

## Council Agenda

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**Date:** Thursday, 28th July, 2016  
**Time:** 2.00 pm  
**Venue:** The Ballroom, Sandbach Town Hall, High Street, Sandbach, CW11 1AX

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The agenda is divided into two 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. **Prayers**

2. **Apologies for Absence**

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. **Minutes of Previous meetings** (Pages 1 - 12)

To approve the minutes of the Annual Meeting of Council and the Special Meeting of Council held on 11 May 2016 as a correct record.

5. **Mayor's Announcements**

To receive such announcements as may be made by the Mayor.

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

In accordance with Council Procedure Rule 35 and Appendix 7 to the rules, a total period of 15 minutes is allocated for members of the public to speak at Council meetings.

Individual members of the public may speak for up to 5 minutes, but the Chairman will decide how the period of time allocated for public speaking will be apportioned, where there are a number of speakers.

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

7. **Recommendation from Cabinet - Congleton Link Road Funding Strategy** (Pages 13 - 28)

To consider the recommendation from Cabinet.

8. **Recommendation from Cabinet - Final Outturn Review of Performance 2015/16** (Pages 29 - 106)

To consider the recommendation from Cabinet.

9. **Leader's Announcements**

To receive such announcements as may be made by the Leader.

10. **Recommendation from the Constitution Committee- Scheme of Members Allowances: Report of the Members Allowances Independent Remuneration Panel** (Pages 107 - 128)

To consider the recommendation from the Constitution Committee.

11. **Recommendation from the Constitution Committee - Vacancies in the Office of Parish Councillor - Twemlow Parish Council** (Pages 129 - 132)

To consider the recommendation from the Constitution Committee.

12. **Overview and Scrutiny Annual Report** (Pages 133 - 152)

To receive the Overview and Scrutiny Annual Report 2015/16.

13. **Appointment of Members to Committees** (Pages 153 - 154)

To approve changes to the membership of Committees.

14. **Appointment of Independent Persons for Standards Matters** (Pages 155 - 158)

To consider a report inviting Council appoint up to three Independent Persons pursuant to section 28 of the Localism Act 2011.

15. **Notices of Motion** (Pages 159 - 162)

To consider any Notices of Motion that have been received in accordance with Procedure Rule 12

16. **Questions**

In accordance with Procedure Rule 11, opportunity is provided for Members of the Council to ask the Mayor, the appropriate Cabinet Member or the Chairman of a Committee any question about a matter which the Council, the Cabinet or the Committee has powers, duties or responsibilities.

At Council meetings, there will be a maximum question time period of 30 minutes. Questions will be selected by the Mayor, using the criteria agreed by Council. Any questions which are accepted, but which cannot be dealt with during the allotted period will be answered in writing. Questions must be brief, clear and focussed.

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**CHESHIRE EAST COUNCIL**

Minutes of the Annual meeting of **Council**  
held on Wednesday, 11th May, 2016 at The Tenants' Hall, Tatton Park,  
Knutsford, WA16 6QN

**PRESENT**

Councillor H Gaddum (morning only)  
Councillor O Hunter

Councillors C Andrew, A Arnold, D Bailey, Rachel Bailey, Rhoda Bailey, Baggott, P Bates, G Baxendale, M Beanland, D Bebbington, S Brookfield, E Brooks, D Brown, C Browne, B Burkhill, P Butterill, S Carter, J Clowes, S Corcoran, H Davenport, W S Davies, T Dean, B Dooley, L Durham, S Edgar, I Faseyi, P Findlow, R Fletcher, T Fox, D Flude, S Gardiner, L Gilbert, M Grant, P Groves, J Hammond, M Hardy, A Harewood, G Hayes, S Hogben, D Hough, J Jackson, L Jeuda, A Kolker, D Mahon, N Mannion, D Marren, A Martin, R Menlove, G Merry, A Moran, B Moran, D Newton, M Parsons, S Pochin, J Rhodes, B Roberts, M Sewart, M Simon, L Smetham, G Wait, B Walmsley, G M Walton, M Warren, M J Weatherill, H Wells-Bradshaw, J Weston, G Williams and J Wray

**Apologies**

Councillors G Barton, C Chapman, M Deakin, M Jones, J Macrae, S McGrory, H Murray, J Saunders, D Stockton, A Stott and L Wardlaw

**1 PRAYERS**

The Mayor's Chaplain said prayers at the request of the Mayor.

**3 DECLARATIONS OF INTEREST**

It was noted that Councillor Olivia Hunter and Councillor Arthur Moran had a personal interest in the election of Mayor and appointment of Deputy Mayor respectively.

There were no further declarations of interest.

**4 ELECTION OF MAYOR 2016/17**

Council was requested to elect a Mayor for the Borough of Cheshire East for 2016/17, who would also act as Chairman of the Council for that period.

It was proposed by Councillor Stewart Gardiner, seconded by Councillor Peter Groves, and: -

**RESOLVED**

That Councillor Olivia Hunter be elected Mayor of the Borough of Cheshire East for the year 2016/17 and appointed as Chairman of the Council for that period.

The Mayor was invested with her chain of office and then completed her Declaration of Acceptance of Office and took the oath of loyalty.

The Mayor thanked the Council for electing her to this office and informed Members that her husband, Philip, was to be her Consort. He was then invested with the badge of office.

**(Councillor Hunter, as Mayor, took the chair).**

### **5 APPOINTMENT OF DEPUTY MAYOR 2016/17**

Council was requested to appoint a Deputy Mayor of the Borough of Cheshire East for the year 2016/17, who would also act as Vice-Chairman of the Council for that period.

It was proposed by Councillor Penny Butterill, seconded by Councillor David Marren, and:-

#### **RESOLVED**

That Councillor Arthur Moran be appointed as Deputy Mayor of the Borough of Cheshire East for the year 2016/17 and as Vice-Chairman of the Council for that period.

The Deputy Mayor thanked the Council for appointing him to this office.

### **6 APPOINTMENT OF MAYOR'S CHAPLAIN**

The Mayor announced that her Chaplain for the forthcoming Municipal Year would be Rev Philip Robinson and he stood forward and shook hands with the Mayor.

### **7 VOTE OF THANKS TO RETIRING MAYOR**

Councillor Rachel Bailey paid tribute to the retiring Mayor and Mayoress, Councillor Hilda Gaddum and Mrs Jane Gaddum for the dedicated work they had undertaken during their term of office.

The Mayor presented Councillor Gaddum with her Past Mayor's Medal.

### **8 MAYOR'S ANNOUNCEMENTS**

The Mayor stated that the Mayor Making Ceremony would come to an end to enable a number of Aldermen and Freemen to be appointed at a special

meeting of the Council and that the Annual Meeting would be adjourned and would be reconvened after the special meeting, and following lunch.

### 9 **ADJOURNMENT OF MEETING**

The meeting was adjourned until 2.15pm, when the remaining items on the agenda would be considered.

### 10 **CHESHIRE TOUR OF BRITAIN**

Before the commencement of the reconvened meeting, an announcement was made in respect of the Cheshire Tour of Britain cycle race.

The official launch of the Tour of Britain Stage 3 had taken place on Friday 6 May at Tatton Park, Knutsford.

The Stage 3 leg of the Tour was due to take place on 6 September and would start in Congleton and wind its way across the Borough, before finishing at Tatton Park. As the largest free to attend sporting event in the country it promised to be an amazing spectacle and an opportunity for all of residents and businesses in the borough, as well as visitors to get involved.

### 11 **APOLOGIES FOR ABSENCE**

Apologies for absence were updated.

### 12 **DECLARATIONS OF INTEREST**

There were no further declarations of interest.

### 13 **MINUTES OF PREVIOUS MEETING**

#### **RESOLVED**

That the minutes of the meeting held on 25 and 26 February 2016 be approved as a correct record.

### 14 **LEADER'S ANNOUNCEMENTS**

The Leader of the Council congratulated the Mayor upon her election to the Mayoralty and Councillor Arthur Moran upon his appointment to the Deputy Mayoralty.

She then addressed Council and made a number of key points:-

1. She believed that the year would herald continued innovation and a focus on CE's Residents First principles.
2. The commitment she had made just two months ago was undiminished, to serve the Council and to deliver transparency and

fairness to its staff and residents and to work with business and deliver that vital partnership working across all areas of service be it Police, Health, Fire or the invaluable voluntary sector.

3. Seven years on the Council had revisited its Corporate Strategy and “Ambition for All” was the renewed concept of the Local Strategic Partnership. Partner Forums underpinned the key arenas of the Safer Cheshire East Partnership and the Health and Wellbeing Board. As the recently elected Chair of the Health and Wellbeing Board, she particularly referenced its work in relation to the Better Care Fund, the responsible approach to joined up working and the patience and attention to detail of the lead officer, Caroline Baines. She was equally heartened by the manner in which it had embraced responsibility for the continuing improvement journey for the Children and Families Safeguarding Service. She referred to the positive Ofsted judgement of “requires improvement to be good” and the adoption service, which had been rightly recognised as good.
4. She referred to the number of Councillors who sat on Scrutiny Committees. Of the 82 Councillors, around 40 committed to this vital area of governance; a telling measure of the commitment made by Cheshire East Councillors, which she considered was reinforced by the recent Task and Finish reports received by Cabinet, in respect of, for example, section 106 agreements, apprentices or the rightful focus on appropriate funding of the award winning team who provided vital support to families who found themselves in a violent relationship. Under the leadership of Cllr Jos Saunders, Health Scrutiny had worked with the North West Ambulance Service, not least on the issue of response times in the rural borough. Recommendations had now been agreed and she hoped that a report in respect of this would be received by Cabinet in the fullness of time.
5. As she had announced in February, she believed that it was now the time to review the Council’s Scrutiny function, in order to free it up to deliver even more focussed Task and Finish forums. A group of Conservative members had shaped a potential model to come forward through the Council processes and ultimately for consideration by the Constitution Committee. She thanked Cllr Margaret Simon for her leadership and Cllr Gail Wait for her organisation in this matter.
6. With regard to the Cabinet membership, she asked officers to circulate the list of Portfolio Holder names and responsibilities. She had opted for a Cabinet of nine Members. She had, however, appointed an additional Deputy Cabinet Member. At this point, the Leader also put on record her thanks to Cllr Tony Dean for his work in regeneration and welcomed his agreement to serve on the energy company. She also welcomed a new Deputy Cabinet Member for Finance, Cllr Chris Andrew and for Health and Communities, Cllr Liz Wardlaw.
7. The Leader referred to the recent Cabinet meeting, where she had expressed thanks to the Council’s Directors, staff, residents and



Councillors for their engagement in Cheshire East throughout the political year and referred to a few of the achievements as follows:-

- Tatton Park - Such an appropriate and beautiful setting for our Annual Council Meeting; crowned Best Large Visitor Attraction in the Country.
  - Tour of Britain stage 3, with Tatton Park as a focal point.
  - Cheshire East's Libraries are No 1 for lending books and third lowest cost per head in the North West. From the most recent survey of customers 93% rated the service as good or very good.
  - There was a 24/7 single point access service for anyone affected by Domestic abuse and one of the first in commissioning a whole family model of service delivery in this area.
  - Crewe Lifestyle Centre – The official opening was to take place on May 26, by Sir Philip Craven.
  - HS2.
  - The award winning Crewe Green Link Road/aka David Whitby Way, and pinch point funded improvements which saw Jack Mills Way and the incredible difference at junction 16 of the A500 and M6.
  - Bollington - The best place to start a family.
  - Cheshire East was one of the first to ban payday loan websites and adverts on our computers in public buildings.
8. The Leader referred to the rightful focus on delivery of the leisure led option for Macclesfield continued. Cllr Ainsley Arnold took a shared responsibility, with Cllr Don Stockton, who focused on heritage, ably supported by the Heritage Champion Cllr Ellie Brookes. She believed that there was the opportunity for a 360 degree offer in Macclesfield of heritage, leisure and retail, along with 360 degree connectivity emanating from Crewe, with the opportunity of HS2 Hub Station modelled on 7 train stops per hour.
9. She also referred to the commitment made by Cheshire East to new bus station for Crewe and the revamped Royal Arcade Development and the celebration of 18,000 + businesses in Cheshire East. She was just beginning to understand the diligence of the Council's team. In recent weeks she had visited, AO.com; Royal London; Alderley Park; shared in the 50<sup>th</sup> birthday celebratory lunch at Astra Zeneca, Hurdsfield, recognising the phenomenal achievements in the discovery of drugs which made such a difference to the lives of all.
10. Cheshire East had actively supported the creation of up to 800 jobs. Highlights were Autoliv, Congleton; Sanofi, Holmes Chapel; Wex in Crewe and not least Waters at Wilmslow.
11. Skills and growth would continue to be a feature of Cllr Bailey's leadership. She thanked Cllr Paul Bates, Cllr Bernice Walmsley, Cllr Ellie Brookes and Julian Cobley for their tremendous work in setting up the Skills and Growth Company. She welcomed Cllr George Hayes as its new Chair and appreciated the experience that Cllr Sarah Pochin had brought, following a years work in EoTN.

