

Corporate Overview and Scrutiny Committee

Agenda

Date: Thursday, 11th September, 2014
Time: 2.00 pm
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

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

1. **Apologies for Absence**

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

To approve the minutes of the meeting held on 21 July 2014.

3. **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.

4. **Declaration of Party Whip**

To provide an opportunity for Members to declare the existence of a party whip in relation to any item on the agenda.

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

For any apologies or requests for further information, or to give notice of a question to be asked by a member of the public

Contact: Mark Nedderman

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A total period of 15 minutes is allocated for members of the public to make a statement(s) on any matter that falls within the remit 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.

Note: In order for officers to undertake any background research, it would be helpful if members of the public contacted the Scrutiny officer listed at the foot of the agenda, at least one working day before the meeting to provide brief details of the matter to be covered.

6. **2014/15 First Quarter Review of Performance** (Pages 5 - 58)

To consider a report of the Chief Operating Officer.

7. **Budget Consultation** (Pages 59 - 106)

To consider a report of the Chief Operating Officer.

8. **Senior Management Review** (Pages 107 - 110)

To consider a report of the Chief Operating Officer.

9. **Forward Plan** (Pages 111 - 124)

To note the current forward plan, identify any new items, and to determine whether any further examination of new issues is appropriate.

10. **Work Programme Progress Report** (Pages 125 - 130)

To consider a report of the Head of Governance and Democratic Services.

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Corporate Overview and Scrutiny Committee**
held on Monday, 21st July, 2014 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor S Wilkinson (Chairman)
Councillor B Murphy (Vice-Chairman)

Councillors G Baxendale, K Edwards, P Groves, P Hoyland, W Livesley,
J Saunders and M J Simon

Apologies

Councillors A Moran and D Neilson

1 MINUTES OF PREVIOUS MEETING

RESOLVED – That the minutes of the meeting held on 11 March 2014 be confirmed as a correct record.

2 ALSO PRESENT

Councillors Barry Moran – Performance Portfolio Holder
David Topping – Service Commissioning Portfolio Holder
Paul Findlow – Governance Portfolio Holder
Peter Mason – Deputy Cabinet Member

3 OFFICERS PRESENT

Peter Bates – Chief Operating Officer
Brenda Smith - Director, Adult Social Care & Independent Living
Judith Tench - Head of Corporate Resources and Stewardship
Fintan Bradley - Head of Service: Strategy, Planning & Performance
Julian Cobley - Business Manager - Economic Growth and Prosperity
Kirstie Hercules - Principal Manager - Local Area Working
A Thompson - Corporate Manager Planning & Performance
Steve Reading -Principal Accountant

4 DECLARATIONS OF INTEREST

There were no declarations of interest.

5 DECLARATION OF PARTY WHIP

There were no declarations of the existence of a party whip.

6 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present who wished to speak.

7 2013/14 FINAL OUTTURN REVIEW OF PERFORMANCE

Peter Bates, the Chief Operating Officer, supported by the Head of Corporate Resources and Stewardship gave a presentation which covered:

- The final outturn 2013/14;
- Developing the Strategic Commissioning Council;
- 2014/15 Budget
- 2015/16 Budget.

In conjunction with the presentation, the Committee considered a report on the 2013/14 Final Outturn Review of Performance.

The pre-audited accounts for 2013/14 showed an under spend of £0.897m, compared to an approved revenue budget of £260m. The overall financial health, performance and resilience of Cheshire East Council were strong.

The report proposed the creation of new reserves of £12.4m. This increase would secure the overall level of reserves considered sufficient to continue to protect the Council against its assessed financial risks as well as provide opportunities for future investment.

Annex 1 to the report set out further details of how the Council had achieved the best outturn in relation to performance and revenue and capital budgets since it became a unitary authority in 2009. It was structured into three sections:

- § Section 1 Summary of Council Performance
- § Section 2 Financial Stability
- § Section 3 Workforce Development

In summary, the revenue and capital budgets had achieved their targets and general reserves had increased. There was evidence of high levels of performance in areas such as recycling and school inspections and road maintenance. The number of staff employed by the Council had decreased by 275, and the first of the new ASDVs had been set up.

There remained a number of challenges however, in respect of:

- Completing the Ofsted action plan;
- Managing customer feedback;
- Developing the local plan;
- Managing demographic changes;
- Responding to changes in government policy and the economy.

In response to a question about the recently announced revenue budget under-spend of approximately £900,000, the Chief Operating Officer informed the

committee that this amounted to approximately 0.35% of the total budget and had been achieved as a result of good management and good performance in key areas such as children and families and highways.

Judith Tench, Head of Corporate Resources and Stewardship informed the committee that in order for the Council to achieve its aspirations to become a Strategic Commission Council, it was important to have an understanding of what 'commissioning' meant. Commissioning was defined as a cycle of assessing the needs of people in an area, designing and achieving appropriate outcomes" that "may be delivered by the public, private or civil service sectors".

Judith explained that there were 3 stages involved in the commissioning cycle:

1. Assessing need;
2. Designing the process;
3. Procurement of the delivery of the service

She also explained that way in which the Council spent had changed dramatically since the inception of the Council with increasing levels of revenue budget dedicated to commissioned services The creation of ASDVs, would continue this trend.

In response to questions about how the Council would monitor productivity of ASDVs, Peter Bates explained that whilst there were opportunities to benchmark against other authorities, in reality, measuring productivity in some areas may be difficult, but that the Council was actively exploring options concerning the measurement of productivity.

The committee noted the current position in relation to the 2014/15 budget where the Council had achieved a 1.6% reduction in expenditure as compared to 2013/14.

The Chief Operating Officer outlined early headline proposals for the 2015/16 budget in the context of an expected 10% reduction in funding. Early indications had suggested a budget deficit of £6.6million which represented 1% of total expenditure.

Resolved – That the report and presentation be noted.

8 FORWARD PLAN

The Committee considered items listed in the current forward plan.

RESOLVED – That the Forward Plan be received.

9 WORK PROGRAMME PROGRESS REPORT

The committee reviewed the work programme.

RESOLVED - That the report be received and noted.

The meeting commenced at 2.00 pm and concluded at 4.15 pm

Councillor S Wilkinson (Chairman)

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	16 th September 2014
Report of:	Chief Operating Officer (Section 151 Officer)
Subject/Title:	2014/15 First Quarter Review of Performance
Portfolio Holders:	Cllr. Peter Raynes, Cllr. Barry Moran

1.0 Report Summary

- 1.1. This report sets out the Council's financial and non financial performance at the first quarter stage of 2014/15. It follows on from the final outturn report for 2013/14 which demonstrated that the overall financial health, performance and resilience of Cheshire East Council is strong despite taking £50m out of its cost base from 2011/12, and freezing Council Tax for the fourth consecutive year. The Council's strong financial position reflects its enhanced governance, innovative delivery arrangements and effective stewardship of public money.
- 1.2. Following the first quarter review the Council's reserves strategy remains effective, although a small overspend of £1.7m is projected, which represents only 0.7% against a budget of £253.8m. This is the lowest figure ever reported for the Council at this early stage in the financial year.
- 1.3. Cheshire East is the third largest Council in the Northwest of England, responsible for over 500 services, supporting over 370,000 local people. Annual spending is more than £750m, with a balanced net budget for 2014/15 of £253.8m. The complexity of customer demands and the size of the organisation make it very important to manage performance and control expenditure to ensure the best outcomes for residents and businesses.
- 1.4. The Council's journey to becoming a strategic commissioning council is now well developed and 2013/14 was the first year of the Council's 3 year plan. The 3 year plan sets out the purpose of the Council, and the main outcomes it wants to achieve – putting residents and businesses first. The plan is shown on page 30.
- 1.5. 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.
- 1.6. The attached report, **Annex 1**, sets out further details of how the Council is performing in 2014/15. It is structured into three sections:

Section 1 Summary of Council Performance - brings together the positive impact that service performance, the change management programme and financial performance have had on the 5 Residents First Outcomes in Quarter One.

Section 2 Financial Stability - provides an update on the Council's overall financial position. It demonstrates how spending in 2014/15 has been funded, including the positions on overall service budgets, grants, council tax and business rates, treasury management, centrally held budgets and the management of the Council's reserves.

Section 3 Workforce Development, provides a summary of the key issues relating to the Council's workforce development plan.

2.0 Recommendations

2.1 Cabinet is asked to consider and comment on the first quarter review of 2014/15 performance, in relation to the following issues:

- the summary of performance against the Council's 5 Residents First outcomes (**Section 1**);
- the projected service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's reserves position (**Section 2**);
- the delivery of the overall capital programme (**Section 2, paragraphs 152 to 161 and Appendix 4**);
- fully funded supplementary capital estimates and virements up to £250,000 in accordance with Finance Procedure Rules (**Appendix 5**);
- reductions to Capital Budgets (**Appendix 8**);
- treasury management investments and performance (**Appendix 9**);
- the Council's invoiced debt position (**Appendix 11**);
- the workforce development and staffing update (**Section 3**).

2.2 Cabinet is asked to approve:

- supplementary capital estimates and virements over £250,000, in accordance with Finance Procedure Rules, (**Appendix 6**);
- supplementary revenue estimates to be funded by additional specific grant (**Appendix 10**);

2.3 Cabinet is asked to request Council approval for:

- supplementary capital estimates and virements over £1,000,000, in accordance with Finance Procedure Rules, (**Appendix 7**);

3.0 Reasons for Recommendations

3.1 The overall process for managing the Council's budget, promoting value for money and complying with its Finance Procedure Rules, ensure that any changes that become necessary during the year are properly authorised. This report sets out those areas where any further approvals are now required.

4.0 Wards Affected

4.1 All

5.0 Local Ward Members

5.1 All

6.0 Policy Implications

6.1 Performance management supports delivery of all Council policies. The projected outturn position, ongoing considerations for future years, and the

impact on general reserves will be fed into the assumptions underpinning the 2015/18 medium term financial strategy.

7.0 Financial Implications (Authorised by the Chief Operating Officer)

7.1 The Council's financial resources are aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively and that business planning and financial decision making are made in the right context of performance – to achieve better outcomes from an appropriate cost base.

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

8.1 Although the Council is no longer required to report to Government on its performance against measures in the National Indicator Set, monitoring and reporting on performance is essential if decision-makers and the public are to be assured of adequate progress against declared plans and targets.

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.

9.2 Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2014/15 budget - and the level of general reserves – will be factored into the 2015/16 financial scenario, budget and reserves strategy.

10.0 Background

10.1 The Council's quarterly reporting structure provides forecasts of a potential year-end outturn. The forecasts in this report highlight achievements against outcomes and provide an indication of potential risks at this stage of the year.

10.2 At the First Quarter stage, the Council's reserves strategy remains effective despite the current risk of a small overspend of £1.7m (0.7%) against a budget of £253.8m. Portfolio Holders and the Corporate Leadership Board will continue to focus on these forecasts to avoid any impact on the Council's general reserves.

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)

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Email: peter.bates@cheshireeast.gov.uk

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First Quarter Review of Performance 2014/15

September 2014

Introduction

This report demonstrates that the overall performance, financial health and resilience of Cheshire East Council is strong. It is the third largest Council in the Northwest of England, supporting over 370,000 local people with annual spending of more than £750m. The Council continues to strive for further improvements across all aspects of the 500+ services that it is responsible for - delivering more for less.

Central Government's commitment to reduce the high levels of national debt has contributed to local government going through a period of unprecedented change and financial challenge. Cheshire East Council's response continues to be based on innovation and creativity. The Council also continues to be relentless in its pursuit of greater efficiency and productivity to enable it to deliver a high level of sustainable, quality services for a lower overall cost.

Our commissioning intentions to develop better ways to achieve the Council's five stated outcomes by using a mix of delivery mechanisms is continuing to gain momentum. The Council's philosophy is about much more than simply reducing costs through arranging cheaper provision or about traditional outsourcing. Our new approaches and range of service delivery mechanisms will all have a more commercial and 'Residents First' outlook.

At first quarter review the Council's reserves strategy remains effective, despite the current risk of a small overspend of £1.7m (0.7%) being highlighted in the report against a budget of £253.8m. This is the lowest figure ever reported for the Council at this early stage in the financial year.

To support openness and transparency the report has three main sections, to provide background and context, and then eleven supporting annexes with detailed information about allocation and management of public money during 2014/15:

Section 1 provides a summary of Council performance and brings together service achievement highlights against the 5 Outcomes in the Council's three year plan.

Section 2 provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2014/15 is being funded, including the positions on overall service budgets, grants, council tax, and business rates, treasury management, centrally held budgets and the management of the Council's reserves.

Section 3 provides a summary of the issues relating to the Council's workforce development plan.

- **Appendix 1** shows the Three Year Council Plan.
- **Appendix 2** explains changes since Original Budget.
- **Appendix 3** shows the latest position for Corporate Grants.
- **Appendix 4** shows the revised Capital Programme expenditure.
- **Appendix 5** lists approved Supplementary Capital Estimates and Virements up to £250,000.
- **Appendix 6** lists Supplementary Capital Estimates and Virements over £250,000 for Cabinet approval.
- **Appendix 7** lists Supplementary Capital Estimates and Virements required to be approved by Council.
- **Appendix 8** lists Capital Budget Reductions.
- **Appendix 9** provides details of Treasury Management investments.
- **Appendix 10** lists requests for Allocation of Additional Grant Funding
- **Appendix 11** analyses the position on Outstanding Debt.

PJ Bates

Peter Bates CPFA CIPD MBA

Chief Operating Officer (Section 151 Officer)

This report receives scrutiny and approval from members of Cheshire East Council. As a public report, anyone can provide feedback to the information contained here.

Anyone wanting to comment can contact the Council at:
shapingourservices@cheshireeast.gov.uk

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2014/15 Outturn Forecast at First Quarter Review

Financial Position

2014/15 First Quarter Review (GROSS Revenue Budget £638.3m)	Revised Budget (NET) £m	Emerging Pressures £m	Remedial Actions Identified to Date £m	Current Forecast Over / (Underspend) £m	For further information please see the following sections
Children & Families	54.3	0.3	-0.3	0.0	Section 1 - Paragraphs 59 - 66
Adult Social Care	94.8	1.5	-1.2	0.3	Section 1 - Paragraphs 109 - 115
Public Health and Wellbeing	1.6	0.1	0.0	0.1	Section 1 - Paragraphs 116 - 120
Environmental	28.5	0.4	0.0	0.4	Section 1 - Paragraphs 87 - 89
Highways	10.5	0.1	0.0	0.1	Section 1 - Paragraphs 46 - 49
Communities	10.5	1.2	-0.6	0.6	Section 1 - Paragraphs 18 - 20
Economic Growth & Prosperity	14.8	0.2	0.0	0.2	Section 1 - Paragraphs 42 - 45, 122
Chief Operating Officer	42.0	0.0	0.0	0.0	Section 1 - Paragraph 126
Total Services Net Budget	257.0	3.8	-2.1	1.7	
CENTRAL BUDGETS					
Specific Grants	-17.8			0.0	Section 2 - Paragraphs 133 - 137
Capital Financing	12.5			0.0	Section 2 - Paragraphs 164 - 165
Contingencies	2.1			0.0	Section 2 - Paragraph 169 - 170
Total Central Budgets	-3.2	0.0	0.0	0.0	
TOTAL NET BUDGET	253.8	3.8	-2.1	1.7	
		Planned Contribution	Forecast Variance	Impact on reserves	
		2014/15	Quarter 1	Quarter 1 Forecast	
		£m	£m	£m	
Impact on Reserves		-5.8 *	-1.7	-7.5	
*Increased from -£5.3m by Council approved in-year transfers to earmarked reserves					
General Reserves Balance		2014/15 Budget		Quarter 1 Forecast	
		£m		£m	
		Estimated			
Opening Balance April 2014		19.3	Actual	19.8	} Section 2 - Paragraphs 175 - 179
2014/15 Impact on Reserves (see above)		-5.3	Forecast	-7.5	
Closing Balance March 2015		14.0	Forecast	12.3	

Overview of Performance ~ Putting Residents First

ACHIEVING THE COUNCIL'S FIVE OUTCOMES

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

The Council's 3 Year Plan 2013 to 2016 contains 5 Residents First Outcomes. Achievements against these outcomes are measured to provide an indication of progress. In the first quarter of 2014/15 there have been some significant areas of success. These are summarised by outcome below:

1 ~ Our local communities are strong and supportive

- Survey results show an increase in people feeling safe walking in our borough (over 90%)
- Entrants in to the youth justice system have reduced, exceeding target by 16%
- School attendance has increased and is 17% better than average
- More people are volunteering, almost 500 more hours being given in leisure services for example
- More people are engaging with the Council via social media and the website, with 2,000 more twitter followers and almost 400,000 more website hits

2 ~ Cheshire East has a strong and resilient economy

- Business survival rates have increased, to over 90%
- The value of the visitor economy has increased in value by 7%
- More adults are achieving NVQ3, now nearly 60%
- The Council's bid for a new University Technical College has been approved
- High speed broadband coverage is up to 86.7%, which is ahead of target
- Numbers of business births are ahead of forecast at nearly 2,000 in the year

3 ~ People have the life skills and education they need in order to thrive

- 56% of learners are achieving a good level of development
- Pupils achieving Level 4+ in reading, writing and maths are 5% above national averages
- 86% of schools are ranked 'Good' or 'Outstanding'
- Number of young people not in education, employment or training are at lowest ever levels of 3.5%

4 ~ Cheshire East is a green and sustainable place

- Targets to complete the Local Plan are on track
- Companies have been set-up for waste and bereavement services
- CO₂ emissions are 400 tonnes lower than the original forecast
- All air quality action plan targets are being met
- Satisfaction with country parks is now over 97%
- Green flags have been awarded to 7 locations
- Targets are being achieved to help residents through collective switching of energy suppliers

5 ~ People live well and for longer

- Numbers of home adaptations are above target by 18%
- Empty homes in Cheshire East is down to 1.18%, which is ahead of the targeted reduction
- 80.9% of community based service users are able to stay in their homes, the highest performance to date
- The number of preventative actions that reduce homelessness has increased in line with the target
- 18.86% of people are using outdoor space for exercise which improves the rank for Cheshire East compared to other areas
- Satisfaction with countryside events has increased to 85%
- Adoptions have exceeded targets
- Numbers of children participating in their protection plans is positive with performance at 16% above target

FINANCIAL STABILITY

Cheshire East Council is achieving outcomes based on sound financial management. In 2014/15 the Council will operate on an annual budget of more than £750m.

- At First Quarter the risk of a total forecast **overspend of £1.7m** is being reported compared to budget.
- The potential overspend represents only 0.7% of the Council's **net revenue budget of £253.8m**. This is considerably lower than previous years' forecasts at the Quarter 1 stage, which have tended to be reduced as the year progresses, from robust management action to mitigate the pressures before year end.
- **Service Budgets** – a forecast overspend of £1.7m is reported.
- **Central Budgets** – are currently forecast to be balanced at year end.
- The Council is among the top third of Unitary Councils in terms of **Council Tax collection**. Over 99% of Council Tax and Business Rates are collected within three years.
- **Investment income** is £28,000 higher than budget for Quarter 1. The average rate earned on investments (0.5%) is higher than the London Inter Bank 3 month rate.
- **General Reserves** The robust reserves strategy assesses risk at the beginning of the year, and protects the Council against potential overspending. At this time of year the potential overspend of £1.7m is less than the original forecast risks. Further mitigation of the forecast outturn overspend is still expected to be achieved.
- The original total **capital budget** of £161.2m for 2014/15 has been reduced to £147.8m to reflect revised forecasts and slippage following the 2013/14 outturn.
- For monitoring purposes, the in-year capital budget for schemes committed or in progress is £124.3m and is in line with the current expenditure forecast.
- Outstanding **Debt** (excluding local taxation) is £5.8m. Only £2.3m (around 5% of total debt raised annually) of debt is over 6 months old and this is completely covered by provisions to meet potential write-offs.

1. Summary of Council Performance

Introduction

1. Cheshire East Council is responsible for delivering more than 500 local public services across an area of over 1,100km² for over 370,000 residents. The budget to deliver these services in the period April 2014 to March 2015 is 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. In terms of spending power per head, Government figures highlight the impact of different levels and sources of funding on total Council spending:

2.

Spending Power per Head Comparisons 2014/15			
	Cheshire East	Rural East Riding of Yorkshire	Urban Liverpool
	£	£	£
Grants	316	389	896
Council Tax	450	386	251
Total	766	775	1,147

3. The Council's Three Year plan, which was agreed by Council on 28th February 2013, has five Residents First Outcomes that will focus service delivery in the medium term. This section of the report highlights progress towards achieving each of the five outcomes, in addition to inward-facing work undertaken during 2014/15 to support the delivery of a responsible, effective and efficient organisation.

4. This report reflects activity that has taken place mostly in the period April 2014 to June 2014 including progress against the Council's change programme. Commentary is also provided on the financial impacts (both revenue and capital) of this activity.

1 ~ Our local communities are strong and supportive

Mutual Respect & Personal Responsibility

5. Work around reducing first time entrants to the youth justice system continues to be successful; Cheshire East's Youth Engagement Service was shortlisted for a Howard League Reform Award in the first quarter for its programme of work to combat harmful sexual behaviour. The work of the Preventing Offending Panel (POP) has contributed to the reduction, through the use of preventative interventions. The Navigate Scheme brings together key partners, all of whom are focused on reducing re-offending by changing behaviour and lifestyle for the good. 87 prolific offenders are currently on the Navigate Scheme, only two of whom are on the priority and pursue strand of the scheme (actively targeted by police).
6. Two multi-agency 'Streetsafe Scheme' initiatives took place in the first quarter, engaging with residents to take preventative action and reduce their concerns regarding home safety, and work is now underway to implement resulting action plans.
7. Our early intervention work with young people means that 86% of young people receiving their first written warning do not come to the attention of the Anti-Social Behaviour (ASB) team again. ASB log books identify local problems early, enabling residents to take action themselves with the assistance of Safer Cheshire East Partnership. Referrals to the Council's "no secrets" high risk/self-neglect panel has resulted in positive outcomes, addressing complex issues earlier and avoiding the need for ASBO's.
8. A £5m Complex Dependency bid has been submitted by Cheshire for support to develop better ways of supporting victims

of domestic abuse and Troubled Families; results of the bid are anticipated during the next quarter.

9. Community Hub pilots were launched in 5 areas and community-led working groups are now progressing local initiatives.
10. There has been an increase in Community Grant funding to local groups, increasing added value from match funding. In the first quarter £39,078 was awarded to 31 community, voluntary and faith organisations which contributed towards total project costs of £664,024.

Communities

11. The Queen's Commonwealth Baton Relay provided an excellent opportunity for increased volunteer involvement in support of the day's activities at Congleton Park in May. It was attended by over 10,000 local residents.
12. Community Hub working groups in five pilot areas recruited over 70 volunteers.
13. 267 claims for Emergency Assistance have been agreed and £177,000 awarded. This has largely supported people in crisis to obtain furniture and white goods and provide rent deposits.
14. The Joint Cheshire Emergency Planning Team are working with partners from the Cheshire Resilience Forum (CRF) to increase public awareness in this important area. A key element of this year's Action Plan (linked to the CRF Public Awareness Raising Strategy 2014-17) is the deployment of Emergency Pocket Leaflets and display banners at major events such as the Cheshire Show as well as all 14 Fire Station Open Days across the wider Cheshire area. So far in Cheshire East these have taken place in Crewe and Middlewich, with Congleton, Macclesfield and Knutsford still to come. These events so far have seen several hundred leaflets handed out to residents,

helping them to prepare for, and respond safely to, major incidents such as severe weather and flooding.

Civic Pride

15. Cheshire East turnout for the European Elections in May 2014 stood at 32.6%, slightly below the North West figure of 33.48%.
16. Our target to increase number of Council website visits is ahead of target (1.39 million visits during the first quarter, ahead of our target of 1 million) and the ambition to make the customer experience better continues. The service has completed the National Customer Contact Association Global Standard Assessment and awaits the results.
17. At the end of the first quarter, @CheshireEast had over 7,600 Twitter followers, a 42% increase since our baseline in September 2013.
18. Overall, Communities are forecasting an overspend of £551,000 for the year.
19. There is a pressure of £938,000 on car parking services, of which £362,000 is for the Car Park Enforcement team. A review of enforcement is ongoing and is expected to deliver recommendations to address the pressure in the medium to long term. Subject to further analysis, there is a potential pressure of £545,000 for car parking pay and display income. A consultation on a pricing policy that reflects the needs of different areas is planned with local residents and businesses. It may be difficult to balance this pressure by the end of the year, especially if the consultation on parking leads to lower prices.
20. This pressure is partially mitigated by underspends in Local Community Services and Local Area Working of £396,000 due to delays in filling staffing vacancies and successfully recovering incorrectly overpaid benefit.

2 ~ Cheshire East has a strong and resilient economy

Business and Visitor Economy

21. Economic growth in Cheshire East is beginning to stabilise in line with the rest of the UK as the country starts to recover from the fiscal crisis. Projections remain as forecasted that Cheshire East economy will grow by £0.6bn from 2013/14 to 2015/16.
22. Infrastructure and regeneration investment plans are beginning to support economic growth and create new jobs, particularly high-skilled jobs, and build new homes. Major investment projects including Congleton Link Road, Poynton Bypass and Alderley Park investment fund have been approved and submitted by the Cheshire and Warrington Local Enterprise Partnership (LEP) to go forwards as priority projects for Local Growth Funding (LGF) from Government.
23. Masterplanning work for Crewe and Macclesfield is well underway, as is proactive work with our key service towns to support growth. This activity will help unlock the prosperity of our towns and reduce the number of vacant shops.
24. Our visitor economy continues to go from strength to strength with the team attracting a major new TV drama to film and be based in Cheshire East. A new visitor information point has opened at Crewe Station and Tatton Park won a 'Gold Award' in the Visit England National Tourism Awards for excellence as best large visitor attraction in England (May 2014). We also celebrated the launch of the Cheshire East Reflects website, commemorating the many lives lost from the Cheshire regiments throughout World War 1.
25. The Tatton Park Vision programme broadly remains on course to achieve its outcomes. Bewilderwood has been approved by the Secretary of State to continue and now moves into the next phase of the development process.

26. The Council's wholly owned development company, Cheshire East - Engine of the North, continues to make progress to maximise the Council's land assets for housing and employment opportunities. The sale of Parkgate and Remenham sites has been agreed, the marketing of Earl Road is taking place, and the development of the South Macclesfield Development Area and Handforth East schemes are underway.
27. The Crewe Lifestyle Centre passed a key milestone in the quarter with the achievement of formal planning permission. Work is programmed to start on site on 18th August 2014.

Workforce

28. The Council's revised bid for a new University Technical College was submitted to the Department for Education and interviews were held. The bid has recently been approved.
29. The Council has received a good Ofsted report for its Lifelong Learning team, highlighting the fantastic work the team is doing to further the 14+ skills agenda.

Infrastructure

30. In May the Secretary of State for Transport visited Crewe Station, giving the Council the opportunity to discuss and promote a station stop in Crewe as part of the new high-speed rail line 'HS2' proposals.
31. The Middlewich bypass now has the green light to move to the next stage of development, securing £4.1m from the Regional Growth Fund, with the Council contributing £2.5m towards the scheme. This investment will unlock growth around Middlewich, ease traffic congestion and support the joint scheme between Cheshire East Council and Cheshire West and Chester Council to develop a rural business hub called 'Cheshire Fresh'.

32. A much anticipated new car park and entrance for Crewe Station was unveiled in May providing extra capacity and better access to Crewe Station.
33. Work began on an £11.2m joint scheme between Cheshire East Council and the Highways Agency to improve the A500 near Crewe, with further good news that the Council has secured a £16m funding boost for the Crewe link road.
34. A consultation about the Poynton link road has commenced seeking the views of our local residents and businesses about the proposed route.
35. The 'Connecting Cheshire' broadband project has connected 30,000 homes and businesses with fibre broadband and is on course to achieve 96% coverage by March 2015. A number of 'switch on' events were held around the borough with Alderley Edge being one of the first major events.
36. Connecting Cheshire builds on the success of the iESE (Improvement and Efficiency Social Enterprise) Transforming Local Services Award received in March 2014 by becoming a finalist in the much-acclaimed Community Investor category of the Municipal Journal awards. Funding was approved by Cabinet in April 2014 to continue the project for a second phase to reach 99% of homes and businesses by April 2017. Preparation for the second phase of the project is underway, with the intention to procure a delivery partner later in the year.

Inward Investment

37. An independent evaluation of Connecting Cheshire Business Support Programme indicates the quality of the services to businesses is high, and is set to leave a positive lasting legacy when it concludes in 2015. There remains a challenge to attract eligible businesses to join the programme and every effort is being made to promote the opportunity of 12 hours paid for support to ensure targets are achieved.

38. In April a new Investment team was formed bringing together Major Projects, Regeneration, Skills, Housing, Business Engagement and Investment functions. The new team will support the growth of our businesses, delivery of major investment, infrastructure and regeneration, and develop our workforce. The team hosted a very successful business and investment event at the Cheshire Show as part of the Cheshire East stand.
39. A Business Science event held at Alderley Park, attended by over 200 Businesses, was heralded as a great success; promoting Alderley Park and Cheshire East. The Council has had further good coverage promoting the borough as a place to do business in a feature of Cheshire Business Life Magazine.

Responsible Business

40. 100% of businesses surveyed were satisfied with local authority regulation services during the first quarter.
41. 92% (201 out of 218) programmed inspections of A-C risk premises for food safety were completed in quarter one; shortfalls have been captured in the quarter two inspection programme. The service has changed its inspection programme to focus on those premises that are failing to meet the standard of 'broadly compliant'. The Service also achieved 78% (76 out of 98) of inspections programmed for low risk premises. 100% of all high risk inspections for food standards were completed.
42. At First Quarter Review the Economic Growth and Prosperity Directorate are reporting overall a potential budget pressure of £0.2m against a net budget of £14.8m. This is a relatively small variance against budget and at the next quarterly report it will be clearer if this pressure can be absorbed within the Directorate.
43. Strategic and Economic Planning Service are in the middle of an intense period of activity. This encompasses a strong push

towards improved performance across the Service, strengthening capacity in a number of key areas, including Planning Inquiries, and crucially for the Council, preparing to run examination in public of the Local Plan. The cost of additional capacity in 2014/15 (over and above Cost of Investment in the base budget) is estimated to be in the region of £0.5m, with a further £0.2m anticipated in 2015/16. Therefore the Service is anticipating a risk of overspending by £0.5m in 2014/15.

44. The Investment Service is projecting a favourable outturn in the region of £0.2m, principally as a result of vacancy management and delays in filling posts. However this resource may, in part if not all, be needed later in the financial year within the Directorate to support other project development costs.
45. Strategic Infrastructure has an estimated in-year budget pressure of £0.1m in respect of the Crewe High Growth business case, for which external funding is being sought but at this stage of reporting this is unconfirmed.
46. At First Quarter Review the Highways Service are reporting a small budget pressure of £64,000 against a net budget of £10.5m.
47. Cheshire East Highways in conjunction with the Highways Client Team are in the process of developing a new permit scheme under the New Roads & Street Works Act. The scheme was planned to go live in October 2014 and a part year funding from a new income stream is included in the 2014/15 budget. However, the scheme has still to be approved by the Department for Transport following amended scheme rules they have only recently announced. As a consequence it is unlikely to go-live until Feb 2015 at the earliest, deeming the new income target unachievable in year, and producing a £0.2m pressure.
48. Whilst the organisational shift towards a commissioning model is completed there is a potential £40,000 pay pressure whilst

funding for the new Highways Commissioning Manager post is identified from September 2014.

