

Corporate Overview and Scrutiny Committee

Agenda

Date: Thursday, 9th July, 2015
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 30 March 2015.

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

Tel: 01270 686459

E-Mail: mark.nedderman@cheshireeast.gov.uk

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. **Final Outturn report 2014/15**

To consider a report of the Chief Operating Officer. (to follow)

7. **Business Planning Process 2016/19** (Pages 5 - 10)

To consider a report of the Chief Operating Officer.

8. **Local Plan**

The Children and Families Portfolio Holder to provide an oral update

9. **Work Programme Progress Report** (Pages 11 - 16)

To consider a report of the Head of Corporate Resources and Stewardship.

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Corporate Overview and Scrutiny Committee** held on Monday, 30th March, 2015 at Committee Suite 1,2 & 3, Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor S Wilkinson (Chairman)

Councillors G Baxendale, K Edwards, F Keegan, A Moran and J Saunders

Apologies

Councillors B Murphy, P Groves, D Neilson and M Simon

1 MINUTES OF PREVIOUS MEETING

RESOLVED – That the minutes of the meeting held on 2 February 2015 be confirmed as a correct record and signed by the Chairman.

2 TRIBUTE TO COUNCILLOR PHIL HOYLAND

The Chairman asked all those present to stand in silence as a mark of respect to the late Councillor Phil Hoyland.

3 ALSO PRESENT

Councillor Peter Raynes - Resources Portfolio Holder
Councillor Paul Findlow – Governance Portfolio Holder

4 OFFICERS PRESENT

Lorraine Butcher - Executive Director of Strategic Commissioning
Tony Crane - Director of Children's Services
Judith Tench – Head of Corporate Resources and Stewardship
Angharad Jackson - Business Manager –Adult Social care
Alex Thompson - Corporate Manager Strategy & Reporting
Andrew North - Corporate Manager - Audit, Risk & Business Improvement

5 DECLARATIONS OF INTEREST

There were no declarations of interest.

6 DECLARATION OF PARTY WHIP

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

7 PUBLIC SPEAKING TIME/OPEN SESSION

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

8 THIRD QUARTER REVIEW AND MEDIUM TERM FINANCIAL STRATEGY

The committee considered a report setting out the Council's financial and non-financial performance at the third quarter stage of 2014/15 and progress towards achieving the Council's Residents First Outcomes as described in the Council's three year plan 2013 to 2016.

The overall financial health, performance, resilience and value for money at Cheshire East Council was strong despite taking £50m out of its cost base from 2011/12, and freezing Council Tax for the fourth consecutive year. Following the three-quarter year review the Council's reserves strategy remained effective, with an underspend of £0.2m being forecast, which represented only a 0.1% variance from a budget of £253.8m.

Annex 1 to the report set out further details of how the Council was performing in 2014-15, including a summary performance, an update on the Council's overall financial position and a summary of key issues relating to the Council's workforce development plan.

The Resources portfolio holder introduced the report and invited questions from members of the committee.

In response to a question regarding the latest position on the local plan, Councillor Raynes informed the committee that good progress was being made and that he hoped to be in a position to provide a public statement in the near future.

RESOLVED- That the report be received and noted.

9 DIGITAL CUSTOMER SERVICES

The committee considered a report of the Chief Operating Officer setting out a business case for Digital Customer Services.

The Committee had received a presentation at its previous meeting on 2 February 2015 setting out the principals behind the concept of improving the Council's digital offer which would enable customer contact across all services to be primarily delivered through digital channels.

The business case promoted the concept of designing and promoting services that were 'digital by default' which would improve access for residents and help the council meet its commitment to be a 'resident first', effective and efficient council.

The committee was informed that at present, 36% of Cheshire East residents preferred to use digital channels in the way they accessed services and there was the potential for 70% of residents to shift to digital in the way they interacted with the Council. A Customer Portal would provide a single route into the Council's digital services, with information tailored around the individual's specific

needs and requirements. It would link various back office systems and data sources to provide an easy-to-use digital one-stop shop for customers.

The committee was informed that the principle which underpinned the future success of improved digital services was better customer insight analysis which would enable the Council to develop the its understanding of customers to help it to consider how to develop and deliver solutions that would improve customer experience and deliver services more efficiently and effectively

The committee discussed the benefits of providing links to the Council's website through town and parish council websites.

RESOLVED – That the business case to improve the Council's digital customer service be supported and Cabinet be encouraged to introduce as much flexibility and connectivity to other public websites as possible.

10 WORK PROGRAMME PROGRESS REPORT

The Committee reviewed its work programme.

RESOLVED That the work programme be noted

11 FORWARD PLAN

The Committee reviewed the forward plan.

RESOLVED – that the forward plan be received and noted.

The meeting commenced at 2.00 pm and concluded at 2.58 pm

Councillor S Wilkinson (Chairman)

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CHESHIRE EAST COUNCIL**REPORT TO:****CORPORATE OVERVIEW AND SCRUTINY COMMITTEE**

| | |
|--------------------------|---|
| Date of Meeting: | 9 th July 2015 |
| Report of: | Chief Operating Officer (Section 151 Officer) |
| Subject/Title: | Business Planning Process 2016/19 |
| Portfolio Holder: | Cllr. Peter Groves |

1 Summary

- 1.1 This report updates Corporate Overview and Scrutiny Committee on the Council's Business Planning Process for 2016/17 to 2018/19. A robust Business Planning Process forms part of the continued improvement in financial planning, control and transparency. This enables the Council to deliver a balanced budget through a process that considers priorities, performance, risks and HR issues.
- 1.2 The Council will continue to demonstrate strong financial health by considering the medium term budget position at an early stage in the year and through successive outturn reports:
 - The 2013/14 outturn position was signed off by the Council's external auditors, without qualification, and demonstrated that the overall financial health, performance, resilience and value for money at Cheshire East Council is strong
 - The Council is due to report its 2014/15 outturn position to Cabinet on 14th July 2015. At Third Quarter a small underspend was forecast signalling that improved budget management has been maintained. In addition, the 2014/15 Draft Statement of Accounts has been issued for public inspection and is currently being audited.
- 1.3 In February 2015 the Council approved the Medium Term Financial Strategy (MTFS) Report incorporating:
 - An Executive Summary from the Leader of the Council setting out the key actions to address the Council's priorities.
 - The Council's MTFS Report 2015/18 setting out how the priorities and actions will be funded.
- 1.4 The Report is subject to annual update as further information over funding levels becomes available and the Council develops more detailed plans for later years.
- 1.5 The outcome of the update process will be the production of a revised MTFS Report in February 2016 to set the Budget, Capital Programme and Council Tax.
- 1.6 A comprehensive process is required to achieve that outcome and this report sets out the framework for Members and officers.

2 Recommendations

- 2.1 To note the Business Planning Process for 2016/19 and the availability of officers throughout the process.

3 Reasons for Recommendations

- 3.1 The Council requires an agreed process to set a budget for 2016/19. However, the Council needs to consider the approach to delivering the Sustainable Community Strategy and the Council's Priorities and link those ambitions with resource allocation in a managed way.

4 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications

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

7.0 Implications for Rural Communities

- 7.1 Not applicable.

8.0 Financial Implications

- 8.1 The report includes details of a process to generate policy proposals which will affect service budgets from 2016/19 onwards.
- 8.2 The baseline for 2016/19 business planning is the 2015/16 budget.

9.0 Legal Implications

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

10.0 Risk Management

- 10.1 The steps outlined in this report will significantly mitigate the four main legal and financial risks to the Council's financial management:
- The Council must set a balanced Budget.
 - The Council must set a legal Council Tax for 2016/17.
 - The Council should provide high quality evidence to support submissions for external assessment.
 - Council borrowing will comply with the Treasury Management Strategy which is underpinned by the Prudential Code.

10.2 The Business Planning Process itself has been reviewed in terms of equality impact. The conclusion is that the process does not disadvantage any of the groups with protected characteristics. Setting and approving the Budget is a democratic process which involves all elected Members (representing all communities within Cheshire East). The Council also places information on its website to inform and engage with all service users.

10.3 The Government has announced a Summer Budget will be released on 8th July 2015. This may alter the baseline assumptions.

11 Background

11.1 Each year the Council operates a rolling Business Planning Process to match resources with service needs by consideration of the Council's residents first outcomes, risks and targeted service changes. The process addresses these requirements through four stages: (see **Annex 1** for further details)

- **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 and 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 or changes. Further internal challenge will develop the detail behind the proposals including consideration of detailed Business Cases in accordance with the principles of the Council's corporate project gateway model (as overseen by the Executive Monitoring Board)
-
- **Approve** ~ Finalise the funding position and proposals. Report to Cabinet and Council to set the Budget.

11.2 Key dates to note:

| | |
|---------------------------------------|--------------------|
| Set parameters | May to June |
| Gather Evidence and Develop Proposals | July to September |
| Consult and Refine | October to January |
| Approve | February |

11.3 The Corporate Overview and Scrutiny Committee will be provided with updates on the process through regular Finance Briefing sessions and specific reports at key stages including in-year performance and the proposals being used for engagement.

11.4 The Committee and all elected Members will be asked to comment on the draft proposals and put forward any ideas they have for spending in different areas or opportunities to make savings. Responses can be made by via the Chief Operating Officer.

12 Access to Information

12.1 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

Annex 1: Business Planning Process 2016/19



| May to June 2015 | July to Sept 2015 | October 2015 to January 2016 | February 2016 |
|--|---|--|---|
| <p>Start with:</p> <ul style="list-style-type: none"> § Medium Term Financial Strategy Targets § Sustainable Community Strategy outcomes § Resident First Outcomes § Commissioning Plans 2015/16 § Charging and Trading Strategy § Value for Money Analysis § Current Group Performance | <p>Formal launch of process via Cabinet / Scrutiny / Member Briefing</p> <p>Commissioning Leads and Portfolio Holders analyse and revise Commissioning Plans and work with Service Providers to propose initial variations.</p> | <p>Release Pre-Budget Report</p> <p>Engagement Events – Schools Forum / Trades Unions / Businesses / Member Groups and other interested parties on request.</p> <p>Refinement through Cabinet / Senior Council Officers</p> <p>Agree updates and Budget Report</p> <p>Set fees and charges</p> | <p>Council approve taxbase (December 2015)</p> <p>Cabinet to recommend estimated budget to Council</p> <p>Council provides approval</p> |

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CHESHIRE EAST COUNCIL

REPORT TO: CORPORATE SCRUTINY COMMITTEE

Date of Meeting: 9 July 2015
Report of: Head of Corporate Resources and Stewardship
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 2015/2016 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 contains the recommendations by the Committee in March 2015 on potential items for the new civic year 2015/16.

10.2 Under normal circumstances Members would be 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. However, the Committee has not yet had an opportunity to meet relevant portfolio holders and heads of service to discuss priorities for the forthcoming year. There is an informal meeting taking place with Cabinet on 7 July and it is hoped that progress will be made at that meeting and a clear way forward established for all Overview and Scrutiny Committees to develop work programmes.

10.3 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.

10.4 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;

10.5 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:

Name: Mark Nedderman
Designation: Scrutiny Manager
Tel No: 01270 686459
Email: mark.nedderman@cheshireeast.gov.uk

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Corporate Overview and Scrutiny Committee 2015/16

Essential items

| Item | Description/purpose of report/comments | Lead Officer/organisation/Portfolio Holder | Suggested by | Current position | Key Dates/Deadlines |
|------------------------------------|--|--|---------------------------------|---|--|
| Performance Management Information | Quarterly reports on Performance and Budget | Chief Operating Officer, Finance and Assets Portfolio Holder | The Committee | Reports are considered in line with the Cabinet reporting cycle | 9 July 2015,3 September 2015,5 November 2015,4 February 2016 |
| Budget Consultation 2016/17 | Corporate will begin the 2016/17 budget consultation process in the summer of 2015 and finally will collate ,on behalf of the 5 other O&S committees, a formal 'scrutiny' response | Chief Operating Officer, Finance and Assets Portfolio Holder | The Committee | Formal consultation on the draft budget TBA | TBA |
| Capital Programme | To be fed into the budget consultation process | Chief Operating Officer, Finance and Assets Portfolio Holder | Director of Children's Services | Formal consultation to be part of the budget process | TBA |

Corporate Overview and Scrutiny Committee 2015/16

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| | | | | | |
| Local Plan | To review the local plan process | Director of Children's Services, Children and Families Portfolio Holder | Director of Economic Growth & Children and Families Portfolio Holder | | TBA |

Monitoring Items

None

Possible Future/ desirable items

Digital Customer Services – to test whether the interface at Cheshire East is sophisticated/radical enough for a modern council.

ORACLE/Cosocious - To review whether ORACLE is fit for purpose.