12. Cheshire East Council was committed to working in partnership within and across the North West region, building stronger collaboration with Cheshire West and Chester and Warrington Borough Councils. She believed that a refresh of the Local Strategic Partnership was key to that strong working relationship with Police, Health, Fire and voluntary and business sectors. She welcomed and extended her congratulations to David Keane upon his election to the office of Police and Crime Commissioner for the Cheshire Police area and she was currently making arrangements to meet with him. She also thanked John Dwyer for his work since 2012.
13. Finally, the Leader reaffirmed her commitment to do all in her power to deliver for the Council, the residents and businesses of the borough.

## **15 POLITICAL REPRESENTATION ON THE COUNCIL'S COMMITTEES**

Consideration was given to a report inviting the Council to determine political group representation on the Council's Committees, in relation to the overall political composition of the Council.

An updated version of the Appendix to the report, showing the latest position regarding the proportional distribution of seats on Committees amongst the political groups, was circulated at the meeting.

### **RESOLVED**

That the political group representation, as set out in the updated Appendix 1 and the methods, calculations and conventions used in determining this, as outlined in the report, as circulated at the meeting and attached to these minutes at minute 15, be approved.

## **16 APPOINTMENT OF MEMBERS TO COMMITTEES**

Consideration was given to a report relating to the review of the membership of the Council's decision-making and other bodies.

The nominations made by the Group Leaders to these bodies were listed in an appendix to the report, which was circulated at the meeting.

In proposing the nominations contained in the circulated Appendix, the Leader of the Council, Cllr Rachel Bailey, proposed the following changes to the nominations made by the Conservative group:-

Northern Planning Committee – Delete Cllr G Hayes and add Cllr P Findlow.

Staffing Committee – Add Cllr P Findlow, as substitute.

### **RESOLVED**

That, subject to the above changes, the nominations made by the Group Leaders to the bodies listed in Appendix 1 to the report, as circulated at the meeting, be noted and agreed and that the bodies listed in Appendix 1 be approved.

(The Committee membership as approved by Council, is attached to these minutes at minute 16).

### **17 APPOINTMENT OF CHAIRMEN AND VICE-CHAIRMEN**

Consideration was given to the appointment of Chairmen and Vice-chairmen of the Council's decision making and other bodies.

The Political Group Leaders' nominations for Chairmen and Vice-chairmen of the Council's decision-making and other bodies were circulated at the meeting at item 16.

In addition to the nominations circulated at item 16, the Independent group nominated Councillor C Browne as Chairman of the Northern Planning Committee.

#### **RESOLVED**

That the Chairmen and Vice-chairmen of the Council's decision-making and other bodies, as circulated at the meeting and as attached to these minutes at minute 16, be appointed, including the appointment of Cllr C Browne as Vice-chairman of the Northern Planning Committee.

### **18 APPOINTMENTS TO THE ADOPTION AND FOSTERING PANEL**

Consideration was given to appointments to the Adoption Panel and the Fostering Panel.

#### **RESOLVED**

1. That Councillor L Jeuda be appointed to the Adoption Panel.
2. That Councillor G Merry be appointed to the Fostering Panel.

### **19 APPOINTMENTS TO THE CHESHIRE FIRE AUTHORITY AND THE CHESHIRE POLICE AND CRIME PANEL**

Consideration was given to appointments to the Cheshire Fire Authority and the Cheshire Police and Crime Panel.

#### **RESOLVED**

- 1 That Councillors D Marren, G Merry, J Saunders, M Simon, J Weatherill, D Bailey, D Flude and D Mahon be nominated to serve on the Cheshire Fire Authority.

- 2 That Councillors P Findlow, S Edgar and H Murray be nominated to serve on the Cheshire Police and Crime Panel, with Councillor G Walton as nominated substitute.

**20 RECOMMENDATION FROM CABINET - ELENA TECHNICAL ASSISTANCE FUNDING**

Cabinet, at its meeting on 3 May 2016, had considered the submission of a bid to the European Investment Bank for ELENA funding. ELENA was a funding stream launched by the European Commission at the end of 2009 with the aim of maximising investment in sustainable energy by helping to meet the technical support costs associated with energy efficiency and renewable energy projects.

Council was recommended to approve the submission of the bid to the European Investment Bank, who administered the ELENA funding on behalf of the European Commission, and to delegate authority to the Section 151 Officer to sign the necessary declaration form on behalf of the Council; and to approve a Supplementary Revenue Estimate of 1,739,585 EUR (£1.4m at current exchange rates), fully funded by and subject to receipt of ELENA funding by the Council.

**RESOLVED**

1. That the submission of the bid to the European Investment Bank, who administer the ELENA funding on behalf of the European Commission, be approved and that authority be delegated to the Section 151 Officer to sign the necessary declaration form on behalf of the Council.
2. That a Supplementary Revenue Estimate of 1,739,585 EUR (£1.4m at current exchange rates), fully funded by, and subject to receipt of ELENA funding by the Council be approved.

**21 EXTENSION TO THE APPOINTMENT OF TWO INDEPENDENT PERSONS**

Council was requested to extend the term of office for those eligible Independent Persons currently appointed to work with the Monitoring Officer and the Audit and Governance Committee on standards matters, in accordance with the Council's code of conduct procedure.

**RESOLVED**

That the term of office for Mr Peter Bryant and Mr Robert Fousert be extended from 30 June 2016 until 31 August 2016, or until the earlier appointment of successor Independent Persons.

**22 BRENDA SMITH**

Before closing the meeting, the Mayor announced that Brenda Smith, Director of Adult Care and Independent Living, would shortly be leaving the Council to work at Cumbria County Council. She asked Members to join her in showing their appreciation to Brenda by way of applause, for the exceptional service that she had provided to the Council during her period of employment.

The meeting commenced at 10.30 am and concluded at 3.00 pm

Councillor H Gaddum (Chairman)  
CHAIRMAN

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## **CHESHIRE EAST COUNCIL**

Minutes of a special meeting of the **Council**  
held on Wednesday, 11th May, 2016 at The Tenants' Hall, Tatton Park,  
Knutsford WA16 6QN

### **PRESENT**

Councillor O Hunter (Mayor/Chairman)

Councillor A Moran (Deputy Mayor/Vice-Chairman)

Councillors C Andrew, A Arnold, D Bailey, Rachel Bailey, Rhoda Bailey, Baggott, P Bates, G Baxendale, M Beanland, D Bebbington, S Brookfield, E Brooks, D Brown, C Browne, B Burkhill, P Butterill, S Carter, J Clowes, S Corcoran, H Davenport, W S Davies, T Dean, B Dooley, L Durham, S Edgar, I Faseyi, P Findlow, R Fletcher, T Fox, D Flude, H Gaddum, S Gardiner, L Gilbert, M Grant, P Groves, J Hammond, M Hardy, A Harewood, G Hayes, S Hogben, D Hough, J Jackson, L Jeuda, A Kolker, D Mahon, N Mannion, D Marren, A Martin, R Menlove, G Merry, B Moran, D Newton, M Parsons, S Pochin, J Rhodes, B Roberts, M Simon, L Smetham, G Wait, B Walmsley, G M Walton, M Warren, M J Weatherill, H Wells-Bradshaw, J Weston, G Williams and J Wray

### **Apologies**

Councillors G Barton, C Chapman, M Deakin, S Gardner, M Jones, J Macrae, S McGrory, H Murray, J Saunders, M Sewart, D Stockton, A Stott and L Wardlaw

### **24 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **25 APPOINTMENT OF HONORARY ALDERMEN**

Consideration was given to the appointment of a number of Honorary Aldermen.

It was proposed and seconded and upon the agreement of more than two-thirds of the Councillors present it was :-

### **RESOLVED**

That David Brickhill, Roy Cartlidge, Ken Edwards, Wesley Fitzgerald, Shirley Jones, Frank Keegan, Bill Livesley, Peggy Martin, Brendan Murphy, David Neilson, Andrew Thwaite, David Topping and Roger West be appointed as Honorary Aldermen of Cheshire East.

The Honorary Aldermen were each presented with a medal and commemorative certificate by the Mayor.

26 **APPOINTMENT OF HONORARY FREEMEN**

Consideration was given to the appointment of a number of Honorary Freemen.

It was proposed and seconded and upon the agreement of more than two-thirds of the Councillors present it was :-

**RESOLVED**

That Carolyn Andrew, David Brickhill, Roland Domleo, Shirley Jones, Chris Thorley, David Topping and Steve Wilkinson be appointed as Honorary Freemen of Cheshire East.

The Honorary Freemen were each presented with a medal and commemorative certificate by the Mayor.

The meeting commenced at 11.50 am and concluded at 12.50 pm

Councillor O Hunter (Chairman)

CHAIRMAN



**COUNCIL MEETING – 28 JULY 2016**

**Extract from the Minutes of the Cabinet meeting on 14 JUNE 2016**

**CONGLETON LINK ROAD - FUNDING STRATEGY AND APPROVAL IN PRINCIPLE TO UNDERWRITE THE COSTS OF DELIVERING THE SCHEME**

Cabinet considered a report on the funding strategy for Congleton Link Road. The report outlined the anticipated cost of the scheme, identified the provisional allocation of central government funding and predicted a level of contribution from the owners of land unlocked by the link road. It also asked Cabinet to approve, in principle, the underwriting of any remaining funding gap.

Councillor Liz Durham abstained from voting on this matter as she would be considering the planning application for the scheme as a member of the Strategic Planning Board on 15<sup>th</sup> June 2016.

**RESOLVED**

That Cabinet

1. notes the latest total scheme cost estimate is £90.7m, c£5.6m of which (project development costs to 31<sup>st</sup> March 2016) has already been invested by the Council;
2. notes the provisional allocation of £45m of Government funding to the project;
3. notes the existing assumptions under which land owner contributions could be garnered up to the sum of circa £23.7m;
4. notes the resultant funding gap being between £16.4m and £40.1m (dependent on the level of land owner contributions received);
5. notes the estimated payback timescales and risks surrounding land owner contribution expectations;
6. approves the underwriting, in principle, of any necessary gap funding required to deliver the link road;
7. **recommends to Council that the scheme budget profile be adjusted accordingly in the Council's capital programme; and**
8. authorises the Executive Director - Place, in consultation with the Director of Legal Services, to negotiate and enter into agreements with key land owners with a view to increasing certainty, as far as is practicable at this stage, as to the level of land owner contributions.

**(Recommendation 7 only is for Council to determine).**

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# CHESHIRE EAST COUNCIL

## Cabinet

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<b>Date of Meeting:</b>	14 <sup>th</sup> June 2016
<b>Report of:</b>	Executive Director of Economic Growth and Prosperity
<b>Subject/Title:</b>	Congleton Link Road – Funding Strategy and Approval in Principle to Underwrite the Costs of Delivering the Scheme
<b>Portfolio Holder:</b>	Cllr David Brown – Highways and Infrastructure

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### 1. Report Summary

1.1. This paper provides an update on the funding strategy for the proposed Congleton Link Road. This paper:-

- a) outlines the anticipated cost of the scheme
- b) identifies a provisional allocation of central government funding towards those costs
- c) predicts a level of contribution which could be garnered from the owners of land “unlocked” by the link road and sets out the basis upon which that prediction is made
- d) asks for authority for officers to seek to agree land owner contributions as far as they are able to at this stage
- e) notes that notwithstanding central government and any land owner contributions there will remain a funding gap
- f) asks Cabinet to approve, in principle, the underwriting of that gap and to recommend to Council that the scheme budget profile be adjusted accordingly in the Council’s capital programme so that officers can continue to work towards deliver of the scheme.

1.2. The Council has ambitious plans to improve the Borough’s transport infrastructure. Together with Congleton Link Road, the Poynton Relief Road, Sydney Road Bridge and improvements to Crewe Green Roundabout fresh investment of c£135m is planned over the next few years. This is on top of the recent £30m investment in Crewe with the completion of the David Whitby Way and the Jack Mills Way link roads. This investment is expected to help support around 10,000 new jobs.

- 1.3. Congleton Link Road is the single largest infrastructure project the Council has ever undertaken. It is crucial to the successful delivery of the Council's Local Plan and to resolve long-standing economic and environmental impacts arising from congestion in the town. The link will also improve connectivity across the Borough, particularly for Macclesfield to the M6.
- 1.4. Based on these benefits the scheme was provisionally awarded £45m of Government Growth Deal funding and has demonstrated outstanding levels of local support (c85%) through two large-scale public consultations. A planning application is due to be determined in the near future; which, if approved, would enable the compulsory purchase (CPO) and land acquisition stage of the project to begin.
- 1.5. In order for the Council to formally resolve to undertake a CPO process, it is important to demonstrate that the scheme can be funded. As such, it will be necessary for the Council to resolve to underwrite, in principle, the potential funding gap.

