

Cabinet

Agenda

Date: Monday, 16th August, 2010
Time: 2.00 pm
Venue: Council Chamber, Municipal Buildings, Earle Street, Crewe
CW1 2BJ

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

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.

Please contact Carol Jones on 01270 686471
E-Mail: carol.jones@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 - 10)

To approve as a correct record, the Minutes of the Meeting held on 19 July 2010.

5. **2010-2011 - Quarter One Finance and Performance Report**
(Pages 11 - 52)

To consider a report which gives detailed information about the Council's financial and non-financial performance in the first quarter of 2010-2011.

6. **Treasury Management Annual Report 2009-2010** (Pages 53 - 62)

The Treasury Management Policy requires the publication of an annual report on the performance of the Council's treasury management operation. The attached report contains details of the activities in 2009-2010 and Cabinet is requested to receive the report.

7. **Policy and Procedures - Regulation of Investigatory Powers Act 2000 (RIPA)** (Pages 63 - 102)

The attached report presents the following updated policies and procedures for approval –

- (a) Cheshire East Policy and Procedures for Surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA);
- (b) Cheshire East Policy and Procedures for the Acquisition and Disclosure of Communications Data under the Regulation of Investigatory Powers Act 2000.

8. **ICT Strategy - 2010-2011** (Pages 103 - 136)

The Information and Communications Technology (ICT) Strategy document which was published in 2009-2010 has been updated and Cabinet is asked to approve the ICT Strategy 2010-2011.

The Strategy sets the corporate direction for ICT within the Council and supports corporate priorities.

9. **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 (as amended) to the Local Government Act 1972 and public interest would not be served in publishing the information.

**PART 2 - MATTERS TO BE CONSIDERED IN THE ABSENCE OF THE PRESS
AND PUBLIC**

10. **Key Decision 41 - To Decide Upon the Future Delivery Method of the Council-Owned Golf Courses** (Pages 137 - 168)

To consider the report of the Head of Health and Wellbeing.

11. **Managing Workforce Change** (Pages 169 - 174)

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

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Monday, 19th July, 2010 in Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

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

Councillors D Brown, H Gaddum, F Keegan, A Knowles, J Macrae, P Mason
and R Menlove

Councillors in attendance:

Councillors Rhoda Bailey, J Crockatt, D Flude, S Jones, A Moran, B Moran,
H Murray, J Narraway, B Silvester, L Smetham, D Stockton, A Thwaite and R
Westwood.

Officers in attendance:

Chief Executive, Borough Solicitor, Borough Treasurer and Head of Assets,
Director of Adult, Community Health and Wellbeing Services, Head of
Corporate Improvement, Head of HR and Organisational Development,
Partnerships Business Manager, Strategic Director People, Strategic Director
Places.

21 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Rachel Bailey.

22 DECLARATIONS OF INTEREST

Agenda Item 5 (Key Decision 47 Local Service Delivery (Town and Parish Councils)) The following Councillors declared a personal interest in this item by virtue of being a Member of a Parish Council (PC), Town Council (TC) or a Charter Trustee (CT), as indicated: D Brown (Congleton TC), H Gaddum (Sutton PC and Macclesfield CT), S Jones (Alsager TC), F Keegan (Alderley Edge PC), P Mason (Congleton TC), A Moran (Nantwich TC), B Moran (Sandbach TC), J Narraway (North Rode PC), L Smetham (Gawsworth PC and Macclesfield CT) and A Thwaite (Congleton TC).

Agenda item 6 (Key Decision 48 Future Provision for Older People with Dementia) Councillor D Flude declared a personal interest by virtue of being a Member of the Alzheimer Society and of a charity for people with learning difficulties.

Agenda Item 7 (Final Outturn 2009/10) Councillor A Moran declared a personal interest by virtue of being a Trustee of Beam Heath and

Chairman of the Stakeholder Group in negotiations with Connect 2/Crewe and Nantwich Greenway.

23 PUBLIC SPEAKING TIME/OPEN SESSION

Mrs Diane Roberts spoke regarding her concerns at the proposed closure of Cypress House, Handforth; this was to be the subject of consideration by the Cabinet later in the meeting (Agenda item 6).

24 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 14 June 2010 be approved as a correct record.

25 KEY DECISION 47 LOCAL SERVICE DELIVERY (TOWN AND PARISH COUNCILS)

Councillors D Brown, H Gaddum, S Jones, F Keegan, P Mason, A Moran, B Moran, J Narraway, L Smetham and A Thwaite had all declared a personal interest in this item.

Consideration was given to the approach to the implementation of the Council's policy to transfer and devolve functions and services to Town and Parish Councils. The ambition was to empower others to provide more relevant, responsive and value for money local public services, where appropriate, through local service delivery by working with Town and Parish Councils to promote and enhance their opportunities to deliver services for which they had powers and duties.

RESOLVED

For the reasons set out in the report: -

That agreement be given to

1. the principles which underpin this development;
2. implement the plan outlined in this report;
3. the levels of investment required and to acknowledge the potential financial and non-financial benefits;
4. incorporate community and civic halls in this project and to re-phase the related 2010-2011 budget savings target.

26 KEY DEC 48 FUTURE PROVISION FOR OLDER PEOPLE WITH DEMENTIA

Councillor D Flude had declared a personal interest in this item.

Consideration was given to the closure of Cypress House, Handforth, and to the future planning and delivery of services for people with dementia. The report consolidated work carried out so far and pointed the way for the future planning and delivery of these services, especially the model within the Council's provider Care4CE. The decisions requested would sustain the transformational momentum in Adult Services and contribute to the wider development of commissioning, provision and delivery within the Council.

It was stressed that the closure of Cypress House would not result in any reduction of services available, but was based on a rationalisation of building use where it did not impact upon the range and volume of service provided.

Cabinet was asked to note the following amendments to the report: -

- the wording in para 9(i) (Wider Building Review) had been amended to read 'and future services are supplied from the former'.
- the recommendation in para 2.3 of the report had been deleted as it had been included in error.

RESOLVED

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

That agreement be given : -

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. That, Cypress House be declared surplus to requirements and that it be sold on the open market if not required for Cheshire East Council.
3. 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 Central and Eastern Cheshire Primary Care Trust, with a next report anticipated for Cabinet in October this year.
4. 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.
5. 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.

27 FINAL OUT-TURN 2009/10

Councillor A Moran had declared a personal interest in this item.

Consideration was given to 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.

RESOLVED

For the reasons set out in the report: -

1. That

- that the final revenue and capital outturn positions contained in the main report be noted;
- that the detailed key revenue and capital issues shown in Appendix 1 and Appendix 2 of the report be noted;
- that the Council's in-year collection rates for Council Tax and Business Rates, detailed in Section 13 be noted;
- that the Council's invoiced debt position shown in Section 14 of the report be noted;
- that progress on delivering the 2009-10 capital programme, detailed in Section 15 and Appendix 3 of the report be noted;
- that the delegated decisions approved by Directors, shown in Appendix 4b of the report be noted;
- that the 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 shown in Appendix 4a of the report be noted.

2. That approval be given to:

- The following budget carry forwards into 2010-11 within Performance and Capacity, detailed in Appendix 1 of the report:-
 - £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, Human Resources and Organisational Development, Assets and Customer Services detailed in Appendix 1 of the report.
- The revised in-year capital budget for 2009-10 set out in Section 15 of the report, including;

- Supplementary Capital Estimates (SCE/Virements over £500,000 and up to and including £1.0m, shown in Appendix 4a of the report.
 - Reductions in approved budgets, shown in Appendix 4c of the report.
3. That Council be recommended to approve the following SRE requests, previously approved as subject to outturn, which require funding from balances: -
- £2,91,000 for Adults Social Care Design
 - £125,000 for Economic Development
4. That Council be recommended to approve the SCE requests to be funded from capital reserves, as detailed in Appendix 4a of the report.

28 BUSINESS PLANNING 2011 - 2014

Consideration was given to the business planning process for 2011-2014. A comprehensive business planning process was required to enable the Council to demonstrate clear links between corporate and financial planning, adherence to best practice and the development of robust proposals that have been challenged and consulted upon. The comments of the Budget Consultation Group, following its meeting on 16 July, were received and noted.

RESOLVED

For the reasons set out in the report: -

That the Business Planning Process for 2011-2014 be agreed.

29 CORPORATE PLAN

Consideration was given to the final draft of the Corporate Plan. Cabinet received a resume of the views and comments on the Plan, which had been considered by the Scrutiny Committees at meetings throughout June and July. A number of drafting amendments/addition to the Corporate Plan arising from this consultation had been requested and these were agreed by the Cabinet as follows:-

1. The reference to household income at the end of the first paragraph on page 4 will be amended to read; "Household income also differs, ranging from £65,000 in parts of Macclesfield to £18,000 in parts of Crewe."
2. Section 10 on page 22 where it refers to the Overview and Scrutiny Committee will be amended so that the penultimate sentence reads; "Again, you are more than welcome to attend these meetings."

3. The final bullet point under “What we will do to achieve our ambition?” in Corporate Objective 4, in Appendix 1, will be amended to read “Improve our parks and green spaces across the Borough.” This replaces “Achieve and increase existing level of Green Flags in our Greenspace sites.” The related outcome under the column headed “How will we know if we have been successful?” which refers to Green Flags will be removed.
4. It is proposed to add an extra bullet point to Corporate Objective 4, in Appendix 1, under the column headed “What we will do to achieve our ambition?” stating that “Drive forward our work with local partners in the police and justice system to reduce the fear of crime and improve public safety in the borough.” Likewise it is proposed to add a bullet point to the next column headed “How will we know if we have been successful? Stating that “The residents of Cheshire East will feel safer in their local communities.”

RESOLVED

For the reasons set out in the report: -

That Council be recommended to approve the Corporate Plan, subject to the inclusion of the amendments/addition detailed above.

30 SUSTAINABLE COMMUNITY STRATEGY

Consideration was given to the final draft of the Sustainable Community Strategy. The Strategy had been considered by the Sustainable Communities Scrutiny Committee on 15 July and the following comments had been made: -

- The document was well written and clear.
- A clear definition of a town is needed – the Strategy should refer to the fact that the LDF process will address this.
- Members questioned whether or not producing such a strategy represented value for money.
- Members noted that the strategy was aspirational and not compulsory.
- Members were disappointed that the contribution of agriculture, rural economy and productiveness of land, had not been given sufficient emphasis or greater reference, throughout the strategy.
- That any reference to the PCT should be replaced with health services

In considering these comments it was agreed by Cabinet that the following words be inserted as an additional bullet point under the heading ‘We have a strong, sustainable economy’ on page 17 (Cheshire East in 2005, Our Vision):-

‘Farming and agriculture are valued and supported for the contribution they make to Cheshire East’s economy and the distinctiveness of our rural communities.’

RESOLVED

For the reasons set out and as now reported: -

That Council be recommended to adopt the Sustainable Community Strategy, subject to the inclusion of the additional words detailed above.

31 CONSERVATION AREA APPRAISALS - MOODY STREET AND WEST STREET, CONGLETON

Consideration was given to the extension and adoption of the boundaries of the Moody Street and West Street, Congleton, Conservation Areas. The draft Conservation Area Appraisals had been approved for public consultation and the results of this had resulted in changes to the recommended boundary revisions.

RESOLVED

For the reasons set out in the report: -

1. That approval be given to the amended extensions to the boundaries of the Conservation Areas for formal designation and that the Conservation Area Appraisals be adopted.
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.

32 LOCAL DEVELOPMENT FRAMEWORK DOCUMENTS

Consideration was given to a number of documents forming part of the Cheshire East Local Development Framework. It was noted that the Statement of Community Involvement, Alsager Town Centre Supplementary Planning Document, Smallwood Village Design Statement Supplementary Planning Document and the Local List of Historic Buildings and its Supplementary Planning Document had all been considered by the Strategic Planning Board at its meeting on 14 July; it had been recommended that these documents be adopted subject to: -

- (1) any references to agencies/policies contained within the document which have now been abolished be deleted from the document.
- (2) reference to Partnerships on page 108 of the report should be included under Voluntary Bodies.
- (3) that the LSP is now referred to as PACE (Partnerships for Action in Cheshire East) and the document should be amended to reflect this change.

Cabinet considered these comments and noted that the change of name of the LSP to PACE was due to be announced formally in the near future. It was agreed, however, that all the existing terminology in the documents should be retained until such time as the agencies/policies referred to had been formally abolished by Parliament and that these could then be amended in future revisions.

RESOLVED

For the reasons set out in the report: -

That approval be given to the adoption of the Statement of Community Involvement Alsager Town Centre Supplementary Planning Document, the Smallwood Village Design Statement Supplementary Planning Document, the Local List of Historic Buildings and its accompanying Supplementary Planning Document and to commence the consultation process set out in paragraph 9.4 of the report.

33 LOCAL DEVELOPMENT FRAMEWORK PROCESS AND AMENDMENTS TO THE CONSTITUTION

Consideration was given to streamlining the process for the approval of the Local Development Framework (LDF) whilst maintaining appropriate opportunities for Members to be consulted and to contribute to the LDF preparation and approval process. The report set out the existing arrangements and the timetable for consulting upon the proposed changes.

RESOLVED

For the reasons set out in the report: -

1. That the current arrangements for approving the Local Development Framework be noted.
2. That the consultation process within the Council to take this matter forward, described in Section 9.2 of the report, be noted and commenced.
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 of the report.
4. That it be noted that, in adopting the 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.

34 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

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.

35 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: -

1. That Cabinet supports the decision of the Chief Executive to release the employees whose roles are listed 1 to 34 in Appendix A of the report under the arrangements agreed in relation to voluntary severance provisions for employees in the Council.
2. That Cabinet notes the details of the employees who are listed as 34 to 41 in Appendix A of the report.
3. That it be noted that, due to an urgent need for the release two of these employees – one of whom (34) has volunteered for redundancy whilst the other employee's compulsory notice period was due to end (35), the Executive Member for Procurement, Assets and Shared Services has agreed these under the terms of his delegated powers.
4. That it be noted that redeployment is currently being sought for the employees listed as 36 to 41, however they will shortly have completed their redeployment period and if the search proves unsuccessful, they may become compulsorily redundant. As such they would receive payments under the arrangements agreed in relation to severance provisions for employees.

The meeting commenced at 2.00 pm and concluded at 4.15 pm

W Fitzgerald (Chairman)

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	16 August 2010
Report of:	Borough Treasurer and Head of Assets / Head of Policy and Performance
Subject/Title:	2010/11 Quarter One (Financial and Non-Financial) Performance Report
Portfolio Holders:	Cllr Frank Keegan / Cllr. David Brown

1.0 Report Summary

- 1.1 Cheshire East is committed to continuous improvement and excellence in all that it influences and delivers. This report gives summary and detailed information about its financial and non-financial performance in the first quarter of 2010/11.
- 1.2 Annex 1 provides Cabinet with the first projections of financial performance for the 2010-11 financial year, at the Quarter one stage. It highlights the key emerging financial pressures facing the Council of over £13m, and where possible outlines potential remedial actions at this early stage in the year. The report particularly focuses upon areas of high financial risk to the Council, and includes updates on the Capital Programme, Treasury Management, Debt, and in-year collection rates for Council Tax and Business Rates.
- 1.3 Annex 2 provides a summary of the key performance headlines at the end of quarter one, updates on Service Planning, Local Area agreement and the National Indicator Set.

2.0 Decision Requested

- 2.1 Cabinet is requested to note and comment as appropriate on the following:
 - emerging pressures on the Council's revenue budget in the first quarter of 2010-11, and remedial actions detailed in Annex 1 Sections 2 and 3;
 - a further report on remedial action plans and capital programme update will be brought to Cabinet in September;
 - the Treasury Management update detailed in Annex 1, Section 5;
 - the Council's in-year collection rates for Council Tax and Business Rates, detailed in Annex 1, Section 6;
 - the Council's invoiced debt position as shown in Annex 1, Section 7;
 - progress to date on delivering the 2010-11 capital programme, detailed in Annex 1, Section 8 and Appendix 1;
 - Delegated Decisions approved by Directors, as shown in Annex 1 Appendix 2a;
 - Delegated Decisions to be 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 Annex 1, Appendix 2b.

- to note successes achieved during the first quarter 2010/11 as outlined in Annex 2 and consider issues raised in relation to underperformance against targets and how these will be addressed.

2.2 Cabinet is requested to approve the following:

- Reductions in approved budgets, as shown in Annex 1, Appendix 3

3.0 Reasons for Recommendations

3.1 The Council is committed to high standards of achievement and continuing improvement. Performance information plays a vital role in ensuring that the Council celebrates its achievements, understands its performance in key areas and addresses issues of under performance. The Council and partners have identified a series of improvement measures to support outcomes for local people as outlined in the priorities and objectives of the Sustainable Community Strategy. Indicators in the Local Area Agreement reflect this commitment to local improvement and form a core element of Local Strategic Partnership's performance framework.

3.2 In accordance with good practice, Members should receive a quarterly report on the financial performance of the Council. Finance Procedure Rules set out the requirements for financial approvals by Members, and relevant recommendations are contained in this report.

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 Performance management supports delivery of all key Council policies including climate change and health

7.0 Financial Implications (Authorised by the Borough Treasurer)

7.1 The Council's financial resources are aligned to its priorities and used to deliver priority outcomes for local communities. Monitoring performance helps ensure that resources are used effectively and that business planning and financial decision making are made in the context of performance.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 The Council is required to report to Government on its performance against measures in the National Indicator Set. Monitoring and reporting on

performance is considered to be part of the requirements for external audit and the relationship between local authorities and the public.

9.0 Risk Management

- 9.1 A significant projected overspending in 2010-11 has been identified at the first quarter stage. Remedial actions are already being taken, but in view of the scale of the risk, services have been asked to produce remedial action plans which will be reported to Cabinet in September. Whilst further measures will be identified to substantially reduce the underlying figure during the year, there remains a significant risk that further calls on the Council's general balances will be required.
- 9.2 Performance and risk management are part of the key management processes of the Authority. Risks are captured both in terms of the risk of underperforming and the risk to the Council in not delivering its ambitions for the community of Cheshire East. The Policy & Performance team are working to further align the relationship between performance management and risk management throughout 2010/11.

10.0 Background

- 10.1 Our vision, corporate plans, financial allocations, democratic and organisational structures are all designed to help us achieve the outcomes that matter to the people of Cheshire East. Performance reporting and a focus on improvement are fundamental to achieving our long term ambitions. The report reflects a developing framework to embed performance management culture throughout the organisation.
- 10.2 During quarter one, the Planning & Performance team has focused on strengthening business planning by producing standardised service plans which detail service delivery actions for 2010/11. The plans further enhance the link to the Sustainable Community Strategy priorities and Corporate Plan objectives and link performance measures and local key performance indicators to service outcomes and objectives.
- 10.3 This report brings together financial and non – financial performance issues for the first time in one report, albeit in separate papers. However, further work is ongoing to develop fully integrated reports to bring to Members later in the year.

11.0 Access to Information

- 11.1 The background papers relating to this report can be inspected by contacting:

Name: Lisa Quinn / Vivienne Quayle
Designation: Borough Treasurer and Head of Assets / Head of Policy and Performance
Tel No: 01270 686628 / 01270 685859
Email: lisa.quinn@cheshireeast.gov.uk / vivienne.quayle@cheshireeast.gov.uk

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ANNEX 1**2010- 2011 QUARTER ONE - FINANCIAL PERFORMANCE****1.0 INTRODUCTION**

- 1.1 Annex 1 sets out the financial performance for 2010-11 at the Quarter one stage. It highlights the key emerging financial pressures facing the Council, and where possible outlines potential remedial actions at this early stage in the year. The report particularly focuses upon areas of high financial risk to the Council, and includes updates on the Capital Programme, Treasury Management, Debt, and in-year collection rates for Council Tax and Business Rates.

2.0 REVENUE BUDGET SUMMARY 2010-11

- 2.1 Table 1 below provides a summary position of the projected gross outturn positions at a service level.

Table 1 - Service Revenue Outturn Forecasts

Service	Net Budget £000	Forecast Outturn £000	Projected Variance from Budget £000
Children & Families	37,355	43,080	5,725
Adults	69,750	75,545	5,795
Health & Wellbeing	14,691	15,391	700
Total People	121,796	134,016	12,220
Environmental	34,841	35,719	878
Safer & Stronger	666	690	24
Planning & Policy	3,724	3,640	(84)
Regeneration	9,569	9,962	393
Total Places	48,800	50,011	1,211
Borough Treasurer & Head of Assets	24,165	24,912	747
HR&OD	3,367	3,367	0
Borough Solicitor	6,361	5,909	(452)
Policy & Performance	8,636	8,486	(150)
Total Performance & Capacity	42,529	42,674	145
TOTAL SERVICES	213,125	226,701	13,576

- 2.2 Overall, services are reporting potential emerging pressures on their budgets of £13.6m, before any requests for supplementary funding and proposed remedial actions.
- 2.3 The 2010-11 budget included cross cutting savings of £2.7m, including procurement savings of £1.8m. These targets have been allocated to departments and are held at either departmental or service level. Work is ongoing to assess the deliverability of these savings but early indications are that about half can be delivered in year with the remainder needing to be re-phased. The projected Departmental outturn positions will have taken account of the projected achievement or non achievement of these savings.
- 2.4 The overall level of projected service overspending is significant, and extensive remedial measures and actions will need to be taken urgently to drive this down towards a balanced outturn position wherever possible.
- 2.5 Although some remedial measures and broad areas for review have been identified, and a broad assessment of potential financial impact has been made, as indicated in the report, further work will need to be undertaken by Directors and Heads of Service to draw up more specific actions. It is expected, given the scale of the pressures, that some measures will need to be radical, and will require the approval of Members in order to proceed. The scale of the potential pressures on the People Directorate budget is such that it may well be necessary for this to be partly alleviated corporately by finding offsetting underspendings in other service areas.
- 2.6 It is therefore proposed that remedial action plans be developed as a matter of urgency and reported back to Cabinet in September, well in advance of the Mid Year Review.
- 2.7 Although some very limited alleviation funding may be possible from use of earmarked reserves, and other central provisions, the presumption must be that there can be no recourse to general reserves to fund overspending in 2010-11 given the substantial reduction in the level of balances during 2009-10 to £10.6m.

3.0 KEY SERVICE REVENUE ISSUES

Further details of the key pressures impacting on service outturn forecasts are summarised below.

3.1 People Directorate

- 3.1.1 The Directorate is facing extensive care cost pressures across both Adults and Children and Families. Delivering the full impact of budget

reductions not only from 2009-10 but also 2010-11 continue to present extensive challenges across all Services.

- 3.1.2 During the latter part of 2009-10 remedial action significantly reduced the extent of anticipated overspends, particularly through the use of grant in Children and Families. This action continues to be maintained into 2010-11, although the full year impact of care placements in the latter part of the year, across both Adults and Children and Families is more than offsetting the additional grant usage and other mitigating action.

Children and Families (£5.7m over spend)

- 3.1.3 Continuing placement activity, especially the full year cost of placements made during the last quarter of the year is adding approximately £2m of emerging pressure across fostering and other placement activity. During the first quarter placement activity has not increased and during the remainder of the year action will need to be taken to reduce the overall numbers of children in placements.
- 3.1.4 Home to School transport costs have maintained constant spending pressures, which remain £1m in excess of the available budget.
- 3.1.5 Included within the budget proposals for 2010-11 included £3.6m of reductions, of which £0.9m remain to be achieved, for example through the achievement of savings in commissioning budgets, charges to schools for Council provided activity and changes to Family and Children's Centres.
- 3.1.6 In June the Government announced £1.8m of reductions in a variety of grants, across the majority Children and Families Area Based Grant budget. At this stage, whilst discussions are continuing, it has been assumed that the full £1.8m will be an emerging budget pressure. It is clear that the actions required will impact on those who receive Area Based Grants, such as Connexions. A further report to Members will detail the decisions required in the near future.
- 3.1.7 A Government bill on Academies is due to be approved in Parliament at the end of July. Three schools in Cheshire East, Fallibroome, Sandbach High School and Brine Leas have been informed that they will be included in the first wave of new Academies and will be granted permission to convert to Academy Status this September. There will be an extensive amount of work required between now and September to facilitate this conversion. The financial consequences in 2010-11 are likely to be limited, estimated initially at approximately £170k, with the Government making further contributions to the three schools. The impact in later years will be far more significant with initial early estimates in excess of £1.2m for these three schools alone.

- 3.1.8 Action to reduce the spending and budgetary pressures are currently being considered, costed and proposals drafted for Member consideration. It is inevitable that there will be a number of challenging, painful reductions in order to make an impact. Proposals being considered include passing on grant reductions to third sector providers such as Connexions, reducing the staffing complement for activity funded by grant either via holding posts vacant, or potentially considering redundancy should the need arise. Other budget proposals from later years are also being considered to see whether these could be accelerated into the current year.

Adults (£5.8m over spend)

- 3.1.9 The costs of care continue to be the prime spending pressure for the Adults Service, with an overspend of in excess of £8m on placement activity. This is a continued pressure from 2009-10 where a combination of factors are taking a toll on the budget. Reablement is helping, but still resulting in some double funding as new individuals receive a reablement package, with existing service users continuing with higher cost packages. Temporary funding and redesign funding within the Adults Service budget are helping to offset and mitigate this spending pressure. Reviews are progressing and starting to reduce care costs, but this is a process that will take a full year to impact on the budget in a substantial way.
- 3.1.10 Redundancies and reductions in the staffing complement have reduced costs overall, but further reductions are planned during the year aiming to remove a further £850k from the budget.
- 3.1.11 Transformation and change within Care4CE, the provider arm of the service, continues to impact and reduce costs and spending pressures. Reductions in income from the Primary Care Trust and from the Learning Disability Pooled Budget are creating an overspend of approximately £780k. In addition a review of surplus capacity from Care4CE is underway and proposals to Members to further reductions and closures of activity will be presented in the near future. This will not only reduce the overspend, but will, it is anticipated, reduce the charge to Strategic Commissioning.
- 3.1.12 Significant budgetary reductions have already been achieved in 2009-10, by reducing the staffing complement, reviewing the Care4CE offering. In order to reduce the anticipated overspend, continued work is in hand to deliver the full range of budgetary proposals, along side further remedial action which is also being considered. Reviewing Care4CE provision, including considering accelerating proposals from later years where possible, reviews of existing care packages may well be accelerated, charging policies will be reviewed to either reduce or remove Council subsidy and negotiations with the Primary Care Trust

will continue to explore where cost savings can be achieved through shared activity alongside providing clear budgetary accountability through the Individual Commissioning structure.

- 3.1.13 In summary, it is clear that further remedial action is needed to bring down the current adverse position in Adults. However, it should also be noted that the Adults budget has been reduced by almost £7m (10%) over the last and current financial years and some material reductions have already been delivered. These include reducing staffing costs in excess of £1m in Care4CE, and delivering Adults own procurements savings of £1m in the current year by a combination of reducing agency costs and also by restricting the annual contract increase to External Providers to 0%. Other successful actions include reducing transport costs, delivering savings by rationalising hot meals, increasing income and reducing business support costs. Without these successful actions the current position would be significantly more adverse.

Health and Wellbeing (£0.7m overspend)

- 3.1.14 There are two main pressures being experienced within Health and Wellbeing, both resulting from 2010-11 budget proposals. Firstly the ability to achieve restructuring savings of over £600k, with £350k still to be achieved, and through the transfer to the community and/or closure of Civic Centres and certain leisure provision, such as Malkins Bank, Knutsford Cinema and the Crewe Lyceum. Progress is being made in all areas, but decisions to defer change in this area will add in excess of £300k to the spending pressure to the Service.
- 3.1.15 Further consideration is being given to action to reduce the impact of the overspend.

Action Planning

- 3.1.16 Whilst continuing to maintain a tight control of expenditure is helping to mitigate some of the above spending pressure, it will only make a small overall contribution. More significant options are being considered and developed, including contributing to the emerging transformation agenda which will help to develop wider strategic change across the Directorate.
- 3.1.17 Across the Directorate remedial measures are being considered that will help to reduce the current forecast, through for example, developing the in house foster care agency to reduce unit costs, reducing grounds maintenance costs across leisure facilities and reviewing the provision of transport to adults. Further remedial measures will need to be considered and developed to help reduce the emerging pressures.

Conclusion

- 3.1.18 There are significant emerging budgetary pressures being experienced across the Directorate, especially within care placements . Whilst these pressures are emerging and as such likely to be worst case forecasts, the significance is such that action must be taken. Managers are continuing to maintain a tight discipline on expenditure, but are also considering the viability of a range of other options that will require Member consideration once worked up. It is likely that such options, once approved and implemented, will not only help in contributing towards delivering a smaller overspend this year but also contribute towards delivering next year's budget and support the wider transformation agenda.

3.2 Places Directorate

- 3.2.1 The Places Directorate has an approved net budget for 2010/11 of £48.8m. Whilst progress is being made in realising many of the cost savings and efficiencies set in the budget, further areas of pressure have been identified as part of the first quarter review.

Key Service Issues – Quarter 1

- 3.2.2 The overall forecast for Places Directorate, albeit early in the year, currently shows an overspend of £1.2m primarily due to:
- pressures on pay budgets in Environmental Services
 - exceptional inflation on waste contract, energy contract for street lighting and bus contracts (due to fuel price increases)
 - achieving full realisation of transport and corporate savings targets
 - car parking income

Environmental Services

- 3.2.3 Environmental Services are forecasting an overspend of £878k at the present time, against a net budget of £34.8m. There are pay budget pressures across the Service, but it is currently forecast that further management of structures, overtime and agency costs will contain pay pressures to £311k. The forecast also includes cross cutting corporate savings targets amounting to £419k.
- 3.2.4 Whilst it is too early in the year to forecast winter maintenance costs, following the winter learning exercise the Highways Operations service envisages there may be some degree of increase in costs through revised salting / gritting regimes which, depending on the severity of the weather, may materialise as overspends. Clearly the position will be kept under close watch during the winter period.

- 3.2.5 Exceptional Inflation: The Joint Waste Team is forecasting additional inflationary costs against the Landfill and Household Waste & Recycling Centres (HWRC) contracts of £150k. In addition, within Highways Operations, with a new contract for street lighting energy costs are forecast to increase by 60%, resulting in a £250k part-year budget pressure (£350k full year).

Safer & Stronger Communities

- 3.2.6 The early forecast out-turn is currently close to budget, though it is important to note that projected pay cost savings of (£313k) across the Service are offsetting an estimated shortfall in car parking income totalling £300k.
- 3.2.7 Fine income is below budget due to vacant posts which are in the process of being filled and pay & display income is below budget because of lower than budgeted receipts in the Congleton area and the removal of Sunday charging in the Crewe and Nantwich area.

Planning and Policy

- 3.2.8 There is a favourable pay variance within Housing Strategy (£100k).
- 3.2.9 The Government has recently announced that Councils will no longer be able to demand payment for certain Land Charges services. This follows various legal challenges at a national level. This is likely to create additional pressure but its full implications are being assessed and will be reported as necessary later in the year.
- 3.2.10 There is also the potential for costs relating to an appeal against refusal of planning permission. These costs are likely to be in excess of associated budgets and when quantified will form the basis of a supplementary budget request.

Regeneration

- 3.2.11 At first quarter review the Service is projecting an overspend of £393k against a net budget of £9.6m. The budget pressures are mainly arising within Strategic Highways & Transportation and the Integrated Transport Unit shared service. The Integrated Transport Unit budget pressures total £474k; these include:
- Total Transport (2010/11) savings £300k
 - Exceptional inflation re fuel increases on local bus contracts £100k
 - Local bus contract (2010/11) savings £50k
 - Impact on the revenue budget of in-year reductions to the Capital Programme £24k

- 3.2.12 There are draft proposals to implement policy changes, which will have a part-year effect in 2010/11 resulting in a £80k saving, thereby reducing the budget pressure to £394k.
- 3.2.13 The Tatton Park trading account and Visitor Economy service are currently projecting balanced budgets at this stage in the financial year.