49. A forecast improvement against other Highways Fees & Charges of £87,000 combined with further underspends totalling £89,000 against the Cheshire Safe Roads Group Contributions and Speed Awareness Course income share and other small variances are reducing the impact of the above pressures to £64,000.

3 ~ People have the life skills & education they need in order to thrive

Securing the Best Start in Life

50. Work to ensure that pupils achieve a good level of development at the end of the Early Years Foundation Stage continues. The headlines from the initial unvalidated results for 2013/14 suggest that the percentage of children achieving a good level of development has increased by 6% from last year to 62%. The national picture at present is 60%. Furthermore, the picture of the percentage of more vulnerable children achieving a good level of development has improved; those accessing Free School Meals is at 42% (35.4% last year), cared for children results have increased to 40% (from 0%) and 56% of children living in the Borough's most deprived areas. A detailed analysis of all education performance data will be reported in quarter two.

Highest Achievements for All Learners

51. Priorities to achieve the highest achievement for all learners are being progressed through an Education Board. The Board undertook a full evaluation of its work in the first quarter and this will be reported in quarter two as part of the wider examination analysis for 2013/14.
52. During the first quarter, a detailed Peer to Peer Challenge took place to assess the local authority's progress in terms of a

potential Ofsted Inspection of its school improvement service. The outcomes from this process were very positive and highlighted the commitment to closing gaps in achievement for Cheshire East's most vulnerable learners. Early indications of achievement at primary and secondary level suggest an all-round improving picture.

53. During the first quarter, the overall Ofsted profile for Cheshire East schools has improved in terms of the number of schools judged Good or Outstanding. As of the end of June, the overall judgement for all schools was 87.9% Good or Outstanding.

Achieve Aspirations

54. The number of care leavers in education, employment and training is an improving picture. First quarter data shows that this remains at the lowest levels ever seen in Cheshire East and reflects the continued proactive approach to ensuring the best outcomes for our young people.

Inclusion

55. In terms of supporting our disadvantaged pupils who are eligible for Pupil Premium funding, significant work has taken place over the last 12 months to work with our secondary schools where the biggest gaps are seen. Predicted data supplied by schools shows that the gap for 2013/14 has the potential to reduce by close to 10% compared to last year. Full analysis will occur during quarter two when data from the Department for Education will be available on all secondary school performance.
56. The Council is continuing to review the range of special school provision available. A needs analysis has been developed and work is currently underway on an options appraisal for the type and number of specialist provision to be developed.
57. Significant work has been undertaken to ensure that the new arrangements for children and young people with Special

Educational Needs (SEN), set out in the Children & Families Act, are implemented in September 2014.

58. The Life Course Review Programme Board is well underway. This aims to redesign health and social care services to people with a Learning Disability from birth to old age. In quarter 1 the programme was extended to include access to universal health and social care provision, in order that the needs of people with a Learning Disability are fully included in the redesign of generic community health and social care services within the Connecting Care and Caring Together whole system change programmes.
59. The Children's Service is anticipating to deliver a balanced budget during 2014/15 and this is a reflection of the accelerated delivery of policy proposals in 2013/14 and also the effective planning of the service to prepare and deliver 2014/15 policy options. The service have completed an annual needs led budget exercise to ensure that resources are allocated within the service to reflect business requirements.
60. The service are tasked with delivering over £3m of savings at a time when they are also implementing the Children's Social Care Act (including a care assessment system) and senior managers are reviewing the ability to deliver savings against performance. Senior managers will continue to review the budget position and will alert the Director of Children's Services of any significant performance and budget pressures or of any issues with delivering services.
61. An intensive recruitment exercise to attract social workers has recently been completed and it is anticipated that this will reduce the reliance on agency social workers and this should improve the continuity of support for vulnerable children. Until staff are in post there continues to be a risk of budget pressures due to the reliance on agency staff to deliver statutory services.
62. There is an emerging budget pressure of £0.3m linked to the transport related savings.

- 63. The service is continuing to make positive progress with reviewing Children's Social Care Packages, in particular reviewing contributions from health partners.
- 64. A review is currently underway of Children's commissioning support to ensure that commissioning activity is targeted to the priority areas.
- 65. The service is also working with Public Health colleagues to understand the opportunities for collectively commissioning services, to improve the delivery of services to customers and also to maximise value for money for the Council.
- 66. Temporary funding of £0.15m has been made available to invest in new Domestic Abuse support services and this reflects the Council's commitment to improving community life.

Dedicated Schools Grant

- 67. The Individual Schools Budget (ISB) is assumed to balance as actual spend has to equal budget, with schools retaining in full any carry forward of either an over or under spend, up to the de minimis level (8% in primary, 5% in secondary). Any balances held over those thresholds are carried forward and added to the Schools block in the following year. During 2013/14 schools generally under spent their budgets by approximately £8m, decreased from approximately £12m in the previous year. The latest estimate is that schools will continue to underspend their available allocations for 2014/15, but at a reduced level, as pressure continues to be felt in schools budgets from the funding reforms implemented nationally in 2013/14.
- 68. Centrally retained DSG was not fully spent in 2013/14, allowing budget of £5.9m to be carried forward, due in part to pro active management of SEN placements both in Cheshire East schools, and in out of borough placements, but mainly due to the late allocation from the Education Funding agency of £3.6m to correct previous underfunding of post 16 SEN. This carry forward has

meant that the service has been able to earmark budget for the Autism Spectrum Condition special school due to open this financial year; further investment has been made in Resource Provision; and investment in Narrowing the Gap activity across the borough. Any underspend at year end will be carried forward to 2015/16 to continue investing in and improving education across Cheshire East.

4 ~ Cheshire East is a green and sustainable place

Development Management

- 69. With thanks to a huge effort from our Strategic and Economic Planning Team, Cheshire East's Local Plan was submitted to the Secretary of State marking a signification milestone to secure an approved Local Plan. The Examination is scheduled for September 2014.
- 70. The number of planning applications and level of appeals remains at an all time high and the planning team are making every effort to complete normal day to day operations, whilst at the same time supporting the development of the Local Plan securing the future of the borough. The number of major applications determined (50) is one of the highest nationwide. Minor applications decided were 244; with 565 'other' applications decided.
- 71. Our Building Control team were commended by their industry for the excellent work over the last 12 months, receiving several awards at the Building Control Excellence Awards in April 2014.

Waste Management

- 72. The Waste Strategy is ahead of schedule working to a revised timetable for agreement by Cabinet in October 2014. The service is currently out to public consultation in which initial results indicate a positive endorsement of the Council's high level

strategy objectives. The consultation will conclude with two public focus groups and a session with Scrutiny on the 4th September prior to the Strategy going to Cabinet on the 14th October 2014.

- 73. Citizens' Panel survey results indicate that overall customer satisfaction with the waste collection service stands at 75%.
- 74. The Waste Service Efficiency Review is on track to deliver required savings through Ansa Environmental Services Alternative Service Delivery Vehicle (ASDV).

Carbon Management

- 75. New Carbon Index research, issued by Eunomia Research & Consulting for 2012/13, ranks the Council 2nd (out of 11) authorities in the North West in a Carbon Index, and classified Cheshire East as a 'Good Performer' in the English Recycling Carbon Index.
- 76. Cheshire East Highways continue to work towards delivering a 25% reduction in CO2 emissions from street lighting and unmetered supplies by March 2016. Although savings have fallen behind what was anticipated by this stage, Highways are working on further proposals that, subject to funding being made available, will still deliver the target by 2016.

Environmental Management

- 77. Seven Green Flag Awards have been achieved in 2014 (Tatton Park, Congleton Park, Bollington Recreation Ground, The Moor at Knutsford, Tegg's Nose Country Park, Brereton Heath Country Park and Sandbach Cemetery).
- 78. Orbitas ASDV has been operational from 1st April 2014. The company provides a dignified bereavement service and is responsible for two crematoria sited at Macclesfield and Crewe, and eleven cemeteries (135 acres) located across Cheshire East. There were a total of 767 burials and cremations undertaken

during the first quarter, compared to 799 in the same period last year, a decrease of 4%. This decrease is matched by national trends with information from the Office of National Statistics showing that, for the months of April and May, the number of deaths registered in England and Wales was 80,757, representing a decrease of 11,052 (12%) deaths in comparison to the same months in 2013.

- 79. The number of fly tips stood at 577 at the end of the first quarter. This has increased year-on-year principally because we have introduced a new Customer Relationship Management (CRM) system which better captures the number of incidents. Ansa will continue to carry out Waste Prevention work which will seek to educate people to improve behaviours, however it has limited control over public behaviour. It will continue to respond to fly tipping reports promptly to reduce risk of the problem escalating.
- 80. 100% of scheduled pollution control inspections to protect the Cheshire East environment were completed during the first quarter. A further inspection has been deferred due to its seasonal requirements. We have also undertaken 8 Petrol Vapour Recovery inspections as part of routine Petroleum Premises Inspections.

Sustainable Energy

- 81. Early indications are positive with regard to the Council's work on Geothermal energy. An open day was attended by 57 people from across the industry, seeking to consult and develop a dialogue to move the initiative forwards.
- 82. Significant progress has been made with delivering viability studies assessing the heat network, site investigations and risk modelling all these studies will de-risk the delivery of the Geothermal project.

83. A grant application has been submitted for further feasibility money from the Heat Network Delivery Unit with the outcome known in Summer 2014.
84. The Council has formed an energy advisory board to provide expert advice on a range of topics to secure a better energy deal for our local residents. We are progressing the appointment of an energy supply partner to tackle fuel poverty within the Borough and are currently out to the market.
85. Work to increase the total waste sent for energy recovery by 2016 is on track. An interim collaborative agreement with Staffordshire County Council will deliver 40% to energy recovery 2014/15 and 2015/16. Further increases will require additional procurement from 2016.
86. Latest data on the percentage of households in fuel poverty indicate an improved position. Data is lagged, but a reduction from 11.6% in 2011 to 9.5% in 2012 has resulted in an improved national ranking (from 99 to 59), moving Cheshire East from 'significantly worse' than the England average to 'significantly better' than the England average.
87. At First Quarter Review the Environment Service are reporting overall a potential budget pressure of £0.4m against a net budget of £27.7m. This is a relatively small variance against budget and at the next quarterly report it will be clearer if this pressure can be absorbed within the Service.
88. Environmental Operations are projecting an adverse overall variance of £375,000 against net budget of £27.8m. £252,000 of this relates to potential expenditure in the Client Team while the organisational shift towards a commissioning council continues. £163,000 relates to one off costs for staff displaced through the management review and have since left CEC in the first quarter to 30 June. £108,000 of this relates to voluntary redundancy costs, and the £52,000 remaining budget shortfall (permanent) relates to further currently unfunded client posts.

89. Bereavement Services are projecting an adverse variance of £58,000 against a net income budget of (£1.3m), although further analysis of spending in the service provider will not be reported until the second quarter of operations.

5 ~ People live well and for longer

Facilitating people to live independent, healthier and more fulfilled lives

90. The Council continues to increase the support to people who need adaptations to their home. We have actioned this by improving our performance of the allocation of Disabled Facilities Grant and being able to respond to requests for minor adaptations. We have achieved 503 adaptations in quarter 1 against a target of 425.
91. The Council continues to develop new ways of working to support people to remain in their own homes or return there after admission to hospital. The planned changes are:
- Improved access to information and advice at an early stage to detail what help is available.
 - Development of integrated health and social care community services within the Caring Together and Connecting Care programmes.
 - Development of integrated urgent care and rapid response services for people to receive care at home in a crisis where this is possible.

All these three areas of work are well underway and the design stages are almost complete with staged implementation to commence later this year.

92. The impact of seeking to make best use of prevention and early intervention services and to work with individuals to look at the support options available to them in their own communities is having positive results in long-term support for people to stay at home. In quarter 1 the performance result for community based services users able to stay in their own home was 80.9%; an increase in performance and the highest to date.

Early Intervention, Help and Prevention

93. Additional care and support services were commissioned in April 2014. These services are being provided by the voluntary sector and continue to add to the range of existing provision. Monitoring of these services will evidence delivery against key Council outcomes which focus on residents being able to access help at an early stage, and ensure the right help at the right time for them.
94. Mental Health Reablement services continue to support people through periods of mental ill health and crises. In the first quarter 493 service users completed a mental health reablement programme. 80% of these service users needed no ongoing help at the end of the six week reablement period.
95. Work is continuing on improving our Early Help offer. Whilst the number of multi-agency early help assessments is increasing, an exercise is being undertaken to audit the quality of these plans and to ensure that they result in a reduction of referrals to Children's Social Care.

Accessible Services, Information and Advice

96. Public health drug and alcohol services have been re-commissioned and the new service is expected to be operational by end of October 2014.
97. The new service will have a greater focus on supporting alcohol misuse and on early help, harm reduction and recovery support.

Participation in the sub-regional alcohol harm reduction work programme continues. Health promotion talks took place in May with Police talking to vulnerable pupils in 2 schools in Crewe on the consumption of alcohol and the harmful effect on their health.

98. The Winter Wellbeing Group is continuing its preparations for winter 2014/15. A multi-organisation "Under the Weather" Event was held in July 2014 to plan new approaches covering winter, summer and flooding.
99. A Public Health Transformation Fund has been created to enable Cheshire East residents to access, and benefit from, innovative approaches to health and wellbeing not previously available to them. This includes an opportunity to develop sustainable initiatives which provide a greater focus around prevention and early intervention. Approval from Cabinet for the Fund was gained in July 2014.
100. The Council's Leisure facilities and leisure development team transferred to the new Everybody Sport & Recreation Trust on the 1st May. Excellent continuity of service for users has been maintained in the first few months of trading. The trust will now be looking to further develop and improve the leisure and health offer to local residents.
101. The Council is working to increase delivery of 'Bikeability' Level 2 or 3 cycle training to young people aged 8-18 years across the Borough, from 3,800 in 2013/14 to 4,000 in 2014/15. Performance is well on track and ahead of target at the end of the first quarter with 1,103 young people trained across 40 schools and bookings confirmed for the next academic year.

Public Protection and Safeguarding

102. Safeguarding children and young people is a key priority for the Council. The Council has continued to work with Ofsted on piloting its improvement framework. Monthly reports from Ofsted suggest significant improvements in safeguarding quality of

- practice. Plans to increase the number of high quality Social Workers are supporting these improvements and the focus for quarter two is on implementing a number of strategies to reduce Social Worker caseloads to enable them to spend more time with children and families.
103. Ensuring that children and young people participate in decisions that affect their lives is an essential part of the Council's ambition to being a good and outstanding authority. It is particularly important for those most vulnerable children and young people. To this end, there continues to be an increase in the number of children and young people who are participating in their child protection plan. Efforts to find different approaches to make this participation more meaningful for these young people are ongoing.
 104. The 'Have you Heard' Conference was a key success in celebrating the voice of children and young people during the first quarter. The conference was held in June by the Safeguarding Children in Education and Settings team. Planned, researched and organised by young people themselves, the conference for frontline practitioners focussed on issues that young people identified as important to them in relation to safeguarding, including domestic abuse, child sexual exploitation and e-safety. The high profile event was opened by the Leader of the Council, with a keynote speech from Edward Timpson MP and closing speech from the Portfolio Holder for Children and Families.
 105. The annual Looked After Children Sufficiency Statement was revised in quarter one and will be published in the next quarter. This includes an action plan that sets out how the Council will continue to increase the number of children placed locally. A corporate parenting strategy will also be published in quarter two that will set out how the Council intends to improve outcomes for all children in care.
 106. The Council's adoption recruitment strategy is proving very successful. 12 adopters have already been recruited against the annual target of 35.
 107. Cheshire East Council has been chosen to be part of a national pilot scheme that will help find homes faster for vulnerable children who end up in care. The pilot will allow approved adopters to learn more about the children who are waiting for a loving, stable home. They will be able to find out about their hobbies, likes and dislikes and hear them speak and laugh in videos and pictures.
 108. Cheshire East Council will also benefit from funding worth £1,900 per pupil, which will help to close the attainment gap between adopted children and their peers. The 'pupil premium' money will help schools provide tailored support to raise the attainment of all adopted children from this September, such as additional catch-up sessions or specialist training for staff working with children adopted from care.
 109. The Adults Service is currently predicting a small overspend at First Quarter Review for 2014/15. This overspend of £300,000 on a net budget of £92.6m represents a variance of 0.3%. The service continues to operate in a very challenging climate financially with demand continuing to rise through the increasingly elderly (and frail) population and the complexity of service users coming through transition to adulthood from Children's Services. Negotiations are underway with health colleagues around the ongoing funding of these costs arising from very complex needs and this issue dominates financial forecasts at this time.
 110. In addition, future financial risks continue to grow and are being recorded in outturn forecasting and future years Medium Term Financial Strategy (MTFS) plans as they become able to be quantified with confidence. These include risks around the Care Act where detailed financial modelling has commenced in order

to project whether the monies allocated by central government in future years will match the costs being locally on the ground.

111. Progress is being assessed against current years MTFs target savings and actions such as individual review / reassessments of service users using tools such as the Care Fund Calculator is underway. Papers have recently considered by Cabinet which will allow actions to be delivered to contribute towards these savings. Early projections, for example, around income levels remain buoyant and give cause for optimism at this point. In addition, new pressures such as the recent changes in respect of the approach around Deprivation of Liberties following the Court judgement in March 2014 are being managed and training / resources being targeted appropriately.
112. It should be noted that additional pressures may come forward as the year progresses, for example, those that arise in this sector during the winter period. Colleagues in Health are already gearing up for these potential pressures, which may in turn result in additional pressures on Adults Social Care.
113. The service has successfully recruited additional Social Workers to assist with both current pressures outlined above and also, those that will inevitably arise of the Care Bill in future years (such as further assessments to determine eligibility under the act and in turn, progress toward the care cap introduced under the act).
114. The service is also working with Public Health colleagues to understand the opportunities for collectively commissioning services, to improve the delivery of services to customers and also to maximise value for money for the Council.
115. At this point the overall projection is one of producing a balanced outturn (to follow on from the underspend position reported in 2013/14, which was first for the service during the existence of Cheshire East Council) against a backdrop of increased demand and therefore further pressure on every pound spent. Mid Year

Review will contain an update around the funding of very complex cases which as stated at the outset is key to the overall financial position of the service.

116. The Public Health budget for 2014/15, fully funded directly by government grant, is £14.2m. This budget has and will continue to be subjected to ring fencing arrangements through to the end of 2015/16 at the earliest. At the end of 2013/14 £1.6m was placed into the Public Health Earmarked Reserve which is allowable under the regulations that transferred this service into the local authority.
117. This reserve and further funds from within the existing 2014/15 allocation are proposed to be utilised in improving Public Health / Council Outcomes, for example, Outcome 5 "People Live Well and for Longer". Public Health have launched their Innovation Fund and it is envisaged that the first allocations from the fund will be agreed during August 2014.
118. It is possible that given the proportion of the year that has elapsed to date, and the potential time delay in setting up projects that the Earmarked Reserve will further increase at the end of 2014/15 (a range of £2.5m to £3.0m is flagged at this point) in order that projects are able to be supported for a sufficient period to evidence their success before being considered for mainstream recurrent funding.
119. The quarterly reviews will contain updates about the Innovation Fund and the potential impact on the Earmarked Reserve and the reserve itself will be fully backed by a detailed list of ongoing commitments at year end.
120. There is a risk of potential overspending in Leisure client services (of up to £85,000) while the structure of client services is reviewed across the Council. Additional costs may arise from the closure of the Leisure accounts as at end of April 2014 but these are still being finalised and will be fully reported at mid –year.

A Responsible, Effective and Efficient Organisation

Efficient Use of Assets

121. A property agent has been appointed to work with the Council to accelerate the disposal of surplus assets. This will generate capital receipts and achieve revenue savings targets. Business Improvement work has begun to review the operational performance of the Assets team to develop a fit for purpose team as part of the Commissioning Council model. A review and refresh of the Council's Strategic Asset Management Plan is underway to ensure operational activities remain aligned to the Council's outcomes.
122. The Assets Service at this stage in the financial year are assuming a balanced budget with the exception of the Farms Estate, which based on previous financial year-end outturns, is likely to achieve a favourable variance in the region of £0.2m.

Effective Processes

123. During the first quarter, the Council has continued to develop a suite of local performance indicators to help measure delivery of 'a responsible, effective and efficient organisation'. We are currently working to define, baseline and monitor these measures to track performance and identify areas for improvement throughout 2014/15 and beyond.

Engaging Our People

124. The Council has set a 2014/15 target to reduce the number of average working days per employee (full time equivalent) lost through sickness absence to 11 days (excluding schools). First quarter cumulative performance stood at 2.91 days.

Enhance Leadership and Governance

125. 82% of agreed internal audit report recommendations were implemented in 2013/14, and the Council has set a target of 90% for 2014/15. Work is underway define, baseline and monitor similar measures relating to external audit recommendations and agreed third party inspection report recommendations.

Effective Financial Control

126. No significant Chief Operating Officer budget pressures have been identified at this early stage of the year and a broadly balanced outturn is currently forecast.

2. Financial Stability

Introduction

127. Financial performance in terms of estimates at Quarter 1 of 2014/15 has continued to improve compared to previous financial years. Improvements in financial planning, governance and stewardship are having a clear impact on the Council's ability to manage its budget and create greater confidence in the medium term plans.
128. The best fit approach towards commissioning means the Council now wholly owns several supplier companies. The financial position of these companies, and how this affects the financial performance of the Council, will be analysed and reported in more detail at the mid-year point.
129. **Table 1** provides a service summary of financial performance at Quarter 1. For further details please see Section 1 and the notes below the table. Changes to service net budgets since Original Budget are analysed in **Appendix 2**.

Table 1 Service Revenue Outturn Forecasts

	Revised Net Budget	Emerging Pressures	Remedial Actions	Current Forecast Over / (Under spend)	Outcome Number 1-5
	£000	£000	£000	£000	
Children & Families	54,264	307	-250	57	3,5
Adult Social Care & Independent Living	94,780	1,500	-1,200	300	5
Public Health & Wellbeing	1,619	85	0	85	5
Environment	28,501	433	0	433	4
Highways	10,501	64	0	64	4
Communities	10,497	1,235	-684	551	1,2
Economic Growth & Prosperity	14,756	206	0	206	2
Chief Operating Officer	42,043	0	0	0	
TOTAL SERVICE OUTTURN	256,961	3,830	-2,134	1,696	

130. The impact of the projected service outturn position at this early stage of the financial year is to decrease balances by £1.7m. Further items impacting on the level of the Council's balances are detailed in the paragraphs below on centrally held budgets.
131. The Council has made considerable improvements in the way it manages its major change programmes. This has included extensive training, a refreshed methodology, the setting up of new monitoring and reporting arrangements and monthly reporting. In April 2013 the Council launched a corporate project and programme management framework to support achievement of the Three Year Plan. The framework focuses on capital or revenue projects or programmes where the total value exceeds £250,000, or poses significant risk to the Council. Progress is reviewed by a Member-led governance group, called the Executive Monitoring Board

(EMB), which is supported by a Technical Enabler Group (TEG) and the Programme Management Office (PMO).

132. Monitoring of the current projects and programmes focuses on whether projects are expected to achieve the benefits set out in each business case within the timescales and budget initially agreed. Where progress on a specific project or programme is impacting on the outcomes contained in the Council's Three Year Plan details will be provided in Section 1 of this report. Where projects are not meeting time, quality or cost standards these will be considered by Cabinet as part of a monthly summary report.

Government Grant Funding of Local Expenditure

133. Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2014/15 was £387.4m.
134. In 2014/15 Cheshire East Council's specific use grants held within the services was budgeted to be £283.6m based on Government announcements to February 2014. Further announcements have revised this figure to £279.3m. Spending in relation to specific use grants must be in line with the purpose for which it is provided. General purpose grants were budgeted to be £103.9m based on Government announcements to February 2014. Further announcements have revised this figure to £104.3m.
135. **Table 2** is a summary of the budgeted and updated position for all grants in 2014/15. A full list is provided at **Appendix 3**.

Table 2 – Summary of Grants to date

	Original Budget	Revised Forecast FQR	Change
	2014/15 £m	2014/15 £m	2014/15 £m
SPECIFIC USE			
Held within Services	283.6	279.3	-4.3
GENERAL PURPOSE			
Central Funding	86.5	86.5	0.0
Service Funding			
Children & Families	1.0	1.1	0.1
Adult Social Care & Independent Living Environment	0.3	0.4	0.1
Communities	0.1	0.2	0.1
Economic Growth & Prosperity	3.2	3.2	0.0
Chief Operating Officer	0.8	0.8	0.0
Total Service Funding	12.0	12.1	0.1
TOTAL GENERAL PURPOSE	17.4	17.8	0.4
TOTAL GRANT FUNDING	103.9	104.3	0.4
	387.4	383.5	-3.9

136. Specific use grants have decreased by £4.3m. This is mainly due to a reduction in pupil numbers.
137. General purpose grants have increased by £0.4m. This includes various small grants received during the first quarter of 2014/15 that were not budgeted for, including £123,000 for Sustainable Drainage Systems Capability and Capacity Building, and £125,000 for Care Bill Implementation funding. Requests for the allocation of all the additional grants received are detailed in **Appendix 9**.

Collecting Local Taxes for Local Expenditure

138. Cheshire East Council collects Council Tax and National Non Domestic Rates for use locally and nationally.

Council Tax

139. Council Tax is set locally and retained for spending locally. Council Tax was frozen for 2014/15 at £1,216.34 for a Band D property. This is applied to the taxbase.
140. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect Council Tax from (after adjustments for relevant discounts, exemptions and an element of non collection). The taxbase for 2014/15 was agreed at 137,548.53 which, when multiplied by the Band D charge, means that the expected income for the year is £167.3m.
141. In addition to this, Cheshire East Council collects Council Tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £202.7m.

Table 3 – Cheshire East Council collects Council Tax on behalf of other precepting authorities

	£m
Cheshire East Council	167.3
Cheshire Police & Crime Commissioner	21.1
Cheshire Fire Authority	9.5
Town & Parish Councils	4.8
Total	202.7

142. This figure is based on the assumption that the Council will collect at least 99% of the amount billed. The Council will always pursue

100% collection, however, to allow for non-collection the actual amount billed will therefore be more than the budget.

143. This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £206.2m.
144. **Table 4** shows collection rates for the last three years, and demonstrates that 99% collection is on target to be achieved within this period.

Table 4 – Over 99% of Council Tax is collected within three years

Financial Year	CEC Cumulative		
	2011/12 %	2012/13 %	2013/14 %
After 1 year	97.7	98.2	98.1
After 2 years	99.1	99.3	*
After 3 years	99.4	*	*

*data not yet available

145. The Council Tax in-year collection rate for 2014/15 is currently 30.1% compared to 30.0% for the same period in 2013/14. This represents an increase in collection rate of 0.1% on last year and equates to an increase in cash collection of £0.2m when set against the current net debit.
146. Council Tax support payments (incl. Police and Fire) were budgeted at £19.1m for 2014/15 and as at the end of the first quarter the total benefit awarded totalled £16.8m. The Council Tax Support caseload has reduced since April 2014 and there have been more reductions in the Council Tax Support awards in the first quarter than increased or new awards. The amount of negative adjustments will reduce later in the year as the current increased workload due to Welfare Reform changes is cleared.

147. Council Tax discounts awarded as at the end of the first quarter are £18.4m which is broadly in line with the same period in 2013/14.

148. Council Tax exemptions awarded at the end of the first quarter totalled £3m. This is lower than the same period in 2013/14 where the amount awarded totalled £3.4m.

National Non Domestic Rates (NNDR)

149. NNDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief. This year the multiplier was capped by the Government at 2%.

150. The small business multiplier applied to businesses which qualify for the small business relief has been set at 47.1p in 2014/15. The non-domestic multiplier has been set at 48.2p in the pound for 2014/15.

151. The amount of business rates set by Department for Communities and Local Government (DCLG), to be collected by Cheshire East at the start up of the business rates retention scheme, was £132.5m (including an allowance for valuation appeals). This baseline is subject to an inflationary increase each year (also capped at 2% for this year) therefore for 2014/15 this level will be £135.1m. Current estimates forecast that rates income should be in line with this baseline level.

152. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

Table 5 – Over 99% of Business Rates are collected within three years

Financial Year	CEC Cumulative		
	2011/12 %	2012/13 %	2013/14 %
After 1 year	98.1	98.0	98.2
After 2 years	99.1	98.8	*
After 3 years	99.4	*	

*data not yet available

153. The business rates in-year collection rate for 2014/15 is currently 28.7% compared to 33.4% for the same period in 2013/14. This would equate to a shortfall of £6.6m if set against the current net debit, however, more than £5m of this relates to rate payments subsequently settled by Cheshire East Council in relation to schools and other properties. In addition, over 16% of ratepayers, including some larger business property owners have now taken the opportunity to pay over 12 instalments instead of 10. This has the effect of reducing cash collection in the first 10 months of the year compared to previous years.

Capital Programme 2014/18

154. Since reporting the Capital Programme for the Budget Report in February 2014 the overall forecast expenditure for the next three years has increased by £10.1m as shown in **Table 6**.

Table 6 – Summary Capital Programme

	Original Total Forecast Budget 2014/18 £m	Amendments to FQR Forecast Budget 2014/18 £m	Amended FQR Forecast Budget 2014/18 £m	Budget Reductions £m	SCE's £m	Revised Total Forecast Budget 2014/18 £m
Early Help & Protection	2.5	0.8	3.3	0.0	0.0	3.3
Education Strategy	32.4	-0.3	32.1	-0.7	0.8	32.3
Adult Social Care & Independent Living	3.5	-0.1	3.4	0.0	0.0	3.4
Public Health	0.0		0.0	0.0	0.0	0.0
Leisure	31.6	0.5	32.1	0.0	0.0	32.1
Environment	16.0	1.7	17.8	0.0	0.0	17.8
Highways	34.0	-0.9	33.1	0.0	3.1	36.2
Communities	1.0	0.2	1.2	0.0	0.0	1.2
Economic Growth & Prosperity	252.3	6.8	259.1	-8.0	0.0	251.1
Chief Operating Officer	65.6	5.8	71.4	0.0	0.3	71.7
	439.1	14.5	453.6	-8.7	4.2	449.1

155. The amendment since the budget was set at Council on 27th February 2014 is due to slippage from the 2013/14 capital programme and subsequently approved budget changes totalling £14.5m. Significant slippage was due to factors beyond the Council's control, and deliberate delays to maximise funding. The slippage has now been included in the forecasts for this financial year as well as future years.
156. The programme has also been revised to reflect Budget reductions of £8.7m and Supplementary Capital Estimates of £4.2m contained in **Appendices 5 to 7**.
157. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 7**.

Table 7 – Capital Funding Sources

	Original Total Forecast Budget £m	FQR Total Forecast Budget £m	Change £m
Grants	196.6	201.2	4.6
External Contributions	43.3	41.6	-1.8
Cheshire East Resources	199.2	206.4	7.2
Total	439.1	449.1	-10.0

Capital Budget 2014/15

158. At the First Quarter review stage, the total in-year budget for 2014/15 has been revised from the original budget of £161.2m to £147.8m as shown in **Appendix 4**. This includes the net impact in 2014/15 of supplementary capital estimates, virements and budget reductions listed in **Appendices 5 to 8**.
159. The capital programme is now reported by the stages in the approval process. For in-year monitoring and reporting purposes, only schemes that are noted as committed and in progress will have slippage monitored against them during the year, as these schemes should have commenced prior to or during 2014/15 and a detailed forecast expenditure plan should be in place. Forecast expenditure on these schemes in 2014/15 is £124.3m, as analysed in **Table 8** below. Schemes will be monitored on their progress during the year and re-categorised quarterly.