## 2 Recommendation

2.1 It is recommended that Cabinet:

- a) Note the latest total scheme cost estimate is £90.7m, c£5.6m of which (project development costs to 31<sup>st</sup> March 2016) has already been invested by the Council.
- b) Note the provisional allocation of £45m of Government funding to the project
- c) Note the existing assumptions under which land owner contributions could be garnered up to the sum of circa £23.7m;
- d) Note the resultant funding gap being between £16.4m and 40.1m (dependant on the level of land owner contributions received)
- e) Note the estimated payback timescales and risks surrounding land owner contribution expectations
- f) Approve the underwriting, in principle, of any necessary gap funding required to deliver the link road
- g) Recommend to Full Council that the scheme budget profile be adjusted accordingly in the Council's capital programme
- h) Authorise the Executive Director of Economic Growth and Prosperity, in consultation with the Director of Legal Services, to negotiate and enter into agreements with key land owners with a view to increasing certainty, as far as is practicable at this stage, as to the level of land owner contributions.

### **3. Other Options Considered**

3.1 There are no other identified funding strategy options at this stage.

### **4. Reasons for Recommendation**

- 4.1. Congleton Link Road is crucial to the successful delivery of the Local Plan. In order to proceed with the Compulsory Purchase Order for the Link Road the Council must be able to demonstrate that the Scheme is funded and deliverable. This is an 'in principle' decision at this stage as the Council is not contractually bound to any expenditure (beyond scheme development costs) unless and until construction contracts for the road are entered into.
- 4.2. With anticipated costs at £90.7, provisional commitment from central government of £45m and investment to date by the Council of £5.6m, there is currently a £40.1m funding gap.
- 4.3. Given that the scheme will "unlock" significant tracts of land for residential development, the Council's draft Local Plan contains policies seeking to secure the delivery of such sites on a comprehensive, master-planned basis securing appropriate contributions to the delivery of the Congleton Link Road.
- 4.4. There is, accordingly, scope to meet a proportion of the funding gap through contributions made by developers of unlocked land, thereby reducing the cost of the scheme to the public purse. A piece of work has been undertaken to assess the basis for and level at which developers' contributions might be garnered, to inform an understanding of the remaining level of costs that might ultimately fall to be met by the public purse.
- 4.5. It is important to understand, however, that the eventual level of developers' contributions will be dependant on a wide range of variables so absolute certainty as to the eventual amount of those contributions will be difficult to achieve at this stage. However, in order to provide the level of certainty required to embark upon the process of assembling the necessary land for the scheme through the exercise of compulsory purchase powers, the Council needs to be in the position of being able to commit to closing the funding gap even if the assumptions made as to the likely level of developers' contributions are not realised.
- 4.6. The following section of this report sets out the basis upon which the likely level of developers' contributions has been assessed, and discusses some of the variables that will impact upon whether the assessed sums are ultimately realised.

### **5. Developers' Contributions Analysis**

- 5.1. Under the current legislative regime governing developer contributions to infrastructure, the Council would be required to identify no more than 5

development proposals which could properly be expected to contribute to the scheme.

- 5.2. Independent Chartered Surveyors Strutt & Parker LLP and Sanderson Weatherall LLP were commissioned by CEC to produce a headline viability assessment for 5 strategic development sites on the line of the Link Road.
- 5.3. The assessment suggests that the developments could sustain contributions to the link road (in addition to the usual range of other developer contributions such as education) and remain viable. However, in order for those schemes to make an enabling contribution to the link road there would be a need to adjust the level of affordable housing provision across those sites that the Council would ordinarily expect to see.
- 5.4. Table 1 below shows the anticipated levels of funding that could be achieved under different combinations of percentage provision of affordable housing and type of tenure of the affordable housing provided.
- 5.5. The optimum balance, following an independent review, is considered to be achieved at a level of 20% affordable housing (rather than the usual 30%) on a 100:0 intermediate (shared ownership):social rented tenure mix. That would yeild an anticipated contribution of approximately £14,500 per dwelling (equivalent to a levy based on 6.5% of Gross Development Value of any residential development within the relevant sites). Across the board that would generate a contribution of approximately £20.3m to the link road.

Table 1. Variations to Affordable Housing requirements and resultant potential developer contribution to Link Road for 5 largest sites (c1400 houses)

Affordable Percentage	30	16	10	30	20	15	10
Affordable Tenure (Split between Intermediate:Social rented)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
	35:65	35:65	35:65	100:0	100:0	100:0	100:0
	(Tenure)	(Tenure)	(Tenure)	(Tenure)	(Tenure)	(Tenure)	(Tenure)
TApprox amount generated for CLR (5 largest sites only)	£0	£18.8m	£26.9	£9.5m	£20.3m	£24.5m	£30.0m
Approx amount generated for CLR per residential unit	£0	£13,400	£19,200	£6,820	£14,500	£17,500	£21,400

5.6. In addition to these 5 strategic sites, it is anticipated that further contributions totalling c£3.4m may also be achieved from other smaller sites through other arrangements such as S278 agreements.

5.7. In terms of the need to reduce affordable housing requirements to enable the level of developer contribution required under this model, it is noted that the emerging Local Plan includes a policy (**POLICY CS44,CS45,CS16,CS46,CS17**) which would accommodate that reduction, vis:-

*The Council's stated aims for the delivery of the sites to the north of Congleton are that they should be delivered on a comprehensive basis in line with the North Congleton Masterplan. The site cannot be comprehensively delivered without additional highways capacity provided by the proposed Congleton Link Road and as such the Council will seek to ensure appropriate contributions to the Congleton Link Road. The Council will be mindful of the costs of bringing the site forward in such circumstances and will consider alternative affordable housing provision where it is demonstrated through*

*robust viability evidence that 30% affordable housing would render the development of the site unviable in line with paragraph 7 of LPS policy SC5 (Affordable Homes). The Council's expectation is that the site is delivered on a comprehensive basis in the form of outline planning application(s), in line with the North Congleton Masterplan, to secure appropriate contributions towards the delivery of the Congleton Link Road*

- 5.8. It should be noted that this modelling uses CEC's current affordable housing requirements as a base in terms of type/tenure mix and percentage of the overall number of units on site. It also reflects the current regulatory regime governing developer contributions. If any of those assumptions change, there will be impacts on figures generated by this modelling which could, depending on the change, impact positively or negatively on a development's viability and so its ability to contribute the anticipated level of funding to the link road.
- 5.9. For instance, there is ongoing uncertainty about how the Government intends to make provision for affordable housing in the near future. "Starter Homes" are expected to be introduced, which would represent a key policy shift, with anticipated minimum level of 20% discussed within the Consultation Document on the proposed enabling legislation. In aligning itself with that anticipated 20% minimum requirement, it is considered that the balance arrived at above will be in keeping with the anticipated "Starter Homes" legislative and policy requirements.
- 5.10. Sanderson Weatherall LLP, (the valuers who undertook the initial viability assessment) have confirmed that the proposed model remains sufficiently robust to accommodate the anticipated future introduction of Starter Homes. However, there remains a risk that if the scheme that is ultimately introduced is not as anticipated, any difference may disturb the assumptions behind the modelling. That may, depending on the nature of any difference, operate to impact positively or negatively on viability. The likelihood and impact of any such modification cannot be anticipated at this stage.
- 5.11. It should also be noted that the introduction of a Charging Schedule under the Community Infrastructure Levy Regulations 2010 ("CIL") may see a shift away from contributions being garnered through the anticipated 5 S106 agreements, towards the application of a "roof tax" set through the CIL charging schedule. Any difference between the contribution levied under a CIL charging schedule and that flowing from the modelling above may also have an impact on the level of developer contributions available to this scheme.
- 5.12. Finally, it should be kept in mind that the actual level of contribution garnered from any given development proposal will be a matter to be determined as and when each relevant planning application falls to be determined. The level of contribution sought and achieved will be a matter of planning judgement, to be exercised by the relevant decision maker determining the particular application that falls to be determined, on its facts, within the context of the prevailing legislative and policy framework and cognisant of all of the prevailing material planning considerations at the relevant time.



5.13. By the very nature of site assembly and development, there can be any number of variables that can impact on the viability of the scheme and/or the

	Prior Years  £m	2016/17  £m	2017/18  £m	2018/19  £m	2019/20  £m	Future years  £m	<b>TOTAL</b>  <b>£m</b>
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ability to garner a contribution. Ultimately those scheme specific variables are capable of impacting upon the assumptions derived from the modelling above.

## 6. Funding Strategy Overview

6.1. The current budget profile for the scheme is contained in Appendix A. Table 2 below sets out the global funding position as currently anticipated against the original capital programme funding approval on an assumed £14,500 contribution per dwelling on the basis of the modelling above. Table 3 below sets out a summary of the budget profile

Table 2 – Global funding position based on £14,500 per dwelling.

Element	Funding projection based on latest forecasts £m	Original funding as per approved Capital programme £m
Government Funding	45	45
Target for other 'smaller development' contributions	3.4	0
Target for 5 large S106 contributions	20.3	14.1
Expenditure to date (CEC capital funding)	5.6	5.6
Additional CEC Capital funding required	16.4	14.8
<b>TOTAL*</b>	<b>£90.7m</b>	<b>79.5</b>

Construction			1.0	40.6	17.8		<b>59.4</b>
Land and Property		0.8			3.8	0.8	<b>5.4</b>
Preparation and Admin	5.6	1.5	1.2				<b>8.3</b>
On site supervision and testing			0.2	1.4	0.6		<b>2.2</b>
Compensation costs (Part 1 claims)						15.4	<b>15.4</b>
<b>Total</b>	<b>5.6</b>	<b>2.3</b>	<b>2.4</b>	<b>42.0</b>	<b>22.2</b>	<b>16.2</b>	<b>90.7</b>

Table 3 – Budget Profile Summary

6.2. The funding profile (Annex A) shows that the developer income is profiled over 19 years. This is a conservative assessment for the purposes of the financial modelling only. The Local Plan predicts that these developments will all be complete by 2030

6.3. The actual income profile will be dependent on the rate of developer build, although (as the Levy is proposed to be based on GDV) there will be an implicit element of indexing to the amounts received (ie the future amounts received will have increased (or fallen) in line with property values).

6.4. The profile contained in Annex A shows that as future land and compensation costs arise; the developer funding stream is anticipated to be live and be able to assist in meeting these costs. Part 1 Compensation costs can only be claimed from one year after the opening of the road to traffic (current programme shows the road open in January 2020), others will follow the CPO.

6.5. There can be no certainty that the receipt of developer contributions will fall in a timely fashion relative to expenditure. Prior to realising Developer contributions it will be necessary for the Council, as a worst case position, to underwrite up to £40.1m towards the cost of the road. It bears repeating that on account of the variables set out above, the Council may not recover

against the sums it underwrites the full amount of the developers' contributions that the modelling undertaken to date anticipates will arise.

## **7. Wards Affected and Local Ward Members**

7.1. All Congleton Councillors

## **8. Implications of Recommendation**

### **8.1. Policy Implications**

- 8.1.1 OUTCOME 1 *Our local communities are strong and supportive*
- 8.1.2 OUTCOME 2 *Cheshire East has a strong and resilient economy*
- 8.1.3 OUTCOME 4 *Cheshire East is a green and sustainable place*
- 8.1.4 OUTCOME 5 *People live well and for longer*

### **8.2 Legal Implications**

- 8.2.1 The main legal implications insofar as the funding strategy is concerned are set out in the body of the report and relate to the accuracy of the predicted developer contribution over a longer period of time. In essence, planning legislation and policy is a moveable feast. Changes such as the introduction of Starter Homes, and CIL Charging Schedules will impact on assumptions made in the modelling above.
- 8.2.2 In addition, the precise basis and so level of contribution and the ability to require the same are matters that can only be determined at the point in time when the planning application that the contribution is parasitic upon falls to be determined, in the prevailing factual, policy and legislative context. That introduces further variables which cannot be ascertained at this time, and which are capable of impacting upon the assumptions made in the modelling above.
- 8.2.3 These variables could impact on the modelling above in terms of whether and how many S106 agreements could be used to garner contributions, the quantum and profile of receipt of contributions.
- 8.2.4 Precisely what those impacts will be can only be ascertained once the timing and detail of any such change is known and properly understood, relative to the receipt, determination and/or implementation of development anticipated on any related development site.
- 8.2.5 Notwithstanding those variables, and whilst it is anticipated that a developer contribution in the region of that identified by the modelling will ultimately be recouped, if there is to be sufficient certainty as to the Council's ability to fund the scheme, in order that the acquisition of land using compulsory powers can commence, the Council needs to be prepared to commit to covering any remaining funding gap.