Invest to Save Bid

- 3.2.14 In addition to the above, Places will be submitting a bid for use of the “Invest to Save” earmarked reserve. This will include a bid for some £500k (for 2010/11) for the major re-procurement of Highways Maintenance Services.

Government Grant Reductions

- 3.2.15 The effects on service revenue accounts of the in-year grant reductions are incorporated in the forecast outturn. This includes the £27k reduction in safer communities grant and also the £252k (27%) reduction in road safety grant (the effects of which are shared with the Cheshire Safer Roads Partnership, pro rata to the original grant split). The revisions to the capital programme, following the £1.7m reductions in highways capital grants, are described in the relevant section of the report.

Conclusion

- 3.2.16 At this early stage in the year the Places Directorate is forecasting net pressures of some £1.2m, mainly in respect of certain pay budgets, items of exceptional inflation relating to contracts and in realising the full extent of certain savings targets in the year.
- 3.2.17 The report notes the potential for further pressures to arise during the year and require supplementary budget bids, within Planning & Policy. The preparation of an Invest to Save bid is also referred to, in relation to the major re-procurement of Highways Maintenance services.
- 3.2.18 The Directorate will continue to closely monitor and manage key areas – including overtime and agency staffing costs – and identify scope for further remedial actions.

3.3 Performance & Capacity

Borough Treasurer & Head of Assets (£0.7m overspend)

- 3.3.1 Overspend predicted mainly due to pressures in Assets service. Loss of income from industrial units, security costs relating to surplus properties and hard Facilities Management (FM) costs are having an adverse impact on the service.

Property Services - £437k overspend.

3.3.2 The predicted overspend is due to a number of factors.

- Airparks vacated units on the Crewe industrial estate earlier this year following the required months notice period. This created a £150k budget pressure in the service.
- Security costs relating to non operational properties that are deemed surplus and the responsibility passes to Assets will result in an overspend of £200k in 2010/11. This has been a growing pressure for a number of years and a review is now required to consider how to meet these ongoing costs in the future. Potentially it could be taken into account when the capital receipt is realised.
- Professional fees relating to district valuation work required at year end and the IFRS (International Financial Reporting Standards) restatement that were unbudgeted for will have an impact of £65k.
- A slight overspend of £22k is predicted relating to accommodation costs. Although charges from Cheshire West & Chester Council will be considerably lower this year due to the sale of County Hall any savings will be required to fund the Emperor Court running costs. Also budgets relating to Cheshire East properties are in some instances insufficient to contain the ongoing property costs.

Facilities management - £170k overspend

3.3.3 The funding to meet the essential hard FM costs continues to put pressure on the service due to the fact that many of these costs were not budgeted for in the former authorities. The current procurement arrangements for cyclical & response maintenance is provided by a number of maintenance contractors and means that there is little scope for benefiting from the potential economies of scale associated with a single maintenance supplier. £500k from the building maintenance revenue budget earmarked for planned capital works, has already been taken into account in these outturn figures.

3.3.4 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 the possible reallocation of an additional £1m that is currently held in their budget. If this virement occurs it is anticipated that savings can be made that will reduce the overspend. The service is currently working on an SLA to assist with the centralisation process in helping all parties to understand what will be delivered.

- 3.3.5 In addition procurement savings linked to the review of the print function are unlikely to deliver the full saving of £100k. Possible savings of £20k have been identified to date, however, work is still ongoing to assess the full benefits of consolidating this service. However any savings will only be able to be attributable to Assets management if all budgets are centralised from across the authority.

- 3.3.6 Caretaking and cleaning anticipate a £80k underspend at year end due to the increase in take up of their services in both schools and former district properties.

ICT – Strategy £168k overspend

- 3.3.7 This is due to £120k photocopier payments being incurred relating to termination charges and outstanding lease agreements. £50k prudential borrowing costs have also been applied this year that will fund 2 capital schemes; Government Connect and ICT Security & Research. This overspend includes the use of £50k from transitional funds to offset the photocopier charges outlined above.

ICT – Shared Services - Net nil

- 3.3.8 Assuming net nil variance but information not yet received from Cheshire West and Chester Council.

Finance (incl. Insurance) - £100k underspend

- 3.3.9 Insurance will deliver an underspend of £250k in 2010/11. This is over £250k lower than 2009/10 due to increased premium costs resulting from a 2% inflation uplift being applied to our re-build costs and an under-recovery of approximately £77k against DSG (Dedicated Schools grant) /SBSA (Schools Business Support Agreement).

- 3.3.10 £150k overspend in non Insurance is attributable to audit fees being significantly higher than current budget provision and significant agency / consultancy costs relating to year end and IFRS being incurred. The outturn includes £95k from transitional funds.

Finance – Shared Services - £200k overspend

- 3.3.11 The overspend is lower than 2009-10 levels but still significantly higher than anticipated. Work is ongoing to understand the cost pressures of this service and ways to reduce the expenditure.

Borough Solicitor (£0.5m underspend)

- 3.3.12 Election budgets are underspent by approximately £270k this year but a carry forward request will be required as this will be needed in 2011/12 for both parish and council elections.
- 3.3.13 Coroners is expected to overspend by £39k. Charges from Warrington Borough Council are population driven and not subject to negotiation.
- 3.3.14 Registration should deliver a £123k underspend due to the charges implemented in Sept 2009.
- 3.3.15 Savings of £57k are expected in the other areas of Democratic Services. This relates to Scrutiny where vacant posts have been carried in the first part of the year. Twinning expenses budget will also deliver an underspend.

Policy & Performance (£0.1m underspend)

- 3.3.16 The underspend is primarily due to carrying vacancies in Audit for the first part of the financial year.
- 3.3.17 **Human Resources & Organisational Development** - nil variance

4.0 CENTRAL BUDGETS AND PROVISIONS

- 4.1 The 2010-11 budget contained a central inflation contingency provision of £1.6m to cover in-year increases in prices during the year. It is recommended that no decisions are taken on its use until at least the mid-year review when the positions on forecast outturns and the impact of inflation may have become clearer.
- 4.2 Further work will be undertaken to review corporate budgets, central provisions, earmarked reserves and the potential overall impact on general balances, and reported to Members in September, alongside the remedial action plans.

5.0 TREASURY MANAGEMENT

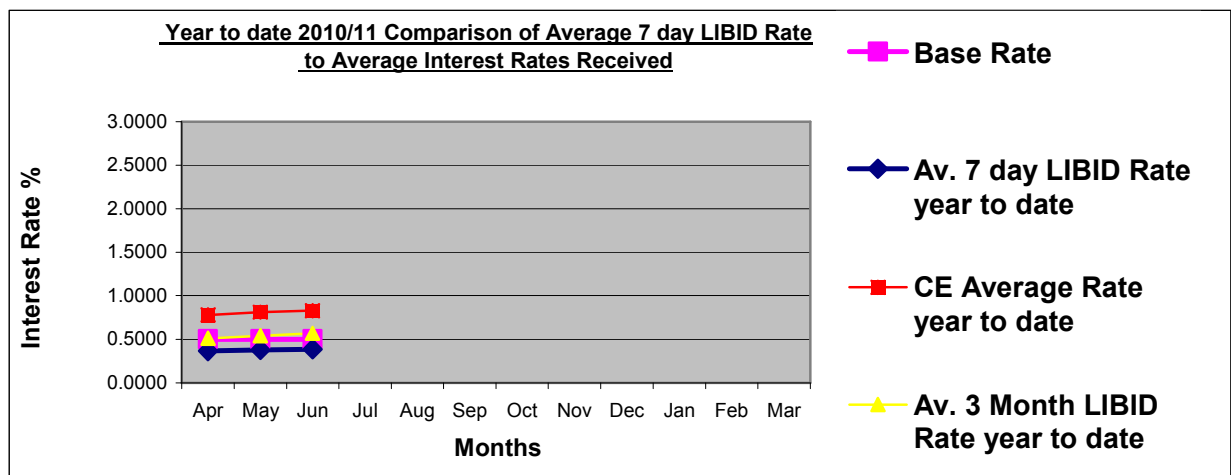
- 5.1 Investment income is currently £40,000 lower than budgeted. The original budget of £1.12m was based on estimated average balances of £90m at 1.25% as it was anticipated that interest rates would start to rise mid way through 2010/2011. Based upon the current economic forecasts, investment interest rates are not expected to increase before the end of the financial year. However, opportunities are being taken to invest for longer periods for higher than budgeted returns wherever

possible. Any budget shortfall on investment interest should be compensated by savings on external interest payments.

- The average lend position (the 'cash balance') including fund manager and legacy balances up to the end of the first quarter was £98.1m.
- The average interest rate received on in house investments up to the end of the first quarter was 1.04%
- The average interest rate received on the external managed Investec fund up to the end of the first quarter was 0.2%

5.2 The Council's total average interest rate up to the end of quarter 1 in 2010-11 was 0.81%. This is favourable when compared to the London Inter-bank Bid Rate for 7 days at 0.38% but below the budgeted outturn of 1.25%. The base rate remained at 0.50% for the quarter.

Comparator	Average Rate Q1
Cheshire East	0.81%
LIBID 7 Day Rate	0.38%
LIBID 3 Month Rate	0.57%
Base Rate	0.50%



5.3 The Council's authorised counterparty list as advised by Arlingclose Treasury Advisors which is kept under continual review is principally –

Money Market Funds – AAA rated

UK Banks & Building Societies - AA rated (covered by UK Government guarantee):

Bank of Scotland Plc	Barclays Bank Plc
Clydesdale Bank (includes Yorkshire Bank)	HSBC Bank Plc
Lloyds Bank Plc	Nationwide Building Society
Royal Bank of Scotland Plc	Santander (UK) Plc

Co-operative Bank (holder of bank accounts for Cheshire East)

Foreign Banks – Named list of minimum AA rated banks

6.0 COLLECTION RATES

- 6.1 The Council Tax collection rate for the first quarter is 30.54%, which is 0.35% lower than the comparable figure last year. The National Non-Domestic Rates collection rate for the first quarter is 29.83%, which is 0.54% lower than last year.
- 6.2 Recruitment to vacant posts in the Revenues section during the second quarter will increase capacity to reduce in –year debt.

7.0 DEBT MANAGEMENT

- 7.1 Total outstanding Invoiced Debt at the end of June 2010 was £11.2m which includes £5.4m 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 £1.1m which is broadly the same as the position at 31 March. Services have created debt provisions of £1.2m to cover this debt in the event that it needs to be written off.
- 7.2 An analysis of the invoiced debt provision by directorate is provided in Table 2.

Table 2 - Invoiced Debt

Directorate/Service	Total Outstanding Debt as at 30th June 2010 £000	Total Debt Over 6 months old £000	Bad Debt Provision £000
<u>People</u>			
Adults/Health & Wellbeing			
Non Care	2,109	54	14
Care	744	618	642
Children & Families	1,494	132	132
Schools & Catering	19	13	13
Total People	4,366	817	801
<u>Places</u>			
Environmental Services	603	97	73
Safer & Stronger Communities	47	11	11
Planning & Policy	53	13	13
Regeneration	213	3	3
Total Places	916	124	100
<u>Performance & Capacity</u>			
Borough Treasurer & Head of Assets	503	201	298
Human Resources	1		3
Borough Solicitor	1	1	35
Policy & Performance	0		0
Total P&C	505	202	336
Total Debt & Provisions	5,787	1,143	1,237

8.0 CAPITAL PROGRAMME

- 8.1 The final capital outturn position for 2009-10 showed expenditure of £85.332m compared to an in-year budget of £122.218m. The difference between these figures mainly represents budgets not used in 2009-10 but that would in principle be carried forward to 2010-11 as 'slippage'. Cabinet is asked to note that Officers are currently undertaking a fundamental review of slippage to ensure that the capital programme only includes schemes that fulfil the Council's priorities for service delivery, and aimed at bringing recommendations to Members in September for schemes and unspent balances to be deleted from the programme, enabling resources to be freed up for re-allocation on a corporate priority basis, where necessary.
- 8.2 Table 3 shows an analysis by Directorate of the in-year Approved Budget for 2010-11, and forecast expenditure for 2010-11 and the three following years to 2013-14.

Table 3 – Capital Expenditure Forecasts

Department	In Year Approved Budget	Forecast Expenditure			
	2010-11 £000	2010-11 £000	2011-12 £000	2012-13 £000	2013-14 £000
People					
New Starts	12,013	12,763	5,986	1,802	1,484
Committed schemes	27,804	34,702	4,584	350	0
	39,817	47,465	10,570	2,152	1,484
Places					
New Starts	17,037	15,397	12,109	9,489	0
Committed schemes	32,490	26,551	3,828	2,556	4,564
	49,527	41,948	15,937	12,045	4,564
Performance & Capacity					
New Starts	9,487	9,487	2,424	2,290	0
Committed schemes	16,037	16,037	1,910	270	270
	25,524	25,524	4,334	2,560	270
Total New Starts	38,537	37,647	20,519	13,581	1,484
Total Committed schemes	76,331	77,290	10,322	3,176	4,834
Total Capital Expenditure	114,868	114,937	30,841	16,757	6,318

- 8.3 The programme consists of on-going schemes started in previous years (£76.331m) and new starts (£38.537m). The new starts include a number of schemes which form part of a 'core' programme, including essential maintenance, Local Transport Plan (LTP) schemes within Environment, and Devolved Formula Capital (DFC) allocations for schools. New schemes have been approved by Members as meeting the Council's priorities.
- 8.4 The programme is funded from both direct income (grants, external contributions, linked capital receipts), and indirect income (borrowing approvals, revenue contributions, capital reserve, non-applied receipts). A funding summary is given below in Table 4.

Table 4 – Funding Sources

Funding Source	Forecast Expenditure			
	2010-11 £000	2011-12 £000	2012-13 £000	2013-14 £000
Grants	49,806	17,929	10,555	4,140
External Contributions	5,034	1,614	1,562	1,484
Linked/Earmarked Capital Receipts	18,860	3,959	3,040	0
Supported Borrowing	19,820	2,638	1,050	424
Non-supported Borrowing	7,430	2,514	270	270
Revenue Contributions	3,358	715	280	0
Capital Reserve	10,629	1,472	0	0
Total	114,937	30,841	16,757	6,318

8. 5 Appendix 1 shows detail of the individual schemes that make up the disclosures in Table 3 and Table 4.
8. 6 Appendices 2a and 2b list proposals for Supplementary Capital Estimates (SCE)/ Virements up to and including £500,000 that Cabinet is requested to note.
8. 7 Appendix 3 lists proposed budget reductions that require Cabinet approval.

Key Service Capital Issues

8. 8 Services are faced with varying degrees of uncertainty over reduced levels of capital funding from the Government. Some of the impacts are known and are outlined below. In some areas though further work is ongoing to establish the impact of these funding issues, and the results of this exercise will be reported to Members in September.

People

8. 9 The Directorate is also faced with uncertainty over the possible effects of the Government's new Free Schools initiative. Within Children's and Families in general, schemes have slipped while the departmental capital prioritisation strategy has been developed.

However, the following schemes are due to commence shortly:-

- Alsager School Phase 1 - School Development Plan
- Tytherington High School – scheme to be determined after School organisation review

- Poynton High School – replacement of 6th Form.

8. 10 Within Adults, the Extra Care Housing scheme is subject to formal Government approval which is expected in October 2010. The Outline Business Case is currently being considered by CLG.
8. 11 In Health and Wellbeing, a formal response is awaited from the Government in respect of the level of grant to be allocated for Playbuilder schemes. Grant of £533k is expected in 2010-11.

Places

8.12 Crewe & Macclesfield Household Waste Recycling Centres

Total Approved Budget	-	£870k
Prior Year Spend	-	£120k
Budget 2010-11	-	£750k

The Macclesfield site (Danes Moss) suffers complex drainage and subsidence problems that could potentially cost a further £500,000. It may be possible to mitigate this cost by accommodating the drainage issue within the South Macclesfield Development Area (SMDA) new road construction. However, this would delay resolution of the drainage issue as planning for the SMDA is not due to be submitted until 2011. As site design cannot commence until the drainage solution is agreed, the timescale of the capital funding for this project would have to be extended to reflect this.

8.13 LTP Project - Crewe Green Link Road

Total Approved Budget	-	£8.684m
Prior Year Spend	-	£8.236m
Budget 2010-11	-	£0.447m

Work on the planning and design has been stopped following the Coalition Government's announcement on transport spending. However, negotiations are well advanced on the acquisition of land required to deliver the road and it has been decided to continue these to come to an agreement with each party. At this stage it is unknown as to what the final costs will be and, as such, there is a risk that funding requirements will exceed the available budget allocation in the LTP programme. Further, if the scheme were to be given the go ahead following the Comprehensive Spending Review additional costs could be incurred to progress the planning and design of the project. These could be as high as £100k to complete land deals and £200k to complete land deals and progress the project post CSR.

Failure to progress this project would have an adverse impact on the delivery of the Basford East Regional Investment Site and the potential

of Crewe Vision, undermining the emerging economic and planning strategies for the Council.

One option would be to re-allocate funds from other projects that deliver savings during the year.

8.14 LTP Project - SEMMMS

The scheme relates to roads in the north of the Council's area. It is managed within overall SEMMMS budget allocations and is not a separate line on Appendix1. The scheme sponsor is Stockport MBC, and as yet the share of costs has not been agreed. The scheme faces constraints similar to those outlined for the Crewe Green Link Road. Additional costs could amount to £150k. If the Council does not participate in this SEMMMS scheme it would lose influence over the development within its area. Options include negotiation with Stockport MBC to seek a reduced share of incurred and future costs.

8.15 Poynton Regeneration Scheme

Additional funding of £550k is required in 2010-11 to match a changed funding profile for the scheme to meet the construction of Phase 1 which is now scheduled for an August start on site. The overall funding for the project remains the same at £3.5m, so the funding profile originally identified as £650k in 2012-13 is now reduced to £100k.

Performance & Capacity

- 8.16 Specific issues to be addressed include the management and disposal of the Farm Estate, and the treatment of Shared Services assets owned jointly with Cheshire West and Chester Council.

8.17 Customer Relationship Management & Telephone System

In year Budget £1.356m; Outturn £650k; Variance £706k underspend

The CRM has been delayed because of the challenging procurement process. This started in June 2009 and has taken until July 2010 to select the preferred supplier. The transition phase for the CRM project is expected to last until September 2011 and so it is necessary to slip some of the capital programme into 2011-12.

Department/Scheme	Department	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To 30th June 2010	Forecast Expenditure	Total Funding	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Total Forecast Expenditure	Variance From Total Approved budget
		£000's	£000's	2010-11	2010-11	2010-11	2010-11	2011-12	2012-13	2013-14	£000's	£000's
People												
Ongoing Schemes												
2008/09 2008-09 Building Review Block	Adults	192	108	102	3	84	84				192	0
2009/10 Building Review	Adults	180	0	180	0	180	180				180	0
2009/10 Common Assessment Framework	Adults	50	6	0	0	44	44				50	0
2009/10 CAF Phs 2 Demonstrator	Adults	2,235	0	0	0	1,235	1,235	1,000			2,235	0
2009/10 Social Care IT Infrastructure	Adults	96	19	85	0	77	77				96	0
2009/10 Mental Health Capital	Adults	99	27	66	0	72	72				99	0
2009/10 The Willows Refurb Phs 2	Adults	318	318	0	0	0	0				318	0
2008/09 Refurb Day Cent Mountview	Adults	40	41	0	0	0	0				41	1
2007/08 Mental Health Provider	Adults	226	149	0	4	77	77				226	0
2008/09 Mayfield Centre	Adults	10	4	0	0	6	6				10	0
2007/08 Cypress House CSC Misters 08-09	Adults	75	70	0	0	5	5				75	0
2009/10 Community Support Centre (CSC) Misters	Adults	280	0	172	0	280	280				280	0
2007/08 Modernising ICT Delivery	Adults	638	486	0	0	77	77	75			638	0
2007/08 Enabling Model of Social Care	Adults	58	0	0	0	58	58				58	0
2008/09 Extra Care Housing	Adults	3,067	2,058	1,969	19	300	300	709			3,067	0
2009/11 National Dementia Strategy - Lincoln House	Adults	1,000	498	150	834	845	845				1,343	343
2009/10 Community Services Flexible and Mobile working	Adults	650	143	0	3	507	507				650	0
2009/10 SureStart Aiming High for Disabled Children	Children & Families	168	75	102	2	20	20	73			168	0
2004/05 Monks Coppenhall	Children & Families	1,433	5	0	0	0	0				5	-1,428
2007/08 Oakencloough PS	Children & Families	975	5	0	1	0	0				5	-970
2006/07 Manor Park PS	Children & Families	734	721	0	0	12	12				734	0
2008/09 Childrens Centres Ph3 East	Children & Families	0	0	0	0	0	0				0	0
2008/09 East Cheshire Minor Works Ph3	Children & Families	400	43	132	-8	357	357				400	0
2008/09 Signage (£5k*20 centres, estimate)	Children & Families	46	0	0	0	46	46				46	0
2008/09 Nantwich Rural Children's Centre (Wrenbury) Ph3	Children & Families	20	0	0	0	20	20				20	0
2008/09 Nantwich Rural Children's Centre (Audlem) Ph3	Children & Families	20	0	0	0	20	20				20	0
2009/10 Underwood West PH3 Expansion	Children & Families	469	0	0	0	469	469				469	0
2008/09 Congleton Childrens Centres Ph3	Children & Families	296	296	0	0	0	0				296	0
2008/09 Oakencloough nursery area refurbishment	Children & Families	20	0	0	0	20	20				20	0
2008/09 Holmes Chapel Library Childrens Centres Ph3	Children & Families	20	0	0	0	20	20				20	0
2008/09 Sandbach Childrens Centres Ph3	Children & Families	685	71	717	4	614	614				685	0
2008/09 Shavington Childrens Centres Ph3	Children & Families	487	479	0	0	8	8				487	0
2008/09 Mabllins Lane Childrens Centres Ph3	Children & Families	667	540	0	56	127	127				667	0
2008/09 SCP Childrens Services	Children & Families	47	11	0	0	36	36				47	0
2009/10 Children's Social Care	Children & Families	36	0	0	0	36	36				36	0
2009/10 Extended Schools	Children & Families	363	0	263	0	363	363				363	0
2008/09 IS for Parents & Providers East	Children & Families	18	18	0	0	0	0				18	0
2008/09 ICT Childrens Centres Ph3 East	Children & Families	125	2	66	0	123	123				125	0
2008/09 Childrens Homes Rationalisation	Children & Families	1,013	1,009	0	-13	0	0				1,009	-3
2008/09 Access Initiative 08-09 East	Children & Families	146	90	0	0	56	56				146	0
2009/10 Schools - Access Initiative	Children & Families	257	65	415	-20	603	603				668	411
2004/05 Playground Mark Phase1 NOF East	Children & Families	116	102	0	0	0	0				102	-13
2006/07 Devolved Formula Capital 06-07 East	Children & Families	4,673	4,650	0	23	0	0				4,650	-23
2007/08 Devolved Formula Capital 07-08 East	Children & Families	5,170	4,495	171	0	608	608	66			5,169	0
2008/09 Devolved Formula Cap 08-09 East	Children & Families	5,131	3,795	1,958	0	846	846	490			5,131	0
2009/10 Devolved Formula Capital	Children & Families	5,693	2,360	2,500	0	2,248	2,248	1,085			5,693	0
2009/10 14-19 diploma	Children & Families	1,000	0	700	0	1,000	1,000				1,000	0
2008/09 Integrated Children's Systems (ICS) 08-09 East	Children & Families	922	405	656	0	517	517				922	0
2008/09 Children's Workforce Dev Sys East	Children & Families	70	0	0	8	70	70				70	0
2008/09 Adults workforce Census East	Children & Families	15	0	0	0	15	15				15	0
2008/09 Harnessing Technology East 1	Children & Families	1,091	446	0	0	645	645				1,091	0
2009/10 Harnessing Technology	Children & Families	801	241	334	0	560	560				801	0
2009/10 Contact Point / Further Dev of Children's Hub/ e-CAF	Children & Families	382	53	231	0	278	278	51			382	0
2008/09 Home Access for Targeted groups East	Children & Families	132	4	0	0	127	127				132	0
2009/10 Capital for Kitchen & Dining Facilities	Children & Families	600	20	400	5	580	580	0			600	0
2009/10 Schools - Modernisation Programme	Children & Families	862	0	0	0	862	862				862	0
2008/09 Partnership/ H & S East	Children & Families	13	0	0	0	12	12				13	0
2008/09 Land Drainage 08-09 East	Children & Families	37	37	0	0	0	0				37	0
2008/09 Repairs to Mobile Classroom Ext Schs East	Children & Families	100	29	0	0	71	71				100	0
2009/10 Schools - Minor Works (Basic Need)	Children & Families	306	306	473	0	471	471				777	471
2009/10 VA Contributions 09-10	Children & Families	37	37	50	2	13	13				50	13
2009/10 Primary School & YOT Extension repairs	Children & Families	230	0	190	0	230	230				230	0
2008/09 Redesignation of Specialist Schools	Children & Families	50	50	0	0	0	0				50	0

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			£000's	£000's	2010-11 £000's	2010-11 £000's	2010-11 £000's	2010-11 £000's	2011-12 £000's	2012-13 £000's	2013-14 £000's	£000's	£000's
2009/10	Springfield Spec School	Children & Families	120	10	30	0	110	110				120	0
2006/07	TLC 2006-07 East	Children & Families	246	246	0	0	0	0				246	0
2008/09	Alsager Highfields Toilet adaptions	Children & Families	215	210	15	2	5	5				215	0
2007/08	TLC Dean Oak's PS	Children & Families	3,187	3,149	30	0	37	37				3,187	0
2009/10	Stapely Broad Lane PS - Replacement of temp accomodation.	Children & Families	906	18	836	33	889	889				906	0
2009/10	Christ the King Catholic & C of E PS	Children & Families	3,112	0	2,850	206	3,112	3,112				3,112	0
2009/10	Christ the king Catholic & C of E PS - Phase 1	Children & Families	138	138	0	45	0	0				138	0
2008/09	TLC Vernons PS Amalgamation	Children & Families	3,753	3,094	200	618	659	659				3,753	0
2006/07	TLC Oakefield Prim&Nursery Sch	Children & Families	2,037	2,029	0	0	7	7				2,037	0
2009/10	Offley Primary School	Children & Families	888	15	788	68	873	873				888	0
2009/10	Cledford TLC Scheme	Children & Families	3,289	859	2,459	1,120	2,430	2,430				3,289	0
2008/09	Gorsey Bank Floor Repair	Children & Families	1,768	1,521	71	55	247	247				1,768	0
2009/10	The Dingle Refurbishment	Children & Families	86	0	0	0	0	0				0	-86
2008/09	Brine Leas Sixth Form	Children & Families	7,119	3,611	3,347	2,823	3,700	3,700				7,311	192
2009/10	Kings Grove Mobile Replacement	Children & Families	790	2	720	0	788	788				790	0
2004/05	Macc Reorg Rebuild Park Lane	Children & Families	15,057	15,058	0	0	0	0				15,058	1
2006/07	Brine Leas HS - Sports Hall	Children & Families	410	410	0	0	0	0				410	0
2006/07	TLC Sir William Stanier Comm S	Children & Families	21,598	20,950	215	315	649	649				21,599	0
2008/09	Kings Grove High School, Crewe	Children & Families	212	212	30	0	0	0				212	0
2009/10	Wilmslow Specialist Sports College	Children & Families	616	0	611	0	616	616				616	0
2009/10	LTP - Public Right of Way Improvements	Health & Wellbeing	24	17	0	0	0	0				17	-7
2008/09	Shavington Community Health & Fitness Centre	Health & Wellbeing	406	384	0	29	22	22				406	0
2008/09	Bridges and other structures on Middlewood Way	Health & Wellbeing	828	711	103	15	117	117				828	0
2008/09	Cumberland Infield Floodlighting	Health & Wellbeing	90	90	0	0	0	0				90	0
2008/09	Barony Park Astro-turf	Health & Wellbeing	50	50	0	0	0	0				50	0
2008/09	Alderley Park Tennis Courts	Health & Wellbeing	28	26	0	0	2	2				28	0
2008/09	Springfield Road Allotments	Health & Wellbeing	36	10	36	8	26	26				36	0
2008/09	Macclesfield Canal Footbridge	Health & Wellbeing	168	168	0	56	0	0				168	0
2008/09	Bollington Rec Ground - Green Flag Status	Health & Wellbeing	138	138	0	3	0	0				138	0
2008/09	The Moor, Knutsford - Green Flag Status	Health & Wellbeing	109	116	0	0	0	0				116	0
2008/09	Middlewood Way Footpath Repairs/Countryparks Footpaths	Health & Wellbeing	125	125	0	0	0	0				125	0
2008/09	Wilmslow LC Plant and Equip	Health & Wellbeing	18	18	0	0	0	0				18	0
2008/09	Crewe Pool Health & Safety Works	Health & Wellbeing	270	270	0	6	0	0				270	0
2008/09	Middlewood Way Fencing	Health & Wellbeing	69	94	0	0	0	0				94	25
2008/09	Legionella Works (Joint Use)	Health & Wellbeing	26	14	0	0	0	0				14	-12
2008/09	Improvements to Congleton Park	Health & Wellbeing	29	2	0	1	28	28				29	0
2008/09	Bromley Farm "Kick About" Area	Health & Wellbeing	47	46	0	1	1	1				47	0
2008/09	Alsager Skate Park/Milton Park	Health & Wellbeing	27	3	18	0	0	0				3	-24
2008/09	Allotment Improvements	Health & Wellbeing	15	12	0	0	0	0				12	-3
2008/09	Play Area Improvements	Health & Wellbeing	100	93	0	6	6	6				100	0
2008/09	Congleton Park Community Store	Health & Wellbeing	71	71	0	0	0	0				71	0
2008/09	Sandbach Park Building Refurbish	Health & Wellbeing	29	10	20	0	20	20				30	1
2008/09	Middlewood Way Viaduct Repairs	Health & Wellbeing	546	449	58	0	86	86				535	-11
2008/09	Improving Leisure Facilities	Health & Wellbeing	55	-15	0	0	0	0				-15	-70
2008/09	Alsager LC - Electrical Dist Board	Health & Wellbeing	9	0	0	0	0	0				0	-9
2008/09	Sandbach United Football complex	Health & Wellbeing	2,200	12	2,200	24	2,188	2,188				2,200	0
2008/09	Piggenshaw Brook	Health & Wellbeing	105	40	0	12	65	65				105	0
2009/10	Play Capital ²	Health & Wellbeing	1,100	468	627	-11	632	632				1,100	0
2009/10	Demolition of Carrs Pavilion - Ticket Office	Health & Wellbeing	13	0	0	0	0	0				0	-13
2008/09	Lawton Green Landscaping	Health & Wellbeing	8	0	0	0	8	8				8	0
2009/10	Swim for Free Capital	Health & Wellbeing	128	41	20	0	87	87				128	0
2009/10	Sandbach Park	Health & Wellbeing	128	0	128	0	128	128				128	0
2009/10	Badger Relocation	Health & Wellbeing	115	16	0	1	99	99				115	0
2009/10	Lower Heath Play Space Renewal,	Health & Wellbeing	120	0	0	0	120	120				120	0
2009/10	Congleton Park Improvements - Town Wood	Health & Wellbeing	82	0	0	0	82	82				82	0
2008/09	Cranage Bowling Green & Pavilion refurbishment	Health & Wellbeing	20	1	10	0	19	19				20	0
2008/09	Nantwich Pool Enhancements (part-funding)	Health & Wellbeing	1,385	0	300	0	0	0	1,035	350		1,385	0
2008/09	Playgrounds	Health & Wellbeing	64	43	0	0	21	21				64	0
2008/09	BMX Track (Drainage & Improvements)	Health & Wellbeing	54	44	0	10	10	10				54	0
2009/10	Keepers Close / Mill Close	Health & Wellbeing	18	0	0	0	18	18				18	0
2009/10	Shell House, Station Road, Wilmslow	Health & Wellbeing	128	0	0	0	128	128				128	0
2009/10	Twinnies Court, Lacey Green, Wilmslow	Health & Wellbeing	31	0	0	0	31	31				31	0
2009/10	Mallory Court, Bernisdale Road, Mobberley	Health & Wellbeing	30	0	0	20	30	30				30	0
2009/10	Ilford Imaging Site, Mobberley, Knutsford	Health & Wellbeing	47	0	0	0	47	47				47	0
2009/10	Land South West of Moss Lane	Health & Wellbeing	487	89	0	0	398	398				487	0
2009/10	The Larches, Kennedy Avenue, Macclesfield	Health & Wellbeing	65	63	0	0	0	0				63	0

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		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
2009/10 Land off Robin Lane, Lyme Green, Sutton	Health & Wellbeing	43	0	0	23	43	43				43	0
2009/10 Earl's Court, Earlsway, Macclesfield	Health & Wellbeing	145	99	0	-1	47	47				146	0
2009/10 Ground work Cheshire - Beech Rd Play Area	Health & Wellbeing	13	13	0	0	0	0				13	0
2009/10 Ground Work Cheshire - Weston Toddler play area	Health & Wellbeing	0	0	0	0	20	20				20	20
2008/09 Libraries RFID - Self service	Health & Wellbeing	0	0	0	-71	0	0				0	0
2008/09 Libraries Facilities	Health & Wellbeing	500	426	0	-7	74	74				500	0
2009/10 Leisure Centre General Equipment	Health & Wellbeing	32	8	0	5	24	24				32	0
Total On-going schemes		121,007	80,181	27,804	6,336	34,702	34,702	4,584	350	0	119,816	-1,191
New Starts 2010-11												
2010-11 Common Assessment Framework - Demonstrator Bid	Adults	2,000	0	0	0	2,000	2,000	0			2,000	0
2010-11 Adults Protect into Paris	Adults	50	0	50	0	50	50				50	0
2010-11 Mental Health Cap 10-11	Adults	99	0	99	0	99	99				99	0
2010-11 Adults Social Care 2010-11	Adults	180	0	180	0	180	180				180	0
2010-11 Cheshire East Surestart Aim High for Disabled Children	Children & Families	391	0	391	0	391	391				391	0
2010-11 Childrens Social Care	Children & Families	35	0	35	0	35	35				35	0
2010-11 Extended Schools	Children & Families	276	0	276	0	276	276				276	0
2010-11 ESCR	Children & Families	350	0	250	0	250	250	100			350	0
2010-11 P.A.R.I.S - PCT access	Children & Families	25	0	25	0	25	25				25	0
2010-11 Schools - Access Initiative	Children & Families	1,251	0	1,084	0	1,084	1,084	167			1,251	0
2010-11 Schools - Access Hearing Impaired	Children & Families	20	0	20	0	20	20				20	0
2010-11 Mallbank Redesignation of Specialist School	Children & Families	50	0	0	0	50	50				50	0
2010-11 Tytherington High School Redesignation of Specialist School	Children & Families	50	0	0	0	50	50				50	0
2010-11 Devolved Formula Capital	Children & Families	5,859	432	3,150	-23	1,139	1,139	1,402	1,402	1,484	5,859	0
2010-11 Targetted Capital Funding (TCF) 14 - 19 Diploma	Children & Families	3,000	0	2,100	0	2,100	2,100	900			3,000	0
2010-11 Harnessing Technology	Children & Families	765	0	510	0	510	510	255			765	0
2010-11 Schools Modernisation Programme	Children & Families	3,546	0	1,773	0	1,773	1,773	1,773			3,546	0
2010-11 Schools - Basic Need	Children & Families	1,243	0	394	11	530	530	713			1,243	0
2010-11 Land Block 10-11	Children & Families	97	0	50	0	33	33	64			97	0
2010-11 Land Drainage 10-11	Children & Families	75	0	60	0	40	40	35			75	0
2010-11 Feasibility 10-11	Children & Families	95	0	50	1	33	33	62			95	0
2010-11 VA Contributions 10-11	Children & Families	63	0	50	0	50	50	13			63	0
2010-11 Primary Capital Programme (PCP)	Children & Families	134	0	134	0	134	134				134	0
2010-11 Specialist Schools	Children & Families	300	0	198	0	198	198	102			300	0
2010-11 Alsager H S Perf Arts Cent	Children & Families	1,134	0	1,134	0	1,134	1,134				1,134	0
2010-11 Styal PS Early Years Classroom	Children & Families	0	0	0	0	135	135				0	0
2010-11 Public Rights of Way 10-11	Health & Wellbeing	0	0	0	0	25	25				25	25
2010-11 Meriton Rd Fitness Zone	Health & Wellbeing	0	0	0	0	19	19				19	19
2010-11 Radio Frequency ID (RFID)	Health & Wellbeing	1,200	0	0	9	400	400	400	400		1,200	0
Total 2010-11 New bids approved		22,289	432	12,013	-2	12,763	12,763	5,986	1,802	1,484	22,333	44
Total People Programme		143,296	80,613	39,817	6,335	47,465	47,465	10,570	2,152	1,484	142,149	-1,147
2010-11 SCEs / Virements to be approved				0								
2010-11 reductions to be approved		-2,383		-2,383								
Total 2010-11 variations to be approved		-2,383	0	-2,383	0	0	0	0	0	0	0	0
Total People programme including SCE's		140,913	80,613	37,434	6,335	47,465	47,465	10,570	2,152	1,484	142,149	-1,147

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			£000's	£000's	2010-11 £000's	2010-11 £000's	2010-11 £000's	2010-11 £000's	2011-12 £000's	2012-13 £000's	2013-14 £000's	£000's	£000's
	Places												
	Ongoing Schemes												
2009-10	LTP - Local Area Programmes - North	Environmental Services	183	183	0	44	10	10				193	10
2009-10	LTP - Local Area Programmes - South	Environmental Services	94	94	0	-5	249	249				343	249
	Flowerpot Junction Improvements	Environmental Services	1,032	970	7		0					970	-62
2009-10	Development of land at Alderley Edge Cemetery	Environmental Services	100	7	93	-1	93	93				100	0
2009-10	LTP - SEMMMS - Environment Services allocation	Environmental Services	1,005	984	21	60	156	156				1,140	135
	Queens Park Restoration	Environmental Services	6,477	3,434	3,026	545	3,026	3,026				6,460	-17
2009-10	LTP - Local Area Programmes - South - Nantwich Directional Signage	Environmental Services	184	184	0	-27	0	0				184	0
	New Cemetery Land/ Infrastructure - Pym's Lane	Environmental Services	107	87	20	0	20	20				107	0
2009-10	Adaptations to Pym's Lane Garage	Environmental Services	6	0	6	0	6	6				6	0
	Merelake Way Bridge Repairs	Environmental Services	54	53	1	0	1	1				54	0
	Public Convenience Provision (CEC)	Environmental Services	74	4	69	0	69	69				73	-1
	Dane Embankment Repairs	Environmental Services	470	468	2	0	2	2				470	0
	Highway Adoption - Talke Road	Environmental Services	7	0	7	0	7	7				7	0
	Highway Adoption - Springvale	Environmental Services	18	14	5	0	5	5				19	1
	De-Trunked Roads Maintenance - A523 London Rd, Bosley	Environmental Services	488	488	0	-40	0	0				488	0
2009-10	LTP - Detrunked Roads Maintenance - A51 Millstone Ln	Environmental Services	831	831	0	-12	0	0				831	0
	Principal Roads Maintenance - Major - A534 Wrexham Road, Burdett	Environmental Services	473	472	0	2	0	0				472	-1
2009-10	Waste Infrastructure Capital Grant	Environmental Services	677	505	172	48	172	172				677	0
	Crewe and Macc HWRCs	Environmental Services	870	120	749	0	0	0	749			869	-1
	Pym's Lane Closed Landfill Site	Environmental Services	49	5	44	0	44	44				49	0
	Waste Transfer Station (Crewe & Nantwich)	Environmental Services	40	0	40	0	40	40				40	0
	Alsager Closed Landfill Site	Environmental Services	100	0	100	0	100	100				100	0
	Alderley Edge By-Pass Scheme Implementation	Environmental Services	51,600	30,674	15,774	2,797	12,918	12,918	1,538	2,256	4,564	51,950	349
	West Street Environmental Improvements	Environmental Services	597	596	0	-40	0	0				596	-1
	Principal Roads Maintenance - Minor Works (2008-09)	Environmental Services	1,000	1,000	0	0	0	0				1,000	0
	Non Principal Roads Maintenance - Minor Works (2008-09)	Environmental Services	1,623	1,623	0	0	0	0				1,623	0
	Integrated Area Programme - Macclesfield UTC	Environmental Services	2,371	2,356	0	-10	0	0				2,356	-15
	Integrated Area - Minor Works (2007-08)	Environmental Services	769	769	0	-40	0	0				769	0
2009-10	LTP - Principal Roads Maintenance	Environmental Services	1,502	1,502	0	58	0	0				1,502	0
2009-10	LTP - Non Principal Roads Maintenance	Environmental Services	3,135	3,135	0	61	0	0				3,135	0
2009-10	LTP - Bridge Maintenance	Environmental Services	1,050	803	248	34	231	231				1,034	-16
2009-10	Disabled Facilities Grants	Planning & Policy	1,081	632	449	198	449	449				1,081	0
2009-10	Private Sector Assistance Initiative	Planning & Policy	1,481	497	984	217	984	984				1,481	0
2009-10	Affordable Housing - Assisted Purchase Scheme	Planning & Policy	600	0	600	88	600	600				600	0
2009-10	Regional Housing Pot 2009-10	Planning & Policy	0	0	29	0	29	29				29	29
	Housing Grants - S106 Funded (Ex MBC)	Planning & Policy	1,045	333	712	37	712	712				1,045	0
	Social Housing Grants/ Enabling Affordable Housing	Planning & Policy	1,093	144	948	0	948	948				1,092	-1
	Choice Based Lettings	Planning & Policy	232	166	66	-75	66	66				232	0
	Affordable Housing Initiatives	Planning & Policy	869	446	423	0	423	423				869	0
	Market Square, Crewe - Interim Improvements	Planning & Policy	210	209	0	0	0	0				209	-1
	Road Safety Schemes - Minor Works	Regeneration	150	25	125	0	125	125				150	0
2009-10	LTP - Road Safety Schemes	Regeneration	815	340	474	16	320	320				660	-155
2009-10	LTP - Crewe Green Link Road	Regeneration	8,684	8,236	447	-8	165	165				8,401	-283
	Connect2 - Crewe & Nantwich Greenway	Regeneration	530	33	497	7	347	347				380	-150
	Crewe Town Squares - Lyceum Square	Regeneration	1,866	1,068	798	18	468	468				1,536	-330
2009-10	LTP - Safer Routes to Schools	Regeneration	242	106	135	-44	95	95				201	-41
2009-10	LTP - East Cheshire Transport Study	Regeneration	150	145	5	0	0	0				145	-5
2009-10	LTP - Demand Management	Regeneration	24	0	24	0	0	0				0	-24
2009-10	LTP - Project Development Schemes - Minor Schemes	Regeneration	19	16	3	0	0	0				16	-3
	Capital Programme Management Support	Regeneration	51	2	49	0	49	49				51	0
2009-10	Transport Asset Management Grant	Regeneration	187	187	0	0	0	0				187	0
2009-10	Cheshire Safer Roads Partnership	Regeneration	606	552	54	-18	2	2				554	-52
	TJSF - A538 Wilmslow Major Improvements	Regeneration	1,468	1,388	0	-1	0	0				1,388	-80
	Project Development - Alderley Edge By Pass	Regeneration	3,498	3,498	0	0	0	0				3,498	0
	Parkgate	Regeneration	2,382	229	2,152	6	2,152	2,152				2,381	-1
2009-10	LTP - SEMMMS - Regeneration allocation - Major Projects	Regeneration	2,888	2,888	0	-120	150	150				3,038	150
2009-10	LTP - Crewe Infrastructure Project	Regeneration	1,394	352	443	0	10	10	300	300		962	-432
	Project Development - C&N Cycleway	Regeneration	69	69	0	6	0	0				69	0
	Leighton Brook Park	Regeneration	385	367	18	6	18	18				385	0
	Quakers Coppice	Regeneration	47	40	7	0	7	7				47	0
	Crewe Town Squares/ Shopping Facilities Refurbishment & Toilet	Regeneration	3,115	1,874	1,241	0	0	0	1,241			3,115	0
2009-10	LTP - A533 Middlewich Eastern By Pass	Regeneration	448	384	2	15	0	0				384	-63

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Department/Scheme	Department	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To 30th June 2010	Forecast Expenditure	Total Funding	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Total Forecast Expenditure	Variance From Total Approved budget
		£000's	£000's	2010-11	2010-11	2010-11	2010-11	2010-11	2011-12	2012-13	2013-14	£000's
2009-10 Tatton Park - Boundary Fence	Regeneration	203	201	2	4	2	2	2				0
2009-10 Tatton Park - Farm Entrance	Regeneration	30	20	10	0	10	10	10				0
2009-10 Tatton Park - Conservatory/Orangery	Regeneration	298	0	298	5	298	298	298				0
2009-10 Tatton Park - Office Accommodation	Regeneration	45	21	24	16	24	24	24				0
2009-10 LTP - Bus Quality Partnerships/Public Transport Inf	Regeneration	285	141	144	4	17	17	17				-127
2009-10 Bus Quality Partnership/Public Transport Improvements	Regeneration	120	102	18	0	0	0	0				-18
2009-10 LTP - Non Principal Roads Maintenance - Asset Management	Regeneration	68	68	0	-20	0	0	0				0
2009-10 LTP - Principal Roads Maintenance - Asset Management	Regeneration	81	81	0	-32	0	0	0				0
2009-10 LTP - SEMMMS - Transport element - BQP/PTI	Regeneration	2,610	2,610	0	4	0	0	0				0
2009-10 Section 278 Agreements (pre 2002-03)	Regeneration	1,909	1,411	0	0	0	0	0				-498
2009-10 Section 278 Agreements (2002-03)	Regeneration	34	33	1	0	1	1	1				0
2009-10 Section 278 Agreements (2003-04)	Regeneration	275	238	9	4	9	9	9				-28
2009-10 Section 278 Agreements (2004-05)	Regeneration	244	168	18	0	18	18	18				-58
2009-10 Section 278 Agreements (2005-06)	Regeneration	206	132	2	0	2	2	2				-72
2009-10 Section 278 Agreements (2006-07)	Regeneration	563	198	340	0	340	340	340				-25
2009-10 Section 278 Agreements (2007-08)	Regeneration	153	31	2	11	2	2	2				-120
2009-10 Section 278 Agreements - (2008-09)	Regeneration	356	51	83	0	83	83	83				-223
2009-10 Section 278's - 09-10 New Starts	Regeneration	69	19	50	-2	50	50	50				0
2009-10 CDRP - Alley Gating	Safer & Stronger Communities	25	14	11	0	11	11	11				0
2009-10 Car Park Charges Congleton	Safer & Stronger Communities	160	109	51	-440	51	51	51				0
2009-10 South Drive Car Park	Safer & Stronger Communities	106	106	0	-106	0	0	0				0
2009-10 Thomas Street Car Park - West	Safer & Stronger Communities	113	35	79	51	79	79	79				1
2009-10 Victoria Street Car Park Lighting Renovation	Safer & Stronger Communities	30	26	4	-15	4	4	4				0
2009-10 Car Park Works and Pay & Display Thomas St Car Park (East)	Safer & Stronger Communities	120	119	0	-7	0	0	0				-1
2009-10 Improvements to Chapel Street Car Park	Safer & Stronger Communities	165	3	162	8	162	162	162				0
2009-10 CDRP - Building Safer Communities Fund	Safer & Stronger Communities	80	66	14	-2	14	14	14				0
2009-10 Alley Gating	Safer & Stronger Communities	525	509	18	0	18	18	18				0
2009-10 CCTV Cameras	Safer & Stronger Communities	65	58	0	-5	0	0	0				58
2009-10 Parking Projects in Poynton	Safer & Stronger Communities	75	0	75	0	75	75	75				75
2009-10 Air Quality Monitoring Equipment	Safer & Stronger Communities	55	42	13	0	13	13	13				55
Total On-going schemes		121,681	82,197	32,490	3,300	26,551	26,551	3,828	2,556	4,564	119,696	-1,985
New Starts 2010-11												
2010-11 LTP - Maintenance & Bridges	Environmental Services	10,800	0	0		0	0	5,400	5,400		10,800	0
2010-11 LTP - Principal Roads Maintenance - Minor Works	Environmental Services	1,504	0	1,504	33	1,596	1,596	0	0		1,596	92
2010-11 LTP - Non Principal Roads Maintenance - Minor Works	Environmental Services	3,008	0	3,008	246	3,342	3,342	0	0		3,342	334
2010-11 LTP - Bridge Maintenance - Minor Works	Environmental Services	1,530	0	1,530	55	930	930	0	0		930	-600
2010-11 Gurnett Bridge, Hall Lane, Sutton	Environmental Services	400	0	400	4	500	500				500	100
2010-11 LTP - Integrated Transport	Environmental Services	9,234	0	2,594		25	25	3,320	3,320		6,665	-2,569
2010-11 Alderley Edge Village enhancements	Environmental Services	0	0	0	0	50	50	0	0		50	50
2010-11 Local Measures - Ward Minor schemes	Environmental Services	0	0	0	0	430	430	0	0		430	430
2010-11 Local Measures - Ward Local schemes	Environmental Services	0	0	0	0	160	160	0	0		160	160
2010-11 LTP - Detrunked Road - A523 Bosley	Environmental Services	950	0	950	0	829	829				829	-121
2010-11 Flood Alleviation - Vicarage Lane, Sandbach	Environmental Services	100	0	100	0	100	100				100	0
2010-11 De-Trunked Rds - A51 Landslip, Wardle	Environmental Services	0	0	0	4	200	200				200	200
2010-11 Part 1 Claims	Environmental Services	0	0	0	24	116	116				116	116
2010-11 Crematoria - Replacement cremators	Environmental Services	450	0	450	0	450	450				450	0
2010-11 Waste Infrastructure Capital Grant (WICG)	Environmental Services	242	0	242	0	242	242				242	0
2010-11 Replacement Bin Stock	Environmental Services	36	0	36	0	36	36				36	0
2010-11 Cemetery road and path improvements	Environmental Services	100	0	100	0	100	100				100	0
2010-11 Waste PFI Procurement	Environmental Services	500	0	500	0	500	500				500	0
2010-11 Residents Parking Schemes	Safer & Stronger	480	0	160	0	160	160	160	160		480	0
2010-11 Car Park Improvements	Safer & Stronger	225	0	225	0	225	225				225	0
2010-11 CCTV Rationalisation	Safer & Stronger	815	0	815	0	815	815				815	0
2010-11 Urban Traffic Control Rationalisation	Safer & Stronger	308	0	308	0	308	308				308	0
2010-11 Private Sector Housing Assistance Initiative	Planning & Policy	800	0	800	0	400	400	400			800	0
2010-11 Disabled Facilities Grant	Planning & Policy	1,000	0	1,000	0	1,000	1,000				1,000	0
2010-11 Affordable Housing - Assisted Purchase Scheme	Planning & Policy	300	0	300	0	300	300				300	0
2010-11 LTP - SEMMMS	Regeneration	575	0	575	0	0	0				0	-575
2010-11 LTP - Principal Roads Maintenance - Asset Management	Regeneration	0	0	0	0	86	86				86	86
2010-11 LTP - Non Principal Roads Maintenance - Asset Management	Regeneration	0	0	0	0	144	144				144	144
2010-11 LTP - Project Development Schemes - Minor Schemes	Regeneration	0	0	0	0	62	62				62	62
2010-11 LTP - East Cheshire Transport Study	Regeneration	0	0	0	14	100	100				100	100
2010-11 LTP - Road Safety Schemes - Minor works	Regeneration	687	0	229	0	430	430	229	229		888	201

Department/Scheme	Department	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To 30th June 2010	Forecast Expenditure	Total Funding	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Total Forecast Expenditure	Variance From Total Approved budget
		£000's	£000's	2010-11 £000's	£000's	2010-11 £000's	2010-11 £000's	2011-12 £000's	2012-13 £000's	2013-14 £000's	£000's	£000's
2010-11 Safer Roads Iphone Application	Regeneration	106	0	106	0	106	106				106	0
2010-11 Town Centres Spatial Regeneration	Regeneration	845	0	250	0	250	250	315	280		845	0
2010-11 Tatton - Visioning feasibility	Regeneration	50	0	50	0	50	50				50	0
2010-11 Tatton - Development	Regeneration	240	0	55	0	55	55	185			240	0
2010-11 Poynton Revitalisation Scheme	Regeneration	3,500	0	750	0	1,300	1,300	2,100	100		3,500	0
Total 2010-11 New bids approved		38,785	0	17,037	380	15,397	15,397	12,109	9,489	0	36,995	-1,790
Total Places Programme		160,466	82,197	49,527	3,680	41,948	41,948	15,937	12,045	4,564	156,691	-3,775
2010-11 SCEs / Virements to be approved		0		0								
2010-11 reductions to be approved		-1,753		-1,753								
Total 2010-11 variations to be approved		-1,753	0	-1,753	0	0	0	0	0	0	0	0
Total Places programme including SCE's		158,713	82,197	47,774	3,680	41,948	41,948	15,937	12,045	4,564	156,691	-3,775

Department/Scheme		Department	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To 30th June 2010	Forecast Expenditure	Total Funding	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Total Forecast Expenditure	Variance From Total Approved budget
			£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Borough Solicitor (Monitoring Officer)													
2009-10	Ongoing Schemes												
	Integrated Legal ICT System	Legal Services	60	1	59		59	59	0	0	0	60	0
	Total On-going schemes		60	1	59	0	59	59	0	0	0	60	0
Total Borough Solicitor's programme including SCE's			60	1	59	0	59	59	0	0	0	60	0
Borough Treasurer & Assets													
ASSETS													
Ongoing Schemes													
2009-10	Building Maintenance Programme	Assets	3,692	1,943	1,749	425	1,749	1,749	0	0	0	3,692	0
	Fixed Electrical Installation	Assets	153	72	80	0	80	80	1	0	0	153	0
	Urgent Safety Works	Assets	19	18	1	0	1	1	0	0	0	19	0
	Disability Discrimination Act Improvements/ Adaptations	Assets	264	125	134	6	134	134	5	0	0	264	0
	Public Building Repairs	Assets	1,013	940	73	-36	73	73	0	0	0	1,013	0
	Church Walls	Assets	60	14	46	0	46	46	0	0	0	60	0
	County Farms 2008-09	Assets	238	114	124	0	124	124	0	0	0	238	0
2009-10	Farms Estates Reorganisation & Reinvestment	Assets	1,410	25	1,385	0	1,385	1,385	0	0	0	1,410	0
	Municipal buildings - Reg accommodation (name Change)	Assets	200	0	200	0	200	200	0	0	0	200	0
2009-10	Office Accommodation Strategy	Assets	9,700	2,291	7,409	339	7,409	7,409	0	0	0	9,700	0
	Westfields Entrance Improvement Works	Assets	9	0	9	0	9	9	0	0	0	9	0
	Minor Works 2006-07	Assets	115	71	44	2	44	44	0	0	0	115	0
	Septic Tanks (moved from Places)	Assets	315	194	81	0	81	81	40	0	0	315	0
2009-10	Energy Efficiency Savings	Assets	75	58	17	0	17	17	0	0	0	75	0
Total On-going schemes			17,263	5,865	11,352	737	11,352	11,352	46	0	0	17,263	
New Starts 2010-11													
2010-11	Building Maintenance	Assets	6,075	0	6,075	0	5,575	5,575				5,575	
2010-11	MINOR WORKS 10/11	Assets	300	0	300	0	300	300				300	
2010-11	Farms Estate	Assets	930	0	310	0	310	310	310	310	0		
Total 2010-11 New bids approved			7,305	0	6,685	0	6,185	6,185	310	310	0	5,875	-1,430
TOTAL ASSETS			24,568	5,865	18,037	737	17,537	17,537	356	310	0	23,138	-1,430
ICT													
Ongoing schemes													
2009-10	Development Management System	ICT	437	55	382	0	382	382	0	0	0	437	0
2009-10	Click into Cheshire	ICT	39	21	18	0	18	18	0	0	0	39	0
2009-10	Government Connect	ICT	290	25	265	0	265	265	0	0	0	290	0
2009-10	ICT Security & Research	ICT	209	77	132	0	132	132	0	0	0	209	0
2009-10	Enterprise Content Management proposal	ICT	500	61	439	-8	439	439	0	0	0	500	0
2009-10	Flexible & Mobile Working	ICT	1,425	107	508	2	508	508	270	270	270	1,425	0
2009-10	Oracle Migration/Cutover Activities	ICT	51	1	50	0	50	50	0	0	0	51	0
	CSBS (Rename HR Shared Services)	ICT	175	138	37	0	37	37	0	0	0	175	0
	NHS LINK / Connected Cheshire	ICT	80	68	11	0	11	11	0	0	0	79	-1
2009-10	Data Centre Macclesfield	ICT	495	28	467	0	467	467	0	0	0	495	0
	ICT Small Projects Block New scheme	ICT	153	0	153	0	153	153	0	0	0	153	0
	Transforming Cheshire - Information Management	ICT	1,410	515	191	0	191	191	703	0	0	1,409	-1
	Transforming Cheshire - Improving Oracle (Shared Services)	ICT	1,770	1,270	500	0	500	500	0	0	0	1,770	0
TOTAL Ongoing schemes			7,033	2,366	3,153	-6	3,153	3,153	973	270	270	7,032	-1
2010-11 Starts													
2010-11	Essential Replacement 10-11	ICT	2,384	0	1,410	18	1,410	1,410	974			2,384	0
2010-11	ICT Security	ICT	185	0	185	0	185	185				185	0
2010-11	Internet Service Provision	ICT	142	0	142	0	142	142				142	0
2010-11	IPT Harmonisation	ICT	725	0	575	0	575	575	150			725	0
2010-11	Oracle Optimisation	ICT	3,960	0	990	0	990	990	990	1,980		3,960	0
Total 2010-11 Starts			7,396	0	3,302	18	3,302	3,302	2,114	1,980	0	7,396	0
TOTAL ICT			14,429	2,366	6,455	12	6,455	6,455	3,087	2,250	270	14,428	-1

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Department/Scheme		Department	Total Approved Budget	Prior Year Spend	In Year Budget	Actuals To 30th June 2010	Forecast Expenditure	Total Funding	Forecast Expenditure	Forecast Expenditure	Forecast Expenditure	Total Forecast Expenditure	Variance From Total Approved budget
			£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
FINANCE													
2009-10	Ongoing schemes												
	Single Revenue & Benefits Systems		444	35	409	136	409	409				444	0
	TOTAL Ongoing schemes		444	35	409	136	409	409	0	0	0	444	0
	Total Borough Treasurer & Assets Programme		39,441	8,266	24,901	885	24,401	24,401	3,443	2,560	270	38,010	-501
2010-11 SCEs / Virements to be approved													
2010-11 reductions to be approved			-500		-500								
Total 2010-11 variations to be approved			-500	0	-500	0	0	0	0	0	0	0	0
Total Borough Treasurer & Assets programme including SCE's			38,941	8,266	24,401	885	24,401	24,401	3,443	2,560	270	38,010	-501
Policy & Performance													
Ongoing Schemes													
2009-10	Customer Access	Customer Services	75	13	62	0	62	62	0	0	0	75	0
	Customer Relationship Management & Telephone System	Customer Services	1,455	99	650	13	650	650	706	0	0	1,455	0
2009-10	CRM Development	Customer Services	64	0	64	0	64	64	0	0	0	64	0
	Transforming Cheshire - Customer Access	Customer Services	419	201	33	0	33	33	185	0	0	419	0
2009-10	Excelcis	Planning & Performance	10	0	10	0	10	10	0	0	0	10	0
	Performance Management System New scheme	Customer Services	100	0	100	0	100	100	0	0	0	100	0
Capital Investment Scheme Grants		Partnerships & CE's	377	250	127	0	127	127	0	0	0	377	0
Total On-going schemes			2,500	563	1,046	13	1,046	1,046	891	0	0	2,500	
Total Policy & Performance programme including SCE's			2,500	563	1,046	13	1,046	1,046	891	0	0	2,500	
HR & Organisational Development													
Ongoing Schemes													
2009-10	Accident Reporting system New scheme	HR	18	0	18	0	18	18	0	0	0	18	0
	Total On-going schemes		18	0	18	0	18	18	0	0	0	18	0
Total HR & Organisational Development programme including SCE's			18	0	18	0	18	18	0	0	0	18	0
Total Committed schemes approved by Council			270,006	171,207	76,331	10,517	77,290	77,290	10,322	3,176	4,834	266,829	-3,177
Total New bids 10-11 - Approved by Council			75,775	432	39,037	396	37,647	37,647	20,519	13,581	1,484	72,599	-2,246
Total 2010-11 Programme for On-going & approved new starts			345,781	171,640	115,367	10,912	114,937	114,937	30,841	16,757	6,318	339,428	-5,423
Total 2010-11 variations to be approved			-4,636	0	-4,636	0	0	0	0	0	0	0	0
Total Cheshire East 2010-11 Capital Programme			341,145	171,640	110,731	10,912	114,937	114,937	30,841	16,757	6,318	339,428	-5,423
People			140,913	80,613	37,434	6,335	47,465	47,465	10,570	2,152	1,484	142,149	-1,147
Places			158,713	82,197	47,774	3,680	41,948	41,948	15,937	12,045	4,564	156,691	-3,775
P&C			41,519	8,830	25,524	898	25,524	25,524	4,334	2,560	270	40,588	-501
			341,145	171,640	110,731	10,912	114,937	114,937	30,841	16,757	6,318	339,428	-5,423
P&C													
New Starts			14,701	0	9,987	18	9,487	9,487	2,424	2,290	0	13,271	-500
Committed schemes			27,318	8,830	16,037	880	16,037	16,037	1,910	270	270	27,317	-1
Variations			-500	0	-500	0	0	0	0	0	0	0	0
			41,519	8,830	25,524	898	25,524	25,524	4,334	2,560	270	40,588	-501

Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement	Funding of SCE/Virement	Virement FROM ...	
					Starts Year	Amount Requested £
Chief Officers are asked to approve SCE and Virements up to and including £100,000						
People						
Adults						
Refurbish Day Centre Mountview	2008/09	2,000	Virement	Cypress House CSC Misters 08-09	2007/08	2,000
CSC Misters	2009/10	3,000	Virement	Cypress House CSC Misters 08-09	2007/08	3,000
Health & Wellbeing						
Public Rights of Way 10-11	2010/11	25,000	Virement	Places - Environment Services 'Integrated Transport'	2010/11	25,000
Middlewood Way Fencing	2008/09	25,000	Virement	LTP - Public Right of Way Improvements	2009/10	7,000
				Demolition of Carrs Pavilion - Ticket Office	2009/10	13,000
				Alsager Skate Park	2008/09	5,000
Places						
Environmental Services						
Local Area Programme - North minor works	2009-10	10,000	Virement	2010-11 Integrated Transport Allocation	2010-11	10,000
Principal Roads Maintenance - Minor Works	2010-11	92,000	Virement	2010-11 Integrated Transport Allocation	2010-11	92,000
Bridges - Gurnett Bridge - Major Scheme	2010-11	100,000	Virement	Bridge Maintenance - Minor Works	2010-11	100,000
Alderley Edge Village Enhancements	2010-11	50,000	Virement	2010-11 Integrated Transport Allocation	2010-11	50,000
De-trunked Road - A523 Bosley	2010-11	69,000	Virement	2010-11 Integrated Transport Allocation	2010-11	69,000
Local Measures Ward Minor Schemes	2010-11	70,000	Virement	2010-11 Integrated Transport Allocation	2010-11	70,000
2010-11 Integrated Transport Allocation	2010-11	16,000	Virement	Bridge Maintenance - Minor Works 2009-10	2009-10	16,000
2010-11 Integrated Transport Allocation	2010-11	18,000	Virement	Bus Quality Partnership/Public Transport Imps	2008-09	18,000
2010-11 Integrated Transport Allocation	2010-11	2,000	Virement	Project Development - Middlewich Eastern BP	2003-04	2,000
2010-11 Integrated Transport Allocation	2010-11	5,000	Virement	2009-10 Cheshire East Transport Study	2009-10	5,000
2010-11 Integrated Transport Allocation	2010-11	40,000	Virement	2009-10 Safer Routes to Schools	2009-10	40,000
2010-11 Integrated Transport Allocation	2010-11	24,000	Virement	2009-10 Demand Management	2009-10	24,000
2010-11 Integrated Transport Allocation	2010-11	3,000	Virement	2009-10 Project Development Minor Schemes	2009-10	3,000
Planning & Policy						
Regional Housing Pot 2009-10	2009-10	29,000	SCE	Fully funded from Regional Housing Pot 09-10		29,000
Regeneration						
Project Development - Minor Schemes	2010-11	62,000	Virement	2010-11 Integrated Transport Allocation	2010-11	62,000
Principal Roads Maint - Minor works - Asset Man	2010-11	86,000	Virement	2010-11 Integrated Transport Allocation	2010-11	86,000
Road Safety Schemes - Minor Works	2009-10	75,000	Virement	2010-11 Integrated Transport Allocation	2010-11	75,000
East Cheshire Transport Study	2010-11	100,000	Virement	2010-11 Integrated Transport Allocation	2010-11	100,000
Performance & Capacity						
Total Delegated Decisions		906,000				906,000

					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						
Styal PS Early Years Classroom	2010/11	135,000	Virement	Devolved Formula Capital	2010/11	89,000
			Virement	Schools - Minor Works (Basic Need)	2009/10	41,000
				Capital for Kitchen & Dining Facilities	2009/10	5,000
Christ the King Catholic & C of E PS	2009/10	138,000	Virement	Christ the King Catholic & C of E PS - Phase 1	2009/10	138,000
Adults						
National Dementia Strategy - Lincoln House	2009/10	160,000	Virement	Extra Care Housing	2008/09	160,000
Places						
Environmental Services						
Alderley Edge By Pass Scheme Implementation	2005-06	350,000	Virement	2010-11 Integrated Transport Allocation	2010-11	350,000
Local Area Programme - South minor works	2009-10	249,000	Virement	2010-11 Integrated Transport Allocation	2010-11	249,000
SEMMMS - Cat & Fiddle Major Scheme	2002-03	135,000	Virement	2010-11 Integrated Transport Allocation	2010-11	135,000
Non Principal Roads Maintenance - Minor Works	2010-11	334,000	Virement	2010-11 Integrated Transport Allocation	2010-11	334,000
2010-11 Integrated Transport Allocation	2010-11	500,000	Virement	Bridge Maintenance - Minor Works	2010-11	500,000
Local Measures Ward Minor Schemes	2010-11	430,000	Virement	2010-11 Integrated Transport Allocation	2010-11	430,000
Local Measures Ward Local Schemes	2010-11	160,000	Virement	2010-11 Integrated Transport Allocation	2010-11	160,000
De-trunked Road - A51 Landslip, Wardle	2010-11	200,000	Virement	2010-11 Integrated Transport Allocation	2010-11	200,000
Part 1 Claims	2010-11	116,000	Virement	2010-11 Integrated Transport Allocation	2010-11	116,000
2010-11 Integrated Transport Allocation	2010-11	433,000	Virement	Crewe Infrastructure Project	2005-06	433,000
2010-11 Integrated Transport Allocation	2010-11	282,000	Virement	Crewe Green Link Road	2004-05	282,000
2010-11 Integrated Transport Allocation	2010-11	127,000	Virement	2009-10 Bus Quality Partnership/PTI	2009-10	127,000
Regeneration						
Non Principal Rds Maint - Minor works - Asset Man	2010-11	144,000	Virement	2010-11 Integrated Transport Allocation	2010-11	144,000
2010-11 Integrated Transport Allocation	2010-11	425,000	Virement	SEMMMS - Regen Major Projects	2002-03	425,000
Road Safety Schemes - Minor Works	2010-11	430,000	Virement	2010-11 Integrated Transport Allocation	2010-11	430,000
Performance & Capacity						
Total SCE / Virements over £100,000 and up to and including £500,000		4,748,000				4,748,000

Matters for Decision - Requests for reductions in Approved Budgets

Appendix 3

Scheme	Approved Budget	Revised Approval	Reduction	Reason
£	£	£		
PEOPLE				
Common Assessment Framework - Demonstrator Bid	2,000,000	0	-2,000,000	Duplication of Project 40A3CCAF0900002 previously set up with approved budget of £2.2m
Harnessing Technology	765,000	382,500	-382,500	Government Cuts June 2010
	2,765,000	382,500	-2,382,500	
PLACES				
2010-11 LTP - Integrated Transport	9,234,000	7,952,000	-1,282,000	Central Government funding cuts
2010-11 LTP - De-Trunked Rd - A523 Bosley	950,000	760,000	-190,000	Central Government funding cuts
2010-11 LTP - Road Safety Grant	687,000	458,000	-229,000	Central Government funding cuts
Cheshire Safer Roads Partnership	606,000	553,948	-52,052	Re-align budgets to match funding contributions
	11,477,000	9,723,948	-1,753,052	
PERFORMANCE & CAPACITY				
Building Maintenance Programme	6,075,000	5,575,000	-500,000	Reduced revenue contribution
	6,075,000	5,575,000	-500,000	
Totals	20,317,000	15,681,448	-4,635,552	

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2010/11 Quarter One - Service Performance Report**1.0 QUARTER ONE PERFORMANCE UPDATE**

- 1.0.1 This section provides a high level summary of the key performance headlines at the end of the first quarter of 2010/11.
- 1.0.2 During the first quarter, the Planning & Performance Team have developed an integrated electronic performance reporting mechanism which will considerably improve the accuracy and efficiency of reporting performance data between service areas and the corporate centre. The new electronic reporting function will enable an improved audit trail of performance accountability and, through application of the 'Count Once, Use Numerous Times' (COUNT) principle, will reduce the risk of human error by minimising the need to 're-key' data.
- 1.0.3 The Planning & Performance Team worked with service areas to successfully deliver the statutory 2009/10 returns to the Direct Gov 'Data Hub' by the end of June 2010.
- 1.0.4 Throughout quarter one, service areas have focused on finalising and returning 2009/10 outturn data, including statutory national returns, producing service plans for 2010/11, target setting and developing additional monitoring mechanisms for the coming year. This has significantly impacted on the extent of data available to return and report for quarter one. However, throughout the service planning process, systems have been identified and developed to support more rigorous performance reporting.
- 1.0.5 18 National Indicators were abolished by CLG from 1 April 2010 (see Section 4.0). A further 14 were discontinued in July 2010 due to the postponement of the Place Survey (see Section 5.0). Consequently, 158 indicators now form the remaining National Indicator Set. 118 of these indicators are formally reported via data returns on an annual basis. However, the Planning & Performance team seeks to understand in-year performance against these indicators, and will continue to develop mechanisms for more frequent reporting with services.
- 1.0.6 Updates were received from services against 60 performance measures for quarter one. A summary of key reported performance information is outlined below.

1.1 Children & Families

1.1.1 In the first quarter of 2010/11, the Children & Families service has:

- Established revised data sharing protocols with the PCT to improve the timeliness and efficiency of performance reporting
- Further developed in-service performance tracking mechanisms
- Undertaken a service-wide review of targets following review of outturn performance information
- Successfully fulfilled statutory data return requirements for:
 - the CIN (Children In Need) Census
 - the SSDA 903 Looked After Children return to DfES
 - the Private Fostering return
 - the Fostering data set
- **Percentage of schools providing access to extended services (NI 088)** – 99% was achieved during the first quarter against a target of 100%
- **16 to 18 year olds who are not in education, employment or training (NEET) (NI 117)** – this indicator remains an area of concern for the Council as a quarter one result of 5.8% is a further deterioration in performance against a 2009/10 outturn of 5.6%, and significant underperformance against a 2010/11 target of 4.1%. The impact of the economic downturn has to be factored into this indicator. A range of additional schemes have been initiated relating to E2E ('Entry 2 Employment') programmes. Further planned funding/resources have been identified through European Social Funding, although challenges remain in converting E2E experiences into longer term employment opportunities. Progress will continue to be monitored by the Children & Families Scrutiny Committee.
- A full 2009/10 outturn report including full academic performance is scheduled for review by Children & Families Scrutiny Committee in September 2010.

1.2 Adult Services

1.2.1 Key activities reported in the first quarter include:

- **Adults with learning disabilities in settled accommodation (NI 145).** Achievement during Q1 of 4.1% (where 2009/10 baseline was 34%). There was a major restructure of individual commissioning teams in 2009/10 resulting in the formation of four Local Independent Living Teams (LILTs) who advise and support all client groups (older people, physical disability, learning disability and mental health) to develop more personalised care plans and maximise customer inclusion. LILTs will work in a leaner way with the assessment process being shorter and more focused; the aim is to support people to remain at home and engaged in their local community for as long as possible
- **Social care clients receiving self directed support (NI 130)** – exceeded the target of 2950 direct payments/personal budgets being in place with an outturn of 3462. This indicator measures the progress of Adults Service in providing customers with more choice and control over services. This is achieved through the person being allocated funding in the form of a personal budget to arrange innovative personalised services best suited to

them in order to maximise independence. For 20010/11 new extraction methodologies are being developed to support this indicator. It is envisaged that this mechanism will be in place by Autumn 2010

- **Adults with Learning Disabilities in Employment (NI 146)** – achievement is low at 1.4% against a 2009/10 outturn of 4.7%. An action plan is in place to improve performance through development of the Local Area Co-ordinator role, development of a transition policy, and awareness-raising briefings.

1.3 Health & Wellbeing

1.3.1 Key activities reported in the first quarter include:

- 100% successful retention of **Green Flag** status for five sites: Tegg's Nose Country Park, Brereton Heath Local Nature Reserve, Bollington Recreation Ground, The Moor in Knutsford and Congleton Park.
- **Adult participation in sport and active recreation (NI 008)** – Sport England results indicate that Cheshire East Council is the second best in the country with 26.8% and one of seven North West authorities to demonstrate an increase on 2006 baseline performance.
- Trend data demonstrates a slight dip in satisfaction levels from users over the age of 16 rating Cheshire East libraries. In 2006, 95.9% rated libraries as good or very good in the Public Library User Survey, but in 2009, performance had slipped to 93.3%. However, the Council continues to retain high levels of satisfaction with customer care rated at 97% in both surveys.

1.4 Environmental Services

1.4.1 Key activities reported in the first quarter include:

- **Residual household waste per household (NI 191)** – although performance outturn for 2009/10 remains provisional until DEFRA publish the official figures in November 2010, internal calculations indicate improvement in performance against this indicator for quarter one.
- **Improved street and environmental cleanliness: fly tipping (NI 196)** – performance outturn at the end of 2009/10 rated the Council at Grade 3 ("not effective"). Performance in the first quarter of 2010/11 indicates an improvement in performance to Grade 2 ("effective").

1.5 Regeneration

1.5.1 Key activities reported in the first quarter include:

- **Working age people claiming out of work benefits in the worst performing neighbourhoods (NI 153)** – Jobcentre Plus (JCP) and Cheshire East Council are working well together to support working age people claiming out of work benefits. Job Centre Plus continues to deliver 'Day One', '6-Month+' and 'Routes into Work' programmes and the Future Jobs Programme has 30 new jobs this quarter. Although the government has announced a freeze on further Future Jobs Fund contracts, our existing contract will run to March 2011. The Redundancy Action Support Team (RAST) continues to provide a multi agency approach to supporting

employers, employees and potential employees through redundancies and recruitment.

1.6 Planning & Policy Service

1.6.1 Key activities reported in the first quarter include:

- **Net additional homes provided (NI 154)** – The house building market has suffered significantly over the last year. Completion rates have reduced, and it is projected to remain at the same levels until financial markets recover. To date 79 dwellings are known to have been completed in Q1, with 8 dwellings lost through demolition, conversion or change of use during the same period. In the meantime, the Council is being proactive to ensure that proposals are delivered, considering alternative ways of bringing forward land for housing development.
- **Number of affordable homes delivered (gross) (NI 155)** – 42 affordable homes were delivered against a target of 65 during quarter one. Two schemes which were due for completion in quarter one were delayed and will now be completed in quarter two. The actions taken to address this shortfall include meeting with the Homes and Communities Agency to discuss current development programmes for 2010/11 and the Council's strategic housing priorities, and active promotion of the Cheshire East Council Assisted Purchase Scheme which is being marketed through various means including updating web site information and production of leaflets.
- **Number of households living in temporary accommodation (NI 156)** - direct intervention in preventing homelessness has resulted in 148 cases in quarter one either being assisted into alternative accommodation or helped to remain in their own homes. The homelessness prevention fund has been increased to provide an extra resource for advisers to assist clients and this resource has been publicised at Homelessness Strategy steering groups in order that other agencies can signpost to Housing Options Teams where homelessness is threatened. Work has started on prioritising actions in the Homelessness Strategy action plan and these will be progressed once the consultation period has ended.

1.7 Safer & Stronger Communities

1.7.1 Key activities reported in the first quarter include:

- **Re-offending rate of prolific and priority offenders (NI 030)** – Cheshire Probation have introduced a local performance measure to support the delivery of NI 030. This local measure demonstrates an 89% reduction in the offending rate in quarter one against a target of 40%.
- **Assault with injury crime (NI 020)** – 448 reports of assault during the first quarter of 2010/11. This equates to a Q1 result of 1.24 per 1,000 population. Projections suggest that this indicator is therefore on target to achieve its 2010/11 target, which is an improvement on the previous year

1.8 Performance & Capacity

1.8.1 Key activities reported by the Treasury & Assets service in the first quarter include:

- **Time taken to process Housing Benefit/Council Tax Benefit new claims and change events (NI 181)** – 16.9 days against a target of 14 during the first quarter. Performance for first quarter is adversely impacted due to the amount of changes following year end. Work is underway for the conversion to a new single system in November 2010 which will further improve service efficiency.
- It is anticipated that recruitment to vacant posts during the second quarter will increase capacity to reduce in-year debt, and improve the percentage of Council Tax and Non-domestic Rates collected (L 009 and L 010). Quarter one results indicates on-target performance for the year.

1.8.2 The Employee Service Centre has agreed a service standard to provide quarterly performance information 6 weeks after each period end. As part of this agreement, analysis work begins 4 weeks after quarter end in order to enable a sufficient time period within which to centrally gather all absence data. Quarter one performance will therefore be reported with the quarter two report.

2.0 SERVICE PLANNING UPDATE

2.1 During the first quarter of 2010/11 significant focus has been placed on ensuring that all services develop robust service plans for the coming year. As part of this process, services have produced delivery plans which link service objectives to Corporate Plan objectives and Sustainable Community Strategy priorities; greatly strengthening the top-down integrity of the Council's planning process.

2.2 The focus on the planning process has also provided an impetus for services to align appropriate measures, indicators and outcomes to each service objective. Services were tasked with establishing targets against measures and indicators for the next three years. Future performance reports will monitor progress in achieving targets set out in their respective delivery plans.

2.0 LOCAL AREA AGREEMENT UPDATE

3.1 Cheshire East has entered the final year of its three-year Local Area Agreement (LAA) and is awaiting further clarification regarding the status of the Performance Reward Grant. Cheshire East Council has agreed 47 LAA targets with Government Office North West and will continue to capture and report progress against the National Indicator Set supporting this agreement to ensure successful delivery of the Sustainable Community Strategy priorities. The work undertaken as part of the service delivery planning process will ensure that LAA reporting is fully integrated within delivery actions.

- 3.2 For the 47 LAA indicators, 27 delivery plans were received that set out the intended activity and measurable milestones against which performance will be reported on a quarterly basis via scorecards returned to the Planning and Performance team. The team are supporting the development of the remaining delivery plans to ensure that a full suite of performance information is in place and reported each quarter.

4.0 UPDATE ON NATIONAL INDICATOR SET

- 4.1 Following on from the former government's rationale (outlined in the paper *Putting the Frontline First: Smarter Government*) to streamline the performance management framework, CLG announced the removal of 18 indicators from the statutory National Indicator Set with effect from 1st April 2010. The 18 indicators which have been discontinued nationally are:

NI Ref	NI Description
NI 002	% of people who feel that they belong to their neighbourhood
NI 003	Civic participation in the local area
NI 010	Visits to museums and galleries
NI 013	Migrants English language skills and knowledge
NI 014	Avoidable contact: The proportion of customer contact that is of low or no value to the customer
NI 023	Perceptions that people in the area treat one another with respect and consideration
NI 033	Arson incidents
NI 037	Awareness of civil protection arrangements in the local area
NI 046	Young offenders access to suitable accommodation
NI 049	Number of primary fires and related fatalities and non-fatal casualties, excluding precautionary checks
NI 132	Timeliness of social care assessment (all adults)
NI 133	Timeliness of social care packages following assessment
NI 140	Fair treatment by local services
NI 170	Previously developed land that has been vacant or derelict for more than 5 years
NI 174	Skills gaps in the current workforce reported by employers
NI 180	The number of changes of circumstances which affect customers' Housing Benefit/ Council Tax Benefit entitlements within the year
NI 183	Impact of local authority regulatory services on the fair trading environment
NI 184	Food establishments in the area which are broadly compliant with food hygiene law

- 4.2 Cheshire East will retain indicators where discontinued performance measures form part of the Local Area Agreement, and/or there is another strong business case (e.g. analysis provides a useful legacy of data which helps to improve service provision). These will be monitored and reported by service areas in 2010/11.

5.0 UPDATE ON 2010 PLACE SURVEY

- 5.1 The coalition government's stated intention to strengthen localism and move power from Whitehall and back to local communities and the Council resulted in the formal announcement on 21 July 2010 that the Place Survey planned for Autumn 2010 has been postponed. Consequently the Council will no longer be required to report against the National Indicators previously measured by this Survey. This therefore reduces the statutory need to report against the following indicators in 2010/11:

NI Ref	NI Description
NI 001	% of people who believe people from different backgrounds get on well together in their local area
<i>NI 002*</i>	<i>% of people who feel that they belong to their neighbourhood</i>
<i>NI 003*</i>	<i>Civic participation in the local area</i>
NI 004	% of people who feel they can influence decisions in their locality
NI 005	Overall/general satisfaction with local area
NI 006	Participation in regular volunteering
NI 017	Perceptions of anti-social behaviour
NI 021	Dealing with local concerns about anti-social behaviour and crime issues by the local council and police
NI 022	Perceptions of parents taking responsibility for the behaviour of their children in the area
<i>NI 023*</i>	<i>Perceptions that people in the area treat one another with respect and consideration</i>
NI 027	Understanding of local concerns about anti-social behaviour and crime issues by the local council and police
<i>NI 037*</i>	<i>Awareness of civil protection arrangements in the local area</i>
NI 041	Perceptions of drunk or rowdy behaviour as a problem
NI 042	Perceptions of drug use or drug dealing as a problem
NI 119	Self-reported measure of people's overall health and wellbeing
NI 138	Satisfaction of people over 65 with both home and neighbourhood
NI 139	The extent to which older people receive the support they need to live independently
NI 140	Fair treatment by local services

* previously announced as deleted indicator

- 5.2 Cheshire East Council is committed to active engagement with its communities, and will still aim to deliver a significant consultation exercise in 2010/11. The announcement by CLG affords the Council the opportunity to tailor its consultation programme specifically to tackling the needs of our communities set out in the Sustainable Community Strategy.

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 16 August 2010
Report of: Borough Treasurer and Head of Assets
Subject/Title: Treasury Management Annual Report 2009-10
Portfolio Holder: Cllr Frank Keegan

1.0 Report Summary

- 1.1 The Treasury Management Policy requires an annual report on the performance of the Council's treasury management operation. This report contains details of the activities in 2009-10 for Cheshire East Borough Council.

2.0 Decision Requested

- 2.1 To receive the Treasury Management Annual Report for 2009-10 as detailed in Appendix A.

3.0 Reasons for Recommendations

- 3.1 To meet the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services and the Prudential Code for Capital Finance in Local Authorities.

4.0 Wards Affected

- 4.1 Not applicable

5.0 Local Ward Members

- 5.1 Not applicable

6.0 Policy Implications

- 6.1 None

7.0 Financial Implications 2010/11 and beyond

- 7.1 Contained within 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 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management function will be measured.

10.0 Background and Options

- 10.1 This annual treasury report, detailed in Appendix A covers:

- the Councils treasury year end position;
- forecast prospects for interest rates for 2009/2010;
- interest rate outturn for 2009/2010;
- compliance with treasury limits;
- investment strategy for 2009/2010;
- borrowing strategy for 2009/2010
- economic events of 2009/2010
- Prudential indicators 2009/2010.

11.0 Access to Information

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

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Treasury Management Annual Report 2009/2010**Introduction and Background**

The CIPFA definition of Treasury Management is *“the management of the Council’s investments and cash flows, its banking and its capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks”*.

The Treasury Management Code requires public sector authorities to determine an annual Treasury Management Strategy and now, as a minimum, formally report on their treasury activities and arrangements to full Council mid-year and after the year-end. These reports enable those tasked with implementing policies and undertaking transactions to demonstrate they have properly fulfilled their responsibilities, and enable those with ultimate responsibility/governance of the treasury management function to scrutinise and assess its effectiveness and compliance with policies and objectives.

This report:

- a) is prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code;
- b) presents details of capital financing, borrowing, debt rescheduling and investment transactions;
- c) reports on the risk implications of treasury decisions and transactions;
- d) gives details of the outturn position on treasury management transactions in 2009/10;
- e) confirms compliance with treasury limits and Prudential Indicators.

In November 2009 CIPFA released the revised Code of Practice for Treasury Management in the Public Services and accompanying Guidance Notes and the revised Prudential Code for Capital Finance in Local Authorities. The CLG also issued revised Guidance on Local Authority Investments for English authorities. The revised Codes/Guidance re-emphasise an appropriate approach to risk management, particularly in relation to the security and liquidity of invested funds. Authorities were also henceforth required to demonstrate value for money when borrowing in advance of need and ensure the security of such funds. Authorities are now also required to have a separate body or committee responsible for the scrutiny of the treasury function.

The Council has revised its treasury policy and practices documentation to take account of the requirements and changes in the revised Codes and Guidance.

1. Treasury Year End Position

At the start of 2009/2010 cash was transferred from the former District Councils as investments matured and cash balances became available. Most cash was transferred early in the year with the remainder as it became available prior to closure of the District bank accounts in February/March 2010. However, cash held by Cheshire County Council was not transferred pending final settlement of the disaggregation of the Cheshire County Council balance sheet. Cheshire County Council cash was retained on behalf of Cheshire East and Cheshire West & Chester Councils in instant access accounts and money market funds.

The amount of investments outstanding at 31st March 2010 was £96.0m as follows:

	CEBC	CCC	Total
	£m	£m	£m
BANKS			
Bank of Scotland		7.5	7.5
Barclays Bank	10.9		10.9
Co-operative Bank	4.2	0.7	4.9
Lloyds TSB	15.0		15.0
Royal Bank of Scotland	10.0		10.0
Santander (UK)	16.3	2.7	19.0
Yorkshire Bank (Clydesdale)	10.0		10.0
BUILDING SOCIETIES			
Nationwide Building Society	5.0		5.0
MONEY MARKET FUNDS			
Blackrock		0.2	0.2
Invesco AIM	2.2	5.1	7.3
RBS	1.5	2.0	3.5
Scottish Widows	1.2		1.2
Standard Life	1.5		1.5
TOTAL	77.8	18.2	96.0

The average interest rate gained on all balances during 2009/2010 was 0.90% compared to the benchmark 7 day LIBID return of 0.40%.

In addition to the above investments, Cheshire County Council also had funds invested with a cash fund manager. This fund has been retained and is shared with Cheshire West and Chester Council. This Councils share of the monies managed by the external cash fund manager at 31st March 2010 totalled £13.4 million and comprised:

- Bonds issued by the European Investment Bank £0.7 million
- Certificates of deposit issued by UK banks £6.6 million
- Certificates of deposit issued by French banks £4.8 million
- Certificates of deposit issued by UK building societies £1.3 million

The average interest rate gained on the externally managed cash fund during 2009/2010 was 1.76%.

The overall average rate of interest on all investments in 2009/2010 was 0.99%. The total investment income for 2009/2010 was £1.62m compared to a budget of £0.90m. The investment income includes £160,000 relating to deposits made by the former Cheshire County Council with the Icelandic Heritable Bank.

At the end of the year 2009/10 the Council had £135m long term loans outstanding. Of this £17m represented loans raised from commercial banks whilst £118m represented loans from the PWLB.

The interest payable in 2009/2010 was £6.0m compared to a budget of £7.8m.

2. Icelandic Bank Deposits

On the date Heritable Bank (Heritable) was placed into administration Cheshire County Council had £8.5 million deposited with the bank of which £4.6m is the Cheshire East share. These deposits were immediately frozen. This meant that such monies would not be returned to the Council until such time as the work of the administrator (ie to ascertain the assets and liabilities of Heritable and to make dividend payments to the bank's creditors (of which the Council is one)) has been completed.

During 2009/2010 the administrator has paid out £1.6m which equates to 35% of the claim. The latest report from the administrator contains estimates of the amounts to be repaid and broad indications of the dates on which any such repayments may be made. On the basis of the contents of this report, the Council has assumed that the following amounts will be recovered from the administrators of Heritable Bank on the following dates.

June 2010	5% of the amount due on 6 th October 2008
September 2010	5% of the amount due on 6 th October 2008
December 2010	5% of the amount due on 6 th October 2008
March 2011	5% of the amount due on 6 th October 2008
June 2011	5% of the amount due on 6 th October 2008
September 2011	5% of the amount due on 6 th October 2008
December 2011	5% of the amount due on 6 th October 2008
March 2012	5% of the amount due on 6 th October 2008
June 2012	5% of the amount due on 6 th October 2008
September 2012	5% of the amount due on 6 th October 2008

Accounting rules require that the estimated amounts due to be repaid need to be discounted back to a present value, at 31st March 2010, by the interest rates of 5.75% and 6.15% (these being the rates of interest due to be earned on the deposits originally placed with Heritable Bank). Discounting the estimated amounts to be repaid recognises the anticipated loss of interest the council will suffer pending the monies being repaid.

In 2008/09 the impairment charge was calculated as £1.324m. Using the latest information from the administrators, discounting the estimated amounts to be recovered back to their present value at 31st March 2010 gives rise to an impairment charge of £1.034m. As the value of the impairment has reduced then a reversal of £0.29m is included in the 2009/2010 accounts.

3. Interest Rates and Prospects for 2009/2010

The Councils' treasury advisors, as part of their service assisted in formulating a view on interest rates. However, there has been no change to the bank base rate since March 2009.

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Base Rate	0.50%	0.50%	0.50%	0.50%	0.50%

4. Compliance with Treasury Limits

During the financial year the Councils' operated within the treasury limits and Prudential Indicators set out in the Councils' Treasury Policy Statement and annual Treasury Strategy Statement (see section 8).

5. Investment Strategy for 2009/2010

The Council had regard to the DCLG Guidance on Local Government Investments ("the Guidance") issued in March 2004 (revised in 2010) and the revised CIPFA Treasury Management Code and the revised Prudential Code ("the CIPFA TM Code").

Investment instruments identified for use in the financial year are listed under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits were set through the Councils' Treasury Management Strategy Statement and Investment Strategy.

Investment Objectives

All investments were in sterling. The general policy objective the Councils' was the prudent investment of its treasury balances. The Councils' investment priorities are the security of capital and liquidity of its investments.

The Councils' aimed to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity. The DCLG maintains that the borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Security of Capital - The Use of Credit Ratings

There are three principal credit rating agencies and in accordance with the CIPFA Code the Council makes use of all these to establish the credit quality of counterparties and investment schemes. The Council had also determined the minimum long-term, short-term and other credit ratings it deems to be “high” for each category of investment and has regard to institutions which have access to the 2008 Credit Guarantee Scheme.

Monitoring of credit ratings:

- All credit ratings were monitored continuously. The Council is alerted to changes through advice from Treasury Advisors.
- If a counterparty's or investment scheme's rating is downgraded with the result that it no longer meets the Councils' minimum criteria, the further use of that counterparty/investment scheme as a new investment was withdrawn immediately.
- If a counterparty is upgraded, so that it fulfils the Councils' criteria, it was not added immediately to the approved list as the list is approved by named institution. The list was changed in August 2009 at the time the Treasury Management Annual Report 2008-09 was approved to reflect the changed circumstances surrounding the Support Rating given to some banks.

Use of External Fund Managers

The external cash fund managers would continue to manage around £13.4 million on the behalf of Cheshire East Borough Council during the year. The fund manager would use their judgement / view on interest rates to invest in government bonds (ie gilts) and certificates of deposit. The performance of the fund managers during the year 2009/10 is summarised in Annex 1 to this report.

6. Borrowing strategy

There has been no new borrowing undertaken in 2009/2010. This has been due to delays in capital expenditure, the current availability of cash resources and the interest rate environment.

7. Economic events of 2009/10

After the particularly torrid economic recession and a severe downturn in growth that extended into early 2009, there were reports of nascent recovery. The Bank of England forecast UK growth to fall by 3.9% in 2009, whilst inflation was forecast to be heading lower and staying lower for longer. The depth of the recession was borne out by the 5.9% year-on-year fall in GDP recorded at the end of the second quarter of 2009. The service sector - the dominant element of UK economy - also stalled for much of early 2009

despite a number of optimistic surveys to the contrary. Green shoots of recovery were finally evident in the final quarter of 2009 with growth registering 0.4% for the quarter.

In order to stimulate growth, the Bank of England maintained the Bank Rate at 0.5% throughout the year. The Bank also took extreme measures on an extraordinary scale to revive the economy through its **Quantitative Easing** (QE) programme. Financed by the issuance of central bank reserves QE was initially announced at £75bn, and then extended in stages to £200bn.

The Bank appears to have successfully staved off the very real risk of deflation. The increased supply of money in the system due to QE did not however translate into an increase in the movement of money in the system as banks are still unwilling to lend, and consumers are unwilling to borrow at pre-crisis levels.

The housing market showed some signs of stability but increases in house prices were modest. Nationwide House prices registered a year on year growth of 9% at the end of March 2010.

Consumer Price Inflation, having hit a high of 5.2% in September 2008, began the year at 3.2% (Feb 2009 data), fell to a low of 1.1% in September 2009 as the oil, commodity, utility and food prices (the main drivers of high inflation in 2008) fell out of the year-on-year statistical calculations. Thereafter, inflation pushed higher with rising oil and transport costs and VAT reverting to 17.5%. CPI at year end was 3.0% (Feb 2010 data).

Companies and households on the whole reduced rather than increased their levels of debt. Credit remained scarce and at a premium, and certainly as compared to that available two years earlier. Businesses retrenched rather than hired workers and unemployment rose rapidly to just under 2.5 million. Against this background, wage growth was muted.

The November 2009 Budget was primarily about public debt. The Chancellor's forecast for net public sector borrowing in 2009/10 was £175bn or 12.4% of GDP. Gross gilt issuance was expected to hit a quite staggering £220bn in 2009/10. Standard & Poor's responded to the debt that the UK government was building up and a lack of a credible plan to reduce the debt burden by changing the UK's rating outlook from stable to negative.