Table 8 – Changes to the 2014/15 Capital Budget

	Original Budget	Revised FQR Budget	Forecast Exp	Current Forecast Over / Under Spend
	£m	£m	£m	£m
Early Help & Protection	0.2	0.1	0.1	0.0
Education Strategy	7.8	10.5	10.5	0.0
Adult Social Care & Independent Living	1.2	0.9	0.9	0.0
Public health & Wellbeing	6.0	8.5	8.5	0.0
Environment	1.0	2.9	2.9	0.0
Highways	29.0	31.1	31.1	0.0
Communities	0.2	0.3	0.3	0.0
Economic Growth & Prosperity	30.5	25.5	25.5	0.0
Chief Operating Officer	41.1	44.3	44.3	0.0
Total	117.0	124.3	124.3	0.0

160. **Appendix 5** lists approved supplementary capital estimates and virements up to and including £250,000 approved by delegated decision which are included for noting purposes only.
161. **Appendix 6** lists requests for supplementary capital estimates and virements above £250,000 up to £1,000,000 to be approved by Cabinet.
162. **Appendix 7** lists a request for a supplementary estimate of £3.1m in respect of additional grants received from the Department of Transport to the Highways Improvement Programme for approval by Council. £1.9m has been received in respect of Pot Hole repairs and £1.2m to help repair the highways network due to the severe weather earlier this year.

163. **Appendix 8** lists details of reductions of £8.7m in Approved Budgets where schemes are completed, will not be monitored as part of the Council's capital programme and can now be removed. These are for noting purposes only.

Central Adjustments

Capital Financing Costs

164. The capital financing budget includes the amount charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long term loans. These budgeted costs are partly offset by the interest the Council anticipates earning from temporary investment of its cash balances during the year. The capital financing budget of £12.5m accounts for 5% of the Council's net revenue budget.
165. At First Quarter Review, the capital financing budget is forecast to be broadly balanced.

Treasury Management

166. Investment income for Quarter 1 is £108,000 which is higher than the budgeted income of £80,000 for the period. The level of cash balances have remained high and returns from the externally managed funds have improved in May although given their lack lustre performance over the previous 12 months and in June 2014, consideration is being given to withdrawing these funds:
- The average lend position (the 'cash balance') including fund manager up to the end of Quarter 1 was £89.8m.
 - The average annualised interest rate received on in house investments up to the end of Quarter 1 was 0.51%.

- The average annualised interest rate received on the externally managed pooled funds up to the end of Quarter 1 was 0.66%.

167. The Council's total average interest rate up to the end of Quarter 1 in 2014/15 was 0.54%. This is on a par with Base Rates and higher than the London Inter-bank Bid Rate for 7 days at 0.39%. The base rate remained at 0.50% for the quarter.

Table 9 – Interest Rate Comparison

Comparator	Average Rate Q1
Cheshire East	0.54%
LIBID 7 Day Rate	0.39%
LIBID 3 Month Rate	0.48%
Base Rate	0.50%

168. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement approved by Council on 27th February 2014. Further details of counterparty limits and current investments are given in **Appendix 9**.

Central Contingencies and Contributions

169. A provision of £1.1m was included in the 2014/15 budget to meet ongoing actuarial charges relating to Voluntary Redundancies. Spending in-year is forecast to be in line with the provision.

170. Following transfers from services, a budget of £1.0m is also held centrally to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. At First Quarter, it is forecast that spending will be in line with the budget.

Allocation of Additional Grant Funding

171. The Council's budget provides for the receipt of known specific grants. However where additional unbudgeted non-ringfenced grant funding is received, services wishing to increase their expenditure

budgets are required by Finance Procedure Rules to seek approval to use this additional funding. This report seeks approval to services' requests to incur additional expenditure in 2014/15 fully funded by additional grant. Details of the allocations are contained in **Appendix 9**.

Debt

172. A summary of outstanding invoiced debt by Service is contained in **Appendix 10**.

Outturn Impact

173. The impact of the projected service outturn position could reduce balances by up to £1.7m as reported above (**para 130**).

174. Taken into account with the central budget items detailed above, the financial impact described in this report could reduce balances by up to £7.5m as summarised in **Table 10**.

Table 10 – Impact on Balances

	£m
Service Net Budget Outturn	-1.7
Central Budgets Outturn	0.0
Use of Reserves reported to Council	-5.8
Total	-7.5

Management of Council Reserves

175. The Council's Reserves Strategy 2014/17 stated that the Council would maintain reserves to protect against risk and support investment. The Strategy forecast that the risk assessed level of reserves is likely to remain at £14.0m throughout the medium term.

176. The opening balance at 1st April 2014 on the Council's General Reserves is expected to be confirmed at £19.8m. This reflects figures published in the draft statement of accounts for 2013/14.

177. Council have approved the use of £5.8m of general reserves in 2014/15, to support investment in sustainability and communities, at their meetings in February and July 2014.
178. The overall impact of service budgets, central budgets and Council decisions is identified in **Table 10** above. **Table 11** shows how this impacts on the forecast closing balance of general reserves.

Table 11 – Change in Reserves Position

	£m
Opening Balance at 1 April 2014	19.8
Quarter 1 Outturn Impacts	-7.5
Forecast Closing Balance at March 2015	12.3

179. The projected balance of £12.3m reflects the current forecast that risks associated with budget achievement in 2014/15 may actually materialise and this is within the range provided in the Reserves Strategy. Options to mitigate the current risk will continue to be explored in the remaining nine months of the financial year. Overall the Council remains in a strong financial position given the major challenges across the public sector.

3. Workforce Development

180. This section sets out the Council’s activities in relation to HR, Organisational Development, Workforce Development plans and changes to staffing levels.
181. The Council has a number of key workforce projects underway to support the Council’s continued transformation. In order to understand the levels of staff engagement and morale an employee survey was run earlier this year. The results highlighted some key strengths as well as some areas for improvement – providing a baseline from which to build. Managers are leading discussions within teams across the Council to explore the results in more detail and agree actions that can be taken at a local level or corporately to continually improve.
182. Recognising the very different organisation we are and will become, a comprehensive review of our core organisational values and associated behaviours has been completed to ensure our core values reflect what matters most and provide a strong and enduring foundation for future success. Our revised values start with “Putting Residents First”. This is our promise to the residents and communities of Cheshire East, which we will deliver by consistently living our five core values. Work is now underway to align our values with other processes and embed them in all that we do.
183. In conjunction with the review of our core values we have also reviewed the Council’s employee recognition scheme. Drawing on feedback from colleagues across the Council, the Cheshire East “Making a Difference” scheme was launched on 1st July. This revised approach includes:
- ‘Made my Day’ Instant Recognition
 - ‘Making a Difference’ Employee / Team of the month
 - ‘Making a Difference’ Employee / Manager / Team of the year

184. 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.



Staffing Changes

185. **Table 12** below demonstrates that there has been a reduction in headcount of 10% between April and June 2014. The employee headcount in June 2014 was 3,960 – a reduction of 18% from March 2014, predominantly as a result of employees transferring to ANSA and Orbitas on 1st April 2014, and to ESAR and CoSocius on 1st May 2014.

Table 12: Headcount and FTE figures for April to June 2014

	April		May		June	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Childrens & Families	1,100	751.0	1,102	752.7	1,105	752.0
Adults	1,289	984.1	1,285	981.2	1,299	995.3
Former Places	1,466	1,002.9	1,122	818.9	1,106	807.8
Finance	244	225.7	248	226.4	248	225.8
Legal & Democratic	121	79.5	121	79.5	122	80.5
HR & Organisational						
Development	42	36.0	40	35.1	40	35.1
Shared Services	113	105.4	15	13.9	16	14.7
Apprentices	49	49.1	46	44.2	42	41.4
Total	4,424	3,233.7	3,979	2,951.9	3,978	2,952.6

186. **Table 13** demonstrates that over the first quarter in 2014/15 the cumulative average days lost to sickness was slightly higher than the previous financial year. Management of sickness absence levels during this financial year will focus on developing greater resilience and addressing stress and a detailed action plan to address this has been developed.

Table 13: Comparison of average days lost to sickness in the First Quarter of 2014/15 to the same period in 2013/14

	Apr	May	Jun
Q1 2014/15	1.02	1.62	2.91
Q1 2013/14	0.93	1.80	2.59

Whole Council excluding Schools – year to date cumulative effect

Voluntary Redundancies

187. 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.

188. Ten people have left the Council under voluntary redundancy terms in Quarter 1, five of whom held posts within the management grades (Grade 10 or above). The total severance costs, for all ten employees were £475,072, inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £495,500 (which is the combined accumulated costs of the deleted posts).

Appendices to First Quarter Review of Performance 2014/15

September 2014

Appendix 1 – The Three Year Council Plan



To assist with reading this page a PDF version is has been made available at: www.cheshireeast.gov.uk/budget

Appendix 2 – Changes to Revenue Budget 2014/15 since Original Budget

	Budget Book Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Other Virements £000	FQR Net Budget £000
Childrens & Families	54,534	27	-297		54,264
Adult Social Care & Independent Living	94,655	125	0		94,780
Public Health & Wellbeing	1,619	0	0		1,619
Environment	28,475	123	-97		28,501
Highways	10,501	0	0		10,501
Communiites	10,207	57	233		10,497
Economic Growth & Prosperity	14,608	50	98		14,756
Chief Operating Officer	41,971	9	63		42,043
TOTAL SERVICE BUDGET	256,570	391	0	0	256,961
Central Budgets					
Specific Grants	-17,379	-391			-17,770
Capital Financing	12,500				12,500
Contingencies	1,143				1,143
Corporate Contributions	1,027				1,027
Contribution to/from Reserves	-40				-40
	-2,749	-391	0	0	-3,140
TOTAL BUDGET	253,821	0	0	0	253,821

Appendix 3 – Corporate Grants Register

Corporate Grants Register 2014/15 First Quarter Review		Original Budget	Revised Forecast	Change	SRE / Balances (Note 2)
	<i>Note</i>	2014/15 £000	2014/15 £000	2014/15 £000	
SPECIFIC USE (Held within Services)					
Schools					
Dedicated Schools Grant	1	171,759	167,729	(4,030)	
Pupil Premium Grant	1	7,489	6,796	(693)	
Sixth Forms Grant	1	5,512	5,579	67	
Total Schools Grant		184,760	180,104	(4,656)	
Housing Benefit Subsidy		84,518	84,518	0	
Public Health Funding		14,274	14,274	0	
Restorative Justice Development Grant		8	8	0	
Bus Services Operators Grant		0	348	348	SRE
TOTAL SPECIFIC USE		283,560	279,251	(4,308)	
GENERAL PURPOSE (Held Corporately)					
Central Funding					
Revenue Support Grant		48,601	48,601	0	
Business Rates Retention Scheme		37,883	37,883	0	
Total Central Funding		86,484	86,484	0	

Corporate Grants Register 2014/15 First Quarter Review		Original Budget	Revised Forecast	Change	SRE / Balances (Note 2)
	<i>Note</i>	2014/15 £000	2014/15 £000	2014/15 £000	
GENERAL PURPOSE (Held Corporately)					
Children & Families					
Troubled Families		130	130	0	
Troubled Families - Co-ordinator		100	100	0	
Extended Rights to Free Transport		153	153	0	
Adoption Reform Grant (unringfenced element)		275	275	0	
Special Educational Needs Reform Grant		384	384	0	
Youth Detention - Looked After Children		0	27	27	SRE
Adult Social Care & Independent Living					
Local Reform and Community Voices Grant		262	262	0	
Care Bill Implementation Grant		0	125	125	SRE
Environment					
Lead Local Flood Authorities		52	52	0	
Sustainable Drainage Systems Capability and Capacity Building		0	123	123	SRE
Communities					
Housing Benefit and Council Tax Administration		1,760	1,760	0	
NNDR Administration Grant		562	562	0	
Social Fund - Programme funding		612	612	0	
Social Fund - Administration funding		119	119	0	
Council Tax - New Burden		135	135	0	
Implementing Welfare Reform Changes		0	57	57	SRE

Corporate Grants Register 2014/15 First Quarter Review	Original Budget	Revised Forecast	Change	SRE / Balances (Note 2)
<i>Note</i>	2014/15 £000	2014/15 £000	2014/15 £000	
GENERAL PURPOSE (Held Corporately)				
Economic Growth & Prosperity				
Skills Funding Agency	785	830	45	SRE
Neighbourhood Planning Grant	0	5	5	SRE
Chief Operating Officer				
Education Services Grant	4,700	4,769	69	Balances
New Homes Bonus 2011/12	870	870	0	
New Homes Bonus 2012/13	1,844	1,844	0	
New Homes Bonus 2013/14	1,037	1,037	0	
New Homes Bonus 2014/15	1,358	1,358	0	
Affordable Homes 2012/13	85	85	0	
Affordable Homes 2013/14	82	82	0	
New Homes Bonus 2013/14 - return of topslice	132	129	(3)	Balances
Council Tax Freeze Grant 2014/15	1,816	1,807	(10)	Balances
Community Rights to Challenge	9	9	0	
Community Rights to Bid	8	8	0	
Individual Electoral Registration	108	117	9	SRE
NNDR software changes - Retail Relief	0	8	8	Balances
Local Government Transparency Code 2014	0	0	0	
Total Service Funding	17,379	17,834	455	
TOTAL GENERAL PURPOSE	103,863	104,318	455	
TOTAL GRANT FUNDING	387,422	383,569	(3,853)	

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant and Sixth Form Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases to allocations by the DfE and conversions to academy status.
- 2 Supplementary Revenue Estimate (SRE) requested by relevant service or grant paid into general reserves

Appendix 4 – Summary Capital Programme and Funding

Commissioning Service	In-Year	SCE's	Budget	Revised	Forecast Expenditure		
	Budget	Virements	Realignment	In-Year			
	FQR	Reductions	FQR	Budget			
	2014/15	FQR	FQR	2014/15	2014/15	2015/16	2015/16 and
£000	£000	£000	£000	£000	£000	Future Years	
						£000	
Early Help and Protection							
Committed Schemes - In Progress	175	0	-44	131	131	0	0
Committed Schemes at Gate 1 Stage	397	750	0	1,147	1,147	0	0
Medium Term and Rolling Programme	760	0	44	804	804	1,051	206
Education Strategy							
Committed Schemes - In Progress	7,762	-627	3,344	10,479	10,479	684	698
Committed Schemes at Gate 1 Stage	4,649	2,129	-3,350	3,428	3,428	1,001	393
Medium Term and Rolling Programme	5,900	-2,615	373	3,658	3,658	5,597	6,337
Adult Social Care and Independent Living							
Committed Schemes - In Progress	1,191	0	-253	938	938	155	0
Medium Term and Rolling Programme	750	0	0	750	750	800	800
Leisure							
Committed Schemes - In Progress	5,969	0	2,557	8,526	8,526	6,586	0
Longer Term Proposals	500	0	-200	300	300	8,700	8,000
Environment							
Committed Schemes - In Progress	995	0	1,947	2,942	2,942	26	0
Medium Term and Rolling Programme	6,015	0	-1,500	4,515	4,515	6,595	3,690
Highways							
Committed Schemes - In Progress	29,044	2,892	-804	31,132	31,132	2,340	2,710

Commissioning Service	In-Year	SCE's	Budget	Revised	Forecast Expenditure		
	Budget	Virements	Realignment	In-Year			
	FQR	Reductions	FQR	Budget	2014/15	2015/16	2015/16 and
	2014/15	2014/15	2014/15	2014/15	2014/15	2015/16	Future Years
£000	£000	£000	£000	£000	£000	£000	
Communities							
Committed Schemes - In Progress	180	0	144	324	324	170	0
Committed Schemes at Gate 1 Stage	500	0	-74	426	426	200	0
Medium Term and Rolling Programme	100	0	0	100	100	0	0
Economic Growth and Prosperity							
Committed Schemes - In Progress	30,529	-1,063	-3,943	25,523	25,523	17,089	1,397
Committed Schemes at Gate 1 Stage	1,235	23	760	2,018	2,018	643	0
Medium Term and Rolling Programme	20,908	-7,600	-9,913	3,395	3,395	24,243	21,459
Longer Term Proposals	850	0	50	900	900	11,000	143,400
Chief Operating Officer							
Committed Schemes - In Progress	41,137	778	2,354	44,269	44,269	13,175	8,180
Committed Schemes at Gate 1 Stage	1,650	0	400	2,050	2,050	2,600	1,450
Committed Schemes - In Progress	116,982	1,980	5,302	124,264	124,264	40,225	12,985
Committed Schemes at Gate 1 Stage	8,431	2,902	-2,264	9,069	9,069	4,444	1,843
Medium Term and Rolling Programme	34,433	-10,215	-10,996	13,222	13,222	38,286	32,492
Longer Term Proposals	1,350	0	-150	1,200	1,200	19,700	151,400
Total Net Position	161,196	-5,333	-8,108	147,755	147,755	102,655	198,720

Funding Sources	2014/15	2015/16	2015/16 and
	£000	£000	Future Years
			£000
Grants	76,817	18,675	105,678
External Contributions	14,073	14,869	12,642
Cheshire East Council Resources	56,865	69,111	80,400
Total	147,755	102,655	198,720

Appendix 5 – Approved Supplementary Capital Estimates and Virements up to £250,000

Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000 by delegated powers provided to Portfolio Holders		
Supplementary Capital Estimates		
Education Strategy		
Devolved Formula Capital	15,439	} Fully Funded by Grant - The original budgets for these projects were based on estimated grant allocations. The Department for Education has now confirmed the actual grants for 2014/15 and these budgets have been matched to include the higher allocations.
Capital Maintenance Central Allocation	9,662	
Manor Park - Basic Needs	113,180	
Cap Maintenance Grant Block	60,000	
Re-organisation/Co-location of Services	100,000	
Economic Growth and Prosperity		
Tatton Vision	11,200	Fully Funded by Budgeted Contribution - Revenue contribution for continuous and ongoing development work on the facilities at the Gardener's Cottage to enhance both the Visitors and Operators ability to provide a first class catering establishment.
Total Supplementary Capital Estimates	309,481	

Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000 by delegated powers provided to Portfolio Holders		
Capital Budget Virements		
Education Strategy		
Capital Maintenance Grant Block Provision	20,013	Surplus grant from the completed scheme at Alsager High School, vired to the Capital Maintenance Block for re-allocation.
Highways		
Poynton Revitalisation	200,000	Virement of funds from Bridge Maintenance Minor Works programme budget for continuing remedial works on site.
Economic Growth and Prosperity		
Housing Innovation Fund	72,936	Fully Funded by Housing Grant - originally being used to fund the 2007/08 Affordable Housing Initiatives (S106 Holly Lodge) project. This project is no longer progressing. This amount has been transferred to the newly formed Housing Innovation Fund for affordable housing projects within the Borough.
Total Virements Approved	292,949	
Total Supplementary Capital Estimates and Virements	602,430	

Appendix 6 – Request for Supplementary Capital Estimates and Virements above £250,000

Capital Scheme	Amount Requested £	Reason and Funding Source
Cabinet are asked to approve the Supplementary Capital Estimates and Virements above £250,000 up to and including £1,000,000		
Supplementary Capital Estimates		
Education Strategy		
School Maintenance Projects	536,242	Fully funded by contributions from schools delegated budgets towards works being undertaken to improve sites.
Chief Operating Officer		
Electronic Vehicle rapid style chargepoints	278,000	Fully funded by grant of £222,000 from the Office for Low Emission Vehicles and external contributions of £56,000.
Total Supplementary Capital Estimates Requested	814,242	
Capital Budget Virements		
Education Strategy		
School Maintenance Projects	371,949	Fully funded by contributions from schools Devolved Formula Capital Allocations towards works being undertaken to improve sites.
Free Early Years Education for 2 Year Olds	750,000	Fully funded by virements from Capital Maintenance central allocation to provide additional places to support the 2 year old offer within schools.
Disley Primary School – Replacement of Mobile Classroom and Suitability Improvements	380,000	Fully funded by virement from Block Allocation for Mobile Replacement and Maintenance projects as scheme now exceeds £250,000.

Capital Scheme	Amount Requested £	Reason and Funding Source
Cabinet are asked to approve the Supplementary Capital Estimates and Virements above £250,000 up to and including £1,000,000		
Economic Growth and Prosperity		
Crewe Transformation Phase 2	823,115	Fully funded by virement from Crewe Transformation Project (Phase 1) to rationalise the programme and roll up the budget to streamline the reporting of the project as a whole.
Chief Operating Officer		
Minor Works	403,703	Fully funded by virement from Office Accommodation Strategy to roll up the budgets for more streamlined reporting.
Assets	500,000	Fully funded by allocation of Capital Maintenance grant from Education Strategy to fund condition work on the schools portfolio.
Total Virements Requested	3,228,767	
Total Virements and Supplementary Capital Estimates	4,043,009	

Appendix 7 – Request for Council to approve Supplementary Capital Estimates and Virements above £1m

Capital Scheme	Amount Requested £	Reason and Funding Source
Council is asked to approve Supplementary Capital Estimates and Virements above £1m		
Highways		
Highway Investment Programme	1,862,407	Fully Funded by Grant - Additional Highways Maintenance Funding in 2014/15 for the fixing of Pot Holes within Cheshire East.
	1,249,785	Fully Funded by Grant - Additional Highways Maintenance Funding in 2014/15 to help repair the damage caused by the Severe Weather and flooding earlier in the year.
Total Supplementary Capital Estimates Requested	3,112,192	

Appendix 8 – Capital Budget Reductions

Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Cabinet are asked to note the reductions in Approved Budgets				
Education Strategy				
Basic Need Block	7,657,425	7,160,124	-497,301	Reduction in funding being provided, by the Department of Education, towards expanding the number of places within schools.
Capital Maintenance Grant	7,000,000	6,800,000	-200,000	Reduction in the anticipated funded from the Department of Education due to schools converting to Academies.
Highways				
Air Quality Action Plan	42,215	22,215	-20,000	£20,000 of the Local Transport Partnership funding against Air Quality is being used to fund the newly approved "Electronic Vehicle Recharge" project, which has been included in the £278,000 Supplementary Capital Estimate request on Appendix 6
Economic Growth and Prosperity				
Basford West Spine Road	7,600,000	0	-7,600,000	Take out of the programme as we will pay the money (£2.9m Pinch Point Funding) over to the developer or back to the DfT
Earl Road Handforth Feasibility	130,000	24,886	-105,114	Budget for this feasibility work no longer required, balance to go back into the feasibility pot so that it can be allocated elsewhere.
Tatton Cash Receipting System	250,000	200,000	-50,000	Contract price refined since the original proposals approved.
Affordable Housing Initiatives (Section 106 Holly Lodge)	869,733	637,468	-232,265	Migrated project from 2007/08 - scheme under review.
Total Capital Budget Reductions	23,549,373	14,844,693	-8,704,680	

Appendix 9 – Treasury Management

Counterparty Limits and Investment Strategy

1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. For named UK banks and credit rated building societies this has been set at 10% of our total investments subject to a maximum value of £10m. These limits apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at 25% of total investments subject to a maximum value of £10m. There is also a maximum that can be invested in all Money Market Funds at any one time of 50% of the value of all investments. Due to their smaller size, unrated Building Societies have a limit of £1m each.
2. Our approved counterparties list also includes a number of foreign banks. As the limits applicable to all organisations have been reduced the Council is looking to invest in selected highly rated foreign institutions. On 5th June 2014 a 1 year Certificate of Deposit (CD) was purchased from Deutsche Bank and has since been followed with a further CD on 17th July.
3. In order to diversify investments over a broader range of counterparties, the Council is also looking at a range of unrated Building Societies on advice from our treasury advisors who are monitoring their financial standing in the absence of any formal credit rating. Although no investments were made in Quarter 1, the first investment was placed with Vernon Building Society in July.
4. Banks credit ratings are kept under continual review. There have not been any significant changes in Quarter 1 of 2014/15. In addition to ratings, other credit indicators, such as Swap rates are also monitored.

Table 1 shows the current investments and limits with each counterparty. A full analysis of the types of investment and current interest rates achieved is given in **Table 2**.

Table 1 – Current Investments and Limits

Counterparties	Limits		Investments as at 30 th June 2014	
UK Banks				
Barclays Bank	10%	£10m	7%	£5.6m
Close Brothers	10%	£10m	6%	£5.0m
HSBC Bank	10%	£10m	-	-
Lloyds TSB	10%	£10m	10%	£8.0m
Santander (UK) plc	10%	£10m	6%	£4.5m
Standard Chartered Bank	10%	£10m	2%	£2.0m
Foreign Banks				
Deutsche Bank	10%	£10m	2%	£2.0m
Building Societies				
Leeds Building Society	10%	£1m	1%	£1.0m
Nationwide Building Society	10%	£10m	10%	£8.0m
Money Market Funds				
	50%		31%	
Deutsche	25%	£10m	4%	£3.3m
Ignis	25%	£10m	7%	£6.0m
Federated Prime Rate	25%	£10m	10%	£8.0m
Morgan Stanley	25%	£10m	6%	£4.2m
Scottish Widows	25%	£10m	4%	£3.5m
Pooled Funds – External Fund Manager	50%		25%	£20.4m
				£81.5m

Table 2 – Types of Investments and Current Interest Rates

Instant Access Accounts	Avg rate %	£m
Instant Access Accounts	0.36%	5
Money Market Funds	0.40%	25

Fixed Term Deposits	Start	Maturity	Rate %	£m
Leeds Building Society	08/04/2014	17/07/2014	0.41	1
Nationwide BS	14/04/2014	18/07/2014	0.47	2
Close Bros	23/04/2014	31/07/2014	0.65	5
Lloyds TSB	05/02/2014	05/08/2014	0.70	3
Nationwide BS	09/04/2014	18/08/2014	0.50	2
Barclays	28/08/2013	28/08/2014	0.85	5
Nationwide BS	15/04/2014	18/09/2014	0.52	2
Lloyds TSB	15/04/2014	17/10/2014	0.70	2
Nationwide BS	15/01/2014	14/01/2015	0.81	2
Lloyds TSB	14/04/2014	14/01/2015	0.80	3
Standard Chartered CD	26/11/2013	26/11/2014	0.69	2
Deutsche CD	05/06/2014	04/06/2015	0.82	2

Externally Managed Funds	£m
Pooled Investments	20.4

Maturity Profile	£m
Instant Access	30.1
Maturing < 1 month	8.0
Maturing within 1 - 6 months	16.0
Maturing within 6 - 12 months	7.0
Externally Managed Funds	20.4
Total	81.5

Performance of Fund Manager

5. The table below shows the performance of the funds (net of fees) since the initial investment of £20m (£10m in each model) on 27th May 2011.

	STANDARD MODEL	DYNAMIC MODEL
April 2014	0.03%	0.02%
May 2014	0.13%	0.14%
June 2014	0.02%	-0.01%
Cumulative 2014/15	0.17%	0.15%
Value of Investment at 30/06/14	£10,254,846	£10,230,168
Fees (Total since start)	£78,472	£84,511
Average Annual Rate as at 30/06/14	0.59%	0.49%

6. Strong performance in May was overshadowed by poor results in April and June. Whilst the fund manager hedges investments to protect against sharp losses it also dampens down returns and the fund has suffered from this. Emerging market debt and foreign currency were the areas that added most value in May.
7. Although some volatility is expected the general trend in performance of the fund has been below expectations. The Council is considering withdrawing from this fund and looking at alternative options for longer term investments. Advice is being taken on the timing of any withdrawal.

Appendix 10 – Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Economic Growth and Prosperity	Bus Services Operators Grant (Specific Use - Ringfenced)	348	<p>Following a review of the payment of Bus Service Operator Grant (BSOG) the Department for Transport (DfT) has decided to devolve payment of BSOG for Council support bus services to Transport Authorities with effect from 1 January 2014.</p> <p>These revisions will lead to monies previously paid directly to transport operators by DfT being devolved to the Council and a reduction in the revenue received by transport operators.</p> <p>This change, initiated by the DfT to give more local control over public transport funding, is welcomed by Cheshire East Council. It is likely that over time, this will allow for greater investment in rural bus services as it will give the Council control over a greater pool of funding.</p>
Children & Families	Youth Detention – Looked After Children (General Purpose)	27	<p>The Legal Aid, Sentencing & Punishment of Offenders Act (LASPO) was issued in May 2012 with implementation from December 2012.</p> <p>The LASPO Act 2012 devolves greater financial responsibility for secure & custodial remands to Local Authorities and all Children and Young People who are remanded in youth detention accommodation will be given Looked After Children status. The grant is to cover the costs of this new responsibility and gives LA's incentives to reduce their secure remands and reinvest any savings achieved in Youth Justice.</p>
Adult Social Care and Independent Living	Care Bill Implementation Grant (General Purpose)	125	<p>The purpose of this grant is to provide Council with a contribution to the costs of creating the capacity needed to lead and manage this change programme. The Council is also expected to respond to three national stocktake exercises on the progress of implementation of the Social Care Act.</p>
Environment	Sustainable Drainage Systems Capability and Capacity Building (General Purpose)	123	<p>Lead Local Flood Authority New Duty following implementation of Flood and Water Management Act 2010 Schedule 3 - Defra grant to support setting up of Sustainable Urban Drainage Systems Approval Body grant to cover a range of activities such as new staffing and resource, training, new IT development and specialist software and systems for design, analysis and adoption of flood risk management drainage systems.</p>

Service	Type of Grant	£000	Details
Economic Growth and Prosperity	Neighbourhood Planning Grant (General Purpose)	5	A grant of £5,000 is provided to the Council by the Department for Communities and Local Government for each Neighbourhood Area that is designated. This is to support these local communities to prepare a neighbourhood plan. This is the second designation this financial year. The grant is not ring fenced to Neighbourhood Planning so can be used to support the wider Spatial Planning function.
Economic Growth and Prosperity	Lifelong Learning (General Purpose)	45	£45,213 for learners attending Skills Funding Agency courses. The funding contributes towards the Council priority area of responding to the changing education and learning environment. The grant is in part awarded subject to achievement of performance measures stipulated in the grant conditions and therefore partial repayment of the grant may be required for underperformance.
Governance and Democratic	Individual Electoral Registration (General Purpose)	9	The Cabinet Office has provided an original grant of £108,000 for the implementation of Individual Electoral Registration (IER). A further top up has now been received from Central Government to cover the costs of the introduction of A3 forms to be used for IER. The total grant amount is £116,597 which includes the original grant.
Communities	Implementing Welfare Reform Changes (General Purpose)	57	The funding is intended to meet "New Burdens" incurred by local authorities as a result of the implementation of the following areas of welfare reform: <ul style="list-style-type: none"> • implementation of changes to Local Housing Allowance (including the move to an annual uprating cycle and changes to the Shared Accommodation Rate) • implementation of the Removal of the Spare Bedroom Subsidy (formerly Social Sector Size Criteria) • introduction of the overall benefit cap (phased introduction, starting in April 2013) • net impact of implementing Universal Credit.
TOTAL	Specific Use	348	
TOTAL	General Purpose	391	
TOTAL	Total	739	

Appendix 11 – Debt Management

1. In addition to the collection of Council Tax and National Non-Domestic Rates the Council also issues invoices to organisations or individuals for certain key services. Performance related to Council Tax and Non-Domestic Rates is contained in Section 2 of this report.
2. Annually, the Council raises invoices with a total value of around £50m. This includes around £25m in Adult Social Care relating to client contributions towards care packages and income from Health on pooled budget and partnership arrangements.
3. Total Invoiced Debt at the end of June 2014 was £10.6m. After allowing for £4.9m of debt still within the payment terms, outstanding debt stood at £5.8m. This is £1.6m lower than at 31st March, mainly due to settlement of debt relating to the Learning Disability Pooled Budget in Adults.
4. The total amount of service debt over 6 months old is £2.3m which is broadly in line with the older debt reported at the end of 2013/14.
5. Services have created debt provisions of £2.3m to cover this debt in the event that it needs to be written off.
6. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.

	Outstanding Debt £000	Over 6 months old £000	Debt Provision £000
Children & Families	125	37	183
Adult Social Care	3,277	1,532	1,406
Public Health & Wellbeing	88	15	15
Environmental	1,339	202	202
Highways	408	282	282
Communities	75	27	27
Economic Growth and Prosperity	310	131	131
Chief Operating Officer	139	88	89
	5,761	2,315	2,335

CHESHIRE EAST COUNCIL

REPORT TO: CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting:	11 th September 2014
Report of:	Chief Operating Officer (Section 151 Officer)
Subject/Title:	2015/16 Pre-Budget Report
Portfolio Holders:	Cllr. Peter Raynes

1.0 Report Summary

- 1.1. This report introduces the Council's Pre-Budget Report 2015/16. The actual budget will not be set until February 2015, but the Council is committed to open and transparent processes and is therefore providing stakeholders with early indications of proposals that put residents first and target scarce resources to the areas of most need.
- 1.2. The Pre-Budget Report gives details of how the Council 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.
- 1.3. By providing this report in 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 all Members, in July and August.
- 1.4. Comments received throughout the process will support Cabinet in developing the recommendations for a balanced budget to be agreed in February 2015. Corporate Overview and Scrutiny Committee Members 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.

- 1.5. 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.
- 1.6. 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.
- 1.7. The attached report, **Annex 1**, is structured into these important sections:

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

2.0 Recommendations

- 2.1 Corporate Overview and Scrutiny Committee are asked to note the contents of the Pre-Budget Report 2015/16 as provided at **Annex 1**, and:
 - a. Provide insight and comments on the existing report.
 - b. Consider / propose alternative areas that require further consideration.

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 Corporate Overview and Scrutiny 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 includes financial proposals that are intended to lead to the balancing of the 2015/16 budget and 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 Corporate Overview and Scrutiny Committee, 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. Report to Cabinet and Council to set the Budget.

Further details are shown on page 25 of the Pre-Budget Report.

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 modern techniques) and to consider the feedback.

10.3 This improvement builds on the success in 2012/13 and 2013/14 where the Council's financial and service performance has continued to improve.

10.4 The proposals and supporting information have been brought together into the Pre-Budget Report for 2015/16 (attached at **Annex 1**). This sets out the Council's intentions to vary existing budgets. 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.

10.5 Comments received throughout the process will support Cabinet in developing the recommendations for a balanced budget to be agreed in February 2015. Corporate Overview and Scrutiny Committee Members 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.

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

10.7 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.

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

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ANNEX 1

CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

11th SEPTEMBER 2014



Pre-Budget Report

2015/16

Page 65

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

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 27th 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 %
Commissioning					
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		
Estimated Service Budgets	271.6	269.5	262.3	-9.3	-3.4%
CENTRAL BUDGETS					
Government Grants	-104.3	-95.6	-79.6	24.7	-23.7%
Council Tax	-167.3	-167.3	-167.3	0.0	0.0%
TOTAL: Central Budgets	-271.6	-262.9	-246.9	24.7	-9.1%
Potential Funding (Surplus) / Deficit	0.0	6.6	15.4		

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 1,100km² 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 28th 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

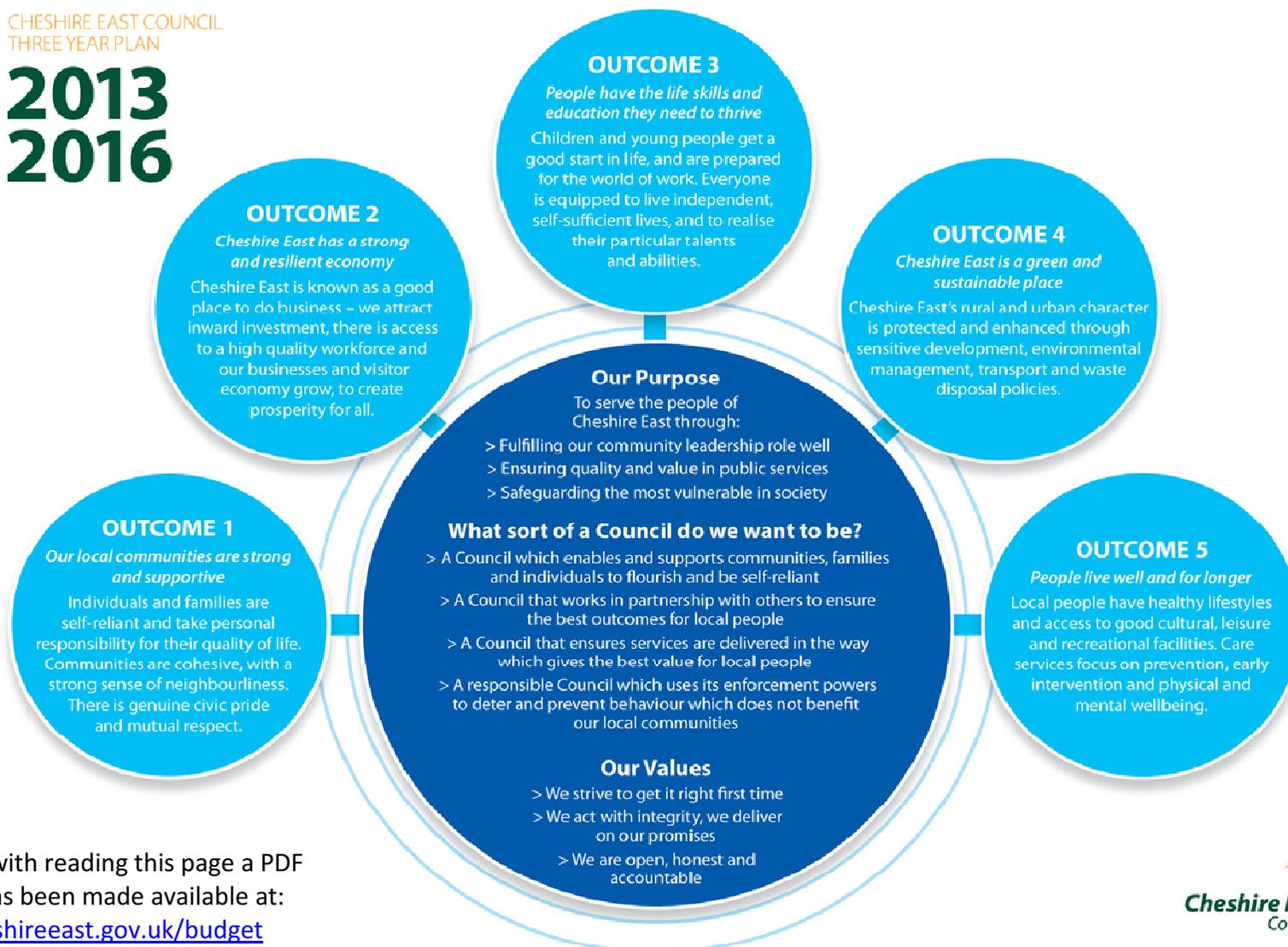
12.5 million bins emptied in the year
54% refuse recycled in 2012/13 – 5% increase in recycling rate since 2009
Projected to send over 40% of residual waste to energy recovery this year
12.5% reduction in residual waste tonnage since 2009

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



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 21st July 2014
- Opportunity to examine service budget proposals on 11th 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 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

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

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 1st 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 2nd 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 1st 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

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

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

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

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.

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 m² 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"> • Service Charging Strategy • Three Year Plan • Medium Term Financial Strategy (£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 th 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 st July 2014	Receive 2013/14 Final Outturn
5. Corporate Overview and Scrutiny Committee 21 st July 2014	Receive details of process and broad Budget proposals
6. All Member Briefing 5 th 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 th 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 5th February 2014 and agreed by Members of Parliament following a debate in the House of Commons on 12th February 2014. This included provisional funding figures for 2015/16 which have been built into the Council's financial modelling.

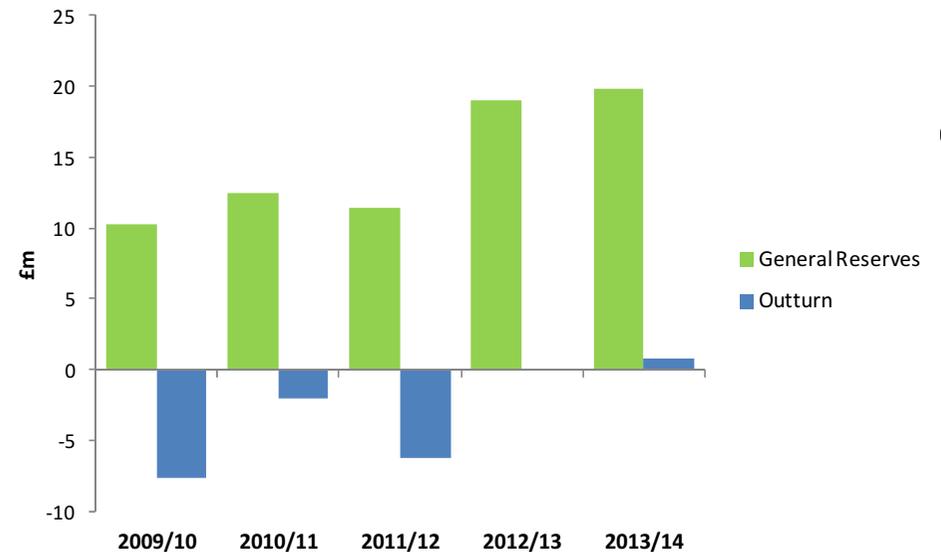
Beyond 2015/16 there is less certainty over the funding levels other than the expectation of sustained austerity through to the end of the current decade, some specific pointers around benefit costs and the prospect of a General Election.

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 1st April 2011.

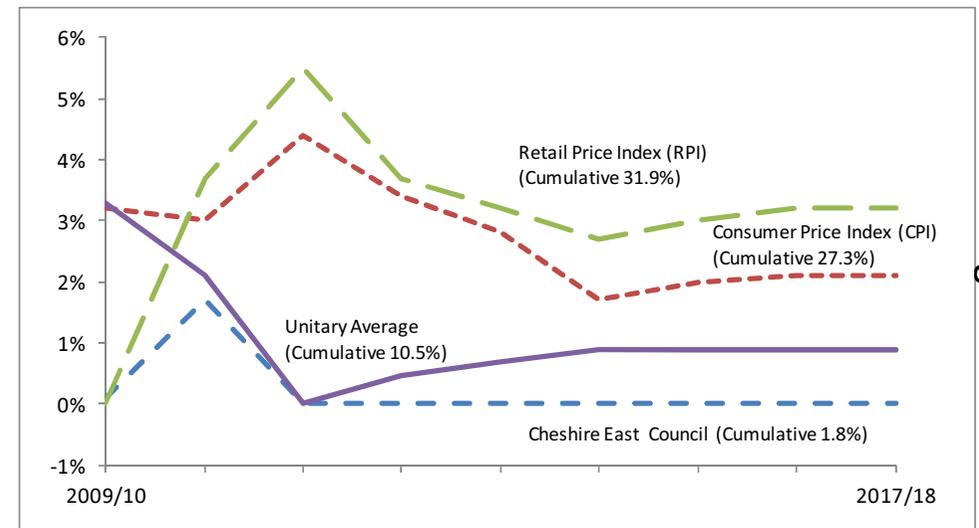
Business Rates

- 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

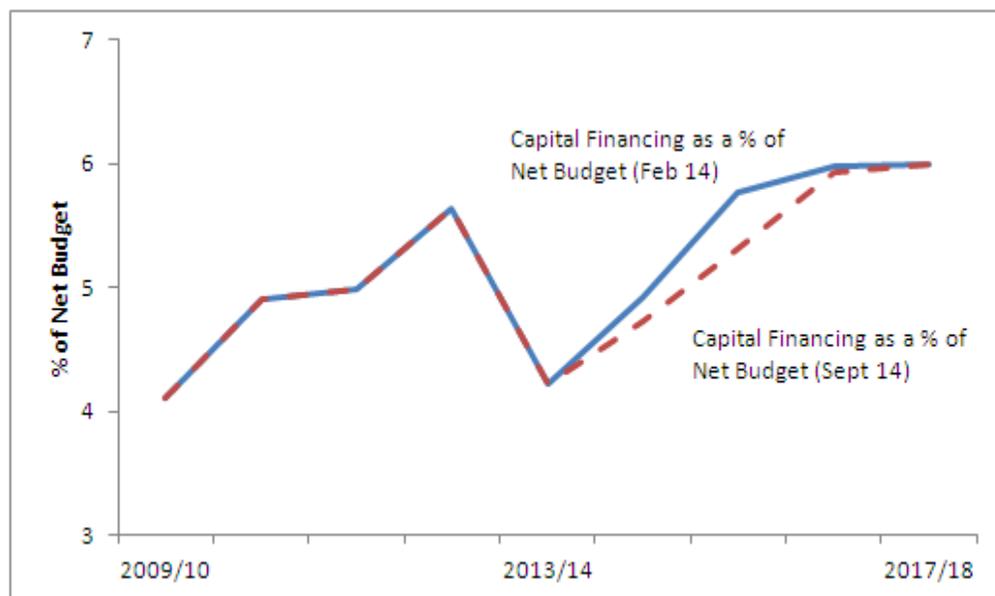


Source: Cheshire East Finance

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

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

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)
Total	£271.6m	(£5.0m) to (£8.0m)

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 27th 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 1st 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 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.

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 th November	Corporate Overview and Scrutiny Committee	Receive Mid -Year Performance Report
11 th November	Cabinet	Receive Mid -Year Performance Report
9 th December	Cabinet	Council Taxbase
11 th 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
2015		
Mid January	Final Budget Report released	
Late January	Final Settlement from government	
2 nd February	Corporate Overview and Scrutiny Committee	Receive Quarter 3 Performance Report
3 rd February	CABINET MEETING	Receive Quarter 3 Performance Report and recommend 2015/16 Budget Report to 26 th February Council
26 th February	COUNCIL MEETING	Agree 2015/16 Budget Report

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CHESHIRE EAST COUNCIL

Corporate Overview and Scrutiny Report

Date of Meeting: 11 September 2014
Report of: Peter Bates, Chief Operating Officer
Subject/Title: Senior Management Review
Portfolio Holder: Cllr Moran

1.0 Overview

- 1.1 The Council has now completed its Management Review. The outcomes of this review include a significant overall reduction in the numbers of management posts, even after allowing for necessary increased capacity in priority areas such as economic growth and social care and alignment of all new posts with the Council's new operating model as a Strategic Commissioning organisation. Permanent savings of £5m, have been realised over just two years rather than the three years anticipated in the original report.

2.0 Introduction and Background

- 2.1 The management review was carried out in three phases through a process of top-down displacement as follows:
- Phase 1 all senior posts *former* Grade 15 and above
 - Phase 2 all manager posts *former* grade 13 and 14
 - Phase 3 all frontline team leaders and supervisors grade 12 and below

3.0 Achievements

- 3.1 Phase 1 of the senior management review, which incorporated all managers at the former Grade 15 and above, was completed by Easter 2013, as per the original timetable. The second group of managers in phase 1 were appointed at the beginning of June. At the end of phase 1 there were a small number of vacant posts, which have now being recruited to and there are no interim managers in place for phase 1 roles.
- 3.2 Phase 2, which incorporates all managers at the former grades 13 and 14 ending on the 20th September 2013. Due to the numbers and complexity of phase 2, the timescales for completion of this phase took longer than expected and consultation was extended to reflect the extra time that has been required to develop the new structures and allow for adequate challenge to the roles.

- 3.3 Phase 3, which was significantly extended to include supervisors and team leaders at all grades, ended on the 31st March 2014 which was later than the original timetable however allowed but this ensured for a more comprehensive and thorough review and was in keeping with the key principles of the original report. It also enabled the savings to be delivered a year ahead of schedule due to the increased number of staffing reductions.

4.0 Financial Savings

- 4.1 Overall, the savings of £5m have been delivered as permanent savings in 2014/15, which is in line with the target and has been taken out of base budgets for 2014/15 as part of the Medium Term Financial Strategy that was approved by Council in February 2014.

Phase 1 has achieved a reduction in management costs of £0.95m (in a full year) which represents approximately a 19% reduction against the original management costs for this group of senior staff (managers grade 15 and above). The review also reduced the number of posts in this phase by 12.8 FTEs. This reduction in cost and FTEs is based on a comparison of the structure as at 1st April 2012 and at the end of phase 1.

- 4.2 Phase 2 achieved a reduction in management costs of £1.15m (in a full year) which represents approximately a 22% reduction against the original management costs for this group of senior staff (managers grade 15 and above). The review also reduced the number of posts in this phase by 17.9 FTEs. Again, this is based on a comparison of the structure as at 1st April 2012 and at the end of phase 2.

- 4.3 The scope of phase 3 was broadened to include managers and supervisors at all grades across the Council. The consultation process for this phase also enabled managers to consult on changes affecting staff outside of phase 3 in order to avoid multiple consultation exercises taking place in the service at the same time, which was in agreement with the Trade Unions. As a result, due to the size and complexity of the staff consulted as part of phase 3, it has not been possible to provide an exact baseline position. In summary however, the reduction in management costs as a result of this phase are £2.83m (in a full year) with a reduction of 70 FTE's.

- 4.4 Whilst the overall savings target was £5m over three years, the bulk of these savings, £3.5m, were front loaded into the first year (2013/14). Given the need to reschedule the timescales for the latter part of the project, this initial target for the first year was not achieved in full and the savings in 2013/14 were £2.9m.

- 4.5 However, the overall saving from the three phases in 2014/15 is £5m, which has been delivered a year ahead of schedule. It is also worth noting that the Management Review allowed for a period of 12-18 months for a smooth transition from the previous structures to the new ones and further

savings are expected to be realised in 2014/15 and 2015/16 through business as usual, as structures become embedded, services reviewed and the new commissioning model fully operational.

5.0 Cost of Investment

- 5.1 £1.7m investment funding (from the Transformational budget) was earmarked for the implementation of the management review in the current financial year. The spend against this budget has been £1.3m, which takes into account assessment costs, interim costs and a number of transitional /time limited posts.

6.0 Ongoing Restructuring

- 6.1 Clearly the organisation will continue to review its structures as part of service redesign and commissioning however these reviews will not be part of the Senior Management review which has now been closed down.

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

Name: > Julie Davies
Designation: > Head of HR and Organisational Development
Tel No: > 01270 686328
Email: > julie.s.davies@cheshireeast.gov.uk

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FORWARD PLAN - 31 JANUARY 2015

This Plan sets out the key decisions which the Executive expect to take over the period indicated above. The Plan is rolled forward every month. Key decisions are defined in the Council's Constitution as:-

"an executive decision which is likely –

- (a) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising one or more wards or electoral divisions in the area of the local authority.

For the purpose of the above, savings or expenditure are "significant" if they are equal to or greater than £500,000."

Reports relevant to key decisions, and any listed background documents, may be viewed at any of the Councils Offices/Information Centres 5 days before the decision is to be made. Copies of, or extracts from these documents, may be obtained on the payment of a reasonable fee from the following address:-

Democratic Services Team
Cheshire East Council ,
c/o Westfields, Middlewich Road, Sandbach Cheshire CW11 1HZ
Telephone: 01270 686472

However, it is not possible to make available for viewing or to supply copies of reports or documents, the publication of which is restricted due to confidentiality of the information contained.

A record of the decision for each key decision is published within 6 days of it having been made. This is open for public inspection on the Council's Website, at Council Information Centres and Council Offices.

This Forward Plan also provides notice that the Cabinet may decide to take a decision in private. In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, 28 days notice must be given of any decisions to be made in private by the Cabinet, with provision for the public to make representations as to why they should be made in public. In these cases Members of the Council and the public may make representations in writing to the Democratic Services Team Manager using the contact details below. A further notice of intention to hold the meeting in private must then be published 5 clear days before the meeting setting out any representations received about why the meeting should be held in public with a response from the Leader and the Cabinet.

The list of decisions in this Forward Plan indicates whether a decision is to be taken in private, with the reason category for that decision being taken in private being drawn from the list overleaf:

1. Information relating to an individual
2. Information which is likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including to authority holding that information)
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority
5. Information in respect of which a claim to legal and professional privilege could be maintained in legal proceedings
6. Information which reveals that the authority proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

If you would like to make representations about any decision to be conducted in private at a meeting then please email

Paul Mountford, Democratic Services Officer paul.mountford@cheshitreeast.gov.uk

Such representations must be received at least 10 clear working days before the date of the Cabinet or Portfolio Holder meeting concerned.

Where it has not been possible to meet the 28 day rule for publication of notice of a key decision or intention to meet in private the relevant notices will be published as soon as possible in accordance with the requirements of the Constitution.

The law and the Council's Constitution provides for urgent key decisions to be made. Any decision made in this way will be published for these in the same way.

Forward Plan to 31 January 2015

Key Decision and Private Non-Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE14/15-17 Rail North - Governance and Membership	The report will set out the Rail North governance proposition and seek agreement to formally join the Association of Local Transport Authorities (which entitles authorities to become members of Rail North Limited) until February 2016 at which time the position will be reviewed.	Cabinet	2 Sep 2014		Andrew Ross	
CE 14/15-5 Alderley Park Investment Fund	To authorise the officers to take all necessary actions to undertake the proposed investment as recommended by the Independent Options Appraisal.	Cabinet	16 Sep 2014			No

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 14/15-20 Brownfield Site Development	<p>Within Cheshire East there are a number of town centre brownfield sites that are suitably located for housing and commercial development which if delivered would reduce the need for development on green land, however many of these have failed to be delivered.</p> <p>To endorse the approach in relation to Brownfield development with a focus on Macclesfield as a pilot area for research and bid development.</p>	Cabinet	16 Sep 2014		Karen Carsberg	

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 14/15-22 Key Worker Accommodation	<p>To consider an approach to facilitating the inclusion of key workers in housing policy, setting out an interim and formal approach through the planning process. The decision will be to authorise:</p> <ol style="list-style-type: none"> 1. an interim approach, including the definition of a key worker; 2. officers to carry out the primary research to establish the need for key worker housing provision; 3. the need for key worker housing provision, once established, to be incorporated into the development of the Affordable Housing Supplementary Planning Document. 	Cabinet	16 Sep 2014		Karen Carsberg	No
CE 14/15-15 Fostering Capacity Scheme	<p>To approve proposed amendments to the Council's Foster Carer Capacity Scheme. The amendments will ensure equity of response to all carers under the scheme.</p>	Cabinet Member for Safeguarding Children and Adults	October 2014		Julie Lewis	No

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 13/14-87 Engine of the North - Development Programme for Housing and Jobs	<p>To authorise Cheshire East Engine of the North, the Council's wholly-owned development company, to undertake all action necessary to:</p> <ol style="list-style-type: none"> 1. Dispose of the Council's property assets in order to maximise capital receipts and deliver jobs and homes on an accelerated timescale. 2. Approve the disposal for all potential land uses including residential, employment, retail and leisure. 3. Maximise the capital receipts and economic benefits by progressing the sites for development. 	Cabinet	14 Oct 2014			No

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 14/15-4 Alternative Service Delivery Vehicles and Pensions Issues	<p>To determine whether the Council wishes to close access to the Local Government Pension Scheme for new employees of its Alternative Service Delivery Vehicles and instead enrol them in an alternative defined contribution scheme.</p> <p>If agreed, to authorise officers to take all necessary actions to implement the proposal.</p>	Cabinet	14 Oct 2014			TBC
CE 14/15-6 Macclesfield Movement Strategy	To approve the scope and timescale for the completion of a 'Macclesfield Movement Strategy', including early prioritisation of schemes and allocation of budget provision for their delivery.	Cabinet	14 Oct 2014		Paul Griffiths	No

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
<p>CE 14/15-10 Crewe Northern Growth Corridor and Sydney Road Bridge - Highway Capacity Improvements along the Corridor, including Additional or Replacement Bridge</p>	<p>Strategy of highway improvements from Crewe Green to the A530 to support Local Plan strategic site allocations and committed sites. Decision on preferred option for the structure at this location; authority to forward fund developer contributions and increase CEC contribution; own and maintain a new/modified structure at this location; approve procurement/delivery strategy and grant authority, if required, to enter into agreement /contract with Network Rail Infrastructure Projects for the delivery of the scheme; authority to implement procurement strategy for the delivery of this scheme; commence negotiations for 3rd party land required to deliver the scheme and if necessary to implement a compulsory purchase order; take all other necessary actions to implement the proposal.</p>	<p>Cabinet</p>	<p>14 Oct 2014</p>		<p>Andrew Ross</p>	<p>No</p>

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 14/15-11 Homeless Strategy 2014-17	<p>To authorise the officers to begin a six week consultation phase with the public and professionals, internally, externally and in all sectors (including voluntary and third sector), on the proposed Homeless Strategy, commencing at the end of July 2014. The consultation will be authorised by the Portfolio Holder for Housing and Jobs on 28th July 2014.</p> <p>Subject to the outcome of the consultation, Cabinet on 14th October 2014 will be asked to approve the Homeless Strategy for adoption.</p>	Cabinet	14 Oct 2014			No
CE 14/15-13 Cheshire East Waste Strategy 2030	To adopt the waste strategy to 2030 which is based on the Environment PDG and Cabinet approved high level objectives, and consulted on with members of the public and local interest groups.	Cabinet	14 Oct 2014		Ralph Kemp	No

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 14/15-16 Cheshire East Energy Supply Company	<p>To approve the selection of the preferred bidder identified through the competitive dialogue procurement process to appoint a delivery partner.</p> <p>To delegate the decision to award the contract to officers in consultation with the relevant Portfolio Holder.</p>	Cabinet	14 Oct 2014			Yes - para 3
CE 14/15-24 Highway Services Contract - Service Period Extension	<p>In accordance with the terms of the Highway Services Contract, to consider and decide on the possible award to Ringway Jacobs of an extension to the service period of one or two years.</p> <p>Additionally, to authorise officers to take all necessary actions to implement the proposed outcome.</p>	Cabinet	14 Oct 2014			No
CE 13/14-58 Crewe Deep Geothermal Energy Project	To note the outcomes of the viability studies as endorsed at the meeting on 22 nd July 2013.	Cabinet	11 Nov 2014			No

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 14/15-7 Poynton Relief Road - Preferred Route Announcement	To approve and protect a preferred route, and to approve ongoing development of the scheme to support a planning application.	Cabinet	11 Nov 2014		Paul Griffiths	No
CE 14/15-12 Footpath 53, Step Hill, Macclesfield	To consider the options for the remedial works required to enable the reopening of Footpath 53, Step Hill, Macclesfield which has been closed for a number of years and to authorise the officers to take all necessary actions to implement the agreed way forward.	Cabinet	11 Nov 2014		Denise Griffiths	No
CE 14/15-14 Macclesfield Town Centre Housing Strategy	To decide whether to approve and adopt the strategy in light of the public consultation outcome, and to authorise the officers to implement all associated actions and initiatives.	Cabinet	11 Nov 2014	There will be a public consultation exercise in July, the outcome of which will be reported to Cabinet.	Karen Carsberg	No

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE14/15-19 Planning (Building Control) Alternative ASDV	To seek approval to go with the preferred option for the delivery of the Planning Service and authorise officers to take all necessary actions to implement the proposal, including the commencement of the Oracle build.	Cabinet	11 Nov 2014		Angela Davies	
CE 14/15-21 Public Health Sexual Health Service Recommissioning	To grant delegated authority to the Director of Public Health and the Executive Director of Strategic Commissioning, in consultation with the relevant Portfolio Holders, to award a contract for Public Health Sexual Health Services.	Cabinet	11 Nov 2014		Lucia Scally, Manager of strategic Commissioning	No
CE 14/15-23 Development of Car Parking Cost Neutral Pricing Policy	To authorise the Head of Communities to develop a cost neutral car parking pricing policy by November 2014.	Cabinet	11 Nov 2014		Stephanie Cordon, Head of Communities	No

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE14/15-18 Cheshire Homechoice - Allocation Policy Review	To approve the final version of the Cheshire Homechoice Policy for adoption and authorise officers to take all necessary steps to implement the revised Housing Allocation Policy. Cheshire Homechoice is the Choice Based Lettings Partnership between Cheshire East Council and Registered Providers who allocate Social Housing in Cheshire East.	Cabinet	9 Dec 2014		Karen Carsberg	
CE 14/15-1 Medium Term Financial Strategy 2015-18	To recommend Council to approve the Medium Term Financial Strategy for 2015-18, incorporating the Council's priorities, budget, policy proposals and capital programme.	Cabinet	3 Feb 2015		Alex Thompson	No

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.CHESHIRE EAST COUNCIL

REPORT TO: CORPORATE SCRUTINY COMMITTEE

Date of Meeting: 11 September 2014
Report of: Head of Governance and Democratic Services
Subject/Title: Work Programme update

1.0 Report Summary

- 1.1 To review items in the 2014/2015 Work Programme listed in the schedule attached, together with any other items suggested by Committee Members.

2.0 Recommendations

That the 2014/2015 work programme be reviewed.

3.0 Reasons for Recommendations

- 3.1 It is good practice to agree and review the Work Programme to enable effective management of the Committee's business.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications including - Carbon reduction - Health

- 6.1 Not known at this stage.

7.0 Financial Implications

- 7.1 Not known at this stage.

8.0 Legal Implications

- 8.1 None.

9.0 Risk Management

9.1 There are no identifiable risks.

10.0 Background and Options

10.1 The schedule attached has been updated to reflect the decisions taken by the Committee at its previous meeting.

10.2 Members are asked to review the schedule attached to this report, and if appropriate, add new items or delete items that no longer require any scrutiny activity. When selecting potential topics, Members should have regard to the Council's new three year plan and also to the general criteria listed below, which should be applied to all potential items when considering whether any Scrutiny activity is appropriate.

The following questions should be asked in respect of each potential work programme item:

- Does the issue fall within a corporate priority;
- Is the issue of key interest to the public;
- Does the matter relate to a poor or declining performing service for which there is no obvious explanation;
- Is there a pattern of budgetary overspends;
- Is it a matter raised by external audit management letters and or audit reports?
- Is there a high level of dissatisfaction with the service;

10.3 If during the assessment process any of the following emerge, then the topic should be rejected:

- The topic is already being addressed elsewhere
- The matter is subjudice
- Scrutiny cannot add value or is unlikely to be able to conclude an investigation within the specified timescale

11 Access to Information

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

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Corporate Overview and Scrutiny Committee

Upcoming Meetings	Date: 11/09/14 Time: 2.00pm Venue: Committee Suite, Westfields	Date: 7/10/14 Time: 2.00pm Venue: Committee Suite, Westfields	Date: 10/11/14 Time: 2.00pm Venue: Committee Suite Westfields	Date: 2/12/14 Time: 2.00pm Venue: Committee Suite Westfields
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Item	Notes	Lead Officer/ Portfolio Holder	Action to be Taken	Key Dates/Deadlines
Performance Management Information	Quarterly reports on Performance and Budget	COO, Resources and Policy and performance portfolio holders		1 st quarter 11 September 2014
Budget Consultation 2015/16	Corporate will begin the 2014/15 budget consultation process and finally will collate ,on behalf of the 5 other O&S committees, a formal 'scrutiny' response	COO, Resources Portfolio Holder		21 July 2014 and continuing
Capital Programme	To be fed into the budget consultation process	COO, Resources Portfolio Holder		TBA
New management Structure	To review the new management structure.	COO Leader of the Council and Policy and Performance Portfolio Holder		11 September 2014
Electronic interaction/communication with the public	The electronic interface with the public. Is the interface at Cheshire East sophisticated/radical	COO, Strategic Outcomes Portfolio Holder		TBA

Corporate Overview and Scrutiny Committee

	enough for a modern council.			
ORACLE/Cosocious	To review whether ORACLE is fit for purpose.	COO, Strategic Outcomes and Resources Portfolio Holders		TBA