, SK10 5PB
- 70 Birtles Road, Macclesfield, SK10 3JQ
- Handforth Library, Wilmslow Road, SK9 3ES
- Railway Viaduct, Wellington Road, Bollington

- 9.4 Under the Constitutional Budget and Policy framework Procedure Rules, because these documents form part of the policy framework, the Cabinet is to draw up initial proposals, consult on these, and publish a timetable in which responses are to be received; relevant Overview and Scrutiny Committees are to be asked for their views. The whole process must not be less than four weeks. The Cabinet is to draw up firm proposals and make recommendations to Council. The suggested timetable is: Cabinet 19 July, Sustainable Communities Scrutiny Committee 2 September, Environment and Prosperity Scrutiny Committee 14 September, Cabinet 20 September, and Council 14 October.

## **10.0 Risk Management**

- 10.1 Provided that the statutory requirements of the documents' preparation and the consultation process are met, there is unlikely to be any risk associated with the adoption of the documents.

## **11.0 Background and Options**

### ***Statement of Community Involvement (SCI)***

- 11.1 The Statement of Community Involvement (SCI) is a public statement of procedures and intentions regarding community involvement in the production of planning policy through the Local Development Framework and in Development Management decisions.
- 11.2 The Statement of Community Involvement is a feature of the planning system introduced by the Planning and Compulsory Purchase Act (2004). The introduction of the Statement of Community Involvement was a direct response by Government to ensure that the community plays a greater role in the production of the Local Development Framework and the determination of planning applications.
- 11.3 The draft Cheshire East Statement of Community Involvement was consulted upon over an 8 week period between the 23rd November 2009 and 18th January 2010. A total of 17 responses were received.
- 11.4 The revised Statement of Community Involvement is set out in Appendix 1. The Consultation Statement summarising the responses received and the changes proposed is set out in Appendix 2.
- 11.5 The consultation responses received to the draft Statement of Community Involvement have resulted in modifications to the proposed final version of the document, these include:
- The format and presentation of the document has been changed to improve the legibility and provide further detail on documents contained within the Local

Development Framework, setting out clear opportunities for stakeholder involvement;

- Additional tables and charts have been added to the document to set out specific stages of stakeholder involvement and detail how, where and when community involvement can occur in the production of the Local Development Framework and determination of planning applications; and
- A reduction in the usage of abbreviations and technical jargon within the document.

11.6 The main proposals of the Statement of Community Involvement are as follows:

- To involve all sectors of the community from an early stage in the production of planning policy documents so that they input into the challenges, needs, requirements, options, and alternatives identified in these documents;
- To maintain an LDF consultation database so that all interested individuals and bodies are involved throughout the remaining stages of plan production;
- To use a range of methods of consultation as appropriate including press notices/releases, meetings, focus groups, workshops, exhibitions, questionnaires and theme based forums;
- To favour the use of electronic means of consultation wherever possible including a consultation portal on the Council's website;
- To seek to engage in joint consultations with other relevant strategies wherever possible, to save resources, provide a more comprehensive approach and avoid consultation fatigue;
- To signpost the existence of the Neighbour Notification and Publicity for Planning Applications Protocol;
- To encourage applicants to undertake pre-application discussions prior to the submission of planning applications; and
- To commit the Council to periodically monitoring and reviewing the success of the consultation techniques it has used.

### ***Alsager Town Centre SPD***

11.7 The purpose of the Alsager Town Centre SPD is to complement policies adopted within the Congleton Local Plan and saved as part of the Cheshire East LDF, particularly policies S1, S4, S5 and S6, to provide additional practical guidance and support for those involved in the planning of new development within Alsager Town Centre.

11.8 An informal draft of the Alsager Town Centre SPD was made available from 27<sup>th</sup> August 2008 to a number of key stakeholders, for comments. This consultation stage was essentially concerned with seeking technical observations from individuals within organisations that would either use or potentially endorse the document once it becomes an adopted SPD, including Alsager Town Council and the Alsager Partnership. The formal public consultation took place between 17<sup>th</sup> August and 2<sup>nd</sup> October 2009, the comments received during this consultation are set out in the Statement of Consultation along with the officers' response to these comments.

11.9 A number of changes have been made to the SPD following on from this consultation, including: amending the location of the key gateways to include the



Train Station; further references to the historical environment; highlighting the need to review the Principal Shopping Areas in future Development Plan Documents; and making clearer reference to facilities for young people and older people within the section on community facilities.