The outlook for 2010 was therefore for a period of slow and patchy growth in the economy accompanied by stubbornly high unemployment. The UK fiscal deficit remained acute. Cuts in public spending and tax increases were becoming inevitable and a credible plan to reduce the deficit was urgently required after the May General Election, the absence of which increased the potential of a sovereign downgrade. The likelihood of a hung parliament had grown and had the potential of being disruptive to financial markets.

Gilts and Money Market Rates

LIBOR and LIBID rates (i.e. the rates at which a banks are willing to borrow from and lend to other banks) which had been stubbornly high in early 2009, slowly moved lower towards the Bank Rate of 0.5%.

UK Government Gilts were the main beneficiary of the economic downturn (it is an asset class that responds positively to poor economic news); they also

formed the significant bulk of the QE purchases and are thought to have pushed gilt yields, and consequently the cost of borrowing, lower by 0.5%.

8. Prudential Indicators 2009/10

Authorised Limit for External Debt

The estimates and actuals for the authorised limits for 2009/10 are

	PI Limit	Actual
	£000	£000
Borrowing	218,000	134,762
Other long term liabilities	0	0

Operational Boundary for External Debt

The estimates and actuals for the operational boundary (lower than authorised limit due to cash flow variations) for 2009/10 are

	PI Limit	Actual
	£000	£000
Borrowing	210,000	134,762
Other long term liabilities	0	0

Upper Limits for Fixed and Variable Rate Interest Exposure

	PI Limit	Actual (peak)
	%	%
Upper limit for Fixed Interest Rate Exposure: Debt Investments	100	100 50
Upper Limit for Variable Interest Rate Exposure Debt Investments	100	0 100

Maturity Structure of Fixed Rate Debt

	PI Limit	Actual
	%	%
Upper limit on borrowing maturing in:		
Under 12 months	25	0
Over 12 months but less than 24 months	25	0
Over 24 months but less than 5 years	35	4
Over 5 years but less than 10 years	35	2
Over 10 years but less than 20 years	100	6
Over 20 years but less than 30 years	100	31
Over 30 years but less than 40 years	100	29
Over 40 years but less than 50 years	100	28
Over 50 years	100	0

Annex 1**EXTERNAL CASH FUND MANAGER****PERFORMANCE IN THE YEAR 2009-10**

Budgeted return to be earned	0.65%	£85,804
Net return earned by fund manager (ie after deduction of fees)	1.18%	£155,768
Benchmark index for the year	0.99%	£130,687
7 day rate for the year	0.40%	£52,803

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	16 August, 2010
Report of:	Head of Policy and Performance
Subject/Title:	Policy and Procedures – Regulation of Investigatory Powers Act 2000 (RIPA)
Portfolio Holder:	Councillor David Brown

1.0 Purpose of Report

1.1 To present the following updated policies and procedures for approval.

1.1.1 Cheshire East Policy and Procedures for Surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA)

1.1.2 Cheshire East Policy and Procedures for the Acquisition and Disclosure of Communications Data under the Regulation of Investigatory Powers Act 2000

2.0 Decision Requested

2.1 That the updated policies and procedures identified in 1.1 above are adopted with immediate effect.

3.0 Reasons for Recommendations

3.1 To ensure that the Council has clear and robust policies and procedures in place to guide Officers in carrying out their investigatory functions.

4.0 Wards Affected

4.1 Potentially all.

5.0 Local Ward Members

5.1 Potentially all.

6.0 Policy Implications including - Climate change - Health

6.1 N/a

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 The policies and procedures and the associated independent inspection regimes require the highest standards of professional competence from the Council's enforcement staff, as well as from managers who are authorised to approve activities under the policies. The Compliance Unit and Services need to ensure that arrangements are in place to ensure ongoing training and meet professional development requirements.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The Regulation of Investigatory Powers Act 2000 sets out processes which must be adhered to with regard both to surveillance and the acquisition and disclosure of communications data. The Regulation of Investigatory Powers (Communications Data) Order 2010 and the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 came into force on 6th April and both Orders are relevant to the policies to be approved.

On 3rd June, the Office of the Surveillance Commissioner (OSC), whose role is to oversee the use by local authorities of surveillance powers under the RIPA legislation, and to enable public authorities to improve their understanding and conduct of covert activities, wrote to the Chief Executive setting out the results of the Council's first inspection of its surveillance practices. No recommendations were made, and the Inspector described the Council's processes which he had inspected, including the document "Surveillance under RIPA – Policy and Procedure" as "of the highest order".

- 8.2 This endorsement by the OSC indicates an external recognition by the appropriate regulatory body of the Council's compliance with the surveillance legislation in this respect. Notwithstanding this, some minor practical changes to reflect development of the Council's structure have been made.
- 8.3 The OSC is not responsible for vetting policies in relation to Acquisition of Communications Data, and the policy referred to at 1.1.2 above which is attached to this report has therefore not been seen or approved by the OSC. Nonetheless, it has been internally reviewed for legal compliance.

9.0 Risk Management

- 9.1 Without clear and robust policies and procedures in place, there would be a risk that officers would fail to comply with the relevant legislation and codes of practice. Consequently, complaints may be made against the authority by aggrieved persons, which may proceed to investigation by the independent tribunals set up by RIPA. The tribunals have the power to cancel authorisations, order the destruction of any records obtained in exercise of the powers conferred by RIPA and award compensation as they see fit.

10.0 Background and Options

- 10.1 The Regulation of Investigatory Powers Act (RIPA) allows the use of covert surveillance by local authorities in those circumstances where the required

information cannot be obtained by other means. Use of RIPA seeks to ensure that councils only use covert surveillance where it is necessary for specific, legally prescribed purposes, and that the risk of infringing individual rights is kept to a minimum. By following the authorisation procedures set out in RIPA, Council Officers are ensuring they can demonstrate that the measures taken are necessary, proportionate and lawful.

- 10.2 Since the inception of Cheshire East Council, only one RIPA application has been authorised (although it is expected that more applications will be submitted now that many of the relevant teams (e.g. Trading Standards, Licensing) are more established). The powers of covert surveillance under RIPA can only be used in the prevention and detection of crime and disorder. In order to use covert surveillance, the Council must be able to demonstrate necessity (that less intrusive methods have been considered and then discounted) and proportionality. It should only be used as a last resort. The Senior Responsible Officer is the Borough Solicitor and there are currently five Authorising Officers – all members of the Corporate Management Team. All Authorising Officers, as well as in excess of 80 members of staff, have received thorough training in the use of RIPA.
- 10.3 Cabinet approved the existing Policy and Procedures at its meeting on 24th March 2009. It is now appropriate to review and revise these for number of reasons:
- The Council now has experience of operating the Policy and Procedures and needs to incorporate some of the learning points.
 - The Home Office issued new statutory codes of practice on 6th April, 2010, to be incorporated into existing procedures.
 - Local Authorities are inspected on a bi-annual basis by an Inspector from the Office of the Surveillance Commissioner. This Council was inspected on 11th May and received an excellent report. (Copy of report is attached.) However, during discussions with the Inspector, there were useful examples of best practice, which have also been incorporated into these procedures.
 - The policies and procedures are subject to annual review as agreed by Cabinet on 24th March 2009.
- 10.4 A copy of the updated Policy and Procedures is attached. The changes proposed relate primarily to the role and seniority of the Authorising Officers and the appointment of a Senior Responsible Officer, with overall responsibility for the integrity of the operation. A further change is that the Annual Report to Members should, in future, be submitted to the Audit and Governance Committee rather than Corporate Scrutiny Committee. This was proposed to the Corporate Scrutiny Committee at their meeting on 15th March, 2010, when the Annual Report was submitted. It was suggested that the Scrutiny Committees should continue to have information about RIPA and/or review its operation in accordance with the Scrutiny Work Programmes if the individual committees would find this beneficial, but the Audit and Governance Committee

is the more appropriate route for compliance issues to be reported routinely. Other changes in the document relate to record management issues.

- 10.5 It is worth noting that the Government has recently announced a review of the use of RIPA as part of a wider review of counter-terrorism laws. This review will be overseen by the former Director of Public Prosecutions, Lord MacDonald.

11.0 Overview of Year One and Term One Issues

- 11.1 The adoption of the updated policies and procedures will mean that this Council has an appropriate framework in place to ensure that it is in a position to fulfil its legal obligations and meet the highest standards of professional practice. The policies and procedures are subject to annual review.

12.0 Access to Information

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

Name: Sandra Smith
Designation: Compliance Unit Manager
Tel No: 01270 685865
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APPENDIX 1

CHESHIRE EAST COUNCIL

SURVEILLANCE UNDER THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

POLICY AND PROCEDURE

Applications for Authorisation to carry out Surveillance and for the use of Covert Human Intelligence Sources

**This document sets out the requirements for gaining
authorisation under RIPA, the persons able to grant
authorisation, circumstances when authorisation will be
required and the storage and maintenance of records of
authorisation**

SURVEILLANCE UNDER THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

POLICY

P1 BACKGROUND

P1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) came into effect in September 2000. It establishes a regulatory framework for the use of covert surveillance by setting up an authorisation procedure. Covert surveillance is defined in Section 26(9) (a) of RIPA as *“any surveillance which is carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place”*. RIPA seeks to ensure that public authorities only use covert surveillance where it is necessary for a specific, legally prescribed purpose, and that the surveillance is carried out in such a way that the risk of infringing the rights of individuals is kept to an absolute minimum.

P1.2 Some surveillance operations may interfere with Article 8 of the Human Rights Act 1998 which provides that everyone has the right to respect for his private and family life, his home and correspondence. This right is subject to an important qualification - Paragraph 2 of Article 8 provides that:

“There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.”

P1.3 RIPA therefore protects an individual's rights and freedoms that are guaranteed by the European Convention and given further effect by the Human Rights Act 1998, whilst allowing a public authority to carry out certain, necessary covert surveillance.

P2 INTRODUCTION

P2.1 Cheshire East Council will, on occasion, need to use covert surveillance in order to carry out its enforcement functions effectively. Examples of enforcement activities which may require the use of RIPA include benefit fraud, planning enforcement, licensing enforcement, trading standards, environmental health, community safety investigations and breaches of tenancy conditions related to anti-social behaviour and crime. **A local authority may only use covert surveillance for the purpose of the prevention or detection of crime or the prevention of disorder.**

P2.2 Surveillance by a public authority is likely to constitute an infringement of an individual's rights and freedoms which are protected by the Human Rights Act 1998. However, by following the authorisation procedures set out by RIPA, officers of the Council are ensuring that they can demonstrate that the surveillance is necessary for a purpose permitted by the Human Rights Act 1998 and that it is a proportionate measure to take, given all the circumstances. Compliance with RIPA will significantly reduce the likelihood of any surveillance carried out by the Council being unlawful and therefore subject to legal challenge.

P3 CHESHIRE EAST COUNCIL'S POLICY IN ACCORDANCE WITH RIPA AND THE HOME OFFICE CODES OF PRACTICE

- P3.1 The purpose of this policy and its associated procedure is to reinforce the requirements of RIPA and its Codes of Practice, to ensure compliance with RIPA, to protect the rights of individuals and to minimise the risk of legal challenge as a result of officer actions.
- P3.2 The Council is fully committed to complying with the Human Rights Act 1998 and RIPA. In order to ensure compliance, all directed covert surveillance must be carried out in accordance with the legislative framework and the Council's RIPA policy and procedure.
- P3.3 In addition to all legislative, policy and procedural requirements, officers must have regard to the Statutory Codes of Practice on the use of covert surveillance and the use of a covert human intelligence source ("CHIS"), issued by the Home Office. Officers must also have regard to any other guidelines that may be published from time to time.
- P3.4 In particular, any legislative restrictions on the type of covert surveillance that a local authority is authorised to carry out must be observed; all covert surveillance must be properly authorised and recorded; the tests of necessity and proportionality must be satisfied; and the potential for collateral intrusion must be considered and minimised. Definitions of terms are included in the RIPA procedure.
- P3.5 Any officer intending to undertake covert surveillance or use a covert human intelligence source will only do so if the evidence or intelligence sought cannot be obtained by other means.
- P3.6 Embarking upon covert surveillance or the use of a covert human intelligence source without authorisation or conducting covert surveillance outside the scope of the authorisation will not only mean that the "protective umbrella" of RIPA is unavailable but may result in disciplinary action being taken against the officer/officers involved. RIPA has also established an Independent Tribunal which has full powers to investigate and decide any case within its jurisdiction.
- P3.7 The Council's RIPA policy and procedure will be reviewed annually, or sooner if necessary (e.g. in the event of legislation being amended or revoked).

P4 APPLICATION

- P4.1 The Council's policy is operational forthwith and applies to all Council staff employed under a permanent, temporary, fixed term or casual contract. It also applies to any contractors and/or subcontractors employed by the Council to undertake activities covered by this policy and procedure. All relevant Council contracts issued to contractors/subcontractors will include a term that this policy and associated procedures are to be observed when operating on behalf of the Council.
- P4.2 A copy of this policy document together with the Home Office Codes of Practice and Investigatory Powers Tribunal leaflets will be made available for public inspection at the Council offices' Reception Areas and on the Council's website.

SURVEILLANCE UNDER THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

PROCEDURE

1 TYPES OF SURVEILLANCE

1.1 There are three types of covert surveillance: “intrusive surveillance”, “directed surveillance” and surveillance by means of a “covert human intelligence source” (a “CHIS”).

1.2 Local authorities are **not** authorised to carry out any form of intrusive surveillance.

1.2.1 Intrusive surveillance is defined in section 26(3) of RIPA as covert surveillance that:

- is carried out in relation to anything taking place on any residential premises or in any private vehicle; and
- involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device (e.g. a listening device in a person’s home or in their private vehicle).

1.3 Local authorities are permitted to carry out directed surveillance.

1.3.1 Directed surveillance is defined in Section 26(2) of RIPA as surveillance which is covert, but not intrusive, and undertaken:

- for the purposes of a specific investigation or specific operation;
- in such a manner as it is likely to result in the obtaining of **private information** (see Section 13) about the person (whether or not one specifically identified for the purposes of the investigation or operation); and
- otherwise than by way of an immediate response to events or circumstances, the nature of which is such that it would not be reasonably practical for an authorisation under Part II of RIPA to be sought for the carrying out of the surveillance.

1.3.2 Directed surveillance will only be carried out on residential premises if a member of the public has requested help or made a complaint to the Council and written permission to conduct the surveillance has been obtained from the householder or tenant from whose premises the surveillance will be carried out. See also paragraph 5.7.

1.3.3 Closed Circuit Television (CCTV) systems are normally not within the scope of RIPA. However, if they are used for a specific operation or investigation, or if automatic facial recognition by means of CCTV is used, authorisation for the use of directed surveillance must be obtained in accordance with this procedure.

- 1.3.4 A protocol has been agreed with the police regarding the use of CCTV to assist with their investigations. Where the police wish to use the council's CCTV facilities it is essential that a copy of the police's authorised RIPA application is viewed by the CCTV Manager.
- 1.4 Local authorities are permitted to use a covert human intelligence source.
- 1.4.1 A covert human intelligence source (a "CHIS") is defined by section 26(8) of RIPA as a person who:
- establishes or maintains a personal or other relationship with another person for the covert purpose of facilitating the doing of anything falling within the following two paragraphs;
 - covertly uses such a relationship to obtain information or to provide access to any information to another person: or
 - covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.
- 1.5 The provisions of RIPA are not intended to apply to circumstances where members of the public volunteer information as part of their civic duties or to contact numbers set up to receive information.
- 1.6 An authorisation under Part II of RIPA will provide lawful authority for the use of a covert human intelligence source ("CHIS"). Use of a source without an authorisation will not be unlawful but where there is interference by a public authority with the right to respect for private and family life guaranteed under Article 8 of the Human Rights Act 1998 and there is no other lawful authority the consequences of not obtaining an authorisation under RIPA may be that the action is unlawful by virtue of the Human Rights Act 1998.
- 1.7 Where the use or conduct of a CHIS is likely to interfere with an individual's Article 8 rights an authorisation must be sought in order to ensure that the action is carried out in accordance with the law.

2 OFFICERS ABLE TO MAKE AUTHORISATIONS

- 2.1 Under Section 28(3) of RIPA an authorisation for directed surveillance or the use of a covert human intelligence source ("CHIS") may be granted by an Authorising Officer where he believes that the authorisation is

Necessary in the circumstances of the particular case:

- for the purpose of preventing or detecting crime or of preventing disorder;

and,

Proportionate to what it seeks to achieve.

- 2.2 Detecting crime includes establishing by whom, for what purpose, by what means and generally in what circumstances any crime was committed, the gathering of

evidence for use in any legal proceedings and the apprehension of the person (or persons) by whom any crime was committed.

- 2.3 The Home Office recently published three new orders under Part 2 of the Regulation of Investigatory Powers Act 2000 which came into force on 6th April 2010. Under the Regulation of Investigatory Powers(Directed Surveillance and Covert Human Intelligence Sources Order 2010 (2010/521) the Authorising Officers for Local Authorities are restricted to Director, Head of Service, Service Manager or equivalent. In Cheshire East Council the Authorising Officers are the Chief Executive and members of the Corporate Management Team.

In cases in which confidential information is likely to be obtained or in which Section 15.2 or 15.3 of this procedure applies.:

- The Chief Executive, or (in her absence)
 - A Director
- 2.4 Authorising Officers should not be responsible for authorising investigations or operations in which they have had or are likely to have any direct involvement. When such authorisation is required, this will be sought from an alternative authorising officer, as appropriate. When such an investigation or operation has to be authorised in this way, the Central Record of Authorisations should highlight this and the attention of the National Surveillance Commissioner or Inspector should be drawn to it during his next inspection.
- 2.5 Under the revised Code of Practice it is considered good practice for every public authority to appoint a Senior Responsible Officer (SRO). Within Cheshire East Council this is the Borough Solicitor, who is responsible for:
- the integrity of the process in place within the public authority for the management of CHIS and Directed Surveillance;
 - compliance with Part 2 of the Act and with the Codes;
 - engagement with the OSC inspectors when they conduct their inspections, where applicable; and
 - where necessary, oversight of the implementation of post-inspection action plans approved by the relevant oversight Commissioner.

In addition under the new code councillors have been given a formal scrutiny role in relation to RIPA. The new code states that, at least once a year, they should review the authority's use of RIPA and set the general surveillance policy. They should also consider internal reports on the use of RIPA at least on a quarterly basis to ensure that it is being used consistently as per the council's policy and that the policy remains fit for purpose. It is however emphasised that councillors should not be involved in making decisions on specific authorisations.

3 THE TESTS OF NECESSITY AND PROPORTIONALITY

- 3.1 Directed covert surveillance or the use of a covert human intelligence source ("CHIS") should only be authorised if the Authorising Officer is satisfied that:

- **The action is NECESSARY (in a democratic society) on the following grounds:**

- For the prevention or detection of crime or the prevention of disorder

and,

- **The surveillance is PROPORTIONATE - The Human Rights Act defines a measure or action as proportionate if it:**

- Impairs as little as possible the rights and freedoms (of the individual concerned and of innocent third parties),
- Is carefully designed to meet the objectives in question, is not arbitrary, unfair, or based on irrational considerations.

4 COLLATERAL INTRUSION

- 4.1 In the case of both directed covert surveillance and the use of a covert human intelligence source, the Authorising Officer must also take into account the risk of intrusion into the privacy of persons other than those who are directly the subject of the investigation or operation. This is termed “collateral intrusion”.
- 4.2 Officers carrying out the surveillance should inform the Authorising Officer if the investigation or operation unexpectedly interferes with the privacy of individuals who are not covered by the authorisation. Consideration should be given to whether the authorisation should be amended and re-authorised or whether a new authorisation is required.
- 4.3 Any officer applying for or granting an authorisation will need to be aware of the particular sensitivities in the local community where the surveillance is taking place and of similar activities being undertaken by other public authorities which could impact on the deployment of surveillance.

5 APPLICATIONS FOR AUTHORISATION TO CARRY OUT DIRECTED SURVEILLANCE OR USE A COVERT HUMAN INTELLIGENCE SOURCE (“CHIS”)

- 5.1 An application for authorisation must be in writing and on the appropriate form which must be completed in full.
- 5.2 Officers should ensure that they use the current form obtained from the Home Office website (<http://security.homeoffice.gov.uk/ripa/>)
- 5.3 Before applications are authorised, they must be forwarded to the Compliance Unit, Internal Audit, to be checked and recorded in the Central Register of Authorisations (Section 12).
- 5.4 Officers requesting authorisation for directed surveillance should consider whether it is necessary to complete a risk assessment, which should be submitted with the authorisation request, where applicable. Officers requesting authorisation to use a covert human intelligence source (“CHIS”) must always complete a risk assessment and submit it with the authorisation request (see also Section 15).

- 5.5 All relevant documentation, including a copy of the authorisation, a record of the period over which surveillance has taken place, any risk assessment, notebooks, surveillance logs and other ancillary documentation will be retained at departmental level for a period of six years from the date of commencement of surveillance, at which point they will be securely destroyed.
- 5.6 Other than in exceptional circumstances, the investigation of noise complaints will only be carried out by means of **overt surveillance**. Therefore, an authorisation will **not** normally be required to install a noise recording or monitoring device in a property neighbouring premises that are subject to a noise level complaint, provided the following is observed: (i) the written permission of the complainant must be obtained, (ii) the occupant of the monitored premises must receive notice in writing that noise recording/monitoring equipment may be installed in a neighbouring property (thus rendering the surveillance overt), and (iii) the surveillance must be carried out within a period of three calendar months from the date of the notice. At the end of the three month period, the surveillance must cease or, if surveillance is to continue, either a further notice must be served on the occupant of the monitored premises or an authorisation to conduct (covert) directed surveillance will be required.

6 URGENT AUTHORISATIONS

- 6.1 In urgent cases authorisation may be given orally by the Authorising Officer. In these cases, a statement that the Authorising Officer has expressly authorised the activity should be recorded in writing within 72 hours and the appropriate section of the application form should also be completed and forwarded to the Compliance Unit immediately.
- 6.2 A case would not normally be regarded as urgent unless the time that would elapse before the Authorising Officer was available to grant the written authorisation would, in the judgment of the person giving the authorisation, be likely to endanger life or jeopardise the investigation or operation for which the authorisation was being given. An authorisation is not to be regarded as urgent where the need for an authorisation has been neglected or overlooked or if the urgency is of the Authorising Officers own making.
- 6.3 Authorising Officers should not be responsible for authorising investigations or operations in which they are directly involved. However, if, in exceptional circumstances, this is unavoidable, the central Record of Authorisations should highlight this and the attention of the Commissioner or Inspector should be drawn to it during the next inspection.
- 6.4 In urgent cases, in addition to the information to be provided in an application for authorisation, the reasons why the Authorising Officer considered the case so urgent that an oral instead of a written authorisation was given should be recorded.
- 6.5 Only the Authorising Officers listed in paragraph 2.3 above may authorise applications, including in urgent cases.

7 DURATION OF AUTHORISATIONS

- 7.1 A written authorisation granted by an Authorising Officer will cease to have effect (unless renewed) either on specific cancellation or at the end of a period of three months (directed surveillance) or twelve months ("CHIS"), beginning with the day on which it took effect.
- 7.2 Urgent authorisations will, unless renewed, cease to have effect after 72 hours, beginning with the time when the authorisation was granted or renewed.

8 REVIEWS

- 8.1 Regular reviews of authorisations by the Authorising Officer should be undertaken to assess the need for surveillance to continue. All reviews should be completed using the appropriate form.
- 8.2 Officers should ensure that they use the current form obtained from the Home Office website (<http://security.homeoffice.gov.uk/ripa/>)
- 8.3 Particular attention is drawn to the need to review authorisations frequently where surveillance provides access to confidential information or involves collateral intrusion.
- 8.4 Review documentation, including the frequency of reviews and a record of the result of each review, will be retained for a period of six years, at which point it will be destroyed. Documentation detailing any instruction given by the Authorising Officer will be retained for a period of six years at departmental level, at which point it will be securely destroyed.

9 RENEWALS

- 9.1 If at any time before an authorisation would cease to have effect, the Authorising Officer considers it necessary for the authorisation to continue for the purpose for which it was given, he may renew it in writing. Renewals may also be granted orally in urgent cases and last for a period of 72 hours.
- 9.2 All applications for the Renewal of an Authorisation for Directed Surveillance should be on the appropriate form which must be completed in full.
- 9.3 Officers should ensure that they use the current form obtained from the Home Office website (<http://security.homeoffice.gov.uk/ripa/>)
- 9.4 Any renewal documentation, together with any supporting documentation, and any documentation detailing any instruction issued by the Authorising Officer will be retained for a period of six years at departmental level, at which point it will be securely destroyed.
- 9.5 Copies of all renewals should be sent (securely transmitted) to the Compliance Unit.

10 CANCELLATIONS AND HANDLING OF SURVEILLANCE PRODUCT

- 10.1 The Authorising Officer who granted or last renewed the authorisations must cancel it if he is satisfied that the activity no longer meets the criteria upon which it was authorised or it has fulfilled its objective. If the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of the Authorising Officer.
- 10.2 Officers should ensure that they use the current form obtained from the Home Office website (<http://security.homeoffice.gov.uk/ripa/>).
- 10.3 On cancellation of an authorisation, the Authorising Officer must be satisfied that the product of any surveillance is properly retained and stored or destroyed. If the surveillance product is of no evidential or intelligence value, it should be destroyed without delay in accordance with Data Protection requirements. If the surveillance product is of potential evidential or intelligence value, it should be retained on the legal file in accordance with established disclosure requirements, commensurate to any subsequent review.

11 CESSATION OF ACTIVITY

- 11.1 As soon as the decision is taken that the authorised activity should be discontinued, the instruction must be given to those involved to stop all surveillance of the subject or to cease using the covert human intelligence source.
- 11.2 Documentation detailing the date and time when any cancellation instruction was given by the Authorising Officer will be retained for a period of six years, at which point it will be securely destroyed.

12 CENTRAL RECORD OF AUTHORISATIONS

- 12.1 A Central Record of Authorisations will be held and updated whenever an authorisation is granted, renewed or cancelled. The Compliance Unit is responsible for ensuring that a Central Record is maintained. The record will be made available to the relevant Commissioner or an Inspector from the Office of Surveillance Commissioners, upon request. These records should be retained for a period of three years from the ending of the authorisation, at which point they will be securely destroyed.
- 12.2 In respect of directed surveillance the Central Record of Authorisations will contain a copy of the authorisation together with the following information:
- the type of authorisation: the date the authorisation was given;
 - name of the authorising officer;
 - the departmental reference number of the investigation or operation
 - the title of the investigation or operation, including a brief description and names of subjects, if known;

- whether the urgency provisions were used, and if so why;
- in the case of a self authorisation by the Authorising Officer, a statement in writing that he/she expressly authorised the action (only in exceptional circumstances)
- if the authorisation is renewed, when it was renewed and who authorised the renewal, including the name and grade of the authorising officer;
- whether the investigation or operation is likely to result in obtaining confidential information;
- the date the authorisation was cancelled.
- a copy of the Privacy Impact Assessment

12.3 In respect of a covert human intelligence source ("CHIS") the Central Record of Authorisations will contain the following additional information:

- a copy of the authorisation together with any supplementary documentation and notification of the approval given by the Authorising Officer;
- a copy of any renewal of an authorisation together with the supporting documentation submitted when the renewal was requested;
- the reason why the person renewing an authorisation considered it necessary to do so;
- any urgent authorisation which was granted or renewed orally (in an urgent case) and the reason why the case was considered urgent;
- the risk assessment made in relation to the source ("CHIS");
- a record of the results of any reviews of the authorisation;
- the reasons, if any, for not renewing an authorisation;
- the reasons for cancelling an authorisation - cancellations are to be completed on the appropriate form
- the date and time when any instruction was given by the Authorising Officer to cease using a "CHIS".
- The Privacy Impact Assessment

13 PRIVATE INFORMATION

13.1 "Private information" is defined in Section 26(10) of RIPA as including any information relating to a person's private or family life. The concept of private information should be broadly interpreted to include an individual's private or

personal relationship with others and should also be taken to include activities of a professional or business nature. Family life should be treated as extending beyond the formal relationships created by marriage.

14 CONFIDENTIAL INFORMATION

- 14.1 The Act does not provide any special protection for confidential information. Nevertheless, particular care should be taken in cases where the subject of the investigation might expect a high degree of privacy or where confidential information is involved. Confidential information consists of matters subject to legal privilege, confidential personal information or confidential journalistic material.
- 14.2 In cases where, through the use of surveillance, it is likely that knowledge of confidential information will be acquired, the use of surveillance is subject to a higher level of authorisation. In cases where confidential information is likely to be acquired it will be the Chief Executive or (in his/her absence) a Director, who must give the authorisation. The Act does not provide any special protection for legally privileged information. Nevertheless, such information is particularly sensitive, and surveillance which acquires such material may engage Article 6 and Article 8 of the European Convention/Human Rights Act 1998.
- 14.3 An application for surveillance which is likely to result in the acquisition of legally privileged information should only be made in exceptional and compelling circumstances. The application should include, in addition to the reasons why it is considered necessary for the surveillance to take place, an assessment of how likely it is that the information subject to legal privilege will be acquired. In addition the application will clearly state whether the purpose (or one of the purposes) of the surveillance is to obtain legally privileged information. Full regard should be had to the particular proportionality issues such surveillance raises.
- 14.4 Similar considerations must be given to authorisations that involve confidential personal information and journalistic material. In cases where confidential personal information and confidential journalistic material has been acquired and retained, the matter should be reported to the relevant Commissioner or Inspector during his next inspection and the material be made available to him if requested.

15 ADDITIONAL REQUIREMENTS FOR AUTHORISATION OF COVERT HUMAN INTELLIGENCE SOURCES ONLY

- 15.1 Covert human intelligence sources may only be authorised if the following additional arrangements are in place:
- There is an employee of the Council with day to day responsibility for dealing with the source and for the source's security and welfare.
 - There is a Senior Officer who has general oversight of the use made of the source.

- An officer will be responsible for maintaining a record of the use made of the source.
 - Those records will contain any matters specified by the Secretary of State – The Regulation of Investigatory Powers (Source Records) Regulations 2000 (SI 2000/2725) set out these matters.
 - That records disclosing the identity of the source and the information provided by him/her will not be made available to others except on a need to know basis.
- 15.2 Vulnerable individuals (a person who is in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care or protect himself against significant harm or exploitation) may be authorised to act as a CHIS **only in the most exceptional circumstances**. Authorisation must be given by the Chief Executive or (in his/her absence) the Borough Solicitor.
- 15.3 Authorisations for juvenile sources (under 18) should only be granted if the provisions contained in The Regulation of Investigatory Powers (Juveniles) Order 2000 (SI 2000/2793) are satisfied. Any authorisation should be granted by the Chief Executive or (in his/her absence) a Director. The duration of an authorisation for the use or conduct of juvenile sources is **one month**. **A source under the age of 16 must not be authorised to give information against his parents or any person who has parental responsibility for him.**
- 15.4 If a juvenile source (under 18) is to be used, the authorising officer is responsible for obtaining the written consent of the parent or guardian or the person caring for the juvenile, unless to do so would compromise the juvenile's welfare or safety. The authorising officer is also responsible for ensuring that an appropriate adult is present at any meeting. An appropriate adult means a parent or guardian, person who has assumed responsibility for the wellbeing of the CHIS or, in their absence, a person who is responsible for the wellbeing of the CHIS and who is over 18 who is neither a member of, nor employed by, the Council.
- 15.5 **On no occasion should the use or conduct of a source under 16 years of age be authorised to give information against his parent or any person who has parental responsibility for him/her.**
- 15.6 The processing of information obtained as a result of surveillance will be restricted to specified employees employed in Internal Audit. Only relevant senior managers will have access to the information collected to enable appropriate action to be taken. They will respect the confidentiality of all information and only disclose the information to other appropriate senior managers where further action is required.
- 15.7 When a covert human intelligence source ("CHIS") is used, a "Handler" (who can be an officer of the Council), and who must have received appropriate training, should be designated as having the day to day responsibility for dealing with the "CHIS". This responsibility shall extend to security, safety and welfare of the "CHIS". In addition, a "Controller" should be designated to have the general oversight of the use made of the "CHIS". These requirements also apply in cases in which the "CHIS" is an officer of the Council.

- 15.8 The officer requesting authorisation for the use of a covert human intelligence source ("CHIS") must also complete a risk assessment and submit it to the Authorising Officer together with the authorisation request.

16 MONITORING OF RECORDS

- 16.1 The Borough Solicitor to the Council will be responsible for monitoring authorisations and conducting a quarterly review of applications, authorisations, refusals, reviews renewals and cancellations.

17 SCRUTINY

- 17.1.1 The Borough Solicitor will ensure that an annual report is submitted to the Council's Audit & Governance Committee. The report will include details of the overall number and type of authorisations granted and the outcome of the case, where known. In addition, the report will provide a breakdown of the same information by service or groups of services, as appropriate.
- 17.2 The report should also include the results of the most recent inspection carried out by a representative of the Office of Surveillance Commissioners, where applicable (inspections may not take place annually).

18 FURTHER INFORMATION

- 18.1 For further guidance please see the relevant Home Office guidance available from the Home Office website <http://www.homeoffice.gov.uk/> or contact Legal Services.

APPENDIX 2

CHESHIRE EAST COUNCIL

ACQUISITION AND DISCLOSURE OF COMMUNICATIONS DATA UNDER THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

POLICY AND PROCEDURE

**This document sets out the requirements for gaining authorisation to
acquire communications data under RIPA**

ACQUISITION AND DISCLOSURE OF COMMUNICATIONS DATA UNDER THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

POLICY

P1 BACKGROUND

P1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) came into effect in September 2000. It establishes a regulatory framework for the acquisition of communications data by setting up an authorisation procedure. Communications data are defined in Section 21(4) of RIPA and include information held by any postal service or telecommunications service or system. RIPA seeks to ensure that public authorities only acquire communications data where it is necessary for a specific, legally prescribed purpose, and that the acquisition is carried out in such a way that the risk of infringing the rights of individuals is kept to an absolute minimum.

P1.2 The acquisition of communications data may interfere with Article 8 of the Human Rights Act 1998 which provides that everyone has the right to respect for his private and family life, his home and correspondence. This right is subject to an important qualification - Paragraph 2 of Article 8 provides that:

"There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others."

P1.3 RIPA therefore protects an individual's rights and freedoms that are guaranteed by the European Convention and given further effect by the Human Rights Act 1998, whilst allowing a public authority to carry out certain, necessary covert surveillance activity.

P2 INTRODUCTION

P2.1 Cheshire East Council will on occasion need to acquire communications data in order to carry out its enforcement functions effectively. Examples of enforcement activities which may require the acquisition of communications data include, in particular, trading standards investigations relating to doorstep crime, counterfeiting and other fraudulent trading activity. **A local authority may only acquire communications data for the purpose of the prevention or detection of crime or the prevention of disorder.**

P2.2 The acquisition of communications data by a public authority is likely to constitute an infringement of an individual's rights and freedoms which are protected by the Human Rights Act 1998. However, by following the authorisation procedures set out by RIPA, officers of the Council are ensuring that they can demonstrate that the data acquisition is for a purpose permitted by the Human Rights Act

1998 and that it is a proportionate measure to take, given all of the circumstances. Compliance with RIPA will significantly reduce the likelihood of any acquisition of communications data by the Council being unlawful and therefore subject to legal challenge.

P3 CHESHIRE EAST COUNCIL'S POLICY IN ACCORDANCE WITH RIPA AND THE HOME OFFICE CODE OF PRACTICE ON THE ACQUISITION AND DISCLOSURE OF COMMUNICATIONS DATA

- P3.1 The purpose of this policy and its associated procedure is to reinforce the requirements of RIPA and the Code of Practice, to ensure compliance with RIPA, to protect the rights of individuals and to minimise the risk of legal challenge as a result of officer actions.
- P3.2 The Council is fully committed to complying with the Human Rights Act 1998 and RIPA. In order to ensure compliance, all communications data acquisition must be carried out in accordance with the legislative framework and the Council's RIPA policy and procedure.
- P3.3 In particular, any legislative restrictions on the type of communications data that a local authority is authorised to access must be observed; any acquisition of data must be properly authorised and recorded; the tests of necessity and proportionality must be satisfied; and the potential for collateral intrusion must be considered and minimised. Definitions of terms are included in the RIPA procedure.
- P3.4 Any officer intending to acquire communications data will only do so if the evidence or intelligence sought cannot be obtained by other means.
- P3.5 Acquiring communications data without authorisation or outside the scope of the authorisation will not only mean that the "protective umbrella" of RIPA is unavailable but may result in disciplinary action being taken against the officer/officers involved. RIPA also established an independent Tribunal (the Investigatory Powers Tribunal) that has full powers to investigate and decide any case within its jurisdiction that includes the acquisition and disclosure of communications data.
- P3.6 The Council's Acquisition and Disclosure of Communications Data Policy and Procedure will be reviewed every year, or sooner if necessary (e.g. in the event of legislation being amended or revoked).

4 APPLICATION

- 4.1 The Council's policy is operational forthwith and applies to all Council staff employed under a permanent, temporary, fixed term or casual contract. It also applies to any contractors and/or subcontractors employed by the Council to undertake activities covered by this policy and procedure. All relevant Council contracts issued to contractors/subcontractors will include a term that this policy and associated procedures are to be observed when operating on behalf of the Council.
- 4.2 A copy of this policy document will be made available for public inspection at the Council offices' reception areas and on the Council's website.

ACQUISITION AND DISCLOSURE OF COMMUNICATIONS DATA UNDER THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

PROCEDURE

1 CATEGORIES OF COMMUNICATIONS DATA

1.1 Section 21(4) of RIPA defines three categories of communications data, only two of which can be accessed by the local authority.

1.2 Local authorities are **not** authorised to acquire “traffic data” i.e. information that identifies any person, equipment or location to or from which a communication is or may be transmitted. Furthermore, the powers do **not** extend to the acquisition of the contents of the communication itself.

1.2.1 The categories of communications data which may be acquired by the local authority are:

- section 21(4)(b) of RIPA: any information (excluding traffic data and the contents of a communication) about the use made by any person (i) of any postal service or telecommunications service; or (ii) in connection with the provision to or use by any person of any telecommunications service, or any part of a telecommunication system, and
- section 21(4)(c) of RIPA: any information (excluding traffic data, the contents of a communication and information falling within paragraph section 21(4) (b) of RIPA) that is held or obtained, in relation to persons to whom he provides the service, by a person providing a postal service or telecommunications service .

1.2.2 Examples of the information that may be obtained under section 21(4) (b) of RIPA are listed below. The full list appears in the Code of Practice for the Acquisition and Disclosure of Communications Data.

- Itemised telephone call records
- Itemised records of connections to internet services
- Itemised timing and duration of service usage (calls and/or connections)
- Information about amounts of data downloaded and/or uploaded
- Records of postal items, such as records of registered post, recorded or special delivery postal items, records of parcel consignment, delivery and collection.

1.2.3 Examples of the information that may be obtained under section 21(4) (c) of RIPA are listed below. The full list appears in the Code of Practice.

- Subscriber checks (also known as “reverse look ups”)
- Subscriber or account holders’ account information, including names and addresses for installation, and billing including payment method(s), details of payments
- Information about the subscriber to a PO Box number.
- Information about apparatus used by or made available to, the subscriber or account holder including the manufacturer, model, serial number and apparatus codes.

2 ORGANISATIONS FROM WHICH LOCAL AUTHORITIES MAY ACQUIRE COMMUNICATIONS DATA

- 2.1 All communications data are acquired from Communication Service Providers (CSPs). These may be:
- Telecommunications service providers (e.g. mobile phone service providers, landline phone service providers or International Simple Voice Resellers)
 - Internet service providers (e.g. internet service providers (ISPs), Virtual ISPs and Portals)
 - Postal service providers

3 OFFICERS ABLE TO GRANT AUTHORISATIONS

- 3.1 Under section 22(2) of RIPA an authorisation for the acquisition of communications data may be granted or a notice issued by a Designated Person where he believes that the conduct is:

Necessary in the circumstances of a particular case:

- for the purpose of preventing or detecting crime or of preventing disorder, and

Proportionate to what it seeks to achieve.

- 3.2 Detecting crime includes establishing by whom, for what purpose, by what means and generally in what circumstances any crime was committed, the gathering of evidence for use in any legal proceedings and the apprehension of the person (or persons) by whom any crime was committed.
- 3.3 The Regulation of Investigatory Powers (Communications Data) Order 2010 (SI 2010/480) prescribes the office, rank or position of a Designated Person within a local authority as the Director, Head of Service, Service Manager or equivalent.

4 THE TESTS OF NECESSITY AND PROPORTIONALITY

4.1 The acquisition of communications data should only be authorised if the Designated Person is satisfied that:

- **The action is NECESSARY (in a democratic society) on the following grounds:**
 - For the prevention or detection of crime or the prevention of disorder
- **The surveillance is PROPORTIONATE - The Human Rights Act defines a measure or action as proportionate if it:**
 - Impairs as little as possible the rights and freedoms (of the individual concerned and of innocent third parties),
 - Is carefully designed to meet the objectives in question is not arbitrary, unfair or based on irrational considerations.

5 COLLATERAL INTRUSION

- 5.1 The Designated Person must also take into account the risk of intrusion into the privacy of persons other than those who are directly the subject of the investigation or operation. This is termed “collateral intrusion”.
- 5.2 Any application should include an assessment of the risk of any collateral intrusion and what steps can reasonably be taken to avoid this (if any). This should be a factor taken into account by the Designated Person when considering the proportionality of the acquisition of the communications data.
- 5.3 The Designated Person should be informed if the acquisition of the data unexpectedly infringes the privacy of any individual not under investigation. Consideration should then be given to determine whether it is necessary to report an error, or whether the authorisation should be amended and re-authorised, or whether a new authorisation is required. It should be noted that there is not likely to be any collateral intrusion identified when acquiring subscriber data.

6 ROLE AND RESPONSIBILITIES OF THE SINGLE POINT OF CONTACT (SPoC)

- 6.1 Integral to the acquisition of communications data under RIPA is the Single Point of Contact ('SPoC'). The Home Office Code of Practice recommends that all authorities that use powers to acquire communications data have a SPoC, which may be an individual Accredited Officer or a unit comprised of more than one Accredited Officer.
- 6.2 All Accredited Officers must attend a Home Office Approved Course and, on successful completion of an examination, will be added to the Home Office list of Accredited Officers. In addition, the Accredited Officer must keep abreast of the law relating to, and developments within, the communications industry.
- 6.3 The SPoC appointed by the Council has the following responsibilities:

- To assess whether access to communications data in a particular case is reasonably practical for the Communication Service Providers (CSPs)
- To advise investigators and designated persons on the practicalities of accessing different types of communications data from different Communication Service Providers (CSPs)
- To advise investigators and Designated Persons on whether specific communications data falls under Section 21(4) (b) or 21(4) (c) of RIPA
- To assess any cost and resource implications for both the Council and the CSP
- To provide a safeguard for CSPs that authorisations and notices are authentic
- To retain records of all applications, authorisations and notices
- To retain a record of the dates on which authorisations and notices are started and cancelled
- To retain all applications in the event that there may be a Complaints Tribunal
- To retain a record of any errors that may have occurred in the granting of authorisations, or issuing of notices, and provide an explanation to the Interception of Communications Commissioner
- To maintain a SPoC log sheet for each application they are involved in.

6.4 The SPoC will assess the application and in particular whether the request has been made properly and whether the required communications data can reasonably be obtained together with any adverse cost or resource implications. Following this assessment, the SPoC must forward a copy of the application for consideration by the Designated Person for signature.

6.5 This SPoC system aims to provide an efficient regime, as it ensures consistency in dealing with the postal or telecommunications operators on a regular basis, enables the Council to self-regulate, and reduces the burden on the postal and telecommunications operator. It also provides a guardian and gatekeeper function to ensure that the Council acts in an informed and lawful manner.

7 THE SENIOR RESPONSIBLE OFFICER

7.1 The Borough Solicitor has been designated as the Senior Responsible Officer and will be responsible for:

- the integrity of the process to acquire the communications data,
- compliance with Chapter II of Part 1 of the Act and the Code of Practice for the Acquisition and Disclosure of Communications Data,

- oversight of errors, the implementation of processes to minimise errors and engagement with inspectors of the Interception of Communications Commissioner's Office (IOCCO) during inspections, and
- where necessary, oversight of the implementation of post-inspection action plans approved by the Commissioner.

8 INFORMATION TO BE PROVIDED IN APPLICATIONS FOR THE ACQUISITION OF COMMUNICATIONS DATA

- 8.1 All applications to acquire communications data must be made in writing by the applicant/investigating officer on the appropriate form. Officers should ensure that only current forms are used, obtained from the Home Office website (<http://security.homeoffice.gov.uk/ripa/>).
- 8.2 All such requests must include the following information:
- Name or designation of the officer requesting the communications data
 - The operation and person (if known) to which the requested data relates
 - A description of the data requested and, where appropriate, the relevant time period(s)* (*see 9.5 below)
 - The category of communication data by reference to the relevant section of RIPA
 - The grounds on which the acquisition of the data is considered to be necessary
 - An explanation as to why the acquisition of the data is considered proportionate to what it seeks to achieve
 - An indication (where appropriate) that the matter of collateral intrusion has been considered
 - The timescale within which the data is required.

9 PROCEDURE FOR ACQUIRING COMMUNICATIONS DATA

- 9.1 The Act provides two alternative means for acquiring communications data by way of:
- authorisation under section 22(3), or
 - a notice under section 22(4).
- 9.2 Completed application forms should be initially assessed by the SPoC. If it appears to the SPoC that the application reaches the legal threshold for the acquisition of communications data, he/she must then give the application form a unique

reference number, identify the relevant Communications Service Provider (CSP) and insert the CSP's details on the application before passing it to the Designated Person for consideration.

- 9.3 If the SPoC does not consider that the application reaches the legal threshold, he must return the application for further development and record this on a log sheet which must be retained. The SPoC should ensure that only the current form is used, obtained from the Home Office website <http://security.homeoffice.gov.uk/ripa/>).
- 9.4 The Designated Person will assess all applications forwarded by the SPoC and either authorise or reject the applications. If the application is refused, the SPoC will return a copy of the application with the reason for rejection and note this on the log sheet.
- 9.5 If a Notice is required under section 21(4)(b), this must be drafted by the SPoC and submitted to the Designated Person with the application. The Designated Person must then insert their name and the date and time of issue (which must be the same time and date as the approval of the application). The SPoC will then serve the notice on the CSP. The SPoC should ensure that only current forms are used, obtained from the Home Office website (<http://security.homeoffice.gov.uk/ripa/>).
- 9.5 The notice should be retained by the SPoC must be in writing or, if not, recorded in such a manner that produces a record, and must include:
- A unique reference number and the name of the Local Authority
 - A description of the data to be obtained or disclosed specifying where relevant, any historic or future date(s) and where appropriate, time periods,
 - The purpose for which the data is required under s. 22(2) (the prevention or detection of crime or prevention of disorder)
 - The name (or designation) and office, rank or position of the Designated Person
 - A record of the date and when appropriate the time when the notice was given by the Designated Person
 - The manner in which the data should be disclosed. The notice should include the name and contact details of the SPoC.
 - If relevant, any indication of urgency or time within which the CSP is requested to comply.
 - An explanation that compliance with the notice is a requirement of the Act.

- 9.6 The SPoC should have particular regard to the period of time for which data are requested and specify the shortest period in which the objective for which the data are sought can be achieved. To do otherwise would have an impact on the proportionality requirement and impose an unnecessary burden on the CSP.
- 9.7 The Designated Person can grant an authorisation under s. 22(3) instead of giving a notice. The s. 22(3) authorisation will enable the SPoC to engage in conduct to acquire data under s. 21(4)(c) to identify the user of a phone or communications address. The SPoC has one month from the authorisation being granted to engage in the conduct. This reduces the bureaucracy previously experienced with number porting and secondly enables the SPoC, where necessary, to apply for additional account information in order to identify the user of an unregistered prepaid mobile telephone, without referring each request back to the Designated Person.
- 9.8 An authorisation must be granted in writing or, if not, in a manner that produces a record of it having been granted and must:
- Describe the conduct which is authorised and describe the communications data to be acquired by that conduct specifying, where relevant, any historic or future date(s) and, where appropriate, time periods;
 - Specify the purpose for which the conduct is authorised, by reference to a statutory purpose under section 22(2) of the Act;
 - Specify the name (or designation) and office, rank or position of the Designated Person; and
 - Record of the date and when appropriate the time when the notice was given by the Designated Person
- 9.9 In the vast majority of cases, communications data will be acquired via an assurance that authorisation has been given or via a notice. At present the Council does not have direct access to service provider systems in order to be able to retrieve communications data direct by prior agreement between the local authority and the relevant service provider.

10 DURATION OF AUTHORISATIONS AND NOTICES

- 10.1 All notices and authorisations requesting communications data from the service provider are valid for a one month from the date on which the authorisation is granted or notice given.

11 RENEWALS

- 11.1 Notices and authorisations can be renewed for a period of up to one month by the grant of a further authorisation or the giving of a further notice. A renewed authorisation or notice takes effect upon the expiry of the authorisation or notice it is renewing.
- 11.2 Where the Designated Person agrees to the renewal, the Designated Person must have considered the reasons why it is necessary and proportionate to continue, and record the date of the renewal.

12 CANCELLATIONS

- 12.1 The Designated Person should cancel a notice if at any time after giving the notice it is no longer necessary, or the conduct is no longer proportionate to what is sought to be achieved. The duty to cancel a notice falls primarily on the Designated Person who issued it, or on that person's behalf, by the SPoC. The SPoC should ensure that only the current form is used, obtained from the Home Office website (<http://security.homeoffice.gov.uk/ripa/>).
- 12.2 In the event of the cancellation of a notice, the SPoC must inform the relevant postal or telecommunications operator of the cancellation without delay.
- 12.3 A record of cancellation must be recorded on the appropriate form by the SPoC and retained
- 12.4 Similarly, where the Designated Person considers that an authorisation should cease to have effect, because the conduct authorised becomes unnecessary or no longer proportionate to what was sought to be achieved, the authorisation should be withdrawn.

13 RECORDS

- 13.1 Applications, authorisations copies of notices and records of the withdrawal and the cancellation of notices must be retained in written or electronic form and physically attached or cross-referenced where they are associated with each other.
- 13.2 All records must be held centrally by the SPoC and be available for inspection by a representative of the Interception of Communications Commissioner's Office.

14 ERRORS

- 14.1 When a reportable error (i.e. where communications data is acquired or disclosed wrongly) has been made by the local authority, the matter should be reported to the Senior Responsible Officer and then in written or electronic form to the Interception of Communications Commissioner's Office. In deciding if an error is reportable, the local authority should refer to the Code of Practice.

- 14.2 In cases where an error has occurred but is identified by the local authority or the CSP without data being acquired or disclosed wrongly (a 'recordable error') a record will be kept. These records will be available for inspection by the Commissioner.

15 SCRUTINY

- 15.1 The Borough Solicitor will ensure that an annual report is submitted to the Council's Audit and Governance Committee. The report will include details of the overall number and type of authorisations granted and the outcome of the case, where known. In addition, the report will provide a breakdown of the same information by service or groups of services, as appropriate.
- 15.2 The report should also include the results of the most recent inspection carried out by a representative of the Communications Commissioner's Office, where applicable (inspections may not take place annually).

16 FURTHER INFORMATION

- 16.1 For further guidance please see the relevant Home Office guidance available from the Home Office website <http://www.homeoffice.gov.uk/> or contact Legal Services.



Chief
Surveillance
Commissioner



Restricted

3rd June 2010

RECEIVED

Dear Miss Wenzel,

Covert Surveillance

On 11th May 2010, one of my Inspectors, _____ visited your Council on my behalf to review your management of covert activities. I am grateful to you for the facilities afforded for the inspection.

I enclose a copy of _____ report which I endorse. This is the first time your Council has been inspected. As yet, you have made little use of your RIPA powers but this is likely to change soon. I am very pleased to see that you have put in place policies, procedures, guidance and training which _____ describes as "of the highest order". This is a sound basis on which to achieve authorisation compliance when covert tactics are employed. I commend the conscientious attitude of your staff.

There are no recommendations.

One of the main functions of review is to enable public authorities to improve their understanding and conduct of covert activities. I hope your Council finds this process constructive. Please let this Office know if it can help at any time.

Yours sincerely
Christopher Rose

Miss Erika Wenzel
Chief Executive
Cheshire East Council
Westfields
Middlewich Road
Sandbach
CW11 1HZ

RESTRICTED



Office of Surveillance
Commissioners

OFFICE OF SURVEILLANCE COMMISSIONERS
INSPECTION REPORT

CHESHIRE EAST COUNCIL
11 May 2010

Surveillance Inspector:

RESTRICTED

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DISCLAIMER

This report contains the observations and recommendations identified by an individual surveillance inspector, or team of surveillance inspectors, during an inspection of the specified public authority conducted on behalf of the Chief Surveillance Commissioner.

The inspection was limited by time and could only sample a small proportion of covert activity in order to make a subjective assessment of compliance. Failure to raise issues in this report should not automatically be construed as endorsement of the unreported practices.

The advice and guidance provided by the inspector(s) during the inspection could only reflect the inspectors' subjective opinion and does not constitute an endorsed judicial interpretation of the legislation. Fundamental changes to practices or procedures should not be implemented unless and until the recommendations in this report are endorsed by the Chief Surveillance Commissioner.

The report is sent only to the recipient of the Chief Surveillance Commissioner's letter (normally the Chief Officer of the authority inspected). Copies of the report, or extracts of it, may be distributed at the recipient's discretion but the version received under the covering letter should remain intact as the master version. Distribution beyond the recipient's own authority is permissible but it is requested that the 'Secretary to OSC', Office of Surveillance Commissioners, is informed of the named individuals to whom copies or extracts have been sent. Any references to it, or extracts from it, must be placed in the correct context.

The Office of Surveillance Commissioners (OSC) is not a public body listed under the FOI Act 2000, however, requests for the disclosure to a third party of any information contained within this report should be notified to the Secretary to OSC."

RESTRICTED



Office of Surveillance
Commissioners

OSC/INSP/075

The Rt. Hon Sir Christopher Rose
Chief Surveillance Commissioner
Office of Surveillance Commissioners
PO Box 29105
London SW1V 1ZU

13th May 2010

OSC INSPECTION REPORT – Cheshire East Council

1 Date of Inspection

The inspection took place on Tuesday 11th May 2010.

2 Inspector

3 Introduction

3.1 Cheshire East Council was created in April 2009 and comprises the former borough councils of Congleton, Crewe and Macclesfield and the eastern half of the former Cheshire County Council. The new council has taken over all the functions of the precursor authorities. It employs approximately 14,500 staff and serves a population of approximately 360,000.

3.2 The Corporate Management Team comprises the Chief Executive, Strategic Director People, Strategic Director Places, Borough Solicitor and the Heads of Human Resources, Policy and Performance and Borough Treasurer (who is also Head of Assets).

3.3 During the short life of the council there has only been one authorisation granted, for Directed Surveillance. This case did not involve the acquisition of confidential information and I was not informed of any breaches.

3.4 The Chief Executive of Cheshire East Council is Miss Erika Wenzel, Westfields, Middlewich Road, Sandbach, CW11 1HZ.

4 Inspection Approach

4.1 This one day inspection commenced by meeting with the Chief Executive and Vivienne Quayle, Internal Audit Manager. We discussed the formation of the

new council and their response to the new provisions contained in the revised Codes of Practice. It was explained to me that the low usage of the powers available under RIPA was due to the problems associated with such a large scale re-organisation rather than any reluctance to employ covert tactics in their enforcement activities.

- 4.2 I then met with Councillor David Brown, who is the portfolio holder for RIPA related matters. He has regular briefing regarding RIPA policy, training and usage. He accepted that his role did not involve making decisions regarding specific authorisations.
- 4.2 I also met with Chris Chapman, Borough Solicitor, who is the appointed 'senior responsible officer'; Sandra Smith, Compliance Unit Manager, whose staff have day to day oversight of RIPA processes and provide a central point of contact for advice; Rose Raine, Compliance Officer, who maintains the Central Record of authorisations and quality assures applications and authorisations; and Lorraine Rushton, Benefit Fraud Manager, who provides all RIPA training within the council. We discussed the main authorisation and oversight arrangements, the training provided to council staff and I gave feed-back on the policy documents and training material that I had been sent prior to the inspection visit.
- 4.3 I examined the format and contents of the Central Record of authorisation and the one authorisation granted. Again, feed-back was provided.
- 4.4 Later, I met with the following authorising officers and enforcement staff. We discussed the enforcement activities of the various departments represented and their use of covert tactics. I informed them of the failings frequently found in RIPA authorisations:
- John Weeks – Strategic Director People
 - John Nicholson – Strategic Director Places
 - Lisa Quinn – Borough Treasurer
 - Lorraine Butcher – Head of Services for Children and Families
 - Phil Lloyd – Head of Services for Adults
 - Peter Hartwell – Head of Safer and Stronger Communities
 - Tony Potts – Head of CCTV/Licensing
 - Deborah Ackerley – Planning
 - Kay Roberts – Trading Standards
 - Tracey Bettaney – Environmental Health
 - Claire Mellody – Housing Benefits
 - Kate Khan – Legal Services
- 4.5 At the conclusion of the inspection I met with Chris Chapman and Sandra Smith and provided them with feed-back on the main findings of the inspection.

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5 **Review of Progress Against Previous Recommendations**

This is the first inspection of this council.

6 **Policies and Procedures**

6.1 As mentioned previously, I had examined all the Council's relevant policy and guidance documents prior to the inspection visit and provided feed-back on them during my visit. They comprised the following:

- i. *Surveillance Under RIPA – Policy and Procedure*: this document sets out the context and Human Rights aspect of the policy. It includes all the main definitions and internal procedures, including oversight. It provides accurate advice but will need some additions to reflect the changes in the revised Codes of Practice. This latter point was recognised but emendation had been delayed to incorporate any learning points from this inspection.
- ii. *CCTV Manual*: a comprehensive description of the use and control of the system and management of recorded material. There are appendices relating to the Human Rights Act and guidance on use in circumstances whereby a RIPA authorisation may be appropriate.
- iii. *Protocol For Use of CCTV in Covert Policing*: this is currently in draft, awaiting ratification following OSC comment. It provides basic guidance on RIPA and describes the procedure to be adopted if the system is to be used under a RIPA authorisation. The procedures are compliant and sound.
- iv. *RIPA Training and Information Pack*: This is a most comprehensive compilation of the training presentation, practical exercises, copies of council policies, forms with guidance notes and numerous other relevant documents such as the OSC Procedures and Guidance and new Codes of Practice. It is available to practitioners via the Council intranet system.

6.2 The above material provides an extremely helpful and comprehensive policy and guidance regime for practitioners.

6.3 The process for applying for and obtaining authorisation is that applicants complete the relevant forms, obtained via the Home Office site. When completed they will be forwarded to the Compliance Officer who will quality assure the contents and commence an entry in the Central Record before returning the forms to the applicant. (This will only occur if timing of an operation permits but is nonetheless in my opinion a good practice that is often lacking in local authority procedures.) The applicant will then forward the application to an Authorising Officer for completion. When this has been done, the original documents will be forwarded to the Compliance Officer for secure retention and full completion of the Central Record entry. If there are any problems with the Authorising Officer's input, the matter will be raised

with the Borough Solicitor for him to address with the officer concerned. Subsequent submissions are will be dealt with in a similar manner.

- 6.4 There are currently five authorising officers (including the Chief Executive) all of whom have received training and been formally appointed. This seems to be an appropriate number, given the size and structure of the Council.
- 6.5 There is a nominated councillor, referred to above, with particular responsibility for the dynamic oversight of RIPA within the Council. In addition there will be detailed annual reports to the Scrutiny Committee. The 'senior responsible officer' is the Borough Solicitor and he takes an active role in the strategic oversight of RIPA usage, training and quality assurance. These arrangements, albeit in their very early stages, appear to be compliant with the requirements of the revised Codes of Practice.

7 Inspection Findings

Central Record and Oversight

- 7.1 The Central Record of authorisations is in the form of a hard copy register and the maintenance of it is the responsibility of an identified Compliance Officer. It contains all the information required by the Codes of Practice. This officer and others within the Compliance Unit, provide a point of advice for council staff.
- 7.2 The process whereby applications are quality assured before submission to an authorising officer should assist in ensuring that the contents are relevant and of a good standard. It is recognised that there may be instances where time will not permit this to take place but this should be an exception rather than the rule. The 'senior responsible officer' will have regular oversight of the Central Record and may be involved in rectifying mistakes/failings by authorising officers (as described previously).

Directed Surveillance

- 7.3 This is the only form of covert activity that has been authorised by the Council since its inception and there has only been one such authorisation. The reasons for this lack of use are varied but are predominantly linked to the disruption caused by the re-organisation. It was apparent that in the near future there will be greater usage as more resources become available. There was certainly no perceptible reluctance to employ covert tactics but there was a clear understanding that less intrusive means should be tried or considered first.
- 7.4 The one authorisation granted was examined and in most aspects was of a very good standard. The only comment I would make is that the Authorising Officer's statement of the covert activity was somewhat lengthy and rambling. A clear and succinct description based upon what is being sought, and

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considered necessary and proportionate, would be better and clearer to those charged with conducting the surveillance.

7.5 In all other aspects, I was impressed by the contents but the test for the Council is to maintain this standard when more authorisations have been processed.

7.6 I was asked a question regarding recent LACORS advice contained in their *Practical Guide to Test Purchasing (March 2010)*. One paragraph states;

‘Clearly, in test purchase operations, where it is the view of the manager and authorising officer that it is not likely to result in the obtaining of private information and no relationship will be established then RIPA authorisation is not required.’

I was informed that this advice is being interpreted as meaning that even if an operative is in premises observing the test purchase then an authorisation will not be required. I pointed out that this conflicted with the advice contained at paragraph 253 of the OSC Procedures and Guidance - albeit that the above quoted paragraph was strictly speaking correct. This was accepted by the staff concerned.

Training

7.7 There have been several training events conducted by Lorraine Rushton for both authorising officers and applicants. The content of the training sessions and the accompanying information packs are both accurate and comprehensive. In the group discussion session of the inspection visit I was most impressed by the informed debate with the attendees. This is no doubt a reflection of the excellent training being provided and the challenge for the Council will be to maintain this level of provision in the future.

8 Conclusion

8.1 For the reasons stated above Cheshire East Council have made little use of the powers vested under the Regulation of Investigatory Powers Act 2000. It is envisaged that this situation will change in the near future.

8.2 The policies, procedures, guidance and training put into place by the Council are of the highest order and should enable a compliant use of RIPA. Much of the inspection was of a ‘theoretical’ nature and the challenge for the Council will be to ensure that the practical employment of covert tactics and the content of RIPA authorisations are commensurate with the solid foundations that have so far been put into place. I was certainly most impressed by the conscientious attitude of all the staff that I met.

8.3 I have no recommendations to make and would hope that this situation will be sustained after a period of more frequent use of covert activity.

- 8.4 I would like to pass my appreciation to all the staff that I met for their co-operation and courtesy. Particular thanks should be passed to Rose Raine who made all the arrangements for the inspection visit and provided me with the pre-read material, also Sandra Smith who hosted me for the day.

Surveillance Inspector

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 16 August 2010
Report of: ICT Strategy Manager
Subject/Title: ICT Strategy 2010-11
Portfolio Holder: Cllr F Keegan

1.0 Report Summary

- 1.1 The Information and Communications Technology (ICT) Strategy document, that was published last year, has been updated and Cabinet are asked to consider the ICT Strategy 2010 – 2011 for approval. This strategy sets the corporate direction for ICT within the Council and supports corporate priorities.
- 1.2 The ICT Strategy 2010-2011 is recommended for Cabinet approval.

2.0 Decision Requested

- 2.1 To endorse and approve the corporate ICT Strategy 2010-2011 to enable it to progress to publication and enable implementation.

3.0 Reasons for Recommendations

- 3.1 An ICT Strategy is a key success factor for a modern organisation. This strategy summarises how the ICT Strategy team, in conjunction with ICT Shared Services, partners and external providers; contributes to the success of Cheshire East.

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 None identified.

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 Within current budgets – there are no additional financial implications

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 There are no specific Legal implications as all requisite indemnities and warranties have been drafted into the overarching agreement.

9.0 Risk Management

- 9.1 A fragmented approach to ICT, conducted outside of a structured framework, will restrict the ability of Cheshire East Council to achieve value for money. A clear ICT strategy mitigates this risk.

10.0 Background and Options

- 10.1 The ICT Strategy sets out the ICT direction for the Council and how it supports the Council vision. The ICT Strategy is reviewed and updated on an annual basis to ensure that it is in line with corporate objectives and improving technologies. Cabinet is invited to approve the ICT Strategy 2010-2011.

11.0 Access to Information

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

Name: John Barrett
Designation: ICT Strategy Manager
Tel no: 01270 686164
Email: john.barrett@cheshireeast.gov.uk

ICT Strategy 2010-2011



1. Summary

An ICT strategy is a key success factor for a modern organisation. This strategy summarises how the ICT Strategy team, ICT Shared Service and partners contribute to the success of Cheshire East. The strategy is based on three key principles:

- To transform services through prudent investment in technology
- To drive costs down
- To work with partners in ways which maintain Cheshire East's freedom to innovate and act, while at the same time achieving the benefits of economies of scale and understanding of industry good practice that come from sharing services

An ICT Strategy ensures that everyone who needs to be is aware of the vital importance of ICT to the achievement of business objectives. At the end of the strategy there is a glossary which explains acronyms and technical terms.

2. Business context

Cheshire East has broken new ground in using Information and Communications Technology (ICT) to improve processes and much more importantly, it can bring about improvements for citizens in their daily lives. It used to be said that ICT is a key enabler of local authority services. Now it is more than that – it is at the heart of everything the Council does.

The ASPIRE core values of the Council are embedded in our approach to the delivery of ICT services. For example, we:

- Take **action**, by implementing new technology to support new, lean business processes
- **Support** clear and effective communication with service users using the internet and phones
- Put **people** at the heart of what we do by engaging directly with citizens and providing ICT services to the community
- Demonstrate **integrity** in our dealings with our staff, as we rationalise arrangements for the delivery of ICT
- **Recognise** the contribution that investment in ICT makes to the achievement of corporate objectives
- Draw on industry best practise to deliver **excellent** ICT solutions in response to customer requirements.

Every service Cheshire East provides benefits from the innovative approach to ICT to which Cheshire East is committed to. This includes the development of partnerships with other organisations, ranging from our immediate geographical neighbours such as Cheshire West and Chester, through to partners in service delivery such as the NHS, Police and Fire and partnerships with the voluntary and private sectors.

Environmental considerations will be at the forefront of the Council's approach to ICT, both to assist in the delivery of the Council's policy on the environment and to drive down costs, achieving both objectives through measures such as investing in the Council's ICT estate to reduce electricity usage. Investment in energy conservation must in the future be rigorously based on an assessment of return on investment.

Cheshire East has adopted a Corporate Plan which is embedded within a strategic planning framework for the whole community. This framework envisages strengthening communities through devolving service provision while at the same time reducing the inequalities between different geographical areas of Cheshire East.

The local agenda

Localism values the unique local features which give strength to a community. This ranges from local culture to local enterprises, especially in the agricultural and food industries. Cheshire East is an area of contrasts, from remote sparsely populated areas, to major townships. The local agenda is a concept with a long provenance that has received broad support over many years from a wide variety of political opinion. However, too often in the past the financial argument of economies of scale has meant that the specific needs of local communities have not been reflected in local, national and regional policies.

Digital communications, which can reach and empower local communities, is a technology which can change that. For the first time we can reflect local needs and drive costs down.

Cheshire East is working with partners in all sectors of the economy to bring affordable high capacity digital communications to all the citizens of Cheshire East. This will embrace not only existing technologies using fibre optic cable, copper telephone lines and wireless connection, but will also explore new technologies to increase the capacity and coverage to citizens and businesses. Furthering the local agenda achieves some of the other objectives set by Cheshire East, for example the economic development of local businesses in rural areas by affordable digital communications.

3. ICT contribution to business success

Appropriate and cost-effective use of Information and Communications Technology (ICT) is essential to the success of any local authority. Effectively without ICT the Council would not exist to a majority of citizens.

There are many services which become dramatically better and cheaper with the effective application of technology. These range from registering a birth, through to arranging a funeral and encompass a huge range of other services which impact on the daily lives of citizens.

The Cheshire East website is one of the key means by which the public transacts with the Council. This high quality website has been recognised by SOCITM, and been awarded three star status.

Cheshire East is committed to prudent and cost effective financial management and the only way that this can be achieved is through investment in technology. Cheshire East will, at the same time, be proactive in seeking out investments in technology that will benefit the citizen.

The national drive to reduce public spend that has strengthened during 2010 is entirely consistent with the approach adopted by Cheshire East from day one. Specific requirements and objectives will crystalise during the forthcoming months. Themes so far identified are:

- Driving out cost
- Service transformation: A better service for citizens and businesses, a better deal for the taxpayer, electronic data sharing between professions, citizen access to electronic records, modern methods of accessing services/choice of channels, access to broadband for citizens and businesses. ICT is the key enabler of business transformation
- Open Government: transparency of how the local authority conducts business
- Privacy: the safeguarding of the personal data of citizens

People want improved quality and access to services, but they also require their personal, financial and family privacy to be protected. Identity theft is an increasingly global concern and as an organisation, we have the responsibility to ensure that information is protected. We must ensure that the right people get the information they need, whether on paper or by electronic means, while working to prevent misuse by others. Cheshire East is committed to safeguarding the data of citizens using all means of information security at our disposal based on industry best practice and national government legislation.

Of crucial importance is the Council's belief in electronically enabling every citizen through broadband technologies. These will include the more familiar means of communication such as DSL technology, but will embrace new technologies such as ethernet over power lines which use the existing electricity distribution infrastructure to bring high capacity broadband into all homes with mains electricity. This new technology has the power to dramatically reduce power consumption not only of the Council itself – but, much more importantly, for local communities in their entirety. Because it achieves much more effective capacity planning, it reduces the need for power generation.

Digital communications is so vital, that a new emphasis will be placed on business continuity through the development of innovative ways of providing data centre services. This will locate processing and data storage simultaneously in more than one geographical location to safeguard against service outage.

Containing the cost within what can be afforded will be done through partnerships with other organisations. Potential partners will be chosen from the public, private and voluntary sectors.

4. ICT principles

- We align ICT services with the organisational development and business transformation agenda
- We deliver value for money by sharing services and costs with partners
- Our contribution to business change initiatives is achieved through alignment with a corporate project management methodology
- Technology is selected and deployed in a way that reflects the environmental agenda and thereby ensures environmental sustainability as well as driving down running costs.
- We provide a single point of contact
- ICT services are integrated with mobile/flexible working initiatives
- Service delivery is client-focused, offering local training and support
- We provide a timely response to problems
- Service metrics are integrated with corporate performance management processes
- Technology is used to enable the corporate policy to centralise common business processes
- Technology is used to standardise, streamline, automate and optimise business processes across organisational units
- We design systems and processes so that data entered once is applied many times thereby significantly reducing manual handling
- We will complete the consolidation and optimisation of the underlying infrastructure, supporting ICT and delivery business processes to achieve efficiency savings
- We continue to identify best practice in the marketplace and strive to optimise to best of breed performance standards
- We will create capacity to develop and expand services to include additional partners and customers.

5. ICT governance

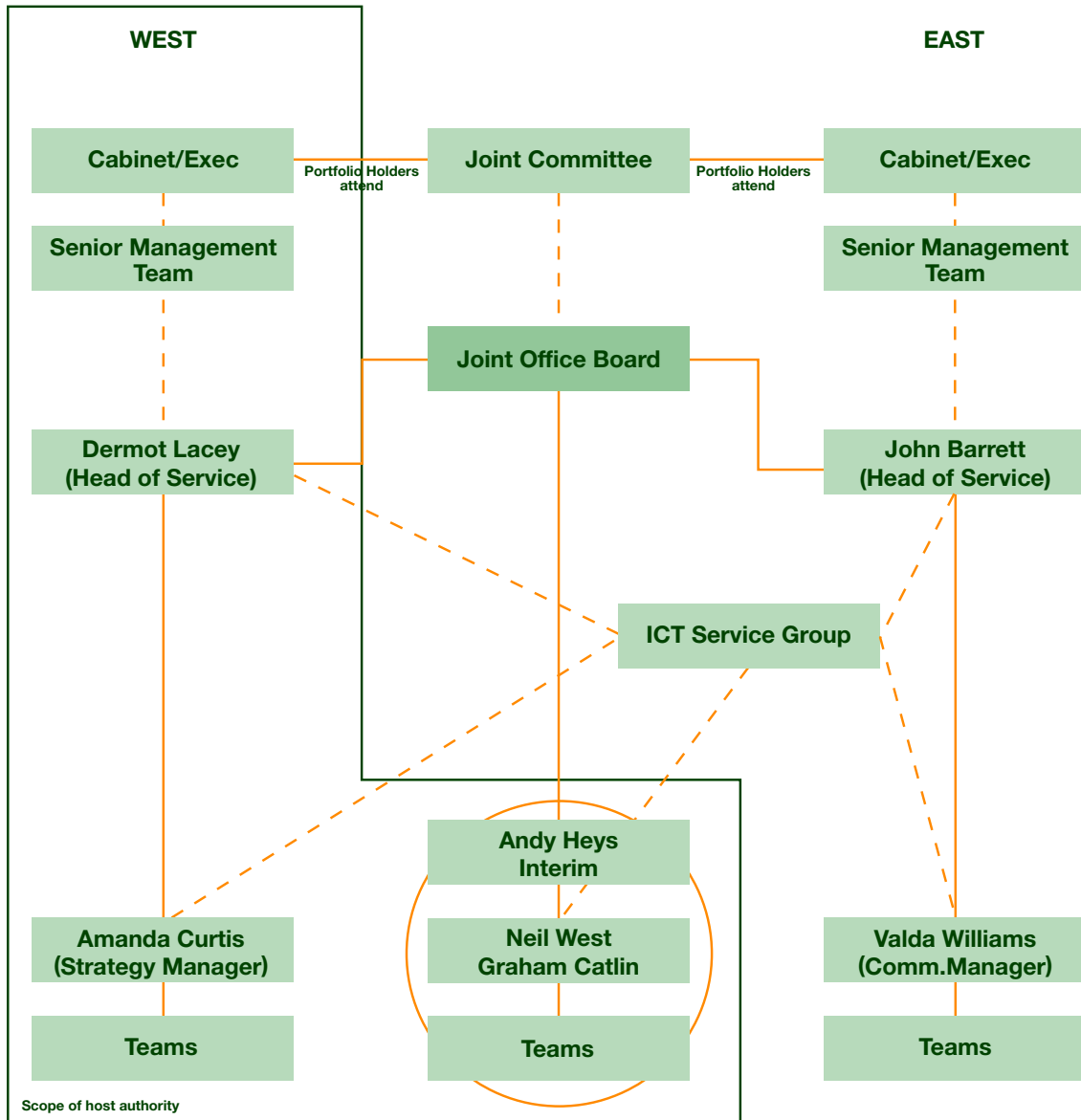
Cheshire East is committed to the concept of shared ICT services across and beyond the public sector. Schools are already an important component of this shared service. An ICT Shared Service has been developed with, and hosted by, Cheshire West and Chester. Over the past year, ICT Shared Service has:

- Supported approximately 12,000 users, 600 sites, 500 servers and 450 applications;
- Introduced formalised out-of-hours support;
- Supported staff and office moves as both Councils move staff across their estates;
- 200 projects in progress, with 130 projects delivered to date. Key projects include new Council internet sites, completion of a new data centre and compliance with Government

Connect requirements;

- Achieved ISO9000 (Quality) certification following an external audit;
- Won a SOCITM award for project delivery.

The diagram below illustrates the current governance arrangements for ICT Shared Services:



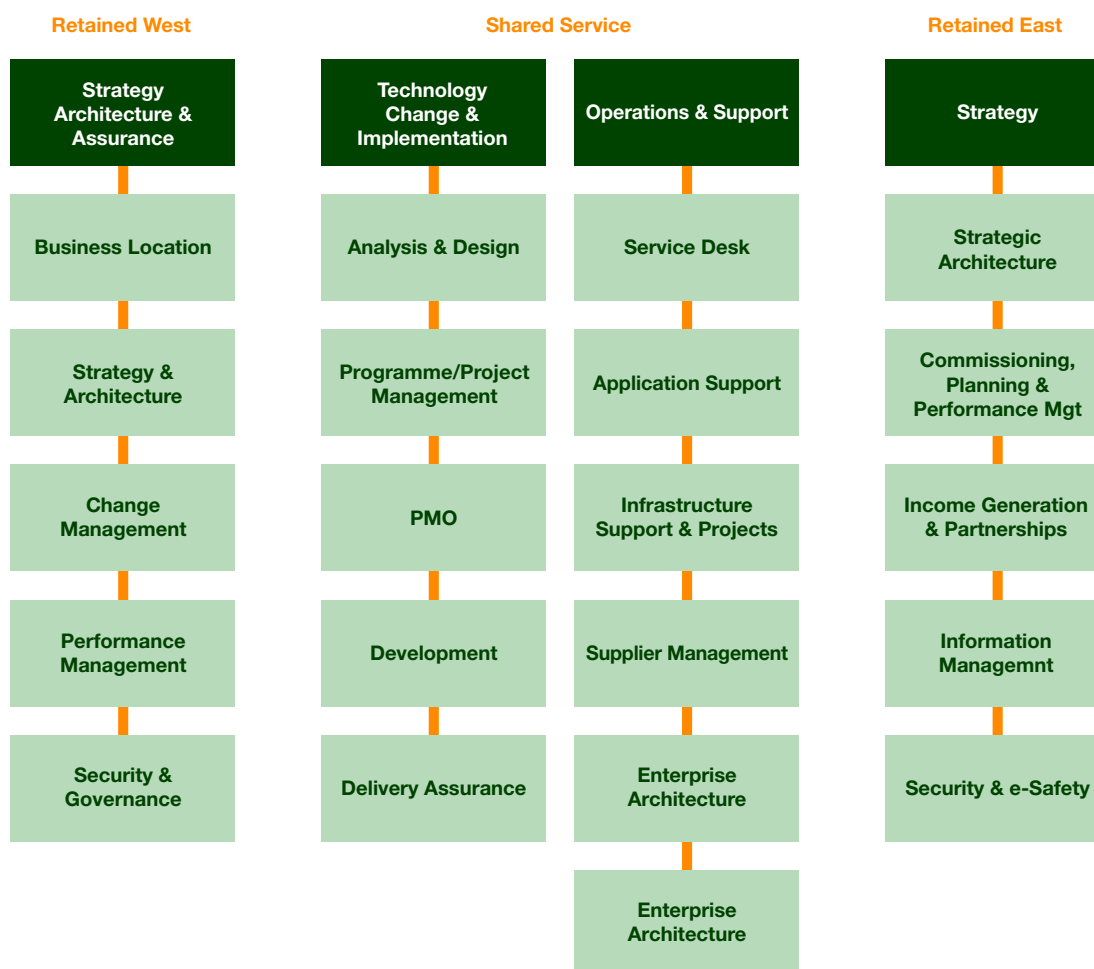
The 2 main bodies that formally govern all shared services are:

- Joint Committee (JC). This is a formal governance body, consisting of members from each client with constitutional powers delegated from each authority, so is effectively the ultimate power for these services and all shared services are accountable to the JC.

This committee mirrors the role of shareholders in a business, i.e. they are investing the resources of the two Councils to get a return on their decision to share, through a more efficient and effective set of services;

- Joint Officer Board (JOB). ICT Shared Services is accountable to a formal JOB which is chaired jointly by the section 151 officers of both councils. The JOB's role mirrors that of a board of directors and oversees business strategy and planning, operational and financial performance, issue management and transformation.

The diagram below shows the structures of the Cheshire East, Cheshire West and Chester and the ICT Shared Service organisations:



The current ICT shared service arrangements have had to be developed from scratch. This has taken time and is a maturing model, with all parties learning and adapting as we go. However, overall a number of key milestones have been achieved:

- Legal agreements have been put in place covering the overarching sharing arrangements for and the specific arrangements ICT
- An ICT Business Plan 2009-10 has been agreed and will need to be revised soon for 2010-11
- An ICT Service Catalogue has been drafted and is currently being negotiated, which will lead to the identification of key tasks and associated service level agreements
- ICT Shared Services has already made significant contributions to financial savings and income; whilst further savings are anticipated in the future after projects such as Oracle optimisation and ICT harmonisation are completed.

From an operational perspective, ICT Shared Services have effectively kept the business running whilst going through the period of transition following Local Government Reorganisation. Alongside this, for the most part, income and customers associated with current contracts and service agreements, such as those for schools have been retained.

The main purpose of the ICT Shared Service is to develop, operate and deliver a cost-effective, quality and efficient ICT service, reducing costs through the introduction of lower cost technology while enabling each authority to pursue their transformation agendas and introduce fundamental business change. In order to drive efficiency and further progress the collaborative working agenda, the ICT Shared Service will actively identify opportunities for implementing common and shared applications and infrastructure between the two authorities. The shared service promotes a single infrastructure that is flexible enough to meet the needs of both CE and CWAC.

For equipment, the scope of the shared service can be summarised as:

- Procure, install, maintain and operate ICT-related assets and equipment at data centres and other agreed core processing locations, including servers and related ICT equipment
- Procure, install, maintain and operate a data and voice network, including Wide Area Network (WAN) and Local Area Networks (LANs) at each site along with remote access functionality
- Procure, install, maintain and operate ICT-related desktop assets including desktops and/or portable computing equipment, telephony equipment and other agreed peripheral equipment.

Once commissioned by ICT Strategy; for ICT project and development services, the scope of the shared service can be summarised as follows:

- Provide resources to develop system analysis, design documentation and test specifications
- Provide programme and project management specialist skills, using standard programme and project management methodologies based on good practice and industry standards
- Provide development and configuration resources for new infrastructure and applications
- Undertake robust and coordinated assurance of business solutions to ensure that testing is robust and fit for purpose and that systems are accepted by users.

For support services, the scope of the shared service can be summarised as follows (including other external organisations and schools, in accordance with agreed service levels and funding arrangements):

- Provide support for, and attempt to resolve, issues and problems, including issues associated with ICT and telephony equipment, applications and information
- Handle requests for additional, replacement or disposal of ICT and telephony related assets and equipment, in accordance with agreed approval and budget arrangements
- Maintain technical documentation.
- Manage joint ICT-related suppliers, contracts and licences, as commissioned, by the ICT Strategy team.

Generally the ICT Shared Service will adhere to all legal and statutory obligations, including operating to recognised standards, supported by certification by industry bodies as required by the client authorities and maintaining the appropriate level of security for data and ICT

equipment as documented in the ICT security policies developed by each authority.

These sharing arrangements have been in place and operational for a year. During this time significant work has been done to address corporate ICT issues, such as finance and procurement protocols and manage a large programme of work required to disaggregate transitional shared services and drive changes through shared services to reduce costs and increase efficiency to benefit all involved.

At the Shared Services Joint Committee on 31st March 2010, Members recognised the achievements of the ICT Shared Service over the first year of operation; through a period of great transition and upheaval for both Cheshire East and Cheshire West and Chester councils and confirmed their ongoing commitment to these arrangements. Looking to the future, however, it was agreed that, in principle, ICT Shared Services should form a separate legal entity to the Councils which would allow ICT to adopt a more commercial approach to service delivery. ICT Strategy will work with ICT Shared Services (and others) to develop the new entity; and ensure its successful implementation by March 2011.

6. ICT financial management

The adoption of a sound financial model for ICT services is as important as the choice of the right technology. Cheshire East inherited a complex financial scenario from the four previous authorities. A key objective over the 2010/11 financial year is to simplify this picture and streamline the financial management of ICT.

The ICT service currently relies on revenue and capital from a number of different sources in order to run services and deliver its programme of work. The sections below set out the risks and issues for each of these funding sources.

The permanent revenue resources for the central ICT services are funded by:

- Base budget
- Charges to schools
- Staff recharges to capital
- Other recharges to services

Two thirds of revenue is spent on staffing costs. Not all permanent employees are funded from revenue. Instead, they are recharged to the capital programme. An annual capital programme of approximately £900k is required to provide sufficient funding for all these staff.

Capital costs are funded by capital reserves, unsupported prudential borrowings and grants. The use of the capital reserve to fund significant new ICT investment is probably not sustainable over the medium term. As a result, the use of unsupported borrowings is likely to increase. This has a revenue impact.

In addition to ICT Strategy, many individual Services hold significant budgets covering licences, maintenance contracts and staffing. We continue to exploit opportunities for consolidating these budgets.

Appendix C contains further details in relation to financial management.

7. ICT infrastructure strategic direction

The technical strategy for Information Technology should meet the following principles:

- Cost effective and value for money (including total cost of ownership)
- Environmentally friendly
- Manageable
- Scalable
- Sustainable
- Secure
- Interoperability including standardisation
- Maximise use of resources

Generally ICT Strategy will try to select the most suitable, widespread and / or the de-facto industry standard products. Harmonisation of the standards from the legacy councils will be continued to ensure that there is common functionality to maximise continuity, good practice and lower support costs.

There is a “position statement” document which details the considerations for application assessment. See Appendix B - strategic direction for IT Infrastructure

8. ICT services and processes

Cheshire East, in conjunction with partners, adopts a flexible approach to the use of international standards and methodologies. We avoid a bureaucratic approach and use simple processes with clear documentation. Where it is beneficial we will obtain accreditation for our processes. ICT Strategy is looking to achieve ISO 38500.

Cheshire East ICT Strategy has worked with the ICT Shared Service's Service Improvement Group to ensure that national best practice is adopted in project and programme management, using PRINCE2 to manage projects and MSP to manage programmes. ITIL will also be used to support the management of ICT services. A Technical Design Authority is operating to ensure that new systems can interoperate with existing technology and that they conform to the Council's standards.

An internal Quality Management System is operated and has been accredited through ISO 9000 within the ICT Shared Service. Cheshire East ICT Strategy is keen to work with ICT Shared Services to adopt ISO 20000 standards in relation to the Service Catalogue.

ICT services and processes will also be judged against the Council's green agenda.

Subscriptions to representative bodies will be maintained where these give good value. These will be limited in number to ensure focus on benefits. They will include SOCITM, and international consultancies such as the Corporate IT Forum (tif), Ovum and the Gartner Group.

9. ICT application portfolio

Business applications are integrated into the front-line business processes and are essential for everything the Council does. The current application infrastructure encompasses both shared and CEC specific systems, support tools and common technical services inherited from the four predecessor authorities.

The application portfolio has evolved through the implementation of bespoke systems, packages and self service applications. These have different life spans, support requirements and business continuity capabilities.

There have been significant opportunities for the consolidation and convergence of systems over the past year. These continue to be exploited to drive out economies of scale and improve operation and support.

Partnerships with other agencies are being explored to strengthen delivery and maximise agility and flexibility.

We have developed and will maintain roadmaps for business applications, designed to support the business processes of the authority. These plans are aligned with the IT infrastructure principles described in section 4 and also address:

- business application harmonisation requirements
- environmental considerations
- business continuity requirements
- the demands of a mobile workforce
- growing data volumes within a national data sharing context
- the need for flexibility to support an agile business

See Appendix A for detailed information on the strategic direction for key applications.

10. ICT infrastructure

The existing ICT infrastructure consists of the following layers:

A Wide Area Network, which has capacity to meet the needs of Cheshire East, its present partner Cheshire West and Chester, and other potential partners such as the Fire Service, for some years to come. It will require ongoing investment, but as a consolidated and converged network it represents a major strategic asset comparable with international best practice.

Cheshire East inherited three data centres which are wholly owned and used exclusively by Cheshire East (Macclesfield Town hall, Sandbach and Crewe). It also shares the use of other data centres with Cheshire West and Chester (Backford Hall, Minerva Avenue and Chester Town Hall). This mixed estate of data centres presents a clear opportunity to reduce ongoing costs and to improve resilience through rationalisation and harmonisation.

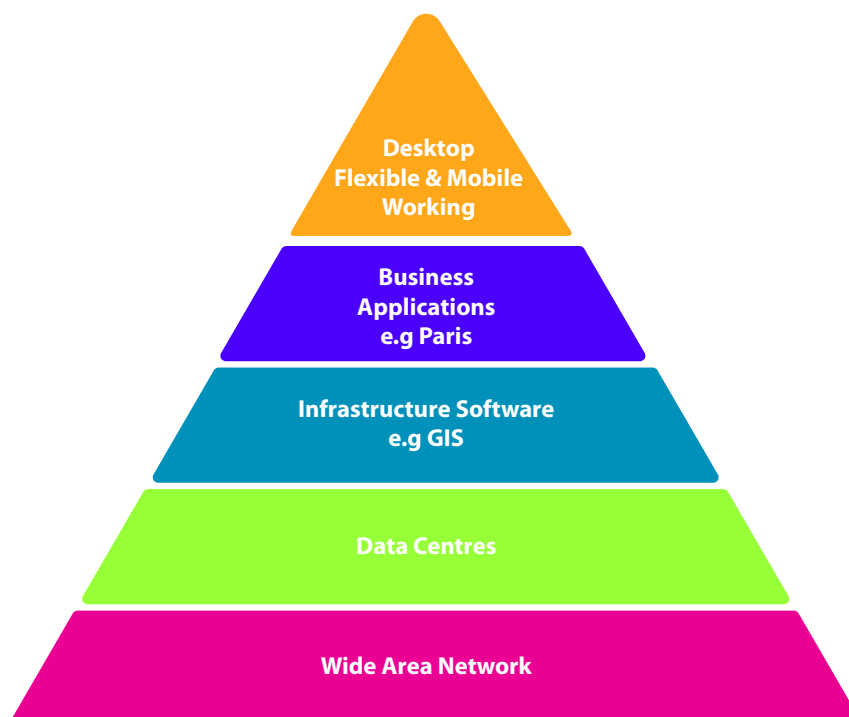
The Data Centre in Macclesfield Town Hall is being refurbished during the summer of 2010. This is being undertaken as a project integral with the development of a new CCTV monitoring centre which will be based on the Macclesfield Town Hall Data Centre. When the Macclesfield Data Centre and CCTV centre are complete, the Data Centre and CCTV monitoring facility at Sandbach will be decommissioned.

Cheshire East inherited an estate of servers and storage which is mixed but comprises for the most part Oracle on an AIX Unix platform and Microsoft SQL. Significant virtualisation has already taken place. With about 75% of servers virtualised this represents industry best practice already, but even greater benefit can be achieved from further virtualisation and harmonisation.

Opportunities are being taken to reduce cost and reduce the impact on the environment through adopting best practice in energy management and where possible these are synchronised with the harmonisation of business applications. Underlying infrastructure software such as geographical information systems (GIS) will be further developed and maintained in partnership.

Cheshire East inherited an estate of some 6000 desktop computers and laptops from the previous councils. A desktop strategy is being finalised to achieve rigorous standardisation to drive down running and support costs and to improve the overall experience of the user. From the beginning of the 2010-11 financial year the budgets for replacement and new desktop equipment have been unified and centralised under the control of the Cheshire East ICT Service. This includes desktop and laptop PCs, telephones, both desk and mobile, handheld devices such as Blackberries and network printers, scanners, copiers and Multi-Function Devices (MFDs).

The following diagram represents the different layers that make up the ICT Infrastructure;



11. Information Management

The scope and portfolio for Information Management (IM) covers the following broad areas:

- Governance
- Security
- Data Quality
- Records Management
- Compliance

IM considers information in any format – paper and electronic documents, email, photographs, maps, throughout its lifecycle from when it is received, created or captured until it is archived or destroyed.

Through a programme of work we will provide a set of corporate tools, standards, and protocols to enable this to be done in the most efficient and effective way to support the business and ensure that the authority's legal and statutory obligations are observed. This will ensure that the right people have the right information at the right time to do their jobs.

There will be a long term strategy to ensure that the majority of information being created and retained by the authority is electronic. This will ensure flexible and mobile working initiatives are supported as well as reducing the pressures upon the authority's estate. Appendix D provides a summary from a more detailed IM, ECM, Records Management, and Business Intelligence Strategy.

12. ICT structure, staffing and sourcing

Effective workforce planning is fundamental to the achievement of ICT Strategy service goals and objectives in the short and longer term. It's about, understanding the people implications of achieving service priorities and putting in place plans to ensure the **right people**, with the **right skills** are available at the **right time**, in the **right place**. This helps ICT to develop a workforce profile which continues to be 'fit for purpose' and is 'agile' in supporting the service to initiate and adapt to change.

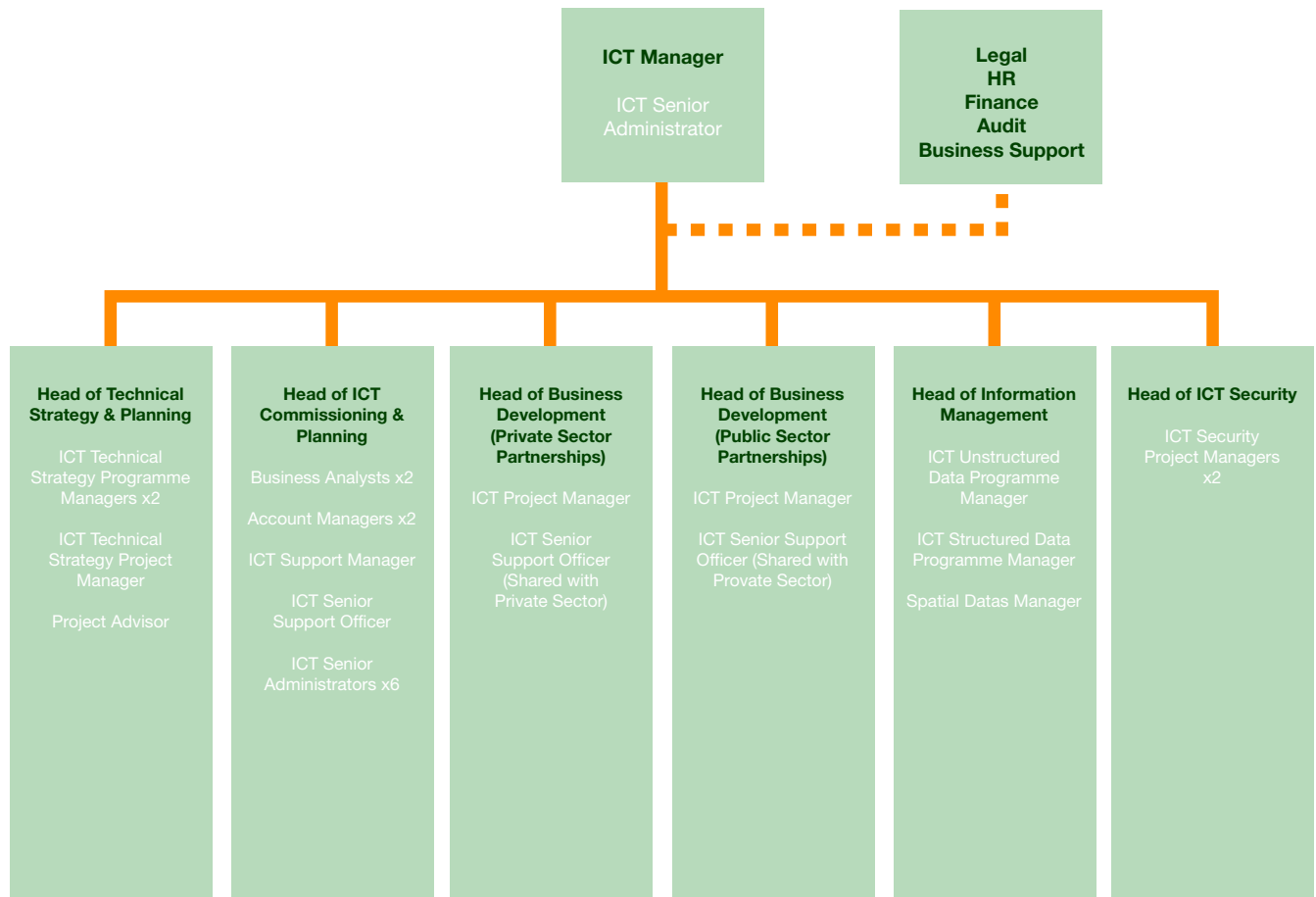
The skills and resources available within the ICT Shared Services and ICT Strategy teams are supplemented by the use of contractors, consultants, temporary staff including student placements and implementation partners. In addition, some work is commissioned externally. ICT managers use their knowledge of industry trends and corporate plans to consider the immediate and long term resource requirement of the department before deciding how to fill vacancies.

The ICT Strategy team is staffed predominately by ICT professionals; people who have graduated, have ICT qualifications or have trained and worked within an ICT department for a number of years. Key skills include:

- ICT infrastructure and application awareness
- ICT security awareness
- Business & Local Government understanding

- Strategic visioning
- Business analysis
- Commissioning and planning
- Negotiation skills

The diagram below shows the Cheshire East ICT Strategy structure and roles:



ICT Strategy currently employs 29 full time and 1 part time permanent staff (with 5 vacancies currently being recruited). It is a strategic ICT service that commissions the delivery of an ambitious ICT work programme which supports corporate transformation in 2010/11. It has also:

- Worked with public and private partners to create a green and innovative ICT nfarastructure that puts Cheshire East on the map e.g. through the development of a state of the art Data Centre
- Made significant inroads into major efficiency opportunities through partnership working with both the public sector and private sector, building on the foundation work that has been done to date
- Continues to strive for improvement in the delivery of service to Cheshire East from the ICT Shared Service through effective liaison with the new ICT Shared Service Manager during 2010/11 and by contributing to the development of a new separate entity

- Continues to support the Council in complying with the stringent Government Connect requirements, all the time seeking to minimise the negative impact on day to day business

In principle, the ICT work programme is financed through Service held capital funding, and the ongoing work is funded from revenue. The ICT work programme changes in magnitude each year. There is active management of the proportion of contract staff and directly employed staff employed to deliver the ICT work programme.

The ICT Shared Service has skills in the following areas: project management, systems analysis, ICT technical infrastructure, ICT solution infrastructure, Microsoft development, web developments, SQL database administration, Social Care application development, Oracle eBusiness suite functionality and development, Oracle database administration, desktop hardware and software, flexible and mobile working solutions, networks, telephony, servers, geographical information systems, Business Objects reporting, service management and data centre operations.

Staff potential is maximised through formal training, coaching and providing role based developmental opportunities. The cost of training to developing new technical skill sets is built in to the capital cost of programmes.

13. ICT risk management

Risks are managed at project, programme, service and departmental levels. ICT risk management approaches are being aligned with corporate procedures as they develop.

Rapid change increases risk and disaster recovery arrangements are in place for key applications. However, resilience comes at a cost and a balance needs to be struck between the cost of engineering away a risk, and the likelihood and consequences of it happening. With the development of technical strategies which cover topics such as data centre services and infrastructure, decisions will need to be made by Cheshire East about what levels of service continuity can or should be funded.

14. Supporting technical strategy documents

Technical strategy documents support the overall strategy:

- Applications – Appendix A
- Infrastructure – Appendix B
- Finance – Appendix C
- Information Management – Appendix D

Further supporting documents are being developed. For timescales, please refer to the ICT Strategy Communications Plan.

Appendix A

Strategic drivers and the direction for key applications

Strategic drivers:

Business Continuity

- Implementation of pragmatic technical solutions to ensure that systems are accessible and business processes continue as new structures are put in place.
- Includes some disaggregation, consolidation and replication work.

Harmonisation

- Consolidation and convergence of systems and technologies from the predecessor authorities to drive out economies of scale and improve operation and support.
- Replacement and migration of systems that fail to meet the needs of the Local Authority

Development

- Improvement or replacement of applications supporting the business to
 - ensure manageable, scalable, sustainable, secure and cost effective system
 - provide flexible solutions to support new ways of working, greater work force mobility, increased collaboration and partnership working
 - strengthen transactional websites and other access channels to improve the interaction experience for our citizens
- Improvement or replacement of productivity tools and technical services to
 - provide flexible tools for developing new ways of working
 - support self service application synthesis within a context of sustainability and support

Appendix A – continued

Service Application Area	Current Applications	Strategic Direction	Drivers
Business	General Ledger & HR – Oracle e-business suite	Consolidated onto single platform with CWAC, Oracle e-business suite. Upgrade to Oracle Release 12.	H
	Cash Receipting – Northgate Paris	Consolidated onto single platform for CEC, aligned with CWAC solution	H
	Revenues & Benefits – Academy, Open Revenues, Pericles	Manage 3 applications in the short term, consolidate onto Northgate I-World solution for CEC by December 2010	H
Council Government & Democracy	Register of Electors - Strand	Continue with current system. Review strategy for CEC	B
	Modern Government Committee Management – NTE Modern Gov	Consolidated onto single platform for CEC, aligned with CWAC solution	H
Education & Learning	Children and Young Persons Database (CYPD)	Continue with current pan-Cheshire system until disaggregation protocols can be agreed	B
	E-Learning Platform – University	Continue with current externally hosted application. Review strategy for CEC.	B
	Integrated Childrens System (ICS)	Review marketplace. Procure new system to support business requirements.	B, H
	RBUSS – Redstor backup product	Currently an externally hosted application. Review strategy for CEC	B
	Securus – Desktop monitoring	Currently an externally hosted application. Review strategy for CEC	B
Environment	Highways Management – SBS Confirm	Continue with current pan-Cheshire system until detailed review can be undertaken	B
	Waste Management – Waste Information System	Continue with current pan-Cheshire system until detailed review can be undertaken	B
Health & Social Care	Social Care Management – Civica PARIS	Multi-organisational facilities are available. Review product capabilities. CEC and CWAC systems to be disaggregated. Adult financials replacement will go out to tender.	H
	Home Care Provision – Homecare Roster and Real Time Monitoring	Single instance to be shared by CEC and CWAC with data and team structures disaggregated.	H

Housing, Property & Infrastructure	Asset Management – Atrium	Review functionality as business requirements develop.	B
	Terrier Information – Atrium	Consolidated onto single platform for CEC. Not aligned with CWAC solution.	B
	Local Land & Property Gazetteer	Consolidate onto single platform for CEC, aligned with CWAC solution	H
Leisure, Culture, Community & Living	Library Management – DS Galaxy	Upgrade pan-Cheshire platform to multi-organisational implementation to permit CWAC and CEC data to be managed separately.	H
	Record Office archive management – DS CALM	Continue with current pan-Cheshire system	B
Policing & Public Safety	CWHIC partnership - Co-Star	Continue with current partnership system	B
Transport & Streets	Transport – Routewise	Continue with current pan-Cheshire system until detailed review can be undertaken	B
Policy and Planning	Development Management and Building Control – Swift APAS and Information@work	Consolidate onto single/new platform for CEC	B, H
Customer Services	Customer Relationship Management – MS CRM, LACRM, Capita	Consolidate onto single platform for CEC. Microsoft Dynamics CRM selected as corporate product. Partner to be procured via Buying Solutions.	B, H
Flexible and Mobile Working	Avaya IP telephony – extension to cellular, soft phone, ip agent, audio conferencing	Continue to review business requirements. Work with HR to define user profiles. Identify pilot users. Microsoft Office Communication Server – Instant Messaging, Presence, Video Conferencing Test and pilot VDI technologies	B

Appendix B

Strategic direction for IT Infrastructure

Technical element	Current	Strategic Direction
Servers - Hardware	Typically rack-mounted Intel servers. Mixture of Dell PowerEdge, HP and other. Escalas from Bull for AIX applications. Sun Solaris for other Unix.	Harmonisation of procurement. Regular review of models and provider as part of A&O / MDS contract and through other existing procurement routes in the meantime. Continue to utilise Bull (or equivalent) for largest AIX applications
Servers – Operating System	Windows 2003 as standard, unless derogation approved for application's requirements AIX for largest enterprise Oracle applications Solaris for Unix Small number of Linux for specialist technical applications	Windows 2008 32 and 64 bit as standard. Regular review of new releases from Microsoft. Latest versions of AIX, Linux and Unix to be reviewed
Servers – Virtualisation	Utilisation of VMware vSphere to replace physical servers for low usage and other suitable purposes.	VMware for the foreseeable future, but keep a watch on other virtualisation technologies. Further exploit virtualisation capabilities for greater business continuity
Domain	Number of separate AD domains operating with trusts. On-going activities to improve user experience. Very high level new AD design being produced.	New AD structure on Windows 2008
Servers – Storage	Local or attached disks for Intel solutions Shared storage (SAN) for largest applications and for clustered services. Equallogic, NetApp, HP SAN and direct attached storage Data Domain for selected disk to disk backup.	Consider exploitation of filer services eg. on NetApp storage, to replace file servers. Consider site to site replication of all storage devices for greater business continuity. Consider automated Hierarchical Storage Management.
Servers – Backing	NetBackup or BackUp Exec for intel estate. Mix of standalone or centralised backing for smaller servers, dedicated backing for larger servers TSM and snapshots used for AIX environment.	Harmonise as opportunities arise

Applications -	There are a series of applications (such as IBS, E-mail, Web and Intranet, mapping) which have been selected to provide functionality for the entire community. There are also applications that provide required functionality for specific departments (such as Paris, Confirm, Pupil database, Revenues and Benefits)	Continue to provide both corporate shared and department applications. Try to provide applications with synergy and links to other systems by using other core shared applications such as workflow, scanning and adaptors with middleware (Biztalk).
Application – packages	Packages are mainly used, balanced with some in-house development to meet client requirements.	Packages will continue to be purchased but with increasing requirements to meet Cheshire East, government and Microsoft standards. In house packages will continue to be written to strict standards. CEC to review Software as a Service where appropriate.
IBS (CSBS)	Key application for the both new authorities, and provides a range of essential business functions (e.g. payroll, payments, ordering)	Review of ongoing suitability.
Applications - topology	Typically n-tier solutions with presentation, business logic and database tiers.	N-tier seems to be ideal model for the foreseeable future, but will be reviewed regularly. Consider application virtualisation.
Applications - instances	If possible and cost-effective, instances are allocated for test, development and production.	Improving options for further testing and resilience
Applications – remotely provided	Internet connectivity to external providers (e.g. SAP, student awards)	Continued assessment of solutions according to technical criteria and cost effectiveness. Web browser strategy and standards to be reviewed CEC to review Software as a Service where appropriate.
Applications - servers	Co-existence on shared Intel hardware, if possible. Dedicated Intel servers for larger and non shareable applications. Virtualisation to reduce physical hardware, and increase resilience	Continue virtualisation to reduce physical hardware and preference for applications that conform to Microsoft technologies and government data sharing standards Consider application virtualisation.
Desktop – hardware	Range of models from Dell, HP and other suppliers with 5 year lifetime	Harmonisation of purchasing strategies. Regular review of models and provider as part of A&O / MDS contract and through other existing purchasing routes. Consider image management. Consider VDI technologies

Desktop – operating system	Windows 2000/XP now on majority of PCs.	Migration to Windows 7
Desktop - applications	Office XP now on majority of PCs	Harmonisation of desktop images, in line with new AD design. Migration to IE 7/8 Plan for migration to Office 2010 Test and pilot VDI technologies
Databases	Microsoft SQL 2000 and SQL 2005 for Intel servers. SQL 2000 now out of support. SQL 2005 migration and consolidation strategy being implemented. Oracle for enterprise databases	Review SQL strategy, including SQL 2008, across the new Cheshire East. Harmonise with partners, for delivery. Oracle may be reviewed if and when alternative IBS and PARIS systems are implemented.
Citrix	Citrix farms for non web-enabled applications and remote access Mix of approaches between authorities. Citrix PS4.0 in the main.	Harmonise Citrix strategies and implement a consolidation programme. Align with strategy for remote access gateways. Review when considering VDI technologies
Printing	Multi Functional Devices (MFDs) Shared system printers, where possible Mix of suppliers	Review printing strategy to achieve economies in toner costs and TCO in general. Implement follow me printing to support a mobile workforce.
Mobility devices	Mix of approaches Support only for authority supplied products e.g. Blackberry.	Strategy and projects to support an increasingly mobile workforce.
Communications – Wide area	Network of fibre and radio links with TCP/IP protocol. Converged IP telephony and data.	Regular review Migration to fibre backbone Review sharing arrangements with partners where appropriate
Communications – local area	A mix of provision. County currently provides Gigabit backbone with up to 100mb to desktop	Programme of improvement to ensure adequate bandwidth, performance and resilience for the new authority
Communications - remote	A mix of approaches. Citrix Secure Gateway Click into Cheshire secure gateway and dial-in facilities Mix of Business Broadband and private ADSL 3g broadband - a mix of 3g dongles from different providers	Align harmonisation strategy with provision of consolidated internet access. Reduce usage of traditional dial-in and increased usage of flexible solutions Review Microsoft technologies to support remote access Business broadband provider needs to be harmonised Standardise on Vodafone and upgrade older models to latest 3g devices

Telephony	A mix of approaches using IP telephony Avaya IP telephony solution and others	Strategy to harmonise on Avaya IP telephony to drive down costs, increase efficiency and support an increasingly mobile workforce. Consider OCS. Move towards one bill rather than paper billing
Mobile Telephony	Variety of mobile providers	Aim to standardise on Vodafone Standardising on a basic handset and an advanced handset
Internet connectivity	A 250Mb dual active passive link from Chester County Hall to the Cable and Wireless service provider.	Look for opportunities to link to alternative providers such as Education and Government in order to drive down costs and increase resilience and bandwidth. A fully resilient second internet link is a priority. Review internet connectivity resilience using dual ISPs.
Security	A tiered range of products with Ironport or MXtreme edge protection and McAfee anti-virus solution suite as core. Regular Microsoft and AIX patching	Exploit opportunities for costs savings through harmonisation of approaches. Ongoing regular evaluation of risks and current security estate. Consider Identity Lifecycle Management. Review options for enhanced security management across the corporate network.
Data Centre	Data centres at Macclesfield Town Hall, Crewe Municipal Buildings, Sandbach, and Kelly House.	Migration to the new primary data centre. Macclesfield Town Hall Data Centre is currently being refurbished. The move from County Hall to Kelly House is complete.
Partnerships	Mix of approaches.	Partnership working and shared approaches for economies of scale with Cheshire West and Chester. Explore further opportunities for partnership working with PCTs, NHS, Police, Fire and other local authorities.

<p>Information Management</p>	<p>Linked but separate Microsoft Exchange (E-mail) systems</p> <p>Symantec Enterprise Vault and Mimecast for email archiving.</p> <p>Mix of document management and scanning solutions; Anite@Work, Sharepoint, Hummingbird, Kofax scanning.</p> <p>Extensive use of fileshares</p> <p>Web and Intranet content management Immediacy selected for new authority external web hosting.</p> <p>Microsoft CMS and Immediacy used separately in house for Intranet.</p> <p>Collaboration No overall approach. Sharepoint and Moss 2007 pilot rollouts.</p> <p>Data matching Multivue for Children's Services, but scalable beyond.</p>	<p>Migrate to consolidated Exchange</p> <p>Review strategy and policies for email archiving and compliance. Identify and implement a single solution.</p> <p>Review document management, workflow and scanning solutions to identify opportunities for harmonisation and cost savings.</p> <p>Review fileshare strategy with regard to consolidation and potential use of file capabilities provided by storage platforms. Further harmonisation of other products.</p> <p>Further exploitation of products to extend use and support transactional websites. Try to support similar content and response through all citizen access channels</p> <p>Programme of harmonisation</p> <p>Review strategy to provide further access</p> <p>Review outcomes and assess suitability for further exploitation.</p>
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Appendix C

Financial Management Details

Revenue

The permanent revenue resources for the central ICT services are:

Expenditure	%
Staffing costs	56
Non-staffing costs	44
Total Expenditure	100
Funded By	
Charges to schools	12
Staff recharges to capital	To be determined
Other recharges to services	11
Base budget	77
Total Funding	100

Schools:

Each year schools are given the option to purchase a range of services from ICT. These services include connectivity, Internet services including content filtration, telephony, service desk and support for the software used for school administration. Schools have the freedom not to purchase these services, or to purchase from an external supplier.

Schools are charged for these services on a full-cost recovery basis. The economies of scale achieved avoid unnecessary spend.

The role of technology in learning is expanding rapidly and the participation of Cheshire East in the wider learning community, from pre-school to higher education is important to the effective delivery of lifelong learning in Cheshire East.

Staff recharges to capital:

A number of permanent employees are funded by recharges to the capital programme. An annual capital programme for the essential replacement of Core ICT infrastructure of approximately £990k is required to provide sufficient funding for all these staff.

In most years in-house resources will not be sufficient to deliver the Council's work programme. When this happens, external contractors on short term premium rate contracts are used to provide additional resources. The cost of these contractors are "pooled" with the cost of internal development staff and charged to projects at an average weighted

cost. The cost of external contractors is on average around £13 per hour more than a comparable in-house member of staff.

Assumptions about the proportion of external contractors used are reviewed annually. This will affect the average pooled rate charged to projects.

Capital

The table below sets out a summary of the funding for the current ICT capital programme:

Funded By	%
Unsupported prudential borrowings	30
Capital reserve	43
Grant	27
Total Funding	100

The use of the capital reserve to fund significant new ICT investment is probably not sustainable over the medium term. Reduction in the use of the capital reserve will probably have to be met by an increase in the use of unsupported borrowings. The revenue impact of borrowing is 22.5% pa for an asset with a 5 year life and 12.5% pa for an asset with a 10 year life.

Financial background

Departmental ICT provision.

In addition to the central ICT budget, Services hold significant Revenue and Capital budgets covering application licences and associated maintenance contracts. Grant funded ICT provision may also be held by some services.

Purchase of computer equipment such as PC's, laptops and printers:

Cheshire East has inherited an estate of around 6,000 desktop computers and laptops. In general, purchase of this type of equipment is made from a central contract using a central ICT Strategy held revenue budget. Spend on these items for Cheshire East is approximately £1.0m.

Schools.

There are approximately 9,500 administration and curriculum PC's in schools, of which approximately 3,300 are directly supported by the Schools ICT Shared Service and the rest by the schools themselves through other arrangements. Most school IT spend is funded from either the Dedicated Schools Grant (DSG) or the Harnessing Technology Grant (HTG).

Appendix D

Information Management

The Information Management Service will enable and support the authority to realise the council's vision to Work with Partners to deliver excellent services to improve Community life in Cheshire East.

The service will support the following priorities;

- **Put customers First.** Protect the integrity and the identity of customers by ensuring that personal and sensitive information is created, held, and disposed of in accordance with records management standards (retention periods) and statutory guidelines such as the Data Protection Act.
- **Provide Value for Money.** Improve efficiency and reduce the TCO in maintaining duplicate Line of Business (LOB) systems with Enterprise Content Management (ECM) capability by carrying out a systems appraisal across the organisation.
- **Enhance Partnership working.** Provide a toolkit and policy framework to enable information to be shared between internal and external organisations. This will include the use of encrypted channels whilst observing data quality standards and Data Sharing Protocols.
- **Develop our workforce.** Present self serve intelligence and reporting capability through the desktop which empower officers and services to make informed decisions and take personal accountability for the quality and integrity of data.
- **Be locally Responsive.** Present timely and consistent data through a number of channels to support neighbourhood working, customer access and flexible and mobile working initiatives. This will consider technical solutions for storage, searching, integration, presentation and collaboration of information and data sets.

The service will support the following priorities for **transformation** and;

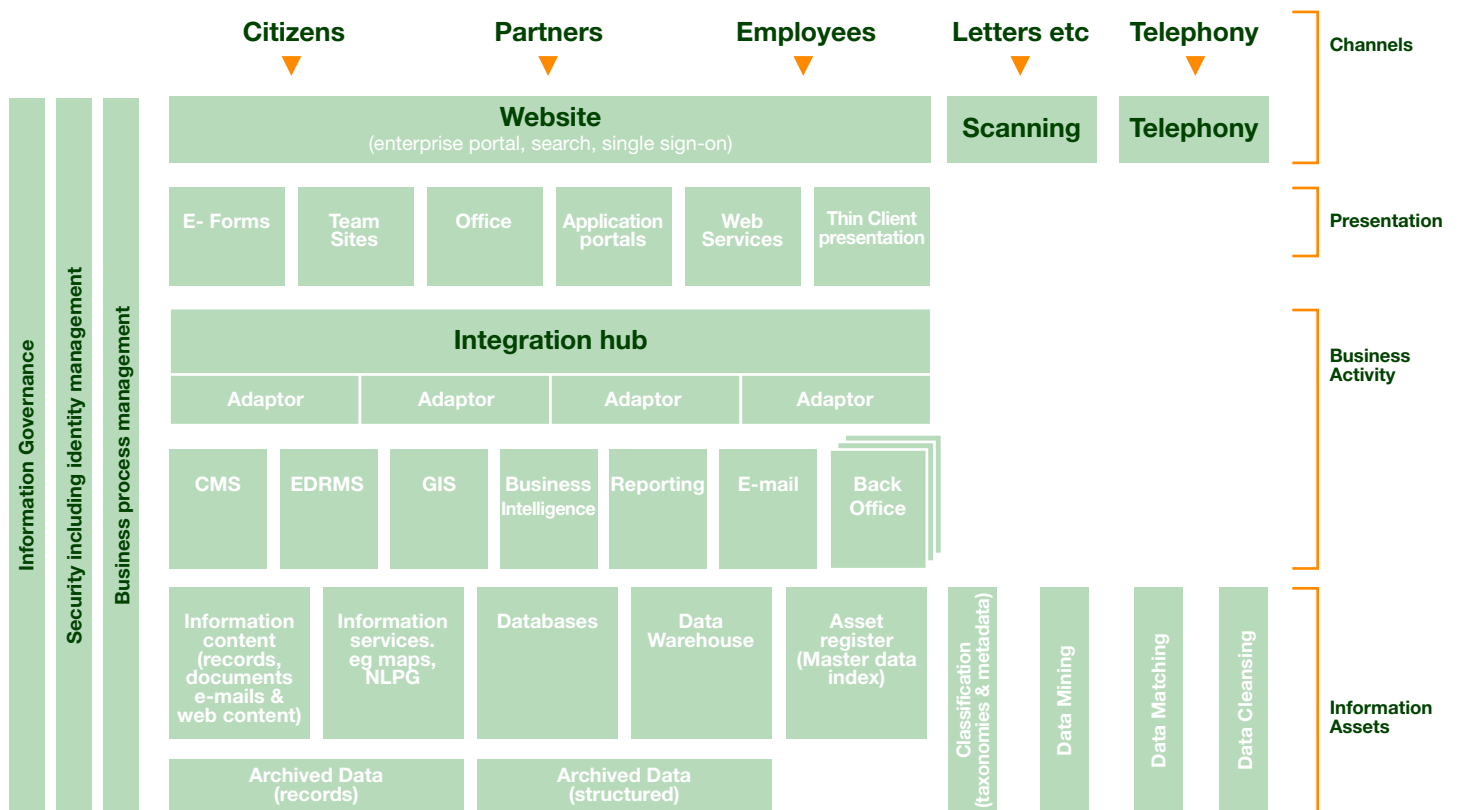
- **Put customers First.** Information will be created or captured only once, but used many times in an electronic format. Using data matching facilities to view and present customer and property information held across systems and trusted data sources will enable the creation of a Single view of customer and property information, reducing duplication of effort and supporting initiatives such as 'Tell Us Once' and 'Right First Time'
- **Provide Value for Money.** Rationalise and decommission the number of local systems, files and databases using data cleansing and matching tools to ensure that data is comprehensive, accurate and appropriate for the purpose for which it has been collected. This will enable data from disparate sources to be combined and merged as well as identifying and removing duplicated data to establish a single definitive record. Information will be managed using corporate and enterprise tools and infrastructure rather than being service-specific, utilising ECM components such as e-Forms, scanning and workflow to improve process efficiency and reduce the total cost of ownership to the

authority. Archiving solutions will be implemented to deal with legacy data from decommissioned systems, ensuring that statutory and business requirements around retention and reporting are met.

- **Enhance Partnership working.** There will be a single route (portal) for personalised access to relevant electronic information and services for staff and partners, and for those citizens able and willing to use online services. Data and Information from line of business systems will be consolidated to provide a corporate data warehouse enabling flexible reporting to meet operational and strategic needs. Presenting information through collaborative portals that incorporate, dashboards, business intelligence reports and Geographical Information Systems (GIS) will require additional efforts to ensure that data will be shared with partners in accordance with established protocols. Security measures are in place to protect confidentiality. There will be a clear audit trail for all records to ensure authenticity.
- **Develop our workforce.** Foster understanding of the importance of managing information as a resource, ensuring that appropriate training is provided to enable the implementation of good information governance. Work with corporate HR to ensure that the internal knowledgebase / toolkit is supported with corporate training and induction programmes to improve the IM capability of the organisation. Furthermore, on leaving the organisation explicit and tacit knowledge held by officers will be captured through collaboration technologies and archiving solutions.
- **Be locally Responsive.** Integrate systems and information based upon trusted data sources and data warehousing technologies to enable the delivery of responsive, customer focussed services. In particular Geographical Information Systems (GIS) will be deployed to enable geographically referenced data to be captured, analysed and presented more effectively (e.g. addresses, postcodes, service points, catchment areas, information about roads). By linking spatial information with textual information GIS provide additional insights into the relationships between data sets, allowing analysis and interpretation through an accessible visual medium. GIS allow multiple data sets to be overlaid, and the identification of relationships and patterns that may not be immediately apparent through other forms of analysis providing key information for performance management, service planning and provision.

Appendix D

Information Management Infrastructure



Glossary

Active Directory (AD)	A Microsoft technology used to provide central management of information about an organisation's users, systems access and IT resources.
Architecture	It is Cheshire East policy not the use the word "architecture" to describe ICT infrastructure because of the specific association of the term with the architectural profession. However, the term is in common use within the ICT industry in this sense and therefore the term may appear occasionally in quotations from documents produced by other organisations.
Avaya call management	Telephone communications software used to route calls through the network, and administer features such as hunt groups and call queues.
Business Objects	Software used to develop and present reports and analysis of electronic data held throughout the organisation
CAS	Customer Access System
Citrix	Remote access software used to deliver applications over a network
Connectivity	The use of computer networks to link computers to one another, and provide information resources between computer systems and their final users
ContactPoint directory	A national database that will hold information on children. It has been developed to improve child protection by improving the way information about children is shared between services.
CYPD	Children and Young Persons Database, focused on managing data relating to education
Data Centre	A facility used to house computer systems and associated components, such as telecommunications and storage systems. It generally includes redundant or backup power supplies, redundant data communications connections, environmental controls (air conditioning, fire suppression, etc.), and special security devices.
Data Cleansing	The act of detecting and correcting (or removing) corrupt or inaccurate records from a record set
Data Matching	The process of comparing like records, eliminating duplicates, and combining them into the best version of a record,
Data Sharing Protocols	A formal agreement between organisations that are sharing personal data. It explains why data is being shared and sets out the principles and commitments organisations will adopt when they collect, store and disclose personal information about members of the public.
Data Warehousing technologies	A repository of an organization's electronically stored data. Data warehouses are designed to facilitate reporting and analysis
Desktop	Desktop computer and associated software
DPA	Data Protection Act

DSL	Technology that provides digital data transmission over the wires of a local telephone network.
e-Forms	Software that creates forms on the Internet that allow people to send us particular information or make specific requests e.g. for a school bus pass
ECM	Enterprise Content Management: tools and strategies allow the management of an organization's unstructured information such as documents, wherever that information exists
Ethernet	A computer networking technology used in most local area networks
Exchange E-mail	A Microsoft application which provides electronic mail, calendaring, contacts and task management
Flexible & Mobile Working	Technology and policies to enable employees to cut down on travel time, improve productivity and performance
Gartner Group	Global ICT research analysts. Provide analysis of and reports on enterprise technologies.
GIS	Geographic Information System - a system for capturing, storing, analyzing and managing data and associated attributes which are spatially referenced to the Earth.
HR	Human Resources
ICT	Information Communication Technology
ICT Infrastructure	The information communication and technology (equipment and software) that is involved in providing ICT services to customers.
IM	Information Management - considers information in any format throughout its lifecycle from when it is received, created or captured until it is archived or destroyed.
In-house resources	Employees on the councils payroll
IPT	Internet Protocol Telephony - Is the routing of voice conversations over the Internet or through any other IP-based network.
ISO	International Organization for Standardization
ITIL	Information Technology Infrastructure Library - A set of concepts and techniques for managing information technology (IT) infrastructure, development, and operations
IT solution infrastructure	Defines information technology solutions that can be implemented to meet business requirements whilst ensuring alignment with the Enterprise Infrastructure.
LOB	Line of Business systems – a set of critical computer applications that are vital to running an organisation.

Metrics	A system of parameters or ways of quantitative and periodic assessment of a process that is to be measured, along with the procedures to carry out such measurement and the procedures for the interpretation of the assessment in the light of previous or comparable assessments. McAfee Antivirus,
Microsoft office	Word processor and Excel spreadsheet
MSP	Managing Successful Programmes - a structured yet flexible framework designed to manage and control all the activities involved in managing a programme through providing advice on organisation, processes, communication and ways of thinking. There is a close link between MSP and PRINCE2
MSPProject,	Microsoft application used to develop and monitor project plans.
Oracle database	A relational database management system produced and marketed by Oracle Corporation
Oracle e-business suite -	Financial and HR/Payroll systems
PARIS -	Social care system, allowing several hundred users to manage social care information, payments to foster carers and payments to care leavers across Cheshire. This has centralised records, streamlined processes and reduced multiple versions of paperwork.
Peoples Network	High speed access to the internet available to the public, delivered by England's public libraries, and supported by lottery funding.
PRINCE2	An internationally recognised standard methodology for managing projects
Quality Management System	A set of policies, processes and procedures required for planning and execution of developments and services in the core business area of the organisation.
SBS Confirm	A software package that supports highways functions
Scanning	Electronic scanning on paper documents.
Sharepoint,	Microsoft software which provides a single, integrated location where employees can efficiently collaborate with team members, find organisational resources, search for experts and corporate information, manage information and workflow.
SIMs	Schools Information Management software
SOCITM	Society of Information Technology Management. Has a Local Government focus, provides information on best practise and benchmarking services
SQL database	A relational database management system produced by Microsoft

Technical Design Authority	A governance group that provides quality assurance for the design of ICT solutions developed in response to business requirements
TCO	Total Cost of Ownership – a method of cost analysis
Tif	Technology Infrastructure Forum: aims to improve practical knowledge and understanding of IT by stimulating sharing of experience between organisations.
Wide Area Network	Wide Area Networks (WANs) are computer network that covers a broad area. They connect LANs together so that users and computers in one location can communicate with users and computers in other locations.
Workflow	A term used to describe the tasks, procedural steps, people, input and output information, and tools needed for each step in a business process

References

Documents to which reference is made will be acknowledged.

Acknowledgement

Gartner Group provided the template which forms the structure of this strategy.

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