

# Staffing Committee

## Agenda

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**Date:** Thursday 23rd October 2014  
**Time:** 2.00 pm  
**Venue:** Committee Suite 1,2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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

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

1. **Apologies for Absence**
2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary 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.

Members of the public wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given. It is not required to give notice of the intention to make use of public speaking provision, however, as a matter of courtesy, a period of 24 hours notice is encouraged.

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Please contact Rachel Graves on 01270 686473  
E-Mail: [Rachel.graves@cheshireeast.gov.uk](mailto:Rachel.graves@cheshireeast.gov.uk) with any apologies or requests for further information or to give notice of a question to be asked by a member of the public

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

To approve the minutes of the meeting held on 24 July 2014

5. **Health and Safety Update** (Pages 5 - 24)

To consider a report on Health and Safety matters within the Council

6. **Staffing Appeals Sub Committee (Report to Follow)**

To agree the Terms of Reference and composition of the Staffing Appeals Sub Committee

7. **HR and Organisational Development** (Pages 25 - 36)

To consider a report on the progress with Human Resource and Organisational Development issues

8. **2015/16 Pre Budget Report** (Pages 37 - 82)

To consider the 2015/16 Pre Budget Report

**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Staffing Committee**  
held on Thursday, 24th July, 2014 at Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor R Domleo (Chairman)

Councillors J Jackson, D Marren, B Moran, B Murphy, D Newton and  
L Smetham (Sub for Cllr D Brown)

**Officers**

Mike Suarez, Chief Executive

Julie Davies, Head of People and Organisational Development

Brian Reed, Head of Governance and Democratic Services

Graham Coope, Senior Corporate Health and Safety Adviser

Sally Gold, Legal Services

Rachel Graves, Democratic Services

**1 APOLOGIES FOR ABSENCE**

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

**2 DECLARATIONS OF INTEREST**

Councillor J Jackson declared that she was a member of GMB.

**3 PUBLIC SPEAKING TIME/OPEN SESSION**

There were no members of the public present.

**4 MINUTES OF PREVIOUS MEETINGS****RESOLVED:**

That the minutes of the meetings held on 8 April 2014 and 24 April 2014  
be approved as a correct record.

**5 HEALTH AND SAFETY UPDATE**

The Head of Governance and Democratic Services, aided by the Senior  
Corporate Health and Safety Advisor presented a report which provided  
details on health and safety matters.

The Council had been awarded a second consecutive Gold RoSPA  
Recognition Award. The certificate was presented at a RoSPA ceremony  
on 14 May 2014 and is displayed in the foyer at Westfields.

The Quarter 1 accident and incidents statistics showed that 1138 accidents and 258 incidents had been entered onto PRIME between 1 April and 30 June 2014. Of these 10 were RIDDOR reportable to the Health and Safety Executive. Appendices 5 - 8 to the report gave details of the RIDDOR accident/incidents and the number of accidents and incidents by type.

**RESOLVED:**

That the report be noted.

**6 HR AND ORGANISATIONAL DEVELOPMENT**

The Head of People and Organisational Development, aided by the Organisational Development Manager, presented a report which provided a general update on Human Resource issues.

The key findings from the Staff Survey had been shared with managers and staff. The results had revealed areas of strength which could be built upon and also had identified areas of challenge for the Council which would require focus and committed action for improvement. Managers were currently taking to their teams about the results and discussing ideas about what actions could be taken at a local level or corporately to turn answers into actions.

The Council's employee recognition scheme had been reviewed and a new scheme 'Making a Difference' was launched on 1 July 2014. The revised approach included 'Make my Day' Instant Recognition, 'Making a Difference' Employee/Team of the month and 'Making a Difference' Employee/Manager/Team of the year. The staff survey results had indicated that employees did not always feel valued for the contribution they made and the new recognition scheme aimed to start to re-address some of these concerns.

The A Team Apprentice of the Year Awards ceremony had taken place on 10 July 2014. The A Team Apprentice of the Year had been awarded to Dean Burrows, Social Media apprentice working within the Connecting Cheshire Partnership. The runners up were Aaron Green, Business Admin apprentice working in Procurement, and Chloe Green, Social Media Apprentice working in Workforce Development.

Following the change in legislation regarding the right of apply to work flexibly, which came into force on 30 June 2014, the Policy had been amended to reflect that all employees now had the right to request flexible working regardless of their reasons, as long as they had at least 26 weeks service and had not made a previous application in the last 12 months. The Committee was asked to provide feedback on the revised policy. Comments were made in relation to the right of appeal and the effect of the policy on health and safety issues including lone working.

The Corporate Leadership Board (CLB) Appraisal Board had meet in full on 23 June to review the 2014/15 objectives for the Chief Executive, Chief Operating Officer and Strategic Director of Commissioning. Smaller sub groups of the Committee had also meet to review the 2014/15 objectives for the other members of the CLB. Mid year reviews with each member of the CLB would be set up for October 2014 followed by end of year assessments during March/April 2014.

Following the establishment of ANSA, Orbitas, Everybody Sport and Recreation Trust and CoSocius the headcount of staff employed by Cheshire East Council had reduced by 13.72%. A total of 351 employees had TUPE transferred to ANSA and 24 employees TUPE transferred to Orbitas on 1 April 2014. On 1 May 2014 693 employees, including casuals, TUPE transferred to Everybody Sport and Recreation Trust and 106 employees TUPE transferred to CoSocius. Excluding TUPE transfer staff, the staff turnover between April and June 2014 was 2.7%.

The Council was seeking to introduce a new tool that would help managers manage their structures through interactive organisation charts that drew down on information available in Oracle. This tool had proven to be very effective in other authorities in terms of ensuing organisation wide consistency of organisation charts, stronger management controls and provide a suite of meaningful management reports which would enable managers not only manage staffing expenditure but also workforce planning and service reviews.

**RESOLVED:**

That the report be noted

The meeting commenced at 2.03 pm and concluded at 4.12 pm

Councillor R M Domleo (Chairman)

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# CHESHIRE EAST COUNCIL

## Staffing Committee

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**Date of Meeting:** 23 October 2014  
**Report of:** Head of Governance and Democratic Services  
**Subject/Title:** Health and Safety Update

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### 1.0 Report Summary

1.1 This report provides an update on Health and Safety matters within the Council.

### 2.0 Recommendations:

2.1 That the report be noted.

2.2 That comments from Committee Members be provided to the Corporate Health & Safety Manager by 14 November 2014, in order for these to be incorporated into the draft Corporate Health and Safety Policy.

2.3 That the updated Fire Prevention Policy be approved.

### 3.0 Reasons for Recommendations

3.1 To ensure that the Committee is kept up to date with Health and Safety matters.

### 4.0 Wards Affected

4.1 No specific ward affected

### 5.0 Local Ward Members

5.1 Not applicable

### 6.0 Policy Implications

6.1 No significant implications

### 7.0 Financial Implications

7.1 No direct implications arising from this report.

## 8.0 Legal Implications

8.1 No direct implications arising from this report.

## 9.0 Risk Management

9.1 No significant risks identified as a result of this update report. Risks relating to specific issues will be dealt with separately.

## 10.0 HEALTH AND SAFETY UPDATE

### 10.1 DELIVERY OF CORPORATE HEALTH AND SAFETY TRAINING DURING QUARTER 2: 01.07.14 – 30.09.14

10.1.1 **13** courses have been delivered across **120** staff comprising 24 to CEC corporate officers, 83 to schools staff and 13 to ANSA employees

NO. OF COURSES	COURSE	ATTENDEES
3	(26) First Aid Re-qualification – 2 days	10 Corporate 2 ANSA 14 School
1	(3) IOSH Managing Safely Refresher – 1 day	3 Corporate
4	(40) Emergency First Aid at Work – 1 day LIVE FOR WORK	40 29 School 11 ANSA
1	(19) Basic First Aid	19 School
1	(14) PRIME	14 4 Corporate 10 School
1	(6) Manual Handling – half day	6 1 Corporate 5 School
1	(8) CIEH Level 2 Health & Safety in the Workplace	8 6 Corporate 2 School
1	(4) Accident Investigation	4 School
<b>13</b>	<b>TOTALS</b>	<b>120</b> <b>24 Corporate</b> <b>13 ANSA</b> <b>83 School</b>

## **10.2 ROSPA RECOGNITION AWARD 2014 – FEEDBACK FROM ROSPA**

10.2.1 Supplementing the award recently received from RoSPA is feedback which discusses areas for improvement. This noted that the following evidence would enhance a future submission:

- Evidence of completed safety tours
- Inclusion of evidence of use of occupational health support services

10.2.2 These points will be addressed in the CH&S 2015 portfolio submission by including details of safety visits undertaken by the Head of Governance & Democratic Services and other senior managers and evidence of contact made by employees and managers to the occupational health unit. The latter issue will be supplemented by details regarding the new employee assistance programme and data regarding its uptake by employees.

## **10.3 REVISION OF THE CORPORATE HEALTH & SAFETY POLICY**

10.3.1 This document has been completely refreshed and is currently in draft format. It comprises three sections – Introduction, Organisation and Arrangements and will be supported by detailed guidance notes relating to specific health and safety issues. The draft has been circulated to Staffing Committee members, Corporate Health & Safety Forum members, Trade Union Health & Safety Representatives, the Chief Operating Officer, Directors and Heads of Services, Service Managers, Human Resources, Facilities Management, Emergency Planning, Workforce Health Manager, Organisational Development, Procurement, the Occupational Health Service and the Insurance Team.

10.3.2 The Staffing Committee is asked to provide any comments to the Corporate Health & Safety Manager by 14 November 2014, in order for these to be incorporated into the draft document, in consultation with the Chairman of the Committee, with a further draft to be consulted upon before presentation back to the Committee on 15 January 2015.

## **10.4 FIRE PREVENTION POLICY**

10.4.1 The Fire Prevention Policy has been updated with minor additions which reflect the moving of more responsibilities from Asset Management to the managers responsible for running buildings - such as schools and centres. The draft policy is attached and additions are highlighted in the following sections:

- Section 3.0 - Arrangements For Corporate Premises – subsections h, i and w
- Section 4.0 - Arrangements For School Premises – subsections c, d, f, g, o and p

10.4.2 It is anticipated that the policy will need to be reviewed again next year in order to reflect the outcome of further proposed changes in the management of assets which are owned / leased by the Council.

10.4.3 The Staffing Committee is asked to formally approve the updated Fire Prevention Policy.

**10.5 CORPORATE ACCIDENT & INCIDENT STATISTICS - QUARTER 2: 01.07.14 - 30.09.14**

**Total number of RIDDOR Accident / Incidents**

Reporting Period	No. of Accidents & Incidents on PRIME	No. of RIDDOR Reports
Q1– Q4: 2011- 2012	6528	322
Q1– Q4: 2012- 2013	5956	151
Q1– Q4: 2013- 2014	6271	113

<b>Q1: 2014- 2015</b> (including ASDVs)	1396	10
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Q2: 2014 – 2015: Accidents & Incidents Totals									
CC <sup>1</sup>	RR <sup>2</sup>	Schools	RR	ANSA	RR	ORBITAS	RR	ESAR	RR
625	5	412	16	7	0	0	0	193	3

10.5.1 From Quarter 2, the format of accident / incident<sup>3</sup> statistics which the Staffing Committee receive every quarter, will reflect the:

- creation of and impact of ASDVs
- movement over of employees to ASDVs
- reduced number of staff remaining within CEC
- identification of schools data – which is presented separately to corporate statistics
- fact that statistics regarding Academies are no longer reflected in these figures - as Academies are now responsible for their own accident and RIDDOR reporting

<sup>1</sup> CC – employees working in ‘corporate core’ services

<sup>2</sup> RR – RIDDOR reportable accidents

<sup>3</sup> An incident is an event where no physical injury occurs, although this may still be RIDDOR reportable depending upon the circumstances – e.g. a fire, loss of electric power or a scaffold collapse.

10.5.2 Statistics are now given in relation to employee numbers, following the HSE formula for calculating the Accident Frequency Percentage. Commentary is presented relating to a selection of specific accidents and incidents of note, in place of the former general comments and tables of data. Comparisons will be possible between quarterly figures on an annual basis (year on year) from Quarter 2 in 2015.

10.5.3 In conjunction with the software designers, PRIME is being redesigned in line with the new corporate structure and is being adapted to reflect the advent of ASDVs. This is a major project (not having been amended since 2011) and is anticipated to reach completion by financial year end.

10.5.4 Monthly statistics for July, August and September 2014 are detailed below with commentary following.

**ACCIDENT & INCIDENT OVERVIEW DETAILS: 01.07.14 – 31.07.14**

		<b>Corporate Core employees: 3960</b>	<b>Schools employees: 4679</b>	<b>ANSA employees: 347</b>	<b>ORBITAS employees: 23</b>	<b>ESAR employees: 371</b>
<b>Accidents</b>	Employees	16	13	3	0	3
<b>Accident Rate Factor – for Employees</b>		4.0%	2.8%	8.6%	0%	8.1%
	MOTP <sup>4</sup>	162	116	0	0	92
<b>Incidents</b>	Employees	4	0	0	0	0
	MOTP	48	1	0	0	0
<b>A&amp;I Total</b>		<b>230</b>	<b>180</b>	<b>3</b>	<b>0</b>	<b>95</b>

		<b>Corporate Core</b>	<b>Schools</b>	<b>ANSA</b>	<b>ORBITAS</b>	<b>ESAR</b>
<b>RIDDOR</b>	Employees	0	1	0	0	0
	MOTP	5	13	0	0	3
<b>RIDDOR Total</b>		<b>5</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>3</b>

<sup>4</sup> MOTP – Members of the Public

**ACCIDENT & INCIDENT OVERVIEW DETAILS: 01.08.14 – 31.08.14**

		<b>Corporate Core employees: 3976</b>	<b>Schools employees: 4599</b>	<b>ANSA employees: 348</b>	<b>ORBITAS employees: 23</b>	<b>ESAR employees: 369</b>
<b>Accidents</b>	Employees	14	4	2	0	0
<b>Accident Rate Factor - Employees</b>		3.5%	0.9%	5.7%	0%	0%
	MOTP <sup>5</sup>	96	0	0	0	46
<b>Incidents</b>	Employees	4	0	1	0	0
	MOTP	84	0	0	0	2
<b>A&amp;I Total</b>		<b>198</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>48</b>

		<b>Corporate Core</b>	<b>Schools</b>	<b>ANSA</b>	<b>ORBITAS</b>	<b>ESAR</b>
<b>RIDDOR</b>	Employees	0	0	0	0	0
	MOTP	0	0	0	0	0
<b>RIDDOR Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>5</sup> MOTP – Members of the Public

**ACCIDENT & INCIDENT OVERVIEW DETAILS: 01.09.14 – 30.09.14**

		<b>Corporate Core employees: 4011</b>	<b>Schools employees: 4626</b>	<b>ANSA employees: 348</b>	<b>ORBITAS employees: 24</b>	<b>ESAR employees: 361</b>
<b>Accidents</b>	Employees	24	19	0	0	0
<b>Accident Rate Factor - Employees</b>		5.9%	4.1%	0%	0%	0%
	MOTP <sup>6</sup>	76	174	0	0	46
<b>Incidents</b>	Employees	25	2	1	0	1
	MOTP	72	3	0	0	3
<b>A&amp;I Total</b>		<b>197</b>	<b>228</b>	<b>1</b>	<b>0</b>	<b>50</b>

		<b>Corporate Core</b>	<b>Schools</b>	<b>ANSA</b>	<b>ORBITAS</b>	<b>ESAR</b>
<b>RIDDOR</b>	Employees	1	1	0	0	0
	MOTP	0	1	0	0	0
<b>RIDDOR Total</b>		<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>6</sup> MOTP – Members of the Public

### 10.5.5 DIALOGUE REGARDING REPORTS – JULY 2014

#### **ESAR RIDDOR REPORTS:**

- All three occurred at Macclesfield Leisure Centre and involved young people (less than 18 years of age) who sustained sporting injuries requiring hospital treatment. None of the accidents were connected and all were fully investigated by the centre management

#### **SCHOOLS RIDDOR REPORTS:**

- 12 MOTP<sup>7</sup> reports all resulted from sporting injuries which required hospital treatment
- The 13<sup>th</sup> report concerns a pupil who sustained burns to her leg as a result of applying chewing gum remover to her leggings. The incident was investigated by the school and although the Health and Safety Executive (HSE) initially showed some interest, they were happy that the burns were not severe and that the school had taken appropriate action to prevent a reoccurrence

#### **NURSERY NON RIDDOR REPORT:**

- Contamination at a nursery school occurred due to release of hydraulic oil from equipment being used by a utilities company in an adjacent park. A fine mist of oil was sprayed from the arm of an excavator working at a height of approximately 20 metres (contaminating the whole of the nursery exterior and playground). Upon discovery of the problem, the nursery was closed for three days whilst decontamination work was carried out. Although the incident was not RIDDOR reportable, the HSE were informed – however they showed no interest as the oil was of a low hazard and no-one was injured

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### 10.5.6 DIALOGUE REGARDING REPORTS – AUGUST 2014

- No RIDDOR reportable accidents or incidents were recorded. This is mainly due to the fact that school pupils, who account for the majority of RIDDOR cases, were on holiday.

#### **ANSA NON RIDDOR REPORT:**

- A Waste wagon caught fire on a round in Crewe. The tipping controls burnt out, so it was impossible for the fire to be extinguished through the rear of the wagon. The Fire Brigade cut through the body of the vehicle in order to fully extinguish the fire – however there were no injuries sustained.

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<sup>7</sup> MOTP – members of the public

**10.5.7 DIALOGUE REGARDING REPORTS – SEPTEMBER 2014**

**SCHOOLS RIDDOR REPORTS:**

- Picking up a tray (resting over an operating gas ring), a kitchen worker sustained burns to her hands and was subsequently off work for more than 7 days.
- A pupil was injured due to a defective piece of playground equipment (subsequently destroyed) and required hospital treatment.

**CORPORATE CORE RIDDOR:**

- An employee in a community care home slipped and fell, sustaining broken bones in her hand and was off work for more than seven days. This accident was attributed to the employee wearing inappropriate footwear.

**ESAR NON RIDDOR:**

- Theft of an employee's car from Macclesfield Leisure Centre after their locker was broken in to and the keys were stolen.

**ANSA NON RIDDOR:**

- A Waste wagon collecting recycling caught fire on a round in Macclesfield. The crew tried to tackle the fire with extinguishers however they then called the Fire Service to completely extinguish the fire. There were no injuries.

**HEALTH AND SAFETY / ASSETS**

Document No: <b>FIRE/1 of 3</b>	Issue No: <b>Issue 3</b>	Issue Date: <b>August 2014</b> Review Date: <b>April 2015</b>	Responsibility / owner:  <b>Corporate Health and Safety/Asset Management Service</b>
Title:  <b>FIRE PREVENTION POLICY</b>			

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Prepared by: <b>Amanda Sherratt (Corporate Health &amp; Safety) &amp; Andy Davies (Assets)</b>	Approved for Issue by: <b>Corporate Health and Safety Forum &amp; the Staffing Committee</b>
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**Revision table**

<b>Issue Number</b>	<b>Date issued</b>	<b>Revision / change</b>
1	July 2009	Policy issued
2	November 2013	Minor amendments
3	August 2014	Minor amendments

## 1.0 INTRODUCTION

- 1.1 The Regulatory Reform (Fire Safety) Order 2005 (RRFSO) covers general fire precautions and specifies the duties which have to be met in order to protect 'relevant persons' in the event of fire in and around most premises. The Order requires fire precautions to be put in place where necessary and to the extent that it is reasonable and practicable to do so.
- 1.2 Accountability for complying with the order rests with the responsible person. In a workplace, this is the employer and any person who may have control of any part of the premises, e.g. the manager or owner. If there is more than one responsible person in any type of premises, such as is found in a multi-occupied complex, then they must all take reasonable steps to co-operate with each other and bring about the co-ordination of arrangements.
- 1.3 The responsible person is required to ensure that a suitable and sufficient assessment of the risks to which all relevant persons are exposed (the 'fire risk assessment' - see Fire Risk Assessment - Guidance Notes) is undertaken. Once the fire risk assessment has been completed, the responsible person will then be able to identify the risks that can be removed or reduced and decide on the general fire precautions that need to be taken for the premises concerned. These general precautions will include:
  - (a) Measures to be taken to reduce the risk of fire and to minimise the risk of fire spreading.
  - (b) Provision of means of escape and for ensuring that, at all material times, the means of escape can be safely and effectively used.
  - (c) Ensuring that systems are in place for detecting fire and for raising the alarm should fire break out.
  - (d) Provision of equipment for the fighting of fires.
  - (e) The action to be taken in the event of fire breaking out.
- 1.4 A written record of the fire risk assessment must be made along with the significant findings. Other records that should be maintained are those relating to the maintenance of fire detection and alarm systems, fire fighting equipment and emergency lighting. Records should also be kept of all fire drills, fire safety inspections and fire safety training undertaken and of inspections/tests of electrical installations and equipment, gas systems, boilers and pressure systems.

## 2.0 POLICY STATEMENT

- 2.1 Cheshire East Council recognises the need to protect employees and other relevant persons who may be present in any of the premises under its control from any fire-related risks associated with the work undertaken. To this end, the Authority is committed to complying with all relevant legal duties and obligations and will, so far as is reasonably practicable, ensure that measures are taken to minimise the chances of fire breaking out in the premises that it is responsible for. To achieve this, the Authority will:

- (a) Ensure that fire risk assessments are undertaken in order to identify the hazards present in the workplace.
- (b) Based on the outcomes of the fire risk assessments, develop and implement the appropriate policies and procedures
- (c) Ensure that sufficient resources are allocated in order to manage fire safety and to implement any recommendations arising from the fire risk assessment process.
- (d) Provide and maintain all fire prevention measures that have been identified and deemed to be necessary.
- (e) Provide appropriate information, instruction, supervision and training to employees, and where required to non-employees, such as temporary or contract workers.
- (f) Provide the employer of any person from outside the organisation (e.g. agency providing temporary staff) with clear and relevant information on any risks to those employees and the preventive and protective measures taken.
- (g) In the case of a multi-occupied complex, co-operate with any other responsible persons to ensure co-ordination of arrangements.
- (h) Consult with employees (or their elected representatives) regarding the nomination of persons to undertake particular roles in connection with fire safety and about any proposals for improving fire precautions.

2.2 It should also be noted that employees will be required to co-operate with the authority in order to ensure that the measures put into place to reduce the risk of fire and its effects work properly and that employees must not do anything that will place either themselves or other persons at risk.

### **3.0 ARRANGEMENTS FOR CORPORATE PREMISES**

- (a) The Chief Executive has overall responsibility for ensuring that the requirements of the Regulatory Reform Fire Safety Order 2005 are met with regard to all premises under the control of Cheshire East Council.
- (b) The Asset Management Section has the responsibility for providing reactive repairs and cyclical maintenance for all fire fighting equipment and fire safety systems.
- (c) On a day-to-day basis, the manager of the premises concerned will normally undertake the duties of the responsible person and will have sufficient training and experience or knowledge to be able to carry out this function properly. It is the responsibility of the Health and Safety Section and the Asset Management Service to provide the necessary support, instruction and training to enable the building managers to carry out their duties.

- (d) Fire Risk Assessments will be arranged by the Asset Management Service, and will be updated and reviewed on a regular basis. Particular attention will be paid to those at special risk such as disabled persons, those it is known have special needs and children. Consideration must also be given to any substances or preparations present which meet the criteria laid down in the Dangerous Substances and Explosive Atmospheres Regulations 2002, which classify certain materials as being explosive, oxidising, extremely flammable, highly flammable or flammable or any dust which can form an explosive mixture with air or an explosive atmosphere. The emergency services will be informed of any dangerous substances that may present a risk (e.g. gas bottles) should a fire break out on the premises.
- (f) It is the responsibility of building managers to draw up an evacuation plan for their respective buildings, and to put in place all necessary procedures to effect the plan. In addition they must ensure that the plan is practised by arranging recorded fire drills at least once every 6 months.
- (g) Building managers are required to ensure that personal evacuation plans are produced for any members of staff who have disabilities, and report to the Asset Management Service any necessary modifications to the building to assist the evacuation of persons with disabilities.
- (h) Building managers are required to arrange recorded weekly bell tests, and to report any defects including issues of alarm audibility to the Asset Management Service using the Helpdesk. **Failure of ancillary items such as failure of keypads to disengage, failure of lifts to ground or failure of doors to disengage should also be reported using the same procedure.**
- (i) Regular inspections will be carried out by the manager of the premises to ensure that all fire prevention measures identified by the assessment as being required for fire safety are in place, maintained and are still effective including suitable means of evacuating the premises and for contacting the emergency services. **Fire panels and escape routes must be checked along with ensuring that high standards of housekeeping are maintained.** Any defective fire safety equipment or fire safety systems must be reported to the Asset Management Service using the Helpdesk.
- (i) The manager of the building should ensure that all employees (and any other persons as necessary) are aware of their designated fire responsibilities and of who in their working area has been delegated other fire related functions such as that of fire warden. This information along with instruction in raising the alarm, escape routes and the operation of the evacuation plan must form part of the induction process for any staff new to the building.
- (j) The manager of the building shall put into place arrangements for consulting on a regular basis with the responsible persons for other organisations in any multi-occupied premises in which the Council employs staff or provides services.

- (k) The manager of the building must ensure that, for the area that they are responsible for, all employees, and where required non-employees such as temporary or contract workers, are provided with appropriate information, instruction, supervision and training in fire and fire-related matters.
- (l) Managers must also provide the employer of any person from outside the organisation (such as an agency providing temporary staff) with clear and relevant information on any risks to those employees and the preventive and protective measures that need to be taken.
- (m) Effective security precautions (such as secure boundaries, security lighting and intruder alarms) will be taken to minimise the risks of arson both within buildings and in the grounds of buildings owned by the Council.
- (n) Suitable control will be exercised over the operations of contractors employed on Council premises in order to minimise any fire risks associated with these operations. All contractors working on the Council's Premises will be required, under the terms of their contract, to comply with the Council's conditions for contractors. Where contractors are carrying out works on Council Premises and these works involve a risk of fire, then fire safety requirements will form an integral part of the contract and appropriate measures, including the use of a Hot Work Permit system must be implemented.
- (o) Testing and inspection of fixed installations and portable appliances will be carried out in accordance with the latest edition of the Electrical Engineers Regulations for Electrical Installations.
- (p) Appropriate measures will be taken to reduce the risk of ignition by electrical equipment or other sources of ignition in any areas where combustible dusts, flammable liquids or flammable gases are used or stored.
- (q) The use of personal electrical equipment such as fan heaters is prohibited in any of the Council's premises unless absolutely unavoidable and agreed with the manager/supervisor beforehand. On the rare occasions that this may be necessary then the equipment should carry a current PAT test label before it is to be used on the premises.
- (r) Arrangements will be put into place for any portable heaters (those provided by the Council only) to be inspected and tested by a competent person before use, sited so as to avoid any risk of ignition of combustible materials and returned to store after use. Under no circumstances should radiant bar electric fires be used in any of the Council's premises.
- (s) Smoking is prohibited on all Council premises and in all Council owned/leased vehicles.
- (t) Consultation will take place with employees (or their elected representatives) over the arrangements to be put into place to ensure adequate fire precautions are taken in premises owned or run by the Council. The normal forum for such consultation will be the Council's Corporate Health and Safety Committee

- (u) The Health and Safety Section and the Asset Management Service are responsible for inspecting premises to ensure that the requirements of the RRFSO continue to be met.
- (v) The Asset Management Service are responsible for ensuring that any remodelling of corporate premises meets the necessary legal requirements in respect of fire safety.
- (w) **Where an occupying service intends to remodel or make any changes to the layout or operation of the building, they must inform the Council's Asset Management Service using the Landlord Consent form.**

#### 4.0 ARRANGEMENTS FOR SCHOOL PREMISES

- (a) The Chief Executive has overall responsibility for ensuring that the requirements of the Regulatory Reform Fire Safety Order 2005 are met at community, voluntary controlled and special schools under the control of Cheshire East Council.
- (b) These schools have delegated funds with which to purchase the necessary services, either internally through the council, or externally through private organisations, to ensure the requirements of the RRFSO are met. It is therefore the direct responsibility of the Head Teacher and the Board of School Governors to ensure that the necessary services are purchased. Each school is therefore responsible for arranging reactive repairs and cyclical maintenance for all fire fighting equipment and fire safety systems at their respective premises. Schools must also ensure that external contractors they appoint to inspect fire fighting equipment and systems are competent to do so.
- (c) On a day-to-day basis, the Head Teacher will undertake the duties of the responsible person and will have sufficient training and experience or knowledge to be able to carry out this function properly. **When purchased through ChESS it is the responsibility of the Health and Safety Section and the Asset Management Service to provide the necessary support, instruction and training to enable the Head Teachers to carry out their duties.**
- (d) Fire Risk Assessments will be arranged by the Head Teacher, and will be updated and reviewed on a regular basis. **The school must ensure that the fire risk assessment is suitable and sufficient for the premises, and where the school is large and complex the Head Teacher should appoint a competent Fire Risk Assessor to undertake the risk assessment on the schools behalf.** Particular attention will be paid to those at special risk such as disabled persons, those it is known have special needs and the children. Consideration must also be given to any substances or preparations present which meet the criteria laid down in the Dangerous Substances and Explosive Atmospheres Regulations 2002, which classify certain materials as being explosive, oxidising, extremely flammable, highly flammable or flammable or

any dust which can form an explosive mixture with air or an explosive atmosphere. The emergency services will be informed of any dangerous substances that may present a risk (e.g. gas bottles) should a fire break out on the premises. The Head Teacher is required to arrange for any building works, or procedural issues identified within the fire risk assessment to be addressed.

- (e) It is the responsibility of the school to draw up an evacuation plan, and to put in place all necessary procedures to effect the plan. In addition they must ensure that the plan is practised by arranging recorded fire drills at least once every school term.
- (f) The school is required to ensure that personal evacuation plans are produced for any members of staff or children who have disabilities, and report to the Asset Management Service any necessary modifications to the building to assist the evacuation of persons with disabilities **in order that landlord consent may be obtained.**
- (g) The school is required to arrange recorded weekly bell tests, and to arrange for any defects including issues of alarm audibility to be addressed. **The school should also check that any ancillary equipment linked to the fire alarm is working properly e.g. door releases.**
- (h) Regular inspections are to be arranged by the Head Teacher to ensure that all fire prevention measures identified within the assessment as being required for fire safety are in place, maintained and are still effective including suitable means of evacuating the premises and for contacting the emergency services.
- (i) The school should ensure that all employees (and any other persons as necessary) are aware of their designated fire responsibilities and of who in their working area has been delegated other fire related functions such as that of fire Marshal. This information along with instruction in raising the alarm, escape routes and the operation of the evacuation plan must also form part of the induction process for any staff new to the building.
- (j) The school shall put into place arrangements for consulting on a regular basis with the responsible persons for other organisations who use the school premises. This is to include checking the fire risk assessment produced by the 'outside' organisation to ensure that any fire risks are suitably managed, and that the outside organisation is fully aware of the evacuation procedures for the building, including raising the alarm and the location of the escape routes.
- (k) The school must ensure that all employees, and where required non-employees such as temporary or contract workers, are provided with appropriate information, instruction, supervision and training in fire and fire-related matters.
- (l) The school must make a formal application to the Asset Management Service for 'Landlord's Consent' whenever remodelling or changes to the school layout are proposed. This will help ensure that the proposals meet legislative requirements in respect of fire safety.

- (m) The school should ensure that effective security precautions are in place to minimise the risks of arson.
- (n) The school should ensure that suitable control is exercised over the operations of contractors in order to minimise any fire risks associated with these operations. All contractors working on the Council's Premises will be required, under the terms of their contract, to comply with the Council's conditions for contractors. Where contractors are carrying out works on Council Premises and these works involve a risk of fire, then fire safety requirements will form an integral part of the contract and appropriate measures, including the use of a Hot Work Permit system must be implemented.
- (o) **When purchased through ChESS, the Health and Safety Section and the Asset Management Service are responsible for auditing school premises, and ensuring that the requirements of the RRFSO are being met.**
- (p) **Where a school fails to meet the requirements of the RRFSO, and the Asset Management Service becomes aware of this, the Asset Management Service will initially serve a formal improvement notice on the Head Teacher and agree a date for completion of the required improvements. If the school fails to undertake the improvements before the agreed date, the Asset Management Service can arrange the works and recharge the school.**

## 5.0 ADDITIONAL ARRANGEMENTS FOR MULTI-OCCUPIED PREMISES

- 5.1 A multi-occupied premises is a premises where different building managers control different parts of the same building or site, or where different organisations share a building or site on a permanent or temporary basis.
- 5.2 The arrangements set out above for corporate and school premises apply equally for multi-occupied buildings. However there are some additional requirements for this type of premises, and these are as follows:
  - (a) Each manager at a multi-occupied premises is required to share information with the other building managers concerning fire risk and the necessary control measures associated with his/her undertaking.
  - (b) Each manager at a multi-occupied premises is required to cooperate and coordinate with the other building managers in respect of evacuation procedures.
  - (c) Each manager at a multi-occupied premises is required to ensure that his/her staff take part in all jointly arranged fire drills.
  - (d) All managers at a multi-occupied premises must jointly identify an individual(s) who will be responsible for arranging and coordinating recorded fire drills and weekly fire alarm tests.

5.3 In addition to the above policy, the following documents should also be read:

- (a) The Council Policy on Fire Procedures/Emergency Evacuation
- (b) Council Guidance Notes on Fire Safety - both the generic notes and those pertaining to specific areas such as Childrens Services.
- (c) The Council's Smoke Free Workplace Policy
- (d) Fire Safety Inspection Checklist

## **6.0 EVALUATION AND REVIEW**

6.1 This document shall be monitored, and reviewed biennially to evaluate its effectiveness. The document shall be revised as necessary, and in light of such evaluation.

END OF POLICY

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## CHESHIRE EAST COUNCIL

### Staffing Committee

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**Date of Meeting:** 23<sup>rd</sup> October 2014  
**Report of:** Phil Badley, Interim Head of HR  
**Subject/Title:** HR and Organisational Development

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#### **1.0 Report Summary**

1.1 To update the Committee on progress with Human Resource and Organisational Development (OD) items.

#### **2.0 Recommendation**

2.1 To note the report.

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

3.1 To ensure Members are kept up to date with HR and OD developments and that the newly adopted terms of reference are followed.

#### **4.0 Wards Affected**

4.1 No specific wards affected.

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

5.1 Not applicable.

#### **6.0 Policy Implications**

6.1 No significant risks identified as a result of this update report. Risks relating to specific issues will be dealt with separately.

#### **7.0 Financial Implications**

7.1 No direct implications arising from this report.

#### **8.0 Legal Implications**

8.1 No direct implications arising from this report.

## **9.0 Risk Management**

9.1 No significant risks identified as a result of this update report. Risks relating to specific issues will be dealt with separately.

## **10.0 Organisational Development**

### **10.1 Staff Survey 2014**

Work continues on taking forward actions to build on the findings of the staff survey run earlier this year. The outline work programme in Appendix 1 recognises that there are many factors which contribute to building an engaged workforce. The key is to ensure all employees understand, live and consistently experience the Council values as well as an effective communications strategy to allow upward, lateral and downward communication and engagement. The aim being to ensure all employees feel valued, connected and their comments on suggested improvements/problems are actioned. The work programme includes a range of manager and corporate actions which are underway and ongoing as well as a programme of further engagement activities planned over the next 12 months.

### **10.2 Our Values and Behaviours**

Following the recent launch of our Resident's First values, a framework of behaviours defining our values in action has been developed for managers and staff to be used in a range of people processes, for example, performance development, performance management, recruitment and progression. To support the launch of the behaviours a series of behaviours and performance workshops are being run for managers, team leaders and supervisors to enable them to engage and explain to their teams.

### **10.3 Making a Difference – Employee Recognition**

The recently launched Making a Difference Employee Recognition Scheme has got off to a great start. During the first two months we have had a very positive response to the nominations for employee and team of the month. In addition, more than 50 "made my day" instant recognition acknowledgements are being sent to colleagues within and outside of the Council each month. Preparations are now under way for the celebratory event in December where employee, team and manager of the year will be announced, alongside a special members choice award.

### **10.4 Coaching for Innovation, Change and Performance**

Recognising that the world of work is complex, constantly changing and placing increasingly tough demands on all employees, leaders and managers who need a broad portfolio of management and leadership tools and techniques to do their job effectively. Coaching is a particularly powerful tool that has proven to be a highly effective way of developing

individual and organisational performance by unlocking capability, building confidence and increasing ownership.

A “Coaching for Innovation, Change and Performance” development programme has recently been piloted involving a mix of managers from senior managers through to team leaders. Feedback from the pilot has been very encouraging and early indications are showing that taking a coaching approach is having a positive impact in terms of increased ownership, making breakthroughs on issues and releasing potential.

## **11.0 HR Policies**

### **11.1 Leave and Time Off Policy (Amended) (Foster Carers)**

The Leave and Time off Policy is being amended to also assist employees who are Foster Carers to take paid time off work (up to 5 days). This will help the foster child/children to settle into their new environment, and will assist Foster Carers to attend appointments with professionals. This policy amendment supports the Council’s pro-active approach to Foster Caring across the Borough.

## **12.0 Voluntary Redundancies**

12.1 The Council’s voluntary redundancy scheme continues to support organisational change and the delivery of the planned programme of change in the Council Plan. The effective use of voluntary redundancy in this way enables the Council to achieve its planned savings and efficiencies and also helps to maintain good employee relations within the Authority and minimises the prospect of compulsory redundancy.

12.2 Twelve people have left the Council under voluntary redundancy terms in Quarter 2, six of whom held posts within the management grades (Grade 10 or above). The total severance costs, for all twelve employees were £440,300, inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £2,775,630 (which is the combined accumulated costs of the deleted posts).

## **13.0 Workforce Development and Apprentices**

### **13.1 Towards Excellence Training Programme**

Provision of 200+ blended learning sessions to ensure employer responsibilities met, including all statutory requirements (Fire, Health & Safety and Equality & Diversity) and mandatory requirements (data protection, safeguarding & risk management) continues for all CEC employees, ASDVs and Private, Voluntary and Independent (PVI) sector (4000 + delegates).

### **13.2 Virtual College**

Delivery of City & Guilds accredited vocational courses in Health and Social Care, Business Administration and ATE (Adult Teaching) continues to

support mainly Adult Services with Level 2, 3 & 4 qualifications (200 delegates).

### 13.3 **CEC Management Institute of Excellence**

Nationally recognised qualifications: Creation of 4 cohorts of ILM Nationally recognised qualifications delivered to CEC employees at level 3 for “Aspiring” and newly appointed managers, level 5 for experienced managers and **Leading ladies** cohort to promote specific management roles for women and highlight equal opportunities within CEC and liaising with MMU to enhance the qualification with specific Children Social Care Management requirements (150 delegates).

Business management programme of workshops and networking events available to all CEC managers looking to improve commerce and enterprise skills.

### 13.4 **Professional Development Academy**

Supporting undergraduate students in statutory practical experience environments during university course / study.

Providing internship opportunities for university graduates seeking long term employment.

Ensuring all graduate employees receive adequate support in their first CEC role.

Addressing all regulatory professional body requirements for social workers, Approved Mental Health Practitioners (AMHP), occupational therapists and educational psychologists. Designing accredited workshops and conferences in conjunction with principal managers, visited by England’s Chief Social Worker and selected for inclusion in her annual address.

### 13.5 **Apprentices & Work Experience Programme**

The Council is providing 200+ work experience sessions for young adults and school children and arranging 50 apprenticeship pathways for school and college leavers into employment.

## 14.0 **Education HR Consultancy**

14.1 The consultancy has launched two levels of service from September 2014, Gold and Silver with the Silver Service having a limit on the amount of time that can be spent providing on-site support to schools and academies. The Gold Package retains the no limit for on-site support 104 schools have chosen to buy back the Gold Package and 32 have chosen the Silver Package. Total buy back this year equates to 90% which represents a slight reduction on last year due to a number of Primary Schools joining Multi Academy Trusts which provide HR support.

- 14.2 The team has updated or developed numerous model policies for schools and academies over the past 12 months including Model Pay Policy for Teachers and Support Staff, Support Staff Appraisal Scheme, Management Guidance on Restructuring and Redundancy.
- 14.3 Policies and Procedures currently being developed include Recruitment and Selection incorporating Safe Recruitment, Whistleblowing, Leave of Absence, Parental Leave, Capability Procedure for Support Staff.
- 14.4 In addition, the team has been commissioned to deliver Performance Related Pay Training for Governors and has also developed and delivered training events for Headteachers and other school/academy based managers, this area of the business has increased over recent years and this is predicted to continue.

## **15.0 HR Policy Review**

- 15.1 A Working Group was established comprising: Cllr Barry Moran, Portfolio Holder, Cllr Roland Domleo, Chairman of Staffing Committee, Julie Davies, the then Head of People and OD, Scott Hopper, HR Strategy Manager. to carry out an end-to-end review of the Council's disciplinary policy and procedure to ensure that the Council's Disciplinary policy and procedure is fit for purpose and suitable for the ongoing and changing needs of the Council. The review included the following Council policies and procedures: Disciplinary, Dignity at Work, Whistle blowing, Code of Conduct.
- 15.2 An external advisor was commissioned to support the review of the policies and propose amendments to the working group. Internal legal advice has been taken during the process of review.
- 15.3 The review has recommended changes which are now being consulted with the Corporate Leadership Board and the recognised Trades Unions prior to implementation. The changes are summarised as follows:

### Disciplinary Procedure

- Enable management to appoint external specialist investigator as necessary, but in particular in relation to alleged sexual abuse or assault.
- In cases of alleged sexual abuse or assault enable the Manager responsible for the case to appoint an external expert as chair, to act as an advisor to the officer panel, and support to responsible manager in reaching a conclusion in relation to the allegations and the sanctions.

### Dignity at Work

- The Dignity at Work procedure has been merged with the grievance procedure to enable flexibility, and avoid duplication in process. The process itself is fundamentally unchanged with the exception that the investigators report will in future be disclosed in full to the complainant.

- The revision renames the process the Grievance and Harassment Procedure.
- A revised Grievance and Harassment Policy document has been produced to align the two procedures.

Whistle blowing Policy

- As a result of this particular review no changes were recommended.

Officer Code of Conduct

- As a result of this particular review, no changes were recommended.

15.4 An update on implementation will be provided to the next Staffing Committee meeting.

## 15.0 HR Performance Data

FTE by Directorate – Quarter 2 14-15 (July-August-September 2014):

<b>Directorate/Service</b>	<b>Employee FTE Jul-14</b>	<b>Employee FTE Aug-14</b>	<b>Employee FTE Sep-14</b>
Public Health	15.5	15.5	15.5
Media (Communications and PR)	12.0	12.0	11.0
Strategic Commissioning	2119.9	2121.2	2114.2
Adults Social Care & Independent Living	868.6	872.9	869.0
Children's Services	750.1	752.5	753.0
Commissioning and Client Support <sup>o</sup>	53.1	52.1	54.7
Communities	447.1	442.7	436.4
Chief Operating Officer	516.7	518.4	515.2
Commissioning	42.5	42.5	44.5
Corporate Resources and Stewardship	289.2	287.0	285.2
Democratic Services and Governance	60.5	61.5	58.5
Legal Services	36.0	37.1	37.1
People and OD	52.2	54.9	51.3
Apprentices / Graduate Trainees	35.4	34.4	37.7
Economic Growth & Prosperity	292.1	297.8	297.7
Assets	29.5	29.5	28.5
Investment	74.4	75.5	76.8
Strategic and Economic Planning	100.2	100.3	100.8
Strategic Infrastructure	9.0	9.0	9.0
Visitor Economy, Culture and Tatton Park	78.0	82.5	81.5
<b>Cheshire East Council Total</b>	<b>2957.2</b>	<b>2965.9</b>	<b>2954.5</b>

\*: Employees with multiple assignments across services will appear in the headcount figures for each service, but will be counted only once in the total (CE) headcount figure. □: Includes Integrated Safeguarding – not included in Adults Social Care to avoid double counting. <sup>o</sup>: Includes PROW, Countryside and PATROL.

FTE by Directorate – Quarter 2 13-14 (July-August-September 2013):

Directorate/Service	FTE		
	Jul-13	Aug-13	Sep-13
Places	1461.8	1449.5	1437
Children's Services	788	786.3	774.5
Adults	1009.6	1005.3	998
HR & OD	42.2	42.2	42.2
Apprentices	49.2	44.2	41.1
Finance	230.4	232.4	228.6
Legal and Democratic Services	84	83.5	84.9
Shared Services	136.2	133.6	133.2
<b>Total</b>	<b>3801.4</b>	<b>3777</b>	<b>3739.5</b>

The new Oracle HR Organisation Structure was implemented within Oracle in September 2014, the FTE/Headcount and Absence figures presented are no longer directly comparable between financial years; the FTE by Directorate information for 2013-14 is presented in the old Directorate/Service groups, whilst the 2014-15 information is presented in the new Directorate/Service groupings.

Headcount/FTE trend (whole council – excluding schools and casuals)

Date	Headcount	% change from previous year	FTE	% change from previous year
30 Apr 2009	6,522	n/a	4891.5	n/a
30 Apr 2010	6,155	-5.63	4582.8	-6.31
30 Apr 2011	5,860	-4.79	4385.4	-4.31
30 Apr 2012	5,449	-7.01	4080.2	-6.96
30 Apr 2013	5,103	-6.35	3880.7	-4.89
30 Apr 2014	4,403	-13.72	3232.7	-16.70
Date	Headcount	% change from previous month	FTE	% change from previous month
28 Feb 2014	4,853	n/a	3652.1	n/a
31 Mar 2014	4,828	-0.52	3631.4	-0.57
30 Apr 2014	4,403	-8.80	3232.7	-10.98
31 May 2014	3,960	-10.06	2951.8	-8.69
30 Jun 2014	3,960	0.00	2952.5	0.02
31 Jul 2014	3,960	0.00	2957.2	0.16
31 Aug 2014	3,976	0.40	2965.9	0.29
30 Sep 2014	4,011	0.88	2954.5	-0.38

Between April 2009 and September 2014 the Cheshire East employee headcount (excluding schools and casuals) has reduced by 38.5% (a 39.5% reduction in FTE employees); between July and September 2014 the employee headcount has however increased by 1%, with the largest increase

(5.5%) in headcount occurring within Children's Services, resulting predominantly from the recruitment of Kitchen Assistants in Education and Catering Services at the start of the new school year.

On 1st April 2014, 351 employees (334 FTE) TUPE transferred to ANSA and 24 employees (23.8 FTE) TUPE transferred to Orbitas. On 1st May 2014, 693 employees (193.3 FTE), including casuals, TUPE transferred to ESAR and 106 employees (100.7 FTE) TUPE transferred to CoSocius.

Leavers – Quarter 2 14-15 (July-August-September 2014):

Reason for leaving	Headcount of leavers
Resignation	83
Retirement (Normal Retirement – 60/65, Early Retirement – Request, Late Retirement – Over 65, Ill Health Retirement with Benefits)	12
Voluntary Redundancy	11
End of Fixed Term/Contract without Benefits	2
Disciplinary	2
Mutual Termination	3
TUPE Transfer	1
<b>Total</b>	<b>114</b>

Excluding TUPE transfer staff, the Cheshire East staff turnover between July and September 2014 (*only*) was 2.84% (113 leavers divided by 3982 (average) headcount). 72.8% of all leavers during Q2 in 2014-15 left as a result of resignations, 10.5% due to retirements and 9.6% Voluntary Redundancy. **Please note:** these figures reflect reasons for leaving recorded in the Oracle employee database.

Working days lost due to sickness absence

Figures for absence are (*calculated*) days lost to sickness absence per FTE employee

**Cumulative Absence - year to date figure:**

Period	July	August	September
Q2 2014-15	3.79	4.63	5.58
Q2 2013-14	3.49	4.35	5.26

**Absence within month:**

Period	July	August	September
Q2 2014-15	1.05	0.91	1.00
Q2 2013-14	0.92	0.94	0.97

Over the second quarter in 2014/15 the cumulative average days lost to sickness was slightly higher than the previous financial year.

HR Casework

Summary of formal case work figures for July-September 2014

	Capability	Disciplinary	Grievance	Dignity at Work
Ongoing cases in progress continued from previous quarter	4	9	1	0
New cases opened this quarter and in progress	1	8	5	3
Cases closed this quarter	1	7	0	1

**Note:** Capability – as managers may start this process independently HR may not have every case recorded, unless there are complexities/sensitivities.

## 16 Access to Information

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

Name: Phil Badley  
 Designation: Interim Head of HR  
 Tel No: 01270 686328  
 Email: [phil.badley@cheshireeast.gov.uk](mailto:phil.badley@cheshireeast.gov.uk)

**Appendix 1****Employee Survey 2014 - Work Programme**

<b>Areas for improvement</b>	<b>Activities underway / ongoing</b>	<b>Outline proposals and timeframes</b>
Leadership engagement	<ul style="list-style-type: none"> <li>• CEX First Anniversary report</li> <li>• Manage by walking about</li> <li>• Service led forums, events and roadshows</li> <li>• Trade union meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Staff conferences - <b>Nov/Dec annually</b></li> <li>• Leadership conferences – <b>May / June annually</b></li> <li>• Senior manager 360 degree feedback – <b>pilot / rollout 2015</b></li> </ul>
Involvement & feeling valued	<ul style="list-style-type: none"> <li>• Making a Difference recognition scheme</li> <li>• Supervision and PDRs</li> <li>• Management practices.</li> <li>• Business improvement (lean) programme</li> <li>• Staff suggestion scheme</li> <li>• First values and behaviours launch</li> <li>• Manager as coach</li> <li>• Employee assistance programme</li> <li>• Stress and resilience working group</li> </ul>	<ul style="list-style-type: none"> <li>• Re-launch staff suggestion scheme – <b>tbc</b></li> <li>• Dragons Den – <b>tbc 2015</b></li> </ul>
Cross team working	<ul style="list-style-type: none"> <li>• Project / collaborative working across the Council</li> </ul>	<ul style="list-style-type: none"> <li>• Manager forums – <b>pilot Q1 2015</b></li> <li>• Thematic groups staff conference - <b>Nov/Dec 14</b></li> </ul>
Reward and career development	<ul style="list-style-type: none"> <li>• Towards excellence development programme</li> <li>• Management institute of excellence programme</li> <li>• Festival of learning</li> <li>• Skills and qualifications audit / profile</li> <li>• Learning Lounge upgrade</li> <li>• Range of flexible working practices</li> <li>• Range of employee benefits</li> <li>• Performance related pay senior managers</li> </ul>	<ul style="list-style-type: none"> <li>• Total rewards strategy – <b>2015</b></li> <li>• Employee benefits platform - <b>tbc</b></li> <li>• Introduction talent reviews and succession planning – <b>Q2/3 2015</b></li> <li>• Leadership talent programmes – <b>Q2/3 2015</b></li> <li>• Career development portal – <b>Q2/3 2015</b></li> <li>• Individual coaching and mentoring offer – <b>Q2/3 2015</b></li> <li>• Agile working project - <b>2015/16</b></li> </ul>
Morale and future	<ul style="list-style-type: none"> <li>• Team talk and team talk back</li> <li>• Service communications</li> </ul>	<ul style="list-style-type: none"> <li>• Internal communications strategy - <b>tbc</b></li> <li>• Mini employee survey <b>early 2015</b></li> </ul>

**Principles**

- Build on strengths
- Manager ownership and practice is key
- Focus as much on leveraging ongoing activities as new ones
- Activities will impact across a number of areas for improvement
- First values and behaviours underpin building employee engagement

**Keeping our finger on the pulse**

- Re-run mini survey in New Year
- Re-run full survey 2016

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## CHESHIRE EAST COUNCIL

### Staffing Committee

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<b>Date of Meeting:</b>	23 October 2014
<b>Report of:</b>	Chief Operating Officer (Section 151 Officer)
<b>Subject/Title:</b>	2015/16 Pre-Budget Report

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#### 1.0 Report Summary

- 1.1 Cheshire East Council is engaging stakeholders in the Budget Setting Process for 2015/16 at a much earlier stage than before. This enables the Council to develop a set of high level proposals to respond to the estimated levels of funding available in the medium term. The proposals were in the Pre-Budget Report 2015/16.
- 1.2. This report introduces the Pre-Budget Report 2015/16 to the Staffing Committee. The budget will be set by Council in February 2015, once the open and transparent process of consultation is complete. All stakeholders are invited to comment and offer alternative proposals on how the Council can continue to put residents first and target scarce resources to the areas of most need.
- 1.3. The Pre-Budget Report gives details of how the Council currently intends to vary existing budgets to continue to maintain viable and sustainable services to local people. Significantly the report sets out proposals to:
  - i. Freeze Council Tax for a fifth consecutive year.
  - ii. Enter in to no additional borrowing in 2015/16.
  - iii. Maintain appropriate reserves levels that protect against risks.
  - iv. React to changes in demand and existing budget proposals that can reduce net expenditure by £6.6m, including:
    - a. Increasing spending in Adult Services.
    - b. Forecasting income from growth in the tax base and increasing returns on investments.
    - c. Reducing overall spending in all other service areas by targeted interventions.
- 1.4. By engaging on the Pre-Budget Report from September 2014 the Council is demonstrating continuing improvements in financial planning, control and transparency. This early opportunity to comment on proposals is 3 months ahead of the process followed in 2013, and presentations have already been made to Members in July and August.
- 1.5. Comments received throughout the process will support Cabinet in developing the recommendations for a balanced budget to be agreed in February 2015. Stakeholders are therefore being provided with an opportunity to not only consider the proposals in the report but also to consider additional recommendations for consideration as potential budget variations.

- 1.6. Early responses to the Council's proposals support the strong process to achieve a balanced financial position and put residents first. This is important as Cheshire East is the third largest Council in the Northwest of England, responsible for over 500 services, supporting over 370,000 local people. Meeting the complexity of demand from local people requires annual spending in the region of £750m.
- 1.7. The Council's journey to becoming a strategic commissioning council is now well developed and 2015/16 will be the final year of the Council's 3 year plan. The Pre-Budget Report further demonstrates how the Council is continuing with its approach to dealing with the challenges of austerity. This approach provides a platform to redefine and reinvent the Council in a systematic way. The Council's focus is to deliver a high level of sustainable, quality, and cost effective services that are needed by Cheshire East residents and businesses.
- 1.8. This builds on the strong financial performance of the Council during 2013/14 as independently confirmed by the recent External Audit Report. The Council received an unqualified Value for Money conclusion on its arrangements to secure economy, efficiency and effectiveness in its use of resources and was praised for managing its finances effectively within its budget.
- 1.9. The attached report, **Annex 1**, is structured into these important sections:

<b>Pages 1 to 9</b>	<b>Introduction and Comments from the Finance Portfolio Holder and the Chief Finance Officer.</b>
<b>Pages 10 to 24</b>	<b>Details on proposals to vary the Council's current budget.</b>
<b>Pages 25 to 39</b>	<b>Information about important dates and financial estimates that inform the overall process for budgeting.</b>

## **2.0 Recommendations**

- 2.1 Staffing Committee are asked to:
  - a. note the contents of the Pre-Budget Report 2015/16 as provided at **Annex 1**, and:
  - b. Consider alternative areas that could require further analysis by Cabinet.

Notes from the meeting will be fed back to Cabinet in support of the overall process to provide a balanced 2015/16 budget.

## **3.0 Reasons for Recommendations**

- 3.1 The Council's annual budget forms part of the overall Medium Term Financial Strategy of the Council and is a key decision. The Pre-Budget Report 2015/16 provides an early indication of proposals to vary existing plans. Feedback on these proposals, from stakeholders, is requested to ensure a robust process is achieved.

3.2 Feedback from Members of the Staffing Committee provides insight and analysis that supports the overall legal requirement for the Council to set a balanced annual budget.

#### **4.0 Wards Affected**

4.1 All

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

5.1 All

#### **6.0 Policy Implications**

6.1 The report outlines proposals that may affect the medium term policies of the Council.

#### **7.0 Financial Implications (Authorised by the Chief Operating Officer)**

7.1 The current medium term financial forecast highlights a potential revenue deficit of £6.6m in 2015/16 and £15.4m in 2016/17. The report specifically includes financial proposals that are intended to lead to the balancing of the 2015/16 budget support a reduction in the deficit for 2016/17.

7.2 The Chief Operating Officer (as Section 151 Officer) has a responsibility to ensure the annual budget is balanced, includes robust estimates and is supported by adequate reserves.

7.3 The rolling three year Medium Term Financial Strategy of the Council has moved forward to consider the period 2015/16 to 2017/18. The Pre-Budget Report sets out proposals to address 2015/16, however, there is an identified funding gap for 2016/17 and the expectation of further austerity measures in 2017/18.

7.4 The on-going impact of the proposals in the Pre-Budget Report, including the revised estimates surrounding the taxbase, will help to reduce future financial deficits.

#### **8.0 Legal Implications (Authorised by the Head of Legal Services)**

8.1 The Council has legal responsibilities to provide local services that will be funded from Council resources.

#### **9.0 Risk Management**

9.1 Performance and risk management are part of the management processes of the Authority. Risks are captured both in terms of the risk of underperforming and risks to the Council in not delivering its objectives for its residents, businesses, partners and other stakeholders. Risks identified in this report will be used to inform the Corporate Risk Register.

## 10.0 Background

10.1 Each year the Council operates a rolling Business Planning Process to match resources with service needs by consideration of the Council's priorities, risks and targeted service changes. The process addresses these requirements through four stages:

- **Set parameters** ~ assess funding levels through reviewing corporate funding assumptions in relation to Council Tax etc and agree the Council's priorities going forward.
- **Gather Evidence** ~ develop proposals to manage the reduction in resources and additional growth pressures through changes to services, efficiency savings, increasing income etc.
- **Consult and Refine** ~ share the proposals with Members and interested parties for comment and an invitation for further suggestions for making savings. Further internal challenge will develop the detail behind the proposals.
- **Approve** ~ Finalise the funding position and proposals. Cabinet and Council set the Budget.

10.2 This year has seen a significant change to the process to develop proposals much earlier in the year. This provides an opportunity for the "**Consult and Refine**" stage to share those proposals with interested parties at a much earlier stage, and allow more time for engagement (including use of social media) and to consider the feedback.

10.3 The proposals have been released in the Council's Pre-Budget Report which is attached as **Annex 1** to this report.

10.4 Further details on the process to date and the timetable to approval are set out in the Pre-Budget Report at pages 25, 26 and 39 respectively.

10.5 The Council continues to face financial challenges in the medium term and the position for 2016/17 and 2017/18 will be refined as the full impact of the 2015/16 proposals is understood and further information on funding levels is released.

## 11.0 Access to Information

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

Name: Peter Bates  
Designation: Chief Operating Officer, (Section 151 Officer)  
Tel No: 01270 686013  
Email: peter.bates@cheshireeast.gov.uk

# Pre-Budget Report

**2015/16**

Page 41

**September 2014**

This document is available to download on the Cheshire East Council website, it has been distributed to Cheshire East Councillors and provides an opportunity for interested parties to review and comment on the Council's Budget proposals.

You can give feedback on the proposals in this report by speaking to your local Councillor – visit [Find Your Local Councillor](#) on the Cheshire East Council website for contact details.

Comments on this document are welcome until the end of October 2014.

You can also send any comments, queries or other responses to the email address below - all responses will be captured and reported to Cabinet Members and Council. When submitting a response or comment, please also include your name, organisation (if applicable) and contact details.

If you have any comments or queries please e-mail

[shapingourservices@cheshireeast.gov.uk](mailto:shapingourservices@cheshireeast.gov.uk)

After this date, interested parties may still submit comments on the budget up to the Council meeting in February 2015 where the Budget is considered by all Members.

# Foreword from the Finance Portfolio Holder

Cheshire East Council puts local residents and businesses first, always trying to deliver better outcomes from a reducing level of resources. The main priority of our financial planning is to keep costs down and provide maximum value for money.

The development of the 2015/16 Budget will ensure that the good work in creating community hubs in our main towns, improving infrastructure through road schemes and further rolling out of superfast broadband will continue.

The budget will also focus on enhancing our early intervention in care services and support for children and adults, for example further promotion of fostering for children as well as assisting people to stay independent and in their homes for longer.

Council Tax has not been increased for four consecutive years, and this Pre-Budget Report for 2015/16 plans to continue this trend and extend the freeze for a fifth consecutive year. We know how important it is to try to help ease the pressure on the running costs of every household.

Financially the Council is in a strong position. Spending is well controlled within budget, and general reserves are adequate to protect the Council against risk as well as to support investment opportunities. Even with the significant level of planned capital investment, there is no intention to increase our level of borrowing next year. We will maximise external funding opportunities for the direct benefit of our local residents, businesses and visitors.

The capability of the Council to achieve better outcomes continues to improve through the commissioning of providers who offer 'best fit' local services. The commissioning model that supports this approach will continue to be enhanced.

The Council's wholly owned companies will also start to explore commercial opportunities and greater innovation to further improve value for local people.

It is also worth recognising that next year is an important year for democracy with local and general elections taking place in May 2015.

The recent track record for Cheshire East Council has been one of continued improvement of local services despite the scale of financial challenges across the sector.

I am confident we will set a robust budget again and then spend within it. I look forward to receiving feedback on our approach and on the proposals included in this document. If you have any ideas for savings or income generation that you wish us to consider then please share them as part of this consultation exercise.

*Peter Raynes*

Cllr Peter Raynes,  
Finance Portfolio Holder



# Comment from the Chief Operating Officer

Local government continues to go through a period of unprecedented change and financial challenge. This Pre-Budget Report provides further evidence of how Cheshire East Council is addressing these risks and creating sustainable affordable services based on local needs.

The financial planning arrangements for 2012/13 and 2013/14 provided a solid foundation for the future. We continued to build on this good practice during the development of the Budget for 2014/15, providing increased confidence and assurance over the strong financial management of the Organisation.

I believe we have improved the process again and the outline proposals set out in this report are robust and are being shared much earlier than in previous years. This is designed to encourage feedback and engagement with all stakeholders.

Maintaining strong governance and stewardship is vital to control costs and improve or maintain services for local residents. It is clear that the level of resources available to Local Government and Cheshire East Council will continue to reduce for the foreseeable future.

The current financial performance of the Organisation during these difficult times is impressive but many more challenges and difficult choices lie ahead.

The Council is committed to continue to exploit opportunities to revolutionise service delivery arrangements. This is based on the belief that we can create the right arrangements so that the provider can be more focused, innovative and get closer to the resident to better understand their needs and therefore deliver at a better price.

A lot of change is already programmed and this will be closely monitored against best practice. I will be carrying out significant benchmarking during 2014, and further plans will emerge in the future that keep Cheshire East as the best place to live in the North West.

*PJ Bates*

**Peter Bates** CPFA CIPD MBA

Chief Operating Officer  
(Section 151 Officer)



# Overview of Pre-Budget Report 2015/16

## Putting Residents First

### **Achieving the Council's Five Outcomes through improved value in services**

Cheshire East Council provides more than 500 services, supporting over 370,000 residents, and over 17,500 businesses.

### **Children and Families**

- Continuation of existing programmes to improve adoption and fostering
- Move to in-borough provision of residential care

### **Adult Social Care and Independent Living**

- Commission residential respite from the private sector
- Examine full cost recovery for care beds and other care services
- Review contracts and continue efficiency programme

### **Public Health and Wellbeing**

- Integrate spending with relevant providers to deliver better services at appropriate cost
- Continue the process of re-tendering services
- Review management fees for service delivery vehicles

### **Highways and Environmental**

- Secure the planned quality improvements and cost reductions
- Review management fees through new companies

### **Communities**

- Continue programme to improve customer service functions
- Examine commercial opportunities
- Review costs and income to reduce or remove subsidies

### **Economic Growth and Prosperity**

- Achieve energy project targets
- Consider capitalisation of appropriate costs
- Continue to rationalise Council assets

### **Chief Operating Officer**

- Reducing the costs of Council buildings
- Procurement challenges to save on goods and services
- Analysing and reacting to benchmarking data

### **Financial Stability**

- Council Tax frozen for the fifth year in a row
- No increase in external borrowing
- Sound platform of delivering to budget in 2012/13 and 2013/14
- Reducing Pension costs
- General Reserves to remain appropriate

### **Enhanced Budget Processes**

- Significant improvement to timescale for developing and sharing draft Budget Proposals
- Greater elected Member input
- Extended stakeholder engagement
- Development of internal challenge processes
- Maintaining direction of travel towards improved finance and performance reporting

# The financial challenge ahead:

## Medium Term Financial Strategy as at 27<sup>th</sup> February 2014

Forecasts presented to the Council in February 2014 highlighted potential budget deficits in the medium term. Proposals in the Pre-Budget Report focus on eliminating the short term deficit, whilst building financial resilience for the future.

	2014/15 £m	2015/16 £m	2016/17 £m	Two Year Change £m	Two Year Change %
<b>Commissioning</b>					
Children and Families	54.3	52.5	53.0		
Adult Social Care and Independent Living	94.8	96.7	96.0		
Public Health and Wellbeing	1.6	1.8	2.2		
Highways and Environmental	39.0	38.2	37.4		
Communities	10.5	9.3	9.3		
Economic Growth and Prosperity	14.8	13.5	12.9		
Chief Operating Officer	42.0	41.9	43.1		
Other (Including Capital Financing)	14.6	15.6	15.0		
<i>Additional Reductions to Close Funding Deficit in 15/16</i>			-6.6		
<b>Estimated Service Budgets</b>	<b>271.6</b>	<b>269.5</b>	<b>262.3</b>	<b>-9.3</b>	<b>-3.4%</b>
<b>CENTRAL BUDGETS</b>					
Government Grants	-104.3	-95.6	-79.6	24.7	-23.7%
Council Tax	-167.3	-167.3	-167.3	0.0	0.0%
<b>TOTAL: Central Budgets</b>	<b>-271.6</b>	<b>-262.9</b>	<b>-246.9</b>	<b>24.7</b>	<b>-9.1%</b>
<b>Potential Funding (Surplus) / Deficit</b>	<b>0.0</b>	<b>6.6</b>	<b>15.4</b>		

Source: Cheshire East Finance

Note

This table sets out the Medium Term Financial Strategy before any additional growth or savings, referred to later in the report, have been factored in.

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# 1. Meeting the Council's Priorities

Cheshire East Council is responsible for delivering more than 500 local public services across an area of over 1,100km<sup>2</sup> for over 370,000 residents. The budget to deliver these services in the period April 2015 to March 2016 will be over £750m, which is raised from a combination of local taxes, national taxes (in the form of government grants) and payments direct from service users and other organisations.

Continuing to improve services and provide better outcomes for local people within reducing funding levels requires constant challenge to the way services are provided. In order to plan good quality services that meet people's needs the Council reviews priorities, consults and analyses data. This section provides details on the Council's service delivery arrangements and describes the more significant proposals for existing services.

The following three pages set out some of Cheshire East Council's achievements over the last year, as detailed in the Council's Outturn Report, the Three Year Council Plan as agreed by Council on 28<sup>th</sup> February 2013, and the engagement plan for the current budget setting process. The Council Plan details its "Residents First Outcomes" which form the starting point for development of any proposals. The proposals in this report reflect the Council's ambition to achieve these outcomes.

The engagement schedule identifies who is being consulted with as part of this budget development process.

These pages are followed by further detail for each of the Council's service areas and corporate initiatives. Each page sets out key facts and figures (including the net budget) and narrative on what services are delivered. This is followed by details on the proposals for changing the budget and the broad financial impact. A range has been shown to acknowledge further work is underway to develop the ideas and that consultation may result in changes to the detail of the proposals which may change the final value built into the budget. Service pages also set out the relevant performance indicators that would demonstrate successful performance together with some of the key challenges and opportunities facing each service.



New companies set up in development and leisure

Over 57,000 potholes repaired in 2013 and claims from pothole damage have significantly reduced  
56,270 gullies cleaned in 2013  
28% reduction in fleet emissions since 2008/09

**No Council Tax increase for four years**

87.3% Good or Outstanding Schools  
Adults with NVQs – up in 2013 to 58.4%  
Outstanding Youth Offending Service  
Best Local Authority  
Adoption Service of the year  
Over 5% increase in Grades A-C since 2009/10 (inc English and Maths)

Business birth and survival rates continue to increase – 92.5%  
'One year Business Survival Rate' for 2013/14  
One of only three new business hotspots outside London

## Talking about 2013/14

500,000 calls to the contact centre  
Over 4,000,000 website hits

Only 1.8% benefits claimant count  
Best in the North West – only 3.4% of population are Not in Education, Employment or Training

**Nearly 2,000,000 library visitors**

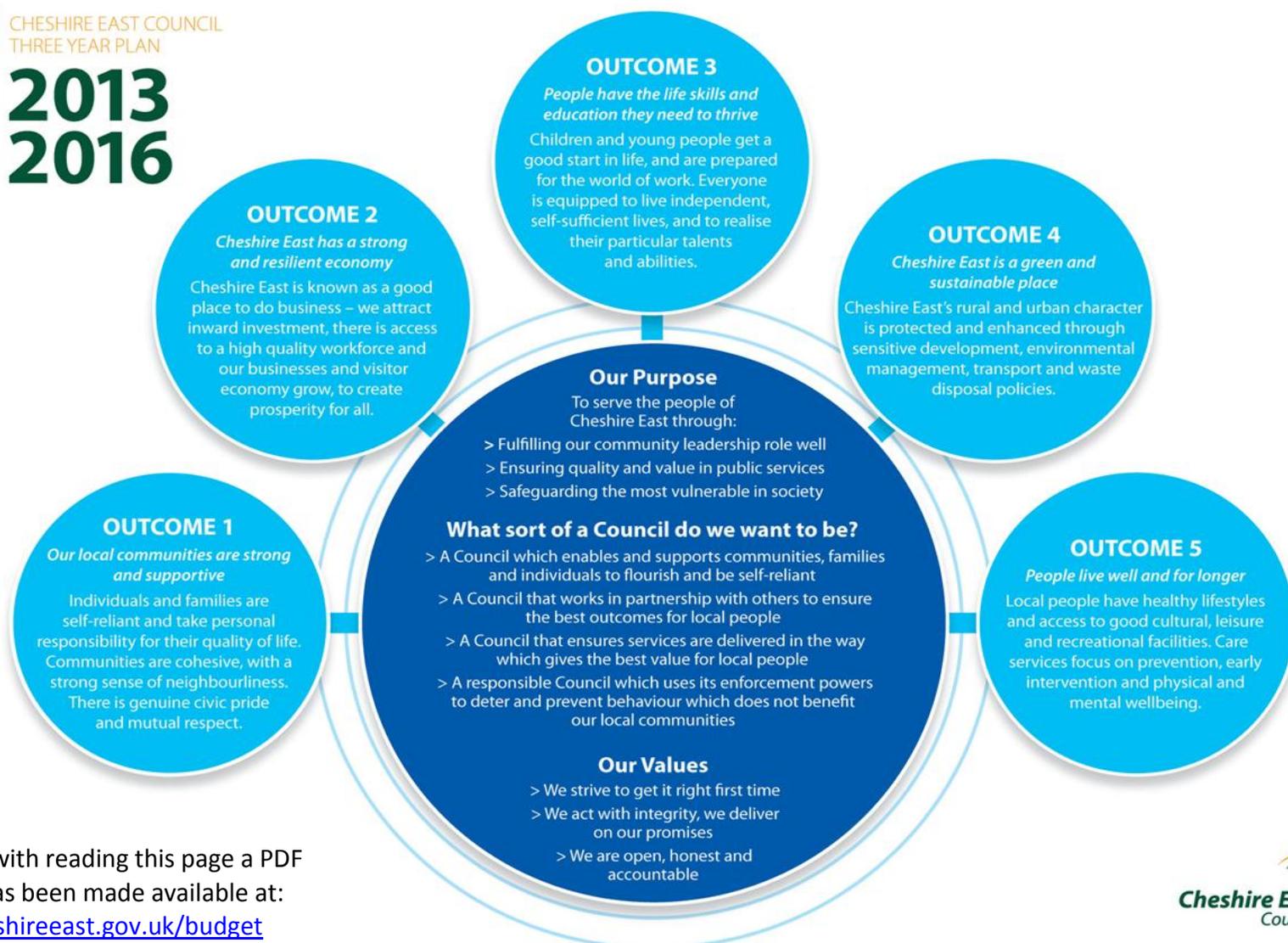
12.5 million bins emptied in the year  
54% refuse recycled in 2012/13 – 5% increase in recycling rate since 2009  
Projected to send over 40% of residual waste to energy recovery this year  
12.5% reduction in residual waste tonnage since 2009

Almost 3,000,000 leisure centre visitors  
Over 5,900 'leisure service' volunteer hours completed

# Focused on Outcomes

CHESHIRE EAST COUNCIL  
THREE YEAR PLAN

2013  
2016



To assist with reading this page a PDF version has been made available at:  
[www.cheshireeast.gov.uk/budget](http://www.cheshireeast.gov.uk/budget)



# Local Engagement

## Cabinet and Council meetings

- Cabinet December 2014 (Taxbase)
- Cabinet February 2015 (Budget)
- Council February 2015 (Budget)

## Member briefings

- Programme of Finance briefings to be arranged

## Updates for staff on budget progress

- Updates to be made available in TeamTalk, on Centranet and the Cheshire East Council website
- Staffing Committee will include updates for the attention of Cheshire East Council staff

## Overview and Scrutiny

- Corporate Overview and Scrutiny Committee 21<sup>st</sup> July 2014
- Opportunity to examine service budget proposals on 11<sup>th</sup> September 2014

## Engagement events with other stakeholder groups

- Including businesses, Trades Unions, key partners, voluntary, community and faith sector, and the Schools Forum
- These events will highlight how the Cheshire East Council budget will affect our different stakeholders and help to answer questions, address concerns these stakeholders may have, and help us to develop our relationship with our stakeholders and the wider community

## Residents

- Any comments? – Speak to your local Councillor
- Information included with Council Tax bills
- Media releases
- Citizens' Panel survey
- Social media

## Group meetings

- An opportunity to discuss details of the budget with Officers
- Available upon request

# Children and Families

## Some facts about Children and Families Services

1. Cheshire East adoption services, in collaboration with Stockport, Tameside and Trafford Councils, won the 2013 Adoption Service of the Year award, and the Council is on course to arrange the adoption of the most children ever
2. 87.3% of primary and secondary schools in Cheshire East are good or outstanding
3. High quality youth support services were recognised through inspection of the Youth Offending Service and excellent NEET (Not in Education, Employment or Training) figures (only 3.4% NEETs, a 39% reduction since 2009)
4. Targeted preventative activity has seen the number of children in care reduce by 11.4% in the last year
5. Over 5% increase in Grades A-C obtained since 2009/10 (including English and Maths)
6. The number of adults with NVQs increased in 2013/14 to 58.4%

The service focuses on providing children with a good start in life in their early years, raising aspiration and achievement across primary and secondary education, and working closely with partners to protect vulnerable children including those placed in the care of the Council. Achievements within Children and Families Services will be measured through improvements in areas such as increased numbers of recognised qualifications, reducing numbers of NEETs, improved safety of vulnerable children, the number of children adopted, and less children and young people getting involved in anti-social behaviour.

2015/16	
2014/15 Budget	£54.3m
Options for 2015/16	Managing savings of £2.5m to £3.3m

## Children and Families Budget proposals are focused on these significant areas:

- Further 10% reduction of children in care due to effective prevention and demand strategy
- Continue successful adoption collaboration and introduce fostering collaboration including agreed business efficiency recommendations
- Further reduce use of out of borough residential provision for both social care and special educational need
- Reconfigure current in-borough care residential provision and link with care leaver independent housing commission

## Measures of successful performance:

- Increasing apprenticeships in cared for children
- Increasing percentage of cared for children being placed locally

## Challenge for 2015/16:

- Maintaining consistently high quality social work practice



The advertisement features a bright yellow background. On the left, a young boy in a red shirt and black shorts holds a soccer ball. In the center, the text reads "We are 2 and enjoying free childcare. Are you?" with a large blue number '2' and the word 'free' underlined. On the right, a young girl in a pink and white polka-dot shirt sits on a green stool. The Cheshire East Council logo is in the top right corner. At the bottom, it says "Simply call 0300 123 5033 or visit [www.cheshireeast.gov.uk/FEEE](http://www.cheshireeast.gov.uk/FEEE) to see if you are eligible".

# Adult Social Care and Independent Living

## Some facts about Adult Social Care and Independent Living

1. Life expectancy in Cheshire East is significantly higher than the England average for both men and women
2. Cheshire East Council supports an average of 5,700 adults with their social care needs at any given time
3. More than one third of the Council's net budget is utilised in support of services to adults

## 2015/16

<b>2014/15 Budget</b>	<b>£94.8m</b>
<b>Options for 2015/16</b>	<b>Additional investment of £1.0m to £1.5m</b>

This service's focus is on promoting and supporting better lifestyles through delivering choice and personalisation. Achievements within Adult Care will be measured through improvements in areas such as self management, lifestyle services, greater use of universal services and community resources, and a refocus on prevention and early intervention, increasing re-ablement and increases in choice and control.

## Adult Social Care and Independent Living Budget proposals are focused on these significant areas:

- Commissioning of residential respite from the private sector, no longer using the respite beds in three in-house resources centres
- Full cost recovery of care beds at Hollins View and Lincoln House
- Having no subsidy may result in the NHS procuring more effectively from another provider
- Review of charges and removal of subsidies for adult care services
- New ways of working, tighter controls and budget management at the front line assessment and care management service
- Review of contracts funded by former Supporting People Grant in terms of priority and contract value

## Measures of successful performance:

- Increases in independent living for adults in Cheshire East
- Increase in preventative actions, helping people to live well

## Challenge for 2015/16:

- Managing the impact of the Social Care Act

# Public Health and Wellbeing

## Some facts about Public Health and Wellbeing

1. Responsibility for some public health duties and services were transferred to Local Authorities on 1<sup>st</sup> April 2013 under reforms set out in the Health and Social Care Act (2012)
2. Drug, alcohol and sexual health services account for around half of the total public health budget
3. In 2013/14 all areas of public health spend were reviewed and contracts renegotiated
4. Planned re-tendering of services will take place over the next two years
5. A new fund has been created to assist in the delivery of new innovative services
6. Attendance at Council leisure facilities is increasing, with over 2.8 million visits during 2013/14

Public Health and Wellbeing focuses on helping people to stay healthy. This includes helping people to reduce their risk of illness, decreasing the effects that illness can have on an individual and controlling the spread of disease. Services and activities are being refreshed to provide a greater focus on prevention and early intervention and supporting people in taking ownership of their health lifestyle choices. These services are continuing to develop collaborative relationships across the Council and with local partners to develop health and wellbeing services and the wider determinants that affect the health and wellbeing of the local population.

In 2015/16 the Council will continue to deliver some of these services through the alternative service delivery vehicle, Everybody Sport and Recreation Trust, which was set up in May 2014.

2015/16	
2014/15 Budget	£1.6m
Options for 2015/16	Managing savings of up to £0.2m

## Public Health and Wellbeing Budget proposals are focused on these significant areas:

- Review efficiencies and structure
- Integrating spending:
  - Across the Council, NHS, statutory, voluntary, community, faith and private sectors
  - Linking with school nursing, special schools and child obesity
- Managing the Innovation Fund to promote engagement and best practice in local health services
- Re-tendering key services
- Reviewing management fees with service providers
- Securing quality improvements and cost reductions from providers

## Measures of successful performance:

- Reduce drug and alcohol associated conditions, long term adult cohort and emergency admissions due to alcohol in those aged <18 years
- Improve sexual health
- Improve health of children and other key groups (for example, by providing more health checks to the over 50's)

## Challenge for 2015/16:

- Managing policy reviews, including those by external bodies such as Public Health England
- Securing desired transformation in public health outcomes at pace that helps people live well and for longer



# Highways and Environmental

## Some facts about Highways and Environmental

1. Over 240,000 bins are emptied every week in Cheshire East, 12.5 million bins emptied in the year
2. Ranked 2<sup>nd</sup> in the Northwest of England for recycling
3. More than 57,000 potholes repaired in 2013 and claims from pothole damage have significantly reduced
4. Satisfaction with country parks increased during 2013/14 to 94.6% - Summary Report 1<sup>st</sup> July 2014
5. 56,270 Gullies cleaned during 2013/14 to achieve reduced flooding last year

Highways and Environmental Services incorporate a wide range of front line operational services that are delivered by the Council and used by all residents who live in and travel through Cheshire East. The services range from those that are essential to all residents such as waste collection, roads and bereavement services; to services that enhance the environment, such as the Countryside and Public Rights of Way Network. All of which are vital and valued by the communities within Cheshire East.

In 2014/15 the Council will deliver many of these services through the alternative service delivery vehicles (ASDV) of:

- ANSA Waste Services
- Orbitas Bereavement Services

Achievements in this service are measured by such things as maintaining the high recycling and satisfaction rates in waste services, improving the condition of the Highway Network by reducing the number of potholes, managing down overall pollution in the area whilst increasing satisfaction with parks, open spaces and countryside.

2015/16	
2014/15 Budget	£39.0m
Options for 2015/16	Managing savings of up to £0.4m

## Highways and Environmental Budget proposals are focused on these significant areas:

- Challenge ASDV management fee
- New vehicles securing quality improvements and cost reductions – 25% of any profit can be retained by the Council

## Measures of successful performance:

- Maintaining the high percentage of waste recycled
- Reducing fleet Carbon Dioxide emissions
- Maintaining satisfaction levels in waste and highways services

## Challenges for 2015/16:

- Working with greater exposure to market forces
- Delivering outcomes through commercial skills and effective contract management

## Opportunities for 2015/16:

- Building commercial capacity and producing a dividend on investment
- Producing new income streams



# Communities

## Some facts about Communities

1. Nearly 2,000,000 visitors pass through the doors of Cheshire East libraries each year
2. Work in communities delivers a wide range of community activities and projects with over 100 new volunteers getting involved in projects such as managing community centres or volunteering at one of the 16 new work clubs
3. 180,000 Council Tax and National Non Domestic Rate bills are issued during annual billing. In 2013/14 the Council collected 98.1% of Council Tax placing it in the upper quartile compared to other unitary councils
4. Focus on local area working attracted £0.65m in external funding and £0.3m in kind contributions from Partners in a year
5. 95% of all library users are satisfied with their library service
6. The Council receives 500,000 telephone calls and face to face enquiries in its Customer Service Centres and the Cheshire East Council website receives more than 4,000,000 visits in a year
7. 120,000 new claims and changes of circumstances for housing and council tax benefits are received and processed in a year
8. £94,714 of Community Grants awarded towards £887,029 worth of project costs for 92 voluntary and community organisations during 2013/14
9. The number of Penalty Charge Notices issued is over 22,000 per annum
10. 60 Unauthorised Gypsy and Traveller encampments were dealt with across the Borough in 2013
11. Reports of anti-social behaviour in Cheshire East are less than half the average for the Northwest

2015/16	
2014/15 Budget	£10.5m
Options for 2015/16	Managing savings of £0.3m to £0.8m

## Some more facts about Communities

- 12. Regulatory Services carry out c.1,000 inspections a year in relation to diverse cases such as animal welfare, permitted processes, food safety and health and safety**
- 13. 97% of businesses and domestic service users are satisfied with the service received from Environmental Health**
- 14. The Bikeability scheme continues its success with 3,800 young people receiving accreditations in 2013/14**
- 15. Planning enforcement have responded to almost 600 new reports of alleged breaches of planning control issuing 21 formal notices**
- 16. Licensing have managed over 3,300 applications this year**
- 17. “Free after 3” car parking has been introduced in seven car parks across the Borough to help businesses and increase footfall in town centres, with an addition of four more free car parks in Crewe, Congleton, Macclesfield and Wilmslow**

The service focuses on the role that the Council will play in leading communities, shaping local areas and bringing public services together with communities to create strong communities with a sense of independence, and ability to influence what services we commission in the future. It brings together a diverse range of services that impact on individual localities such as customer services, communities and partnerships, libraries, revenue and benefits, transport and community safety, and enforcement.

Achievements of the service will be measured by: an increase in volunteers in communities; increasing use of the Council’s website; developing community hubs based around the Council’s current library services; accessible and relevant transport services; and reductions in crime, particularly for young offenders.

## Communities Budget proposals are focused on these significant areas:

- Ongoing agreed business improvements in Customer Services, Libraries, Revenues and Benefits
- Exploration of commercial opportunities for financial and forensic intelligence functions and marketing of services to other Local Authorities and businesses
- Removal of subsidy from commercial pest control service
- Business improvement opportunities in enforcement services

## Measures of successful performance:

- Maintaining customer satisfaction with the services provided in libraries
- Achieving effective enforcement activity
- Having high satisfaction with regulation services – which is currently at a positive 98%

## Challenge for 2015/16:

- Realising commercial opportunities within short timescales

## Opportunities for 2015/16:

- Promoting services that are digital by default, which can increase access to users and achieve greater efficiency



# Economic Growth and Prosperity

## Some facts about Economic Growth and Prosperity

1. Cheshire East, as part of the Cheshire and Warrington Local Enterprise Partnership (LEP), is well established as a top-performing economy; in a national context, out-performing many of the leading economies in the Greater South East
2. Cheshire East's economic output (Gross Value Added) per head is 16% above the UK average and 34% above the regional average
3. Cheshire East's unemployment rate is at a five year low, at 1.7%, and is significantly lower than the rate for the region (3.1%)
4. Business birth and survival rates continue to increase - 92.5% '1-year Business Survival Rate' for 2013/14
5. Cheshire East is home to over 17,500 businesses including 21 of Insider's Top 250 Companies. In fact, there are more businesses in Cheshire East than any other unitary council in the Northwest - even more than in Manchester
6. An estimated 37% of the Northwest region's Research and Development jobs are based in Cheshire East
7. Around 40% of Cheshire East's workforce are qualified to degree level, significantly higher than the regional and UK average
8. Cheshire East has one of the largest highways investment programmes outside of any metropolitan centre
9. Cheshire East's tourism industry employs 10,461 Full Time Equivalents, attracts 13.89 million visitors, and is now worth £737m to the local economy

## 2015/16

<b>2014/15 Budget</b>	<b>£14.8m</b>
<b>Options for 2015/16</b>	<b>Managing savings of £0.5m to £1.0m</b>

Cheshire East Council has set out a clear vision and strategy for economic growth based on driving the Borough's economy as the Engine of the North. This articulates the rationale and plans for increasing productivity and creating new jobs. This is based on the strong competitive advantage and track record that the Borough has in terms of its skilled workforce, existing business base, entrepreneurial spirit, quality of life and its infrastructure. Cheshire East has all the right ingredients to see a step change in economic productivity and become a growth engine of the North. As such the directorate is being reconfigured to:

- Utilise strategic assets to drive economic growth – this includes a strong business base, skilled workforce, quality of life and outstanding connectivity, as well as the physical, financial and political resources at the Council's disposal.
  - Increase focus on securing new investment from both current and new inward investors.
  - Strengthen the approach to major development programmes that build upon key commercial, institutional and sectoral assets.
  - Drive stronger and faster regeneration in town centres, as a vital component in the well-being of the economy and local communities.
  - Ensure that the Council and its commercial stakeholders are well positioned to secure new funding for projects, coming through Cheshire and Warrington Local Enterprise Partnership and others.
- As well as an excellent place to do business, Cheshire East is also a fantastic place to live and visit, and therefore focus is being placed on boosting the visitor economy and ensuring the housing offer is right. Major investment is also being made in the transport infrastructure to unlock the potential of Cheshire East towns and villages, while at the same time protecting outstanding natural assets, vital for attracting and retaining a skilled and well qualified workforce.
- Key growth areas include:
  - Capitalising on HS2 investment, with a particular focus on securing a SuperHub station in Crewe which could provide the catalyst for billions of pounds of investment, and tens of thousands of new jobs for Crewe and the wider sub-region.
  - The development of a Science Corridor across North Cheshire linked with Greater Manchester – harnessing and increasing the value to UK plc of a number of world-leading science-based employment areas from Astra Zeneca in Macclesfield, through Jodrell Bank, Alderley Park, Booths Park and the International Technology centre for Barclays Bank at Radbroke Hall. The recently opened European HQ of Waters Corporation in Wilmslow demonstrates the growing confidence of investors in Cheshire and the valuable science industries located here. This is also reflected in the strong pipeline of life science businesses locating at the Alderley Park BioHub facility.
  - The growing energy programme, focused on addressing fuel poverty in the Borough by ensuring lower cost sustainable energy to residents and businesses through a range of transformational projects.
- Major economic growth plans for Crewe and wider links through Mid Cheshire and along the M6 Corridor (High Growth City) will be delivered in alignment with the All Change for Crewe Regeneration programme. Building on recent successes in inward investment such as Bentley's £800m expansion plans in Crewe, AstraZeneca's £120m investment in Macclesfield and Wilson Bowden's £90m planned leisure and retail development, also in Macclesfield, the Council is working closely with growing businesses, new investors, sub-regional agencies and Government to drive further growth in jobs and investment. This includes recent announcements that the Borough will benefit from £81.5m of investment through the Cheshire and Warrington Enterprise Partnership, which includes £20m towards a new investment fund for Life Science businesses across the Manchester and Cheshire and Warrington sub-regions.

- Key to delivery of economic growth is a local planning framework which enables plan-led growth and stops unsustainable speculative development – this year the Council will deliver the adoption of new planning framework for the Borough to support communities and businesses.
- Investment in strategic and local infrastructure will continue both delivering against existing infrastructure schemes but leveraging in more investment from Government and the private sector to deliver a large programme of new roads and highway improvements. Ensuring that the best deal for Cheshire East from national infrastructure proposals such as HS2 are a major focus, as well as major mitigation proposals for the North of the Borough, form the basis of the Council’s response to the current consultation.

Achievements within Economic Growth and Prosperity will be measured by the number of new jobs created; levels of employment / unemployment; economic productivity; business survival rates; inward investment; high-speed broadband coverage; strategic highways investment; skilled and productive workforce; timescales for processing of major planning applications and an increasing supply of affordable housing.

### **Economic Growth and Prosperity Budget proposals are focused on these significant areas:**

- Appropriate capitalisation of infrastructure and regeneration costs
- Further asset rationalisation
- Project resource review

### **Measures of successful performance:**

- Increasing numbers of new homes
- Increasing the employment rate in Cheshire East
- Reduce energy poverty
- Increase in skills for people aged 14 years+

### **Challenge for 2015/16:**

- Managing financial pressures associated with key services such as cost of planning appeals and Tatton Vision

### **Opportunities for 2015/16:**

- Development of benefits associated with a HS2 / SuperHub station
- Realising benefits for residents from a programme of energy projects, including establishing an energy company
- Promoting local issues and opportunities as part of the science corridor programme

# Chief Operating Officer

## Some facts about Chief Operating Officer Services

1. Spending on Central Services in Cheshire East is forecast to be 20% lower than in the average English Unitary Authority
2. The Service manages the Council's property portfolio of approximately 600 major property assets, with an asset value of £440m, which will assist in the delivery of a wide range of services to over 370,000 people in Cheshire East
3. Over 10,000 births, deaths or marriages are registered by the Council each year
4. Over 290,000 people are registered to vote in the Borough, the third largest electoral role in the Northwest
5. The service maintains and supports front-line services with nearly 4,000 computers and laptops and nearly 350 different applications

Chief Operating Officer Services focus on providing professional advice, such as legal and accountancy issues, across all Council services as well as providing the significant facilities and technology that can enable front-line services to operate effectively. In addition this, these Services have a vital role in maintaining registers, providing procurement advice and project management skills, supporting elected Members and managing the governance and stewardship arrangements that promote transparency and accountability.

Achievements within Chief Operating Officer Services will be measured by such things as promoting local democracy; 'true and fair' opinions from the external auditors on the financial statements; the added value of professional advice and expertise; the level of income collection; how the costs of support compare with national comparisons; and achieving the best rate of returns on investment and the Council's estate.

2015/16	
2014/15 Budget	£42.0m
Options for 2015/16	Managing savings of £0.7m to £1.3m

## Chief Operating Officer Budget proposals are focused on these significant areas:

- Contract and Energy savings in management of Council buildings
- Further savings from procurement of goods and services
- Responding to the significant benchmarking exercise taking place in summer 2014
- Efficiency savings and staffing reductions
- Reduce costs of Occupational Health Unit, Workforce Development and Training



## Measures of successful performance:

- Investing more taxpayer funding in front line services by reducing the percentage of funding spent on professional functions
- Reducing the £ per m<sup>2</sup> costs of Council properties
- Increasing the percentage of non-pay spending managed by procurement professionals
- Enhancing spending and benefits realisation through management of projects
- Improve engagement and satisfaction with local people through high use of business intelligence

## Challenge for 2015/16:

- Developing support services to reflect the increasing and different demand from other services within the Council



# 2. Developing the Budget



April 2014	May 2014 to June 2014	July 2014 to November 2014	December 2014 to February 2015
Start with: <ul style="list-style-type: none"> <li>• Service Charging Strategy</li> <li>• Three Year Plan</li> <li>• Medium Term Financial Strategy</li> </ul> (£6.6m deficit in 2015/16)	Commissioning Leads analysed financial resilience and performance to propose initial variations to budget  Cabinet consider options for consultation	Briefings taking place  Consultation  Cabinet / Corporate Leadership Board  Refinement	Council approve taxbase  Cabinet to recommend estimated budget  Council provide approval

Worth noting, in 2013 the Council only "Set Parameters" in July!

# 2015/16 – Key Budget Events

Event	Comments
1. Council 27 <sup>th</sup> February 2014	Identified potential net budget deficit of £6.6m
2. Corporate Leadership Board – April 2014	Confirm potential deficit and the process to manage it
3. Corporate Leadership Board and Cabinet Members – May / June 2014	Develop high level proposals
4. Cabinet 1 <sup>st</sup> July 2014	Receive 2013/14 Final Outturn
5. Corporate Overview and Scrutiny Committee 21 <sup>st</sup> July 2014	Receive details of process and broad Budget proposals
6. All Member Briefing 5 <sup>th</sup> August 2014	Receive details of process and broad Budget proposals
7. Consultation / Engagement Process – September – October 2014	Share the proposals in the Pre-Budget Report
8. Review and Challenge Process – September 2014	To ensure the proposals are robust
9. Corporate Overview and Scrutiny Committee – 11 <sup>th</sup> September 2014	Review Pre-Budget Report

# 3. Financial Stability

## Introduction

This Pre-Budget Report focuses on the Council's continued approach to putting residents first by achieving outcomes for local people and local businesses. This section of the report highlights how the services and proposals can be funded from a range of income sources. Local residents and businesses contribute to sustainable Council services through local taxation, contributions and charges; and central government provides grants funded mainly from national taxation.

The government's budget for 2014 again highlighted the need to reduce the public sector deficit and debt to secure economic recovery. Cheshire East Council is proposing to continue supporting this approach in a number of ways:

- reducing net expenditure by approximately 3% in response to taxbase projections and proposed reductions in government grants
- freezing Council Tax for a fifth successive year
- not entering in to any additional borrowing
- promoting local economic growth

The new Business Rates Retention funding system and control over Council Tax levels are placing greater responsibility on all councils to determine their own funding levels.

In Cheshire East the Council is meeting this challenge in a number of ways and focusing on longer term financial stability through its actions.

Cheshire East Council has a promise of 'Putting Residents First'. This will apply through:

**Approval of a Local Plan** - this will set out both realistic targets for new homes in the medium term and ambitions around land for business development. It will also enable the Council to develop and introduce a Community Infrastructure Levy to help local needs.

**Growing the domestic taxbase** - each new home brings additional Council Tax revenue, New Homes Bonus and potentially Community Infrastructure Levy together with additional costs, such as education, waste collection and highways. The Council ensures that any subsidy from its general funding sources is carefully examined to achieve maximum value. Through such actions the Council can protect families from Council Tax increases, make full use of any Government freeze grants and increase Council Tax income.

**Promoting Economic Growth** - business growth can result in additional income being retained for local investment, subject to certain thresholds. Therefore the Council is investing heavily in economic growth through unlocking development land and has created a company to assist with this ambition.

**Increasing employment opportunities** - through economic growth resulting in fewer people relying on welfare benefits from the Council and releasing funding for further improvements.

**Maintaining strong collection rates and challenge of taxbases** - to ensure fairness to all involved and ensure the Council maximises local income for local use.

This approach is very important and is embedded in the Council's actions.

# Background

The Local Government Finance Settlement was released on 5<sup>th</sup> February 2014 and agreed by Members of Parliament following a debate in the House of Commons on 12<sup>th</sup> February 2014. This included provisional funding figures for 2015/16 which have been built into the Council's financial modelling.

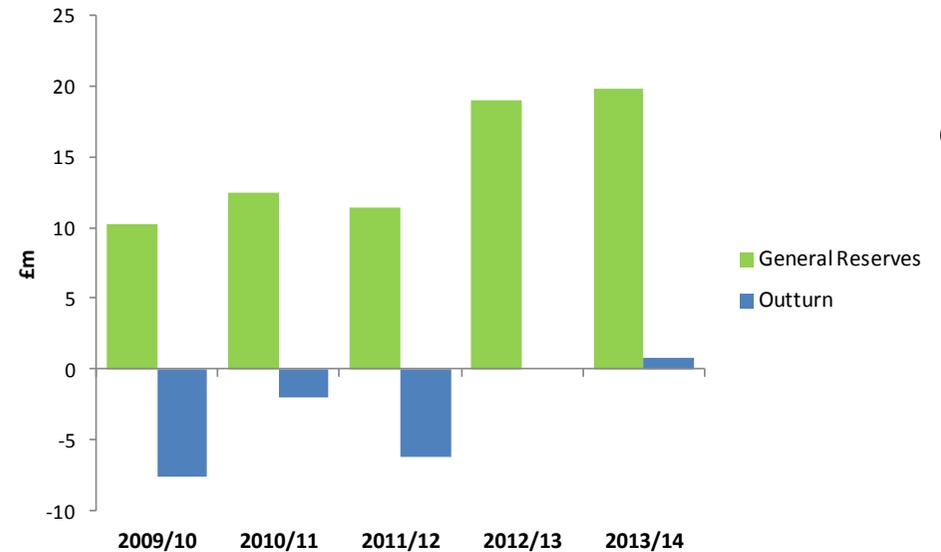
Beyond 2015/16 there is less certainty over the funding levels other than the expectation of sustained austerity through to the end of the current decade, some specific pointers around benefit costs and the prospect of a General Election.

As further clarity is not expected until later this year at the earliest, grant funding levels in the medium term must be based on estimates. The details behind these estimates and the other significant funding sources are set out in this section.

# Performance to date

The financial resilience for Cheshire East Council is positive, and has improved in recent years. **Chart 1** shows how general reserves have improved over time, creating longer term stability. It also shows how spending has been within budget for the last two years, highlighting good financial control and accurate planning.

**Chart 1: Reserves have increased and outturn has improved**



Source: Cheshire East Finance

# Government Grants

- General grant is predicted to reduce by almost 24%.
- New Homes Bonus will exceed expectations but other specific grants, such as health and education, are largely in line with forecasts.

# Local Taxation

- Collection rates for Council Tax and Business Rates in Cheshire East exceed 99% of the amount billed and these local taxes provide the majority of funding for local services in Cheshire East. The Council is currently planning to continue freezing Council Tax levels, which it has done since 1<sup>st</sup> April 2011.

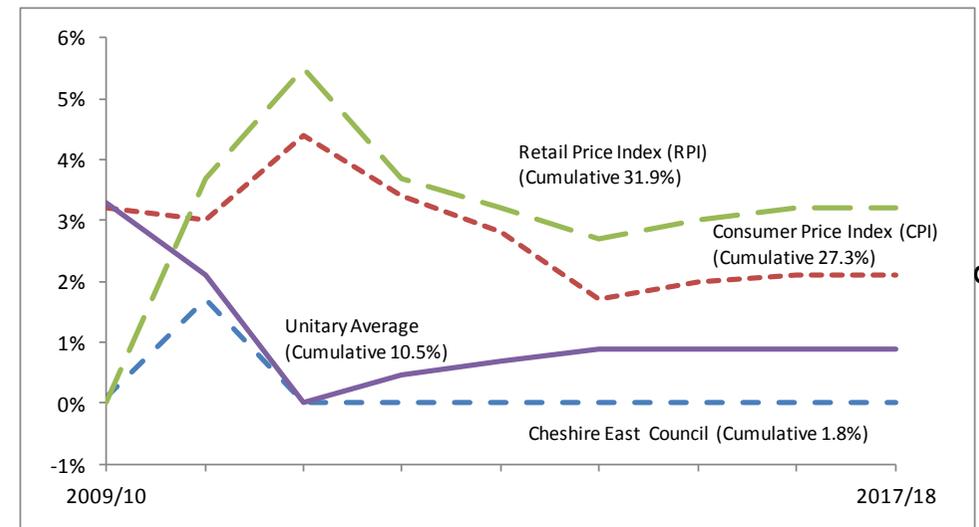
## Business Rates

- Income from business rates will continue to be analysed. Performance in the medium term, from fluctuations in business rate yield, will help to determine the longer term strategy to funding local services.
- No growth above inflation (as applied to the multiplier) is currently forecast for Cheshire East Council due to typically large values of appeals and limited trend data.
- Options to pool business rates, to create mutual benefits with neighbouring authorities, are still being explored.
- The impact of the 2013 Autumn Statement in terms of reliefs and the multiplier cap are being ascertained in budgetary terms.

## Council Tax

- The current proposal is to freeze Council Tax levels for a fifth consecutive year.
- The overall tax base is forecast to slightly increase due to new homes being built in the area, in accordance with the Local Plan estimate less changes to discounts.

**Chart 2: Despite inflation Cheshire East Council Tax bills are still not planned to rise**

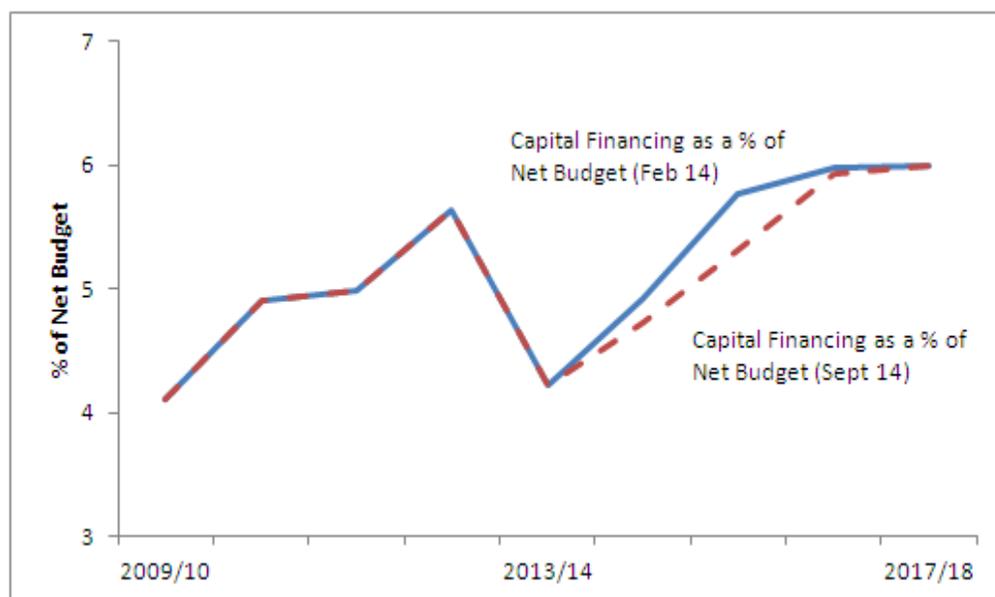


Source: Cheshire East Finance

# Capital Financing

- Capital expenditure includes spend on major items such as new highways and schools. These costs are met through the Council's capital financing budget which takes into account all available income sources.

**Chart 3: The impact of capital financing on the revenue budget is being reduced compared to forecasts in February 2014**



Source: Cheshire East Finance

- The Treasury Management Strategy aims to hold down capital financing requirements at c.£14m per year in the medium term. The net revenue budget will decrease over time so the percentage required to fund capital is therefore likely to increase, which is as expected as the Council targets investment in infrastructure that can support the local economy.
- Properly managing resources ensures that cash balances remain stable and the forecast capital financing budget will reduce compared to the Medium Term Financial Strategy.
- No additional external borrowing is planned in 2015/16.

## Pay and Pensions

- Pension contributions from staff are expected to increase from 1st April 2015.
- Staff pay increase of 1% is anticipated for 2015/16 although this is not expected to apply to senior officers.
- Pension contributions by the Council are also expected to increase in line with the Medium Term Financial Strategy forecasts.

## Better Care Fund

- Nationally transferring £3.8bn from the National Health Service to move resources from acute care setting to primary, community and social care.
- Nationally £1.6bn will be paid based on performance against six nationally set measures and a seventh locally decided measure.
- The transfer is phased over two years.

# Financial Stability ~ Proposals

## Some facts about Financial Stability

1. **Capital Programme** – in 2013/14 the Council underspent its revised Capital budget of £78.6m by £13m. Some of this was deliberate re-profiling in order to maximise external investment opportunities
2. **Council Tax and Business Rates** – the Council is among the top third of Unitary Councils in terms of collection. Over 99% of Council Tax and Business Rates are collected within three years
3. **The level of general reserves** has been maintained at or above the risk assessed minimum level in recent years as a result of improved performance against budget

## 2015/16

<b>2014/15 Budget</b>	<b>£14.6m</b>
<b>Options for 2015/16</b>	<b>Managing savings of £2.0m to £2.5m</b>

## Treasury management

- Three year capital programme is funded (subject to confirmation of grants and developer contributions)
- No new external borrowing planned
- More effective cash flow management and reducing debt
- Ongoing review will keep within the cap of max. £14m and expected to deliver a saving

## Pension fund costs

- In year settlement of actuarial payments reduces interest costs
- Elected Members come out of Local Government Pension Scheme following elections in May 2015

## Council Taxbase

- Prudent estimates based on the local plan for the taxbase and the impact on new homes bonus calculations

## Reserves to remain adequate

- Maintain £14m in risk based general reserves
- Continue to manage the use of non-statutory earmarked reserves to support investment in local communities and the local economy

# Summary of Options for 2015/16

The estimated deficit for 2015/16 was forecast at £6.6m (see Page 4). Proposals detailed in this report are expected to achieve revenue budget savings of between £5m to £8m. The process being followed to achieve a final balanced position is detailed in the **Annex** to this report.

Service	2014/15 Budget	Options for 2015/16
Children and Families	£54.3m	(£2.5m) to (£3.3m)
Adult Social Care and Independent Living	£94.8m	£1.0m to £1.5m (Additional Investment)
Public Health and Wellbeing	£1.6m	£0.0m to (£0.2m)
Highways and Environmental	£39.0m	£0.0m to (£0.4m)
Communities	£10.5m	(£0.3m) to (£0.8m)
Economic Growth and Prosperity	£14.8m	(£0.5m) to (£1.0m)
Chief Operating Officer	£42.0m	(£0.7m) to (£1.3m)
Financial Stability	£14.6m	(£2.0m) to (£2.5m)
<b>Total</b>	<b>£271.6m</b>	<b>(£5.0m) to (£8.0m)</b>

# Capital Investment 2015/16

- The Council's strategic Capital Programme of £438.7m for the period 2014/15, 2015/16 and Future Years was approved by Council on 27<sup>th</sup> February 2014. It has an emphasis on infrastructure which will generate local economic growth; investment in new service delivery models and improvements in the Council's asset base.
- The Capital Programme is intentionally aspirational, reflecting the Council's ambition, to pursue additional external funding, private sector investment and capital receipts. It is designed to allow flexibility, so that schemes can be phased, reviewed and if necessary put on hold until the resources required are identified and secured, or alternatively, started to take advantage of funding and market opportunities as and when they arise.
- Budgets will be subject to scrutiny through the gateway process which ensures a robust quality assurance framework is followed for each project. The governance arrangements will safeguard against projects proceeding where costs may escalate beyond budgets. Variances from approved budgets will be subject to supplementary approval in accordance with financial regulations.
- Longer term proposals are included in the programme for planning purposes. Where costings are not yet available indicative estimates are included and these will be updated as projects progress through the gateway process and variations will be reported to Members via quarterly reports.
- The programme is expected to be funded by c.£80m of capital receipts, depending on the timing of these receipts the start times of some projects may be brought forward or delayed. The current status of the land and property market will be kept under review by the Asset Management Service and East Cheshire Engine of the North Ltd. The programme will be reviewed if the resource position changes.
- Projects that are not included in the current programme may still be considered if there are alternative funding options and there is opportunity to meet the capacity requirements of the project.
- At this point in time, any additional Capital resources to deliver the 2015/16 budget are being identified.

# Protecting Against Risk and Supporting Investment

- Cheshire East's strong taxbase and greater independence provides financial stability and offers some 'local protection' from the impact of national economic fluctuations. Compared to most other English councils, Cheshire East is less reliant on government revenue grant as local businesses and residents provide a higher proportion of the Council's overall funding. In this context, it is also important to note that compared to neighbouring local authorities, total spending per head of population is below average. Given this national and local context its overall financial risk profile is lower than previous years. The Council's consideration and response to threats, and its ability and capacity to recognise and seize new opportunities, underpin its successful performance.
- The Council continues to strengthen its risk management framework and uses this to help it respond to changes. The Council's risk management framework strengthens the effectiveness of its overall governance, and provides a mechanism to ensure effective decision making. The internal control system allows the Council to respond appropriately to risks. This increases the likelihood of the Council achieving its strategic priorities and outcomes.
- Supporting the Council's budget with adequate reserves is a key element to creating financial resilience, and the publication: [Guidance and Data on the Financial Resilience of the Council](#) provides clear evidence of an improving trend of robust forecasting of performance and improvements in the level of general reserves.
- The decision, by the Chancellor in his Autumn Statement (December 2013), to include Council Tax freeze funding as part of the Council's basic grant allocation reduces the threat of that income source being removed at some later date. The 2015/16 budgets will therefore rely on much less one-off funding than was estimated in February 2014. As a consequence of this the Council will be much more flexible in its approach to holding or transferring money from general and earmarked reserves.
- Since Local Government Reorganisation in Cheshire in 2009 the Council has invested one-off income sources such as Council Tax freeze grants to pay for items such as redundancy costs or alternatively short term staffing needs that support transformation in service delivery. The Council also establishes a level of reserves that are adequate to protect the Council against financial risks, such as emergencies, which are not specifically budgeted for in individual years.
- The Council will continue to be flexible about investing revenue funding in maintaining sustainable services and reflecting changes to the risks facing the Council. The full Budget Report will include a revised Reserves Strategy for 2015/16 to provide further detail on estimated balances and the application of reserves in the medium term.

# The Medium Term

- If the Council had taken no action to mitigate the impact of inflation then a real deficit could have emerged of approximately £60m over the medium term. Cost pressures can materialise in Council services from increasing demand or from inflation in prices.
- The Council is inevitably subject to inflation in demand, for example, an ageing population may require additional social care support and an increasing number of households will require more bins being emptied. Price inflation can also come from rising fuel bills and utility charges.
- Cheshire East Council will maintain an innovative approach to minimise cost and invest in prevention activity which seeks to reduce demand for direct Council services.
- The deficit, forecast for 2016/17, was £15.4m (6%) when the budget was reviewed in February 2014 (see Page 4) and the Council is working towards mitigating that potential issue through strong in-year budget management, analysing and mitigating risk and working with local businesses and communities to get the most value from local services. The development of the commissioning approach to local service delivery is significant, as this focuses resources on achieving outcomes with the agreement of local people.
- Matching the approach taken previously, the 2016/17 budget will set aside dedicated funding to support costs of transition, such as costs from staffing reductions or implementing new processes or ICT.
- Maintaining budget control in 2014/15, following the recent trend of spending within budget, assists the Council in understanding the genuine cost base for services. This information, along with data on potential resident needs in the future, will allow decisions to be made on a revised medium term plan following elections in May 2015.

# 4. Workforce Planning

The key outcomes of effective workforce planning in 2015/16 are summarised below:

- We have an agile, skilled, engaged and high performing workforce ready and able to respond to the challenges ahead
- Where appropriate we attract and retain the best people from all sectors of the community to work for the Council
- Share and deploy available resources across the Council in the best way to ensure priorities are achieved

These outcomes will continue to be measured through formal assessment and recognition against national standards and benchmarks alongside key performance indicators. The introduction of Performance Related Pay for senior managers will strengthen this further.

## Pensions

There are a number of changes to the Local Government Pension Scheme that came into effect in 2014/15. As a reminder, the key aspects covered in the Regulations are:

- Career Average Re-valued Earnings (CARE) benefit structure through the setting up of “Pension Accounts” for each employment/category of member (7 in total)
- The Pension Accounts are based on a 49ths accrual rate [98ths for the 50:50 Scheme]
- Revaluation adjustment used to index each year’s pension accrual through an addition to the Pension Account

- Revised employee contribution rates (applying to the wider definition of Pensionable Pay that does not exclude non-contractual overtime)
- Creates an Assumed Pensionable Pay (APP) which protects members when pay is reduced in certain circumstances
- Ill health and survivor benefits
- Changes to Retirement Ages, and the continued link to State Pension Age
- Inclusion of various Administration aspects under Part 2 of the draft regulations

Employee Pension fund contributions for high earners, has also increased from 1<sup>st</sup> April 2014, however 97% of Local Government Pension Scheme fund members have not seen an increase to their contributions. The full impact of these changes will be reviewed during 2015/16 along with any additional proposals to change the scheme (though we are not aware of any significant changes at this stage).

Employer Pension contributions are expected to increase in 2015/16 in line with the Medium Term Financial Strategy forecasts and these will be included in the Budget Report in February 2015.

## Pay and Terms and Conditions

The Employers Organisation have made a full and final offer to the Trade Unions for a 1% pay award in 2014/15 for all staff Grade 12 and below. This is the subject of a national pay dispute and is yet to be resolved. The Employers Organisation are keen to ensure that the lowest paid receive a higher proportion of the award and have recommended an increase to the bottom six pay points by between 1.25% and 4.66%. This approach is supported by the Council and as such this proposed pay award has been budgeted for in 2014/15 and 2015/16.

Whilst the Council is not anticipating any large scale changes to employee Terms and Conditions in 2015/16, there is a commitment to phase out Zero Hours Contracts and in light of this move, the Council no longer offers zero hours contracts.

In addition, the Council is seeking to move to the lowest NJC mileage rate of 46.9p for staff claiming casual business mileage, though this is subject to staff and Trade Union consultation which is currently underway. The full year effect of any change will be reflected in the 2015/16 budget.

## Headcount analysis and trend

Between April 2009 and April 2014 the Cheshire East Headcount has reduced by 32.49%, the largest reduction in headcount occurred between April 2013 and 2014 when the Cheshire East headcount reduced by 13.72% (equivalent to a 16.7% reduction in FTE). This is, in part, attributable to the TUPE transfer of staff to ASDV's as detailed below.

On 1<sup>st</sup> April 2014, 351 employees (334 FTE) TUPE transferred to ANSA and 24 employees (23.8 FTE) TUPE transferred to Orbitas. On 1<sup>st</sup> May 2014, 693 employees (193.3 FTE), including casuals, TUPE transferred to ESAR and 106 employees (100.7 FTE) TUPE transferred to CoSocius.

The Council is also developing a strategic client function to support the commissioning model and align staffing numbers and functions to support this into 2015/16.

# **Annex to Pre-Budget Report**

**2015/16**

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**September 2014**

# Annex ~ Timetable to Approval

2014	Event	Comments
10 <sup>th</sup> November	Corporate Overview and Scrutiny Committee	Receive Mid -Year Performance Report
11 <sup>th</sup> November	Cabinet	Receive Mid -Year Performance Report
9 <sup>th</sup> December	Cabinet	Council Taxbase
11 <sup>th</sup> December	Full Council	Agree Council Taxbase
Mid December	Funding announcements	Expected from Government
Mid December	Final proposals issued	Bringing together consultation outcomes, taxbase and funding settlement
Mid December	All Member Briefing	Budget proposals
<b>2015</b>		
Mid January	Final Budget Report released	
Late January	Final Settlement from government	
2 <sup>nd</sup> February	Corporate Overview and Scrutiny Committee	Receive Quarter 3 Performance Report
3 <sup>rd</sup> February	CABINET MEETING	Receive Quarter 3 Performance Report and <b>recommend 2015/16 Budget Report</b> to 26 <sup>th</sup> February Council
26 <sup>th</sup> February	COUNCIL MEETING	Agree 2015/16 Budget Report

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