- 11.10 A Strategic Environmental Assessment (SEA) Screening Exercise was undertaken to determine if a SEA is required. Consultation with the statutory environmental consultees on this Screening Statement was carried out between 8<sup>th</sup> December 2008 and 5<sup>th</sup> January 2009. They determined that a SEA was not required in relation to this SPD. However, national guidance still requires that a Sustainability Appraisal (SA) is undertaken for SPDs where the policies they are supplementing have not already been assessed. The methodology for the SA was agreed with the statutory environmental consultees through a SA Scoping Report, which was consulted upon between 7<sup>th</sup> January and 12<sup>th</sup> February 2009. The sustainability appraisal of the SPD found that no significant sustainability effects had been identified.
- 11.11 A Habitats Regulations Assessment Screening Report has also been undertaken for the SPD. This report determines if this document is likely to have a significant effect on any European nature conservation sites, such as Special Areas of Conservation (SACs) and Special Protection Areas (SPAs). Again this report highlights that there are not expected to be any impacts by the SPD on European sites.
- 11.12 The revised Alsager SPD is set out in Appendix 3 and the Report of Consultation is set out in Appendix 4.

### ***Smallwood Village Design Statement SPD***

- 11.13 The purpose of the SPD is to manage change in buildings and landscape in Smallwood parish in a way that reflects the local character of its buildings, spaces and landscape setting.
- 11.14 Once adopted, it will be a supplement to the relevant policies contained in the adopted Congleton Borough Local Plan First Review in the determination of planning applications.
- 11.15 The draft Smallwood Village Design Statement Supplementary Planning Document was approved for the purpose of public consultation in November 2009,
- 11.16 The draft SPD was publicised in the Local Press and made available for public comment for six weeks. All Parish/Town Councils, numerous interested parties and statutory authorities were also sent copies of the SPD and invited to comment.
- 11.17 A total of 12 representations were received and a number of minor changes have been made to the SPD in the light of the responses received. These include creating additional guidelines for protected species, exterior lighting and the setting of Little Moreton Hall, amending the Introduction and Policy Context section to eliminate repetition and the inclusion of a map to illustrate the extent of Green Belt and open countryside within the Parish. As well as minor wording amendments.

11.18 The revised Smallwood SPD is set out in Appendix 5 and the Report of Consultation is set out in Appendix 6.

***Cheshire East Local List of Historic Buildings and its supporting SPD***

11.19 Planning Policy Statement 5: Planning for the Historic Environment, states that heritage assets are the valued components of the historic environment. These include nationally designated assets such as listed buildings and scheduled monuments as well as assets identified by the local planning authority on a Local List.

11.20 The Cheshire East Local List of Historic Buildings has been prepared in response to the guidance in PPS5 and identifies buildings considered to be of local historic or architectural interest.

11.21 The SPD sets out guidance to establish a common approach to determining planning applications affecting local heritage assets within Cheshire East and the criteria for assessing buildings and reviewing the Local List. The SPD will supplement the following saved policies: Congleton Local Plan Policy BH6, Crewe and Nantwich Local Plan Policy BE13, and Macclesfield Local Plan Policy BE20.

11.22 The purpose of the Local List of Historic Buildings SPD is to:-

- Provide guidance to supplement saved policies within the Congleton Local Plan, Crewe and Nantwich Local Plan, and Macclesfield Local Plan;
- Identify buildings of local architectural value and historic significance that are not Listed Buildings;
- Ensure that their special interest is taken fully into account in decisions affecting their future;
- Propose measures to maintain or improve the positive character, local distinctiveness and sense of place within Cheshire East Borough Council.;
- Promote awareness of the importance of these buildings to the local community.

11.23 The main implications of Local List designation would be:-

- In the determination of applications for development, the Council is required to have special regard to the character and appearance of the building/structure and its setting;
- Local List status will be taken into account as a material consideration through the planning process; however, it should be noted that the designation does not affect permitted development rights;
- Normally the loss of the building will only be permitted if the Council is satisfied it is beyond reasonable repair. Imaginative ideas will be sought by officers to ensure elements of the locally listed building are incorporated into any new design proposal;
- Where retention proves impracticable the Council will require that a photographic record of the building is made prior to demolition and submitted to the council for record purposes.

11.24 The Cheshire East Local List of Historic Buildings has been compiled from the Local Lists approved by the former Macclesfield and Crewe and Nantwich Councils.

Additional entries have been included in the Macclesfield area, but no changes have been made to the Crewe and Nantwich list. All entries in the Congleton area are new additions.

- 11.25 During the production of the Supplementary Planning Document, a Sustainability Appraisal Scoping Report was produced and formally consulted upon in July / August 2009. The document was sent to the three statutory consultees (Natural England, English Heritage and the Environment Agency). The document was also made available on the Council's Web Site and at the Council's offices in Market Place, Macclesfield; Westfields, Sandbach and Municipal Buildings, Crewe.
- 11.26 The Sustainability Appraisal indicated that the document would positively contribute to the sustainability of the Borough, through the protection of the area's heritage and townscapes as well as maintaining cultural, leisure and recreational facilities. There were no negative implications of the document. The Appraisal was subjected to a 6 week consultation, alongside the Supplementary Planning Document, during which only support for the findings was received.
- 11.27 The Draft Supplementary Planning Document was approved for consultation in December 2009 by the Portfolio Holder for Performance and Capacity.
- 11.28 Consultation on the Draft Cheshire East Local List of Historic Buildings was carried out over a 6 week period between the 11<sup>th</sup> January and 22<sup>nd</sup> February 2010.
- 11.29 Publicity for the consultations was as follows:
- Notification to Parish and Town Councils, statutory agencies, neighbouring authorities and interested individuals and organisations
  - Written notification to the occupiers of all buildings on the Local List, where possible
  - "Surgeries" at Macclesfield, Crewe and Congleton Libraries.
  - Copies of the document were available for public view at Libraries across the Borough and it was published on the Council's website. A press release was issued on the 21<sup>st</sup> January 2010.
- 11.30 As part of the consultation, an email notification was sent out to Town and Parish Councils. However, 14 Town and Parish Councils were inadvertently omitted from the notification. The extension period was extended for these Councils until 8<sup>th</sup> March in recognition of the late notification.
- 11.31 All responses received were analysed and a summary of the main points is set out in the Consultation Statement in Appendix 9. Response to the document has been generally positive and supportive of the principles behind the Local List.
- 11.32 A number of representations have been received requesting further additions to the local list. It has been decided that no further nominations will be taken forward at this time and that the Local List should be reviewed every 5 years. Emergency procedures are included in the SPD should the need arise to include other buildings threatened in the meantime.
- 11.33 The revised Local List is set out in Appendix 7, the Local List SPD is set out in Appendix 8 the Report of Consultation is set out in Appendix 9.

## **12.0 Appendices**

Appendix 1: Revised Statement of Community Involvement

Appendix 2: Statement of Consultation for the Statement of Community Involvement

Appendix 3: Revised Alsager SPD

Appendix 4: Statement of Consultation for the Alsager SPD

Appendix 5: Revised Smallwood SPD

Appendix 6: Statement of Consultation for the Smallwood SPD

Appendix 7: Local List

Appendix 8: Local List SPD

Appendix 9: Statement of Consultation for the Local List SPD

## **13.0 Access to Information**

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

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### *Background Documents:*

- Planning Policy Statement 12: Local Spatial Planning, Communities and Local Government, 2008;
- The Town and Country Planning (Local Development) (England) Regulations 2004, 2008, 2009 and 2010.

## **CHESHIRE EAST COUNCIL**

### **Cabinet**

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**Date of Meeting:** 19 July 2010  
**Report of:** Borough Solicitor / Strategic Director Places  
**Subject/Title:** Process for consideration and adoption of Local Development Framework (LDF) and amendments to the Constitution

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#### **1.0 Report Summary**

- 1.1 This report sets out the current arrangement for developing and finally approving the LDF documents, and describes proposed amendments to streamline that process.

#### **2.0 Recommendation**

- 2.1 That the current arrangements for approving the LDF are noted;
- 2.2 That the consultation process within the Council to take this matter forward, as described at Section 9.2, is noted and commenced;
- 2.3 That it be noted that subject to the outcome of the consultation process, Cabinet will be invited to make recommendations to full Council regarding the alternative arrangements described in the table at Appendix 2;
- 2.4 That it be noted that recommendations full Council will need to address any necessary authority for the Borough Solicitor to make any necessary and consequential amendments to the Constitution including additions to the terms of reference of Strategic Planning Board.

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

- 3.1 To streamline the process for approval of the LDF whilst maintaining appropriate opportunities for members to be consulted and to contribute to the LDF preparation and approval process.

#### **4.0 Wards Affected**

- 4.1 All.

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

- 5.1 All.

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

- 6.1 All documents comprising the LDF are currently part of the Policy Framework, which in accordance with the Constitution must be finally approved by full Council. The alternative arrangements set out in this report seek to streamline the LDF process by removing some of these responsibilities from full Council, whilst still complying with the law.
- 6.2 Potentially, policies and documents included in the LDF may have climate change and/or health implications, although none can be specifically highlighted at this stage.

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

- 7.1 Not applicable.

**8.0 Financial Implications 2010/11 and beyond (Authorised by the Borough Treasurer)**

- 8.1 None.

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

- 9.1 The key pieces of legislation relating to this report are The Planning and Compensation Act 2004, the Town and Country Planning (Local Development) England Regulations 2004 (SI 2004/2204) and the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (SI 2000/2853) as amended. The implications of this legislation are described in section 11 of this report.
- 9.2 The Council's Constitution makes provision for developing the budget and Policy Framework. Changing the route for approving the LDF documents involves a change to the Policy Framework. A process is set out for doing so. The process involves Cabinet initially drawing up proposals regarding any part of the Policy Framework (which includes the Local Development Framework, or LDF) and consultation on the initial proposals. The relevant Overview or Scrutiny Committees are to be consulted. Clearly in this instance it is also relevant to consult the Strategic Planning Board, given its proposed enhanced role in developing the LDF. Cabinet is then to draw up firm proposals having regard to consultation responses, and to submit these to the Council. The proposed timetable for the process is Cabinet on 19 July, Strategic Planning Board on 4 August, Sustainable Communities Scrutiny Committee on 2 September, Environment & Prosperity Scrutiny Committee on 14 September, Cabinet on 20 September and Council on 14 October.
- 9.3 It should be noted that the acceptance of this streamlined process does not, once implemented, preclude any decision maker from declining to

make a decision and referring the decision up to full Council if this is felt to be appropriate. That option remains open.

- 9.4 In the meantime, some LDF documents can be progressed through the existing process, and a separate report to Cabinet will be presented for this purpose. The future proposed procedure still remains relevant for all types of LDF documents, as it will provide for any future modifications of such documents.

## **10.0 Risk Management**

- 10.1 The legal requirements for approving the LDF documents have been considered in formulating the recommendations in this report. Both the current and the proposed arrangements are considered to be legally compliant.

## **11.0 Background and Options**

- 11.1 The Planning and Compensation Act 2004 provides a statutory duty obliging Local Planning Authorities to prepare and maintain a scheme known as the Local Development Framework (LDF). This is part of the revised planning system, with the Regional Spatial Strategy, formulated regionally, and setting out the Secretary of State's regional policies, making up the remainder of the overall portfolio of documents relevant to local planning issues.
- 11.2 The LDF can be described as a "folder" of documents, comprising Local Development Documents (LDDs) which in turn are made up of Development Plan Documents (DPDs) and other documents. A list of all LDDs, with those which are also DPDs noted, is at Appendix 1. The distinction between the different types of document is important because it governs the decision making process within the Council.
- 11.3 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 ("the Functions Regulations") set out the split of functions between the Executive (that is, Cabinet, or its individual members) and non-Executive (that is, full Council, or any other non-Executive committee to which full Council may choose to delegate such a function – in Cheshire East, this would be Strategic Planning Board). It is worth noting at this point that the term "Executive" in the Functions Regulations is simply an alternative term for "Cabinet", which is the term which the Council prefers to use as the name for its Executive.
- 11.4 The Functions Regulations provide that DPDs under the Planning and Compensation Act 2004 (i.e. part of the category of LDDs) are not to be dealt with solely by the Executive. Moreover, the actual final adoption of DPDs cannot be done by the Executive. However, the Executive can be involved in the evolution of such documents. It is important to distinguish between the "evolution" stages of the documents, comprising the interim development stage, then the submission stage (where necessary) then finally the adoption/approval stage. It is the publication/submission stage,

and the adoption/approval stage to which the regulations constraining the decision making process apply. More flexibility is available in setting out the steps involved in the earlier stages of the process.

11.5 DPDs, according to Regulations made under the 2004 Act, comprise:

- the Core Strategy,
- Area Action Plans, and
- any other document including a site allocation policy.

11.6 These three documents must be finally approved at non-Executive level, which means full Council, or, should full Council agree, Strategic Planning Board. That does not, however, preclude Executive input, or input from any other appropriate part of the Council, into developing these documents, and having regard to the strategic importance of these documents, it is good practice to provide for this input. Additionally, there may be some documents which do not have to be finally approved by full Council, but which, because of their overarching significance, the Council may choose to include in this category. It is suggested that the Statement of Community Involvement is such a document.

11.7 Other LDDs, which are not DPDs, may be finally approved by the Executive (i.e. Cabinet) or, subject to the necessary delegation, the relevant individual Portfolio Holder. The function of dealing with LDF matters has since 1 April 2009 been delegated to the Portfolio Holder for Performance and Capacity.

11.8 Based on the reasoning above, the Core Strategy, Area Action Plans, and Site Allocation Policies must be finally approved at non-Executive level. This can be full Council or SPB. In passing, it is worth noting that on 5 May, Strategic Planning Board received two reports outlining the future impact on the Council of the Community Infrastructure Levy (CIL) and the Infrastructure Planning Commission. These issues impact on the Core Strategy. In the circumstances, and having regard generally to its particular strategic importance as part of the LDF it is suggested that the Core Strategy should remain to be finally approved by full Council. Although the Statement of Community Involvement is not a policy document, and not a DPD, its importance as the Council's overall statement of how the community will be involved in the preparation of the LDF suggests that it should also be finally approved by full Council.

11.9 Area Action Plans, and documents including Site Allocation policies, as DPDs, must be approved at non-Executive level, although it is suggested that this may be Strategic Planning Board rather than full Council.

11.10 Other LDDs which are not DPDs can be finally approved at Cabinet level, although this is not mandatory. SPB's Terms of Reference already include exercising a consultation and advisory role, commenting upon the content of the proposed planning policy and upon the effectiveness of existing policies employed in development control decisions. It is suggested that



SPB should first contribute to the development of these documents, and make final recommendations to Cabinet.

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

- 12.1 The current LDF approval arrangements were inserted into the Council's Constitution which was approved when the Council took up its full functions after its shadow period on the basis that Council approval of all LDF documents was legally compliant, but may be worthy of further consideration once the Council's systems had developed. Now that the Council has been in existence for more than a year, the opportunity can be taken to review and streamline the system.

## **13.0 Access to Information**

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

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Appendix 1 – list of LDDs (with DPDs shown)

- Core Strategy (DPD)
- Site Specific allocations (DPD)
- Area Action Plans e.g. Congleton Town Centre, Middlewich Canal Corridor (DPD)
- Local Development Scheme
- Statement of Community Involvement
- Annual Monitoring Report
- Supplementary Planning Documents (including Village Design Statements, Policy SPDs e.g. Affordable Housing, Planning Contributions)
- Area Supplementary Planning Documents, e.g. Alsager Town Centre

Appendix 2

Type of Document –	Portfolio Holder	Cabinet	Strategic Planning Board	Council
<b>The Core Strategy</b>				
Interim Stage		2	1	
Submission Stage		2	1	3
Adoption stage		2	1	3(final)

Type of document	Portfolio Holder	Cabinet	Strategic Planning Board	Council
<b>Site Specific Allocations and Area Action Plans</b>				
Interim Stage		2	1	
Submission Stage		1	2	
Adoption Stage	1		2	3 (final)

Type of document	Portfolio Holder	Cabinet	Strategic Planning Board	Council
<b>Local Development Documents (LDDs) which are not Development Plan Documents (DPDs) *</b>				
Interim Stage	2		1	
(no submission stage)	N/A	N/A	N/A	N/A
Adoption Stage	2 (final) **	2 (final)**	1	

\* Including:

- Local Development Scheme,
- Annual Monitoring Report,
- Supplementary Planning Documents (SPDs) - including Village Design Statements, Policy SPDs such as Affordable Housing Contributions, and Area SPDs such as Town Centre SPDs)

\*\* N.B. Final approval of this category of documents may be effected by the Portfolio Holder, provided that the Council's delegations to that Member so allow, or by full Cabinet.

Type of document	Portfolio Holder	Cabinet	Strategic Planning Board	Council
<b>Statement of Community Involvement</b>				
Adoption	2		1	3 (final)

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