### **8.3 Financial Implications**

8.3.1 Dealt with in the main body of the report.

### **8.4 Equality Implications**

8.4.1 None arising from matters relating to funding strategies

### **8.5 Rural Community Implications**

8.5.1 Completion of the Link Road will address congestion and facilitate movement across the Borough to the benefit of both urban and rural communities.

### **8.6 Human Resource Implications**

8.6.1 None

### **8.7 Public Health Implications**

8.7.1 Completion of the Link Road will improve air quality in the town which has a designated Air Quality Management Area, thus contributing to public health objectives

### **8.8 Other Implications (Please Specify)**

8.8.1 Delivery of the Link Road is key to the successful delivery of the Local Plan.

### **9.0 Risk Management**

9.1 At this stage, the Council is not at risk of being contractually responsible for the underwriting of the expected developer contributions – this situation will only arise if and when the Council enters into a construction contract to deliver the road.

9.2 Likewise, the Council's own capital risk to the project is currently limited to the future project development costs (estimated as £2.7m) to take through to the start of construction. This is in addition to the development costs incurred to date.

9.3 Engagement events have been held with the key landowners, facilitated by Strutt and Parker as independent brokers. There is universal buy-in and support for the general strategy from the landowners. Further work needs to be undertaken with them on an individual basis and it is intended that agreements be entered into to secure, as far as it is reasonably practicable to do so at this time, increased certainty around the likely level of developer contribution.

9.4 It is important to note that the viability study was undertaken on the basis of the system of affordable housing in place in late 2015 / early 2016. The Government has announced, through the Autumn Statement 2015, its intention to widen the definition of affordable housing to include low-cost starter homes. The enabling legislation for this change is to be provided in the Housing and Planning Bill, currently before Parliament. This has the potential to significantly change the delivery of affordable housing across the country. There may also be challenges from developers around the assumptions made in the viability study.

9.5 Although the details of how the starter homes initiative will operate are still largely to be provided by Government, the independent viability study concludes that it is likely that the Starter Homes initiative will result in higher returns for the private sector. It will not (or should not) disturb the modelling as prepared for the purposes of this exercise. This, of course, assumes no major changes to the Government's current proposals.

9.6 In order to secure the contributions to the road from the 5 largest developments, legal agreements will have to be concluded and planning applications made, granted and implemented. Ideally contributions arising from the same would be received before the road is open to traffic in 2020, but there is no guarantee that developers will progress planning applications in time. However, it is in developers interests to achieve a speedy planning permission. Initial discussions with the main developers/land owners have indicated a reasonably favourable response to the modelling set out above subject to additional information being provided.

9.7 The link road estimate is based on out-turn costs as indicated on the programme at section 10. There is strong local support for the Scheme; however there are localised objections to the proposals from those most directly affected. Members will be aware that whilst the Council can and will take necessary and prudent steps to reduce the risk of challenge, it ultimately has no control over whether a challenge is nonetheless made. Those considerations ought to be factored in to programme timelines wherever possible.

9.8 There can be no guarantee that the developer funding comes forward or that the timescales predicted will be achieved. Market conditions may change for example or developers may submit a different scheme with a 'new' planning application with a different set of planning obligations. As far as possible, this risk will be mitigated by negotiating contributions for affordable housing that reflect link road contributions to encourage developers to participate in the arrangement.

9.9 The rate of housing build will depend on the wider economy and local market conditions. This directly links to the rate at which developer contributions can be made. The profiling assumes that the build rate across the 5 largest sites is 75 houses per year. An independent review of

build rates has confirmed that this is a conservative assessment for financial budgeting.

9.10 If this scheme were not ultimately to proceed, all capital development costs to date would have to be recharged to the revenue account.

### 10. Programme

August 2016	Draft Compulsory Purchase Orders(CPO) Published
March 2017	Public Inquiry into CPO
August 2017	Secretary of State Decision on CPO orders
September 2017	Procurement completed
January 2018	Final Draft Funding Approval
April 2018	Construction starts
January 2020	Construction complete

### 11. Contact Information

11.1 Contact details for this report are as follows:

**Name:** Paul Griffiths  
**Designation:** Infrastructure Delivery Manager  
**Tel. No.:** 01270 686353  
**Email:** Paul.griffiths@cheshireeast.gov.uk

CONGLETON LINK ROAD - SPEND PROFILE FOR PUBLISHED PREFERRED ROUTE - Build rate of 75 houses per year																			
16/09/2015																			
ELEMENT		TOTAL	DEVELOPMENT			CONSTRUCTION		OPERATION											
YEAR			Prior Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	30/31
1. CONSTRUCTION		59,373,981				1,000,000	40,600,000	17,773,981											
2. LAND AND PROPERTY		5,457,159.06			818,574			3,820,011	818,574										
3. PREPARATION AND ADMIN		8,280,535	3,595,581	1,968,182	1,500,000	1,216,772													
4. ON-SITE SUPERVISION AND TESTING	Assume same split as construction	2,263,977				226,398	1,358,386	679,193											
5. COMPENSATIONPart 1 Claims	Profiled as nothing in first year of operation then 20%, 25%, 20%,15%, 10%, 5%,5%	15,367,616							3,073,523	3,841,904	3,073,523	2,305,142	1,536,762	768,381	768,381				
6. TOTAL OUT-TURN		90,743,268	3,595,581	1,968,182	2,318,574	2,443,170	41,958,386	22,273,185	3,892,097	3,841,904	3,073,523	2,305,142	1,536,762	768,381	768,381				
CEC FUNDING PROFILE		22,043,268	3,595,581	1,968,182	2,318,574	1,200,000		19,227,373	2,644,729	2,594,536	1,826,155	1,057,774	289,393	-478,988	-478,988	-1,247,368	-1,247,368	-1,247,368	-1,247,368
LGF FUNDING		45,000,000				1,243,170	41,958,386	1,798,444											
Developer Income		23,700,000						1,247,368	1,247,368	1,247,368	1,247,368	1,247,368	1,247,368	1,247,368	1,247,368	1,247,368	1,247,368	1,247,368	1,247,368
Current CEC Approved Capital Profile																			
CEC FUNDING PROFILE		20,761,237	3,595,581	1,968,182	2,500,000			11,721,722	1,325,150	2,009,563	1,325,150	640,738	-43,675	-728,087	-728,087	-1,412,500	-1,412,500	0	0
LGF FUNDING		45,000,000				3,419,878	28,149,438	13,430,684											
Developer Income		14,125,000						1,412,500	1,412,500	1,412,500	1,412,500	1,412,500	1,412,500	1,412,500	1,412,500	1,412,500	1,412,500		
			3,595,581	1,968,182	2,500,000	3,419,878	28,149,438	26,564,906	2,737,650	3,422,063	2,737,650	2,053,238	1,368,825	684,413	684,413	0	0	0	0

Developer income assumed - 1400 houses - 75 completions per year - 19 years to pay contribution

Costs remaining to deliver scheme:

ITEM	COST	PROJECT RISI	TOTAL
1A Construction Costs (excl. service diversions)	45,279,537.33	5,887,500.00	59,373,980.73
1B Statutory Undertaker Diversions	1,965,830.33		
1C Construction Inflation	6,241,113.07		
2A Preparation and Admin Costs	2,716,772.24		2,716,772.24
3A On-Site Supervision and Testing	2,263,976.87		2,263,976.87
4A Compensation Costs (Existing Hou	7,712,375.00	1,228,500.00	15,367,616.23
4B Compensation Costs (Future Hous	5,417,200.00		
4C Compensation Costs (Inflation)	1,009,541.23		
5A Land Acquisition Costs	4,580,000.00	525,000.00	5,457,159.06
5B Land and Property Inflation	352,159.06		
6A Total Outturn Cost	77,538,505.12	7,641,000.00	85,179,505.12

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**COUNCIL MEETING – 28 JULY 2016****Extract from the Minutes of the Cabinet meeting on 12 July 2016****28 2015/16 FINAL OUTTURN REVIEW OF PERFORMANCE**

Cabinet considered a report on the 2015/16 Final Outturn Review of Performance.

The final outturn showed an underspend of £0.5m (0.2%) against a budget of £246.6m. Annex 1 to the report set out further details of how the Council had performed in 2015/16. It was structured into three sections:

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

The Corporate Scrutiny Committee at its meeting on 7 July 2016 had considered the 2015/16 Final Outturn Review of Performance. Councillor M Simon, Chairman of the Corporate Scrutiny Committee, reported the Committee's observations and resolutions to Cabinet.

**RESOLVED:** That Cabinet

- 1 note the final outturn review of 2015/16 performance, in relation to the following issues:
  - the summary of performance against the Council's 5 Residents First Outcomes (Section 1);
  - the final service revenue and capital outturn positions, overall financial stability of the Council, and the impact of the Council's reserves position (Section);
  - the delivery of the overall capital programme (Section 2, paragraphs 211 to 225 and Appendix 4);
  - fully funded supplementary capital estimates and virements up to £250,000 approved in accordance with Finance Procedure Rules (Appendix 5);
  - changes to Capital Budgets made in accordance with the Finance Procedure Rules (Appendix 8);
  - treasury management investments and performance (Appendix 9);
  - management of invoiced debt (Appendix 11);
  - use of earmarked reserves (Appendix 12);
  - update on workforce development and staffing (Section 3).
- 2 approve
  - fully funded supplementary capital estimates and virements above £250,000 in accordance with Finance Procedure Rules (Appendix 6);

- supplementary revenue estimates to be funded by additional specific grant (Appendix 10);
- that the Council enter into grant agreements with Academies, Foundations, Voluntary Aided and Free schools receiving funding allocations or who are allocated in-year allocations during 2016/17 and for named schemes within the existing 2015/16 School Capital Programme.

**(the following recommendation from Cabinet is for Council to determine)**

**3 recommend that Council approve:**

- **fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Finance Procedure Rules (Appendix 7);**
- **the establishment of earmarked reserves for Transforming Services and the Royal Arcade (Appendix 12).**

# CHESHIRE EAST COUNCIL

## Cabinet

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<b>Date of Meeting:</b>	12 <sup>th</sup> July 2016
<b>Report of:</b>	Chief Operating Officer (Section 151 Officer)
<b>Subject/Title:</b>	2015/16 Final Outturn Review of Performance
<b>Portfolio Holder:</b>	Cllr Peter Groves, Finance and Assets Cllr Paul Findlow, Corporate Policy and Legal Services

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### 1. Report Summary

- 1.1. This report sets out the Council's financial and non-financial performance at the final outturn stage of 2015/16 and highlights the latest progress towards achieving the Council's Residents First Outcomes as described in the Council's three year plan 2013 to 2016.
- 1.2. The final outturn review shows how the Council has continued to build on the positions achieved in the last two years, which demonstrate that the overall financial health, performance, resilience and value for money at Cheshire East Council is strong despite taking £70m out of its cost base since 2011, and having frozen Council Tax for five consecutive years. Savings have been consistently achieved through permanent savings of £5m in management costs, efficiency, removing any duplication of effort, and a planned programme of asset disposals. This approach has protected funding provided to front line services. The Council's strong financial position reflects its enhanced governance, innovative delivery arrangements and effective stewardship of public money.
- 1.3. At the final outturn, the Council's reserves strategy remains effective, with an underspend of £0.5m being reported. This represents a variance of only 0.2% against a net budget of £246.6m. This is the 4<sup>th</sup> consecutive year that a favourable forecast position to budget has been reported for the Council. In achieving this position the Council is mitigating rising costs in social care. Nationally caseloads are increasing and this is also being seen in Cheshire East. Controlling in-year costs as well as accurate budget setting have made this pressure affordable in 2015/16. The ongoing impact of this pressure is also reflected in the Council's Medium Term Financial Strategy.
- 1.4. Cheshire East is the third largest Council in the Northwest of England, responsible for over 500 services, supporting over 370,000 local people. Gross annual spending is over £750m, with a balanced net budget for 2015/16 of £246.6m. In quarter four, examples of good performance were:

- Improving the percentage of primary and secondary schools judged good or outstanding
- Achieving a recycling rate which continues to be in the top 10% of all local authorities
- Producing amended Local Plan Strategy, approved at Full Council in February 2016

1.5. The attached report, **Annex 1**, sets out further details of how the Council has performed in 2015/16. It is structured into three sections:

**Section 1 Summary of Council Performance** - brings together the positive impact that service performance and financial performance have had on the 5 Residents First Outcomes during the year.

**Section 2 Financial Stability** - provides an update on the Council's overall financial position. It demonstrates how spending in 2015/16 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. Recommendations

2.1 Cabinet is asked to consider and comment on the final outturn review of 2015/16 performance, in relation to the following issues:

- the summary of performance against the Council's 5 Residents First Outcomes (**Section 1**);
- the final 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 211 to 225 and Appendix 4**);
- fully funded supplementary capital estimates and virements up to £250,000 approved in accordance with Finance Procedure Rules (**Appendix 5**);
- changes to Capital Budgets made in accordance with the Finance Procedure Rules (**Appendix 8**);
- treasury management investments and performance (**Appendix 9**);
- management of invoiced debt (**Appendix 11**);
- use of earmarked reserves (**Appendix 12**);
- update on workforce development and staffing (**Section 3**).

2.2 Cabinet is asked to approve:

- fully funded supplementary capital estimates and virements above £250,000 in accordance with Finance Procedure Rules (**Appendix 6**);
- supplementary revenue estimates to be funded by additional specific grant (**Appendix 10**);
- that the council enter into grant agreements with Academies, Foundation, Voluntary Aided and Free schools receiving funding allocations or who are allocated in-year allocations during 2016/17 and for named schemes within the existing 2015/16 Schools Capital Programme.

2.3 Cabinet is asked to recommend that Council approve:

- fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Finance Procedure Rules (**Appendix 7**);
- The establishment of earmarked reserves for Transforming Services and the Royal Arcade (**Appendix 12**).

### 3. Other Options Considered

3.1. None.

### 4. Reasons for Recommendations

- 4.1. The Council monitors in-year expenditure through a quarterly reporting cycle. The cycle concludes each financial year with an outturn report that reflects financial and operational performance and provides any requirements to note, approve or recommend changes in line with the Council's Financial Procedure Rules.
- 4.2. The overall process for managing the Council's budget focuses on value for money and good governance and stewardship. Changes that become necessary during the year must be properly authorised and this report sets out those areas where any further approvals are now required.

### 5. Background/Chronology

- 5.1. The Council's quarterly reporting structure provides forecasts of a potential year-end outturn. The details in this report highlight achievements against outcomes and the successful management of potential risks during the year.
- 5.2. At final outturn, the Council's reserves strategy remains effective with a modest underspend of £0.5m (0.2%) against a budget of £246.6m.

## **6. Wards Affected and Local Ward Members**

6.1. All

## **7. Implications of Recommendations**

### **7.1. Policy Implications**

7.1.1. Performance management supports delivery of all Council policies. The final outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2017/20 medium term financial strategy.

### **7.2. Legal Implications**

7.2.1. The legal implications surrounding the process of setting the 2013 to 2016 medium term financial strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report at the final outturn stage in 2015/16. That is done as a matter of prudential good practice, notwithstanding the abolition of centrally imposed reporting requirements under the former National Indicator Set.

7.2.2. Currently the Constitution does not provide for decisions to award grants to be made by officers and so in order for grant agreements to be entered into a Cabinet decision is required. Going forward, changes to the Council's Finance Procedure Rules are being proposed to include an exception so that grant agreements can be authorised under the powers, duties and functions under the Education Acts currently delegated to the Director of Children's Services.

7.2.3. The approval to enter into grant agreements requested relates to those Academies, Foundation, Voluntary Aided and Free schools included within the existing financially approved 2015-16 Schools Capital Programme, allocations within the 2016-17 Schools Capital Programme (included in the main body of this report) and any 2016-17 in year allocations.

7.2.4. The only other implications arising directly from this report relate to the internal processes of approving supplementary capital estimates and virements referred to above which are correctly dealt with through the Finance Procedure Rules as discussed.

7.2.5. Legal implications that arise when such other activities funded from the budgets that this report deals with are undertaken, but those implications will be dealt with in the individual reports to Members or Officer Decision Records that relate.

### **7.3. Financial Implications**

- 7.3.1. 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.

### **7.4. Equality Implications**

- 7.4.1. This report is a backward look at Council activities in 2015/16. Any equality implications that arose from activities funded by the budgets that this report deals with will have been dealt with in the individual reports to Members or Officer Decision Records that relate.

### **7.5. Rural Community Implications**

- 7.5.1. The report provides details of service provision across the borough.

### **7.6. Human Resources Implications**

- 7.6.1. This report is a backward look at Council activities in 2015/16. Any HR implications that arose from activities funded by the budgets that this report deals with will have been dealt with in the individual reports to Members or Officer Decision Records that relate.

### **7.7. Public Health Implications**

- 7.7.1. This report is a backward look at Council activities in 2015/16. Any public health implications that arose from activities funded by the budgets that this report deals with will have been dealt with in the individual reports to Members or Officer Decision Records that relate.

### **7.8. Other Implications (Please Specify)**

- 7.8.1. None

## **8. Risk Management**

- 8.1. 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 are used to inform the overall financial control risk contained in the Corporate Risk Register.

- 8.2. 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 2015/16 budget - and the level of general reserves – were factored into the 2016/17 financial scenario, budget and reserves strategy.

### 9. Access to Information/Bibliography

The following are links to key background documents:

[2015/16 Three Quarter Review of Performance](#) Cabinet 9/2/16 Item 94

[2015/16 Mid Year Review of Performance](#) Cabinet 10/11/15 Item 63

[2015/16 First Quarter Review of Performance](#) Cabinet 29/9/15 Item 34

[Budget Book 2015/16](#)

[Medium Term Financial Strategy 2015/18](#)

### 10. Contact Information

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# **Final Outturn Review of Performance 2015/16**

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**July 2016**

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



# Introduction

Financial & Non-Financial performance at 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 over £720m. The Council continues to achieve improvements in the area, putting residents first in the provision of over 500 services delivering more for less.

A commitment across the public sector to contribute to reducing the high levels of national debt means that local government is 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 is relentless in its pursuit of greater efficiency and productivity, and minimising bureaucracy to enable it to deliver a high level of sustainable, quality services for a lower overall cost.

Our 'Best Fit' approach, to commissioning services, develops better ways to achieve the Council's five stated outcomes by using a mix of delivery mechanisms. The Council's philosophy is about much more than simply reducing costs through arranging cheaper provision or about traditional outsourcing. In 2013/14 the Council completed significant reviews of management structures to divert spending to front line services.

At final outturn, the Council's reserves strategy remains effective, with a modest reported underspend of £0.5m (0.2%) against a budget of £246.6m. This is the 4<sup>th</sup> consecutive year that a favourable outturn position has been reported for the Council.

To support openness and transparency the report has three main sections, to provide background and context, and then twelve supporting appendices with detailed information about allocation and management of public money during 2015/16:

**Section 1** provides a summary of Council performance and brings together service achievement highlights against the 5 Residents First 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 2015/16 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 Budget changes since Three Quarter Review.
- **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 requests for Supplementary Capital Estimates and Virements over £250,000 for Cabinet approval.
- **Appendix 7** lists requests for Supplementary Capital Estimates and Virements over £1,000,000 for Council approval.
- **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.
- **Appendix 12** lists details of Earmarked Reserves.

*Peter Bates* CPFA CIPD MBA

Chief Operating Officer (Section 151 Officer)

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# 2015/16 Final Outturn - Financial Position

2015/16 Final Outturn (GROSS Revenue Budget £611.0m)	Revised Budget (NET)	Final Outturn Position	Over / (Underspend)	Change from TQR	For further information please see the following sections
	£m	£m	£m	£m	
Children & Families	43.1	45.0	1.9	0.8	Section 1 - Paragraphs 90 - 97
Adult Social Care & Independent Living	95.4	94.9	-0.5	-1.4	Section 1 - Paragraphs 163 - 168
Public Health	0.0	0.0	0.0	0.0	Section 1 - Paragraph 169
Economic Growth & Prosperity	6.6	6.3	-0.3	-0.3	Section 1 - Paragraphs 53 - 58
Chief Operating Officer:					
Commissioning Services:					
Building Control etc	1.7	1.7	0.0	-0.1	Section 1 - Paragraph 102
Environmental (incl Bereavement)	27.3	27.9	0.6	0.3	Section 1 - Paragraphs 118 - 120
Highways	11.2	10.6	-0.6	-0.6	Section 1 - Paragraph 66 - 67
Leisure	2.2	2.4	0.2	0.1	Section 1 - Paragraphs 151 - 152
Transport	14.6	14.9	0.3	0.1	Section 1 - Paragraphs 68
Shared Services	0.0	1.2	1.2	1.2	Section 1 - Paragraph 177
Communities	9.2	8.7	-0.5	-0.5	Section 1 - Paragraphs 44 - 49
Other (e.g Finance, ICT, Legal, Facilities)	39.3	36.6	-2.7	0.3	Section 1 - Paragraphs 170 - 176
<b>Total Services Net Budget</b>	<b>250.6</b>	<b>250.2</b>	<b>-0.4</b>	<b>-0.1</b>	
<b>CENTRAL BUDGETS</b>					
Specific Grants	-19.2	-19.4	-0.2	-0.2	Section 2 - Paragraphs 182 - 190
Capital Financing	13.9	13.9	0.0	0.0	Section 2 - Paragraphs 226 - 230
Transfer to Earmarked Reserves	0.2	2.0	1.8	1.8	Section 2 - Paragraph 238
Transfer from Earmarked Reserves (to balances)	0.0	-1.5	-1.5	-1.5	Section 2 - Paragraph 239
Corporate Contributions / Central Budgets	1.1	0.9	-0.2	-0.2	Section 2 - Paragraphs 236 - 237
<b>Total Central Budgets</b>	<b>-4.0</b>	<b>-4.1</b>	<b>-0.1</b>	<b>-0.1</b>	
<b>TOTAL NET BUDGET</b>	<b>246.6</b>	<b>246.1</b>	<b>-0.5</b>	<b>-0.2</b>	
Planned Contribution 2015/16 £m		Actual Quarter 4 £m	Variance £m	Impact on reserves Final Outturn £m	
Impact on Reserves	-2.2 *		0.5	-1.7	
*Increased from £1.7m by in-year transfers to earmarked reserves					
General Reserves Balance	2015/16 Budget (estimated) £m	2015/16 Actual £m			
Opening Balance April 2015	14.2	14.7			
2015/16 Impact on Reserves (see above)	-1.7	-1.7			
Closing Balance March 2016	12.5	13.0			Section 2 - Paragraphs 243 - 248

# 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.

Cheshire East has again been recognised as one of the best places to live in the Northwest

### 1 ~ Our local communities are strong and supportive

- Awarding a total of £178,263 in Community Grants to 114 organisations
- Providing litter picking packs for 'Clean for The Queen', involving almost 2,000 people in community activity through litter picking in local areas
- Refurbishing Congleton, Holmes Chapel, Knutsford, Nantwich, Poynton, and Sandbach libraries and introducing Wi-Fi at all libraries
- Migrating Council Tax calls to the contact centre, reducing waiting times by 59% and a 16% reduction in recovery documents issued
- Working in partnership to deliver an award winning, sector-defining digital platform

### 2 ~ Cheshire East has a strong and resilient economy

- Engaging with nearly 200 high growth small to medium enterprises in the Science, Energy and Technology sectors
- Securing £940,000 of grant funding for local businesses
- Continuing to make strong progress on the Council's major transport schemes
- Providing fibre broadband to more than 85,000 homes and businesses across Cheshire, Halton & Warrington via Connecting Cheshire
- Continuing to work with businesses to improve Food Hygiene Ratings, with 92% of rated businesses scoring a 3 ('generally satisfactory') or above, and support being provided to improve scores where required

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

- Improving the percentage of primary (now 93%) and secondary (now 86%) schools judged good or outstanding
- Maintaining low NEET figures at 2.8%
- Increasing the percentage of eligible children taking up the two year old offer of free childcare, now 5% above the national rate
- Outperforming statistical neighbours for the second year running in 5+ A\*- C GCSEs (including English and maths). Reducing the gap in GCSE attainment between cared for children and their peers, achieving 10% above the national average

### 4 ~ Cheshire East is a green and sustainable place

- Local Plan Strategy, approved by Council
- Improving turnaround of Major and Minor planning applications
- Achieving a 56% recycling rate which continues to be in the top 10% of all local authorities and well above the national target of 50%
- Realising savings of £1.5m for residents through the Fairerpower scheme, which secured over 5,000 customers in its first full year

### 5 ~ People live well and for longer

- Delivering over 1,800 home adaptations for older and/or disabled residents (ahead of target of 1,700) to support independent living
- Delivering 360 affordable homes (ahead of target of 300)
- Working in partnership through the winter months to protect vulnerable people and reduce excess winter deaths
- Increasing usage of Leisure Services facilities
- Working to deliver the children and young people's improvement plan to meet recommendations from Ofsted's inspection

## FINANCIAL STABILITY

Cheshire East Council is achieving outcomes based on sound financial management. In 2015/16 the Council operated on an annual budget of more than £720m.

- At final outturn an **underspend of £0.5m** is being reported against the Council's net revenue budget of £246.6m
- This is the 4<sup>th</sup> consecutive year that a favourable outturn position has been reported
- **Service Budgets** – an underspend of £0.4m is reported
- **Central Budgets** – have underspent by £0.1m
- 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
- **Council Tax was frozen** for the fifth consecutive year in 2015/16
- Additional **Investment income** and lower external interest charges have largely contributed to a £2.2m underspend on capital financing to be reserved for funding future capital expenditure. The average rate earned on investments (1.09%) 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. The underspend has had the effect of increasing general reserves above the risk assessed minimum level at £13.0m
- **Capital Programme** - The Council has completed spending of over £90m in the year. Again there has been no requirement for additional external borrowing this financial year
- Outstanding **Debt** (excluding local taxation) is £5.6m. Debt over 6 months old is £2.7m (around 4% of total debt raised annually) and this is 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 1,100km<sup>2</sup> for over 370,000 residents. The budget to deliver these services in the period April 2015 to March 2016 is over £720m, 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:

Spending Power per Head Comparisons 2015/16			
	Cheshire East £	Rural East Riding of Yorkshire £	Urban Liverpool £
Grants	335	391	838
Council Tax	453	387	252
Total	788	778	1,090

2. 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 (see **Appendix 1**). This section of the report highlights progress towards achieving each of the five outcomes, in addition to inward-facing work undertaken during 2015/16 to support the delivery of a responsible, effective and efficient organisation.

3. This report reflects activity that has taken place in the period April 2015 to March 2016. 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

4. Data recently published in relation to first time entrants to the youth justice system show that these numbers are continuing on a downward trajectory, reducing gradually from 127 at September 2014 to 111 at September 2015. In October 2015, the 'Divert' programme was introduced across Cheshire East; numbers are therefore expected to reduce further in the next quarter.
5. The Regulatory Services and Health Team successfully prosecuted a local business man for accepting and burning waste material on his land. The defendant pleaded guilty to offences under the Environmental Protection Act 1990 and was given a conditional discharge for two years and ordered to pay fines totalling £550.
6. As part of Operation Henry 2, a national initiative to combat illicit tobacco, the Trading Standards Investigations team raided seven premises in Crewe which intelligence suggested were a source of local sales. The operation was also supported by Cheshire Police and HMRC. On the day 20,000 cigarettes were seized along with 5kg of rolling tobacco worth an estimated £9,000. Items were found within dummy cupboards and a freezer.



7. At the end of March a local farmer was imprisoned for non-payment of his Proceeds of Crime confiscation totalling £42,500. This followed a lengthy Animal Health Team investigation and a conviction for animal disease offences.
8. The Trading Standards Investigations Team issued a formal caution and forfeiture for selling counterfeit car parts on e-Bay, including brands such as Bentley and Ferrari.
9. The CCTV camera network was instrumental in dealing with on average 1,200 incidents a month, of which on average 13 were drug-related, giving Police the necessary information to be able to pursue the offenders, resulting in arrests and convictions. CCTV has proved instrumental in both drug crime prevention and detection.
10. The CCTV Service continues to help the Police with the on-going 'Guiding' operation in Crewe town centre, by obtaining images/descriptions of youngsters causing anti social behaviour.
11. 'Live' images from Tipkinder skate park, Crewe can be viewed 24/7 in the control room following the completion of the project by the CCTV Technicians. This area has suffered in the past from drug misuse and anti social behaviour.
12. Civil Enforcement Officers have revised their routine beat patrols in order to direct resources at areas with new Traffic Regulation Orders such as the Macclesfield Forest area in order to educate visitors to the area about the new parking restrictions which enable a sensible and responsible approach to parking alongside the ability to keep the highway clear for access by emergency vehicles. The team have worked closely with Highways and the Open Spaces department so as to be able to intelligently deploy officers at the busiest times such as Bank Holidays and weekends.
13. Civil Enforcement Officers have been undertaking evening patrol visits to target the 'night time economy' of certain towns and villages subject to illegal and irresponsible parking. Drivers have been given appropriate advice about sensible parking, issued with warnings and 'moved on' when parking irresponsibly (such as taking up disabled spaces etc) and where legal and necessary, they have been issued with Penalty Charge Notices.
14. In 2015/16 a total of 16,820 Penalty Charge Notices were issued for parking offences.
15. Channel Panel was established to provide a multi-agency proactive approach to preventing radicalisation occurring within the borough. Key partners are providing a multi-agency approach to the management of individual case work where vulnerability and risk of radicalisation are agreed through the Channel Panel.
16. Following on from a number of Anti Social Behaviour (ASB) reports in and around Congleton Town Centre, via a Multi Agency Action group nomination the ASB team alongside the Police prepared and submitted a file to Crewe Magistrates court containing an application for a Criminal Behaviour Order to target the main ringleader of this behaviour. On attending court, this application was successful and, as the young person had turned 18, the order was granted for three years and the individual was also given a custodial sentence of three months in prison for the offence for which they attended court (related to the application).
17. A working group was set up by the ASB Team for Crewe town centre anti social behaviour. As a result of this, a good working relationship has been established with two main premises in the town centre, who now receive visits from the team, communicate well and inform of incidents much more effectively. They have also agreed to 'design out' some of the areas of their premises which

were attracting the ASB. Both businesses have praised the ASB team for their interaction with them. Figures have gone down dramatically in relation to the Police operation that was run which over its timespan led to over 300 letters home to parents and a number of Acceptable Behaviour Discussions and Acceptable Behaviour Contracts.

18. Youth Notifications and letters sent to parents this year have again been high with a great impact on the rate of those young people that do not return to the team again. Over the entire year 1,182 notifications were inputted, which generated 1,099 letters home to parents/guardians.
19. 66 Acceptable Behaviour Discussions were held, and 29 Acceptable Behaviour Contracts were signed. The ASB Team dealt with 151 cases over this year, of which 129 were closed within this time.
20. ASB Community Questionnaires were delivered across 12 different areas, reaching 331 properties.
21. Training has been undertaken by team members on “SMART Survey”, and six electronic tablets have been purchased to allow the team to more efficiently and effectively survey communities, businesses and members of the community via the tablets/online with reference to upcoming work on:
  - Public Space Protection Orders (PSPO) consultations
  - Fly tipping and side waste work
  - Dog fouling
  - Street safe/ASB Questionnaire work
22. Work on PSPOs is continuing and another area has been identified for action (Macclesfield Forest) around dog control.

23. Funding has been agreed for two additional Community Enforcement Officers to assist and run a side waste/fly tipping programme of work around hotspot areas in Crewe to address increasing issues around bin management and side waste. Recruitment will take place next year and will allow a programme of work to run for 12 months with a view to engage, educate and enforce in the agreed hotspot areas. SMART survey will play a big part in this piece of work.
24. Training has been rolled out to Local Policing Unit Beat managers following on from the success of the training given to Police Community Support Officers in quarter 3. A plan is in place to dedicate a full day of training to ASB based on positive feedback from beat managers who attended the training.
25. 69 Fixed Penalty Notices have been issued addressing littering and dog fouling offences during this year.

### **Communities**

26. The final round of Community Grants for 2015/16 awarded £58,513 to 32 organisations, with projects varying from musical productions to upscaling facilities for those living with dementia.
27. The community grant scheme awarded a total of £178,263 to 114 organisations across all four rounds throughout 2015/16. This has enabled £1,645,622 worth of projects to take place across the Borough, which have involved over 3,000 volunteers and benefitted nearly 300,000 members of the Cheshire East Community.
28. Clean for The Queen saw 100 litter picking packs purchased to support the National clean-up campaign. Due to such high demand an additional 24 packs were purchased enabling 67 groups to get

involved in the campaign. Almost 2,000 people were involved which has generated ongoing interest in community activity and litter picking in local areas.

29. Support for Infrastructure Organisations has ensured that volunteering registrations and opportunities have been made available across Cheshire East and in rural areas via groups and initiatives such as community agents. 314 organisations have been supported with their development through 1,193 advice sessions.
30. Back in Spring 2015, the Citizens' Panel Survey showed that the percentage of residents feeling very or fairly well informed about what to do in the event of a large scale emergency had decreased from 22% in 2013 to 17% in 2015. Consequently, the Joint Cheshire Emergency Planning Team worked with partners throughout 2015/16 to ensure that public awareness levels in Cheshire East and the rest of Cheshire are as high as possible. Examples of this work included a Joint Police/ Fire Open Day at Police HQ in May 2015 where Cheshire Resilience Forum deployed an awareness raising stand, allowing partners to pass on key messages and distribute several hundred Emergency Pocket Leaflets to the public, helping them to prepare for, and respond safely to, potential future major incidents such as severe weather and flooding. Additionally, the Cheshire Resilience Forum website ([www.cheshireresilience.org.uk/](http://www.cheshireresilience.org.uk/)) has continued to provide an enhanced platform providing information and advice on a range of preparedness subjects including severe weather, flooding and, ahead of the summer, tips on how to stay cool during a heatwave. Most importantly, it helps our residents to be as prepared as possible so that they can help to look after themselves, their families, colleagues and neighbours, leaving the responding agencies free to look after the most vulnerable within our community.
31. Community Recovery work in Bosley continues based on a new approach developed with the community to Disaster Recovery. Action plans are based on the Community Impact Assessment, which is being adopted by other areas. Positive feedback has been received from those affected about the support received, and those who are ready to work again are now in new jobs.
32. The Delivering Differently in Neighbourhoods pilot was successfully implemented and developed a positive relationship with DCLG. The 12-month programme of activities started in February and the pilot is successfully engaging local residents in activities and allowing volunteers to shape and lead the delivery of future services.
33. There are currently eight Town partnerships in place with a possible ninth in development.
34. 21 Community Right to Bid nominations were submitted by nominating groups in total since 2013. 11 of those submitted were in 2015.
35. Two Rural Summits were held; Rural Connectivity and Digital Inclusion (July 2015) and Rural Tourism and Connectivity (March 2016) with an average of 35 stakeholders in attendance at each.
36. Crewe Cohesion Group agreed an action plan and development of Multi Cultural Forum.
37. The Welcome Café community consultation was launched in January 2016 to establish best ways of communicating with residents and improve service delivery.
38. Social Café at Dean Row opened in late Spring, providing a space for 50+ to socialise and a point for agencies to provide additional support and signposting.

39. Twista projects started in Alsager High, The Oakes Academy Crewe and Eaton Bank Congleton. Twista is a teen mentoring scheme supported by local businesses and agencies.
40. The Council published its Sustainable Libraries Strategy in 2014 and set the ambition to broaden the role of its libraries to appeal to a wider audience and buck the national trend of declining library usage. It also set the challenge to realise £1m permanent savings by the end of 2015/16, which have been achieved. The number of visitors to our libraries was down 4% compared with 2014/15 but a number of libraries were closed for short periods of refurbishment, and visitor numbers have increased notably at some of the libraries following refurbishment, in particular Nantwich and Poynton. Some of the key developments during 2015/16 to broaden the appeal of our libraries were:
  - Refurbishment of Congleton, Holmes Chapel, Knutsford, Nantwich, Poynton, and Sandbach libraries
  - The move of Nantwich Citizens Advice Bureaux into the newly refurbished library
  - Introduction of new Mobile Library vehicle
  - Introduction of Wi-Fi at all libraries and start of PC renewal programme for the People's Network
  - Another record breaking year for the Summer Reading Challenge
  - Opening of new library within the Crewe Lifestyle Centre
41. The key development for customers contacting the Council during 2015/16 has been the migration of Council Tax calls into the Contact Centre. This change re-opened Council Tax lines from four half-days a week to be consistent with the opening hours for all other services (Monday to Friday 08.30-17.00) and removed the complicated IVR system to make it much easier for residents to talk to a Customer Service Advisor. Since the change we have seen a 77% increase in call volumes compared to the same period last year, but a 59% reduction in wait times for customers. We have also seen an unexpected benefit of a 16% reduction in recovery documents (e.g. reminders; summons) issued as customers have been able to resolve their issues more quickly, and a 93% reduction in complaints relating to telephone wait times for Council Tax.
42. There was a 5% reduction in website visits compared with the previous year; however, this should not be considered a negative trend. It is not a like-for-like comparison as some of the Council's ASDV's introduced their own websites during 2014 and 2015, which diverts visits away from the Council's website, in particular Everybody.org.uk.
43. The Council is working in partnership with PwC to deliver an award winning, sector-defining digital platform, designed to put residents first; creating a trusted and reliable digital experience that residents choose as their first choice route into the Council, and that connects communities to support each other to reduce dependency on public services. We recognise, however, that not all residents will be able to or choose to use the new digital services and so we are also designing assisted digital services to provide a safety net for more vulnerable users through face to face and phone assistance where required. The new digital platform will be introduced as the new Beta website for Cheshire East Council during 2016, initially providing access to high demand universal services including Council Tax, Benefits, Waste and Recycling, and Highways. This will increase service quality and improve customer experience as residents will be able to access services on demand, and reduce costs of delivering services by increasing automation and shifting residents to utilise less expensive contact channels.
44. Communities have an under spend of £0.5m at the end of 2015/16 against a budget of £9.2m.

45. Income forecasts for car parking were understated by £0.2m in 2015/16. This related to increased income from pay and display plus additional income from annual and quarterly car park permits over budget levels.
  46. Pressures of £0.1m continued for costs of vehicle testing for taxi licensing. There is ongoing work in this area to overhaul the policy surrounding taxi licensing and a growth item was included in the 2016/17 budgets.
  47. There was also a pressure of £0.1m relating to the 2015/16 business planning proposals for Pest Control and Trading Standards Investigations. These were not met fully in year due to the one-off cost of redundancies and a delay in implementing the pest control proposal.
  48. These pressures within Regulatory Services & Health have been offset by savings from delays filling vacancies, small savings in supplies and services across the full service and increased income from Animal Health and Taxi Licensing. These savings have resulted in an overall underspend of £0.1m for Regulatory Services & Health.
  49. Partnerships and Communities have generated an under spend of £0.1m during 2015/16. This is as a result of delays filling vacancies, reductions in supplies and services spend and additional income generated from CCTV.
- 2 ~ Cheshire East has a strong and resilient economy**
- Business and Visitor Economy**
50. Year-end results for Business Engagement were positive with the service supporting the creation of 723 new jobs. This includes major investments at Autoliv, Sanofi and Jodrell Bank.
  51. The service engaged with nearly 200 high growth small to medium enterprises in the Science, Energy and Technology sectors.
  52. The service has secured £0.94m of grant funding for businesses in Cheshire and referred 109 businesses to specialised support programmes to improve their productivity and increase their competitiveness. This is expected to lead to an increase in Gross Value Added of £65m.
  53. The 2015/16 full year outturn for Economic Growth and Prosperity is a favourable position, with final net costs of £6.3m showing a £0.3m favourable variance against budget.
  54. Significant asset disposal activity has been undertaken this year within the Growth and Regeneration Service, which has helped to generate a favourable outturn position due to the capitalisation of costs associated with asset disposals. Rental income levels were also higher than anticipated, partly due to the collection of rent arrears.
  55. This position has facilitated the creation of a £0.5m reserve which will be used to meet an increase in the level of repairs and maintenance required within the Assets service area in the future.
  56. The Strategic and Economic Planning Service outturn was a balanced position for 2015/16.
  57. This service area has incurred additional costs of £1.1m due to the significant work undertaken on the Local Plan and the need to respond to an increase in the number of planning appeals. These

costs have been met partially by the Planning Reserve but also by an increase in the expected level of Planning Advice and Application fees, which were £0.4m better than budget.

58. The Investment Service outturn was £0.2m underspend versus Budget. This was in line with the forecast at Third Quarter and largely due to vacancy management within this area.

### **Workforce**

59. The governance structure for the new University Technical College (UTC) continues to be strengthened ahead of the planned opening in September 2016. Work on the Crewe site continues to progress with the intention to open the UTC within the previous Oakley Centre whilst the other buildings are demolished and rebuilt under Phase 2. The Council continues to facilitate ongoing liaison between existing schools and the UTC leadership to promote these positive working relationships.

### **Infrastructure**

60. The Strategic Highways Infrastructure Team continues to make strong progress on the Council's major transport schemes by planning, developing and delivering major highway and transport infrastructure improvements, in conjunction with partner organisations. Current Delivery Schemes include:
- Poynton Relief Road - Work is now progressing to submit a planning application in July 2016. Public consultation took place in October 2015 and a number of exhibitions were also held. The level of positive feedback received was exceptional for a highways scheme.
  - Congleton Link Road – The planning application was successfully made on the 30th September 2015 and an addendum to the planning application was submitted on 2<sup>nd</sup>

March 2016. The planning application is to be determined shortly by Strategic Planning and work continues to be progressed on this scheme in order to successfully deliver the next phase of work.

- Sydney Road Bridge – Work is rapidly progressing with Network Rail and their contractor, Murphy's, to develop and finalise design options in order to determine a final preferred option. Landowner consultations are taking place throughout May and preparation is underway for the planning application.
- The A6 SEMMMS scheme is currently under construction with road/rail bridge interfaces underway at Styal Road. The construction of A6 bridge is progressing and access routes to other bridge sites ongoing. Works on A34 north and south of the A555 are ongoing.
- A500 J16 Pinch Point Scheme – This scheme has been implemented to alleviate congestion on the A500 at junction 16 of the M6 through the addition of a lane to make the section a dual carriageway. Works are now complete at junction 16 and work continues to close this project out and address final payments.
- A556 Knutsford to Bowden (Highways England scheme) – This scheme allows for the construction of a new 4.5 mile dual carriageway between M6 junction 19 (near Knutsford) and the M56 junction 7 (near Bowdon). Construction started in November 2014, is progressing well and the scheme is due to complete in 2017.
- Crewe Green Roundabout – Work has started with option studies currently underway. Crewe Green is a five-arm signalised roundabout, forming a major confluence of roads to the east of Crewe. Peak period congestion is severe and traffic modelling shows the opening of Crewe Green Link Road (South) will add approximately 15% more traffic to the junction. A scheme has been developed to manage the revised traffic flows by remodelling the junction and the diversion of one arm of the

roundabout. A Cabinet report is due to be submitted in July 2016.

- Leighton West Spine Road - Due to the development of Leighton West, new infrastructure is required to enable the additional demands on the network to be handled. Therefore there is a need for the Spine Road to be developed and built. Work is underway to assess the options around the proposed site. Next steps include engaging with key stakeholders, supporting the production of the Bentley Masterplan A and subsequent planning application, in addition to supporting the application for planning permission for Leighton West by Engine of the North.
- Middlewich Bypass – The Feasibility Stage has run to programme and is being used for the DfT funding bid. Progress was reported early to Cabinet to enable wider public and stakeholder consultation on a Transport Plan for the whole Town of which the By-Pass will be a major part.
- Macclesfield Movement Strategy – A package of transport schemes which look to support growth and regeneration within Macclesfield. Work is underway in preparing a bid to the Local Growth Fund for future funding.

61. In addition to the major schemes currently being delivered, the Council is developing an ambitious pipeline of highway and transport infrastructure schemes for future delivery. The schemes under development include Crewe Bus Station, Congleton Public Realm Scheme, M6 Junction 16-19 SMART Motorway (Highways England scheme), and A500 Dualling.
62. In November, Chancellor George Osborne announced that the HS2 line to Crewe will be delivered six years earlier than planned. It was also announced that £5bn of additional investment will be made available to ensure the high speed railway from London to Crewe is open to passengers by 2027. This will bring huge benefits

to Crewe and now makes the location of a HS2 hub station at Crewe a near certainty.

63. HS2 and the location of a hub station at Crewe would help create more than 120,000 jobs by 2040 and inject £10bn a year into the wider region's economy. Seven trains an hour are expected to run from Crewe by 2027, with journey times to London reduced by 45 minutes. The final section of the line to Manchester will be completed by 2033.
64. Connecting Cheshire - Take-up growth continues to remain strong with fibre broadband being provided to more than 85,000 homes and businesses across Cheshire, Halton & Warrington. Connecting Cheshire has one of the highest and fastest take-ups in the UK.
65. Strategic Infrastructure net costs are £0.3m higher than budget at the year end. Higher than anticipated external contract costs as a result of development and planning activity were partially offset through high levels of Section 38 fees from developers and capitalisation of staff costs.
66. Highways has an overall underspend of £0.6m against a net budget of £11.2m. This is a significant improvement on third quarter review due to a variety of factors.
67. These include lower than anticipated costs on the Cheshire East Highways contracts with reduced spend on winter service and salt usage due to the particularly mild winter and reduced flood management costs resulting from recruitment difficulties in this growing service area. There was also an improved position on other fees and charges and a positive movement on the bad debt provision.

68. The final outturn for the Transport commissioning service is £0.3m, a slight increase on that reported at third quarter review. The overspend, as previously reported, relates to non-achievement of £0.15m of commissioner led savings related to Available Walking Routes and increased demand in Special Educational Needs (SEN) of £0.1m.

### **Inward Investment**

69. The Business Engagement & Inward Investment service has had strategic engagements with 41 of the Top 100 accounts in the Cheshire East area. This has led to a significant pipeline of investment opportunities that could lead to the creation of over 500 quality jobs in the area. Total investment for the year will result in an increase in rateable value of £415,000 with a potential increase in floor space of 77,199sqm.
70. Major inward investments include WEX Europe who consolidated their back office operations in the Crewe area creating 60 new high value jobs.
71. Alderley Park secured Enterprise Zone status to provide rate relief for companies relocating or expanding on the site. Alderley Park was also announced as a regional centre for the Precision Medical Catapult project. The GM & Cheshire Lifesciences Investment Fund success continues with a £3m investment in Blueberry Therapeutics announced.

### **Responsible Business**

72. Regulatory business satisfaction remains high with 100% of all businesses who returned a questionnaire stating that they were satisfied with the service they had received.

73. At the end of 2015/16 72% of local food businesses (2,582) were part of the Food Hygiene Rating Scheme. Of these, 92% scored a 3 ('generally satisfactory') or above. The Food Safety service continues to work with and support businesses to improve their scores. The Food Safety Service also undertook over 300 inspections/ interventions of low risk food businesses as part of its focused project in this area.

74. 88% of all high risk Food Standards inspections and 100% of high risk animal health inspections were completed in year.

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

#### **Securing the Best Start in Life**

75. 2016 data around the Early Years Foundation stage will be finalised during the summer term; Cheshire East has been supporting schools undertaking moderation processes to ensure valid data is secured for all learners. The 'Making a Big Difference' programme for early years has focussed on closing the achievement gap for our most disadvantaged children. This programme supports schools and settings with a focus on monitoring the progress of the children and providing appropriate support and strategies. The percentage of eligible children taking up the two year old offer of free childcare has increased to 77% at quarter 4, up from 71% at the same time last year, and 5% above the national rate.
76. Work around closing the gap between disadvantaged learners and their peers in primary schools continued during quarter 4. Working through their clusters, most schools have focussed on maths programmes to address the dip in performance in 2014/15. Support for schools has involved funded cluster networks as well as lead conferences using Maths Hub resources/expertise. Quarter 1



of 2016/17 will see the evaluation of these initiatives and impact on overall school performance.

77. Validated data for end of Key Stage 4 was published in quarter 4. In terms of narrowing the gaps for disadvantaged learners and their peers, the validated data showed an increase in overall performance of disadvantaged learners by 2.1 percentage points (ppts) and the closure of the gap to national by 2 ppts. However, Cheshire East's performance in is line with last year; the closure of gaps over the last 12 months between Cheshire East and national is mainly due to lower performance at a national level. In addition, Cheshire East has improved national rankings for disadvantaged young people achieving 5 A\*-C (including English and Maths). Whilst positive progress, expectations were for improved outcomes in 2015; the performance of 3-4 schools significantly affected overall performance. The priorities at key stage 4 going forward include further narrowing of the gap for disadvantaged learners in drawing upon the best practice both nationally and locally. The initiatives put in place are already making a difference and these need embedding especially at key stage 3 in literacy and numeracy skills. Performance in maths is also a priority for all learners in responding to the national drop in outcomes.
78. At quarter 4 primary school persistent absences stood at 2.2% (0.5% lower than the national average of 2.7%). Secondary school persistent absences were at 5.6%, slightly higher than national average of 5.5%, and an increase from 5.1% in 2014-15. Cheshire East will continue to ensure that schools accurately record those learners who are receiving alternative provision, as well as working closely with schools whose attendance rates are below the Cheshire averages.

## Highest Achievements for All Learners

79. There is strong performance across the Borough for key stage 1 phonics, with 81% of learners achieving the required standard at the end of Year 1. This rises to 92% by the end of Year 2. At Level 2 and above in reading and maths, overall performance has remained the same as last year, but in writing it has dropped by 1 ppt. At key stage 1 Cheshire East ranked equal first for mathematics compared to our statistical neighbours. The priorities moving forward are to ensure that the percentage of children meeting the phonics standard at the end of year 2 is at least maintained and to halt the dip in writing, even though only by 1 ppt.
80. At key stage 2 a total of 82% of learners achieved Level 4 and above in reading, writing and maths combined. This is 2 ppts down on the previous year, but is 2 ppts above national. Cheshire East performance at Level 5 and above for the combined indicator is 3 ppts above national. In terms of expected progress, Cheshire East learners perform above national averages in reading, writing and mathematics. When ranked against our statistical neighbours, Cheshire East is equal first for mathematics, equal second for reading and equal sixth for writing. The priorities at Key Stage 2 are to further narrow the achievement gaps between disadvantaged learners and the rest so that the gap is less than the national.
81. Following a small rise of 0.4 ppts in the national 5+A\*-C (including English and maths) measure in 2015, Cheshire East's results improved by 1.8 ppts, significantly above the average for England. Cheshire East stands at 63.3%. This remains above the National figure which is 57.1%. This places the authority first against its statistical neighbours for the second year running. A further positive improvement has been seen in the expected rate of

progress in maths; there was a national improvement of 1.4 ppts across England, whereas Cheshire East schools improved the rates of progress by 3.8 ppts. Expected rates of progress in English - whilst there has been a slight reduction on 2014 data of 0.8 ppts, the local authority has improved its ranking against statistical neighbours by one place leaving us equal second. Both rates are still above the national, as was the case last year.

82. The percentage of primary and secondary schools judged good or outstanding by the end of 2015-16 has improved over the year. 86.4% of secondary and 92.7% of primary schools were judged good or outstanding by Ofsted in quarter 4, compared to 76.2% and 88.7% respectively, in the same period last year.

### **Achieve Aspirations**

83. Quarter 4 saw figures remain consistent for young people not in education, employment and training (NEET) and, those whose destination is 'not known', remains extremely low at 0.2 %, which is still best in the North West.
84. NEET figures are still being worked on (currently holding at the lowest level of 2.8%). A specific NEET project has been set up with partner agencies and is being delivered in Crewe through Catch 22. Although this is only a small number, (5/6 young people) outcomes are looking positive.
85. We are starting the process of September Guarantee monitoring for 2016 leavers.

### **Inclusion**

86. Further work is planned to ensure that vulnerable young people with special educational needs and disabilities (SEND) are

supported in achieving their aspirations and maximising their learning outcomes. It is planned to establish a 0-25 SEND Partnership Board in 2016/17 to improve good quality local provision for children with SEND and support for their families. This includes the development of a 'Sufficiency Statement' to identify and address gaps in local provision. This is expected to increase in-Borough provision and reduce the reliance on expensive out of area placements and transport costs.

87. Another key area of work underway is an in-depth review of the identification, assessment and planning processes for children and young people with SEND. This will further develop the person-centred approach associated with the new statutory assessment process and provide greater rigour and consistency in decision making.
88. The gap in GCSE attainment between cared for children and their peers reduced last year; the percentage of children gaining 5A\*-C (including English and maths) was 10% above the national average. However, the Virtual School is committed to continuous improvement and so all current year 11 pupils are being supported to gain the best possible GCSE grades and qualifications. All these children have a school place and additional support is being provided through tuition, mentors and developing employability skills.
89. The number of post-16 cared for and care leavers has risen slightly during quarter 4, but the level of engagement with education, employment and training (EET) has remained static for 16-17 year olds at 71%; for older care leavers (age 18 years and above) the level of EET is 50%. Work is ongoing with these young people, including support into apprenticeships. This includes ensuring that all year 10 and 11 pupils are registered on the Apprenticeship website and all those without firm further education plans are

supported to make applications and participate in additional work experience. It is proposed to expand the 'Cygnet' programme in 2016/17 to include work placements outside the local authority to support these young people in traineeships. A dedicated PA has been employed within Children's Social Care to monitor and support care leavers into positive activities and an improved tracking system will enable the PA to identify quickly young people who become NEET and provide support needed.

90. Children and Families forecast an overspend of £1.1m at third-quarter. At outturn this has moved to an overspend of £1.9m.
91. Changes to the assumptions surrounding the use of balances held on earmarked reserves and Dedicated Schools Grant (DSG) have impacted the Directorate's outturn position by £2.3m. Earlier assumptions legitimately included a contribution from DSG to partly meet costs of educating children in care. However, following a review, it was determined that a reduced contribution was ultimately required.
92. This change has been offset by improvements totalling £1.5m around reduced placement costs (£0.5m), additional funding from Public Health (£0.5m) for early help and protection activities and a number of smaller improvements such as reduced licence costs.
93. The overspend is caused by the underlying pressure within Children's Services around the numbers of Children in Care, and the limit to how effectively this can be mitigated against via in year activity.
94. The budget for Children in Care in 2015/16 was set in anticipation of further reductions to this cohort (based on the reduction experienced during both 2013/14 and 2014/15). However the actual numbers have risen over the past twelve months by 8% to

their current level of 387 and admissions to care have risen in the year by 13%. In addition, increasing gatekeeping in the service has resulted in the cases which are coming through being more complex. This directly correlates with the increased costs being incurred by the service.

95. The overspend on care costs is £3.8m (after removal of the DSG contribution of £1.5m factored in at third quarter). The service continues to seek better value for money placements that provide the necessary support for vulnerable children but also reduce cost on an individual basis. Moves of this nature are inevitably resource intensive and time consuming and follow on from more intensive packages of care that are needed at the outset. The financial impact of this work is yet to be seen in the accounts.
96. Following the Ofsted inspection, the department has now reviewed all of its commitments and has clear plans to pare down the level of additional temporary support that was put in place to deliver the requirements of the Improvement Plan, where appropriate to do so.
97. Use of agency staff remains an issue and the service continues to work proactively to permanently recruit Social Workers and Social Work Managers. This is a critical element of our Ofsted improvement plan, and extensive efforts have been made to increase stability in the children's social work teams. Consequently, there has been a significant improvement with only 11% of posts covered by agency social workers.

#### **4 ~ Cheshire East is a green and sustainable place**

##### **Development Management**

98. Following 12 months of intensive work and receipt of the Inspector's Interim views in December 2015, the amended Local Plan Strategy was approved at Full Council on 26<sup>th</sup> February 2016. Activity in 2016/17 will involve an extensive consultation exercise, with conclusions and revisions sent to the Inspector in July in advance of anticipated further hearings in September/ October 2016. This will be followed by publication of the main modifications to the Plan and its adoption, which the Council anticipates to be in early 2017.
99. 2015/16 performance relating to turnaround of planning applications within timescales were:
- Major applications within 13 weeks – 62% (target of 60%)
  - Minor applications within 8 weeks – 62% (target of 65%)
  - Other Applications – 75% (target of 80%)
100. Overall performance has been maintained at similar levels to that of 2014/15. Performance in dealing with major applications continues to improve overall from a low point in 2013/14 and exceeds the national target of 60%; with minor applications performance has improved overall from 2014/15 and is on track to achieve the national target of 65%; and with other applications performance is maintained at 75% overall for the year against a target of 80%. High workloads for both applications and appeals have continued but in addition the Service has struggled to recruit experienced staff. While recruitment remains a challenge the introduction of new staff should gradually deliver improved performance over the first half of 2015/16.
101. A review of the registration, validation and allocation process for applications with Civicance has resulted in 95% of planning applications being validated within five working days compared with only 3% in 2014/15 and more information being available to customers about what stage an application is at.

102. The Building Control, Land Charges and Planning Administration commissioning service had a year end net nil position against a net budget of £1.7m.

### **Waste Management**

103. **Reduce** – the waste prevention volunteers and our schools waste prevention officer continue to do invaluable work across the Borough.
104. **Reuse** – the Council continues to work with its third sector partner to divert as much waste as possible from landfill and instead to see it refurbished and reused for local residents. Over 1,000 tonnes of materials have been reused this year.
105. **Recycle** – Cheshire East Council's recycling rate continues to be in the top 10% of all local authorities and well above the national target of 50%. Draft figures suggest we have a recycling rate of around 56%.
106. A procurement to enable the authority to collect food waste as part of the garden waste collection has now begun with pre-qualification questionnaires going to contractors by the end of May and preferred bidders being identified by the end of the year. The procurement in two lots would either give access to a suitable processing facility outside Cheshire East or allow the authority to enter in to a 15-year design build and operate contract for a new facility utilising Dry Anaerobic Digestion or similar technology.
107. **Disposal** – reliance on landfilling continues to decline as waste from the north of the Borough is sent to the 'energy from waste' plant in Stoke-on-Trent. The Environmental Hub project at Cledford Lane is progressing well.

- 108. The construction contract for the Environmental Hub has now been signed with work onsite scheduled for the end of May, completing in spring 2017. The Council has set up a liaison meeting and is working with town councillors to minimise disruption during the construction period.
- 109. The task and finish group, set up via the Environmental Overview and Scrutiny Committee to review fly tipping across Cheshire East, continues to seek to address fly tipping and side waste issues. Funding has been secured for additional resource in the Crewe area to tackle persistent issues. New staff are being employed and surveys of the pilot areas are being carried out.

### **Environmental Management**

- 110. Seven 'Green Flags' (a scheme recognising and rewarding the very best green spaces) were achieved in 2015/16: Sandbach Park; Bollington Recreation Ground; The Moor, Knutsford; Congleton Park; Tegg's Nose Country Park; Brereton Heath Local Nature Reserve; and Tatton Park.
- 111. 89% of the scheduled Environmental Permitting Regulations inspections for 2015/16 were completed – the reduction on the planned 100% is due to a reduced staffing resource and reactive demands on the service.
- 112. Actions within the Air Quality Strategy continue to be undertaken although a great deal of the year has been focussed towards the implementation of the electric vehicle infrastructure work and the development of a Low Emissions Strategy.

### **Sustainable Energy**

- 113. The plan to gain energy from the recycling of food and garden waste through the Organic Waste Treatment project is progressing well. Market engagement was completed and the outputs helped

inform the preparation of a tendering process to procure a preferred bidder and proposal by the end of the year.

- 114. The Fairerpower scheme has secured over 5,000 customers in its first full year, realising savings of £1.5m for residents within the Borough. We continue to have interest from other authorities in the scheme.
- 115. Cheshire East Energy Limited has been established to oversee the development of our Energy Framework. Its shadow board has decided to defer commencement of the creation of the formal alternative service delivery vehicle (ASDV). Alongside this, we are in the process of finalising a bid for ELENA funding from the European Investment Bank which will enable further investigation of an energy service company for Cheshire East.
- 116. Cabinet approved a recommendation for a new Joint Venture Partnership with Engie, called Cheshire Energy Networks Ltd, which will seek to progress the deep Geothermal project and district heating schemes across the Borough. Department of Energy and Climate Change funding has been secured for detailed project development in Macclesfield.
- 117. The construction of the Environmental Hub has led to a re-profiling of the savings associated with the re-letting of the waste disposal contract that was to be delivered in 2015/16 through the existing Crewe Depot. The reprofiling of savings has been fully mitigated by improvements on the household waste recycling centre contract, including non-requirement of planned inflationary growth and an increased bonus.
- 118. Overall, Environmental Operations, including Bereavement reported a £0.6m overspend for 2015/16 against a net £27.3m

budget, which was an increase from the £0.3m overspend reported at third quarter review.

119. There has been a shortfall in markets income of £0.1m. This continues the trend of a gradual decline in income over the last few years, specifically in Macclesfield, where low rents of vacant shops and a major trader leaving have contributed to the shortfall. Negotiations over the projected transfer of Crewe Markets to Crewe Town Council are continuing.
120. Within Bereavement Services there was a realignment of the original proposed income growth over a period of five years to gradually build market share. This has contributed £0.1m to the overall overspend. Within year, there was a shortfall of core bereavement income of £0.1m against a £2.4m income target. The shortfall is primarily due to a reduced service as a result of the contract refurbishment at Crewe Crematorium between July and December 2015.

## 5 ~ People live well and for longer

### Facilitating people to live independent, healthier and more fulfilled lives

121. 1,831 home adaptations for older and/or disabled residents were delivered in 2015/16 (ahead of our target of 1,700) to support independent living.
122. 360 affordable homes were delivered (against target of 300), and 83 long-term empty homes brought back into use against a target of 70.

123. A training proposal package has now been received based upon the Wigan Deal and this is to be tested and evaluated to determine if it is appropriate for our purposes. An allocation has been set aside as part of the Better Care Fund to invest in the training of the health and care workforce.
124. **Children and Young People's Mental Health** - The Annual Public Health Report 2015 was published in December 2015 and focussed on 'Supporting the Mental Health of Children and Young People in Cheshire East'. The recommendations from this were translated into a strategy to support Outcome 3 of the Children and Young People's Plan. These were presented and approved at the Health and Wellbeing Board (HWB) and Children's Trust in February and April 2016.
125. One of the key priorities is to 'Put front-line mental health care and support into every community' and many of the actions focus on the Emotionally Healthy Schools Programme. The pilot started in January and six secondary schools have developed and started to implement plans. Actions in the plans include: a review of the Personal, Social and Health Education curriculum, universal form tutor sessions, staff training, joint sessions between schools and NHS services, targeted groups with at risk children to support resilience, parent groups and development of systematic processes to identify and respond to mental health needs. The six pilot Emotionally Healthy Schools have been working with Child and Adolescent Mental Health Services (CAMHS) and the CAMHS young advisors on a self-harm pathway. Funding has been identified from the Council and the two Clinical Commissioning Groups to support Emotionally Healthy Schools and the HWB supported this investment. The aim is to quickly expand the programme to all secondary schools, primary schools, colleges and private schools. Preliminary conversations have started with primary schools.

126. Integration work between Public Health, Children's Services and Wirral Community Trust (0-19 provider) is ongoing through the development of the 'Parenting Journey'. This will allow systematic assessment of families needs at regular intervals from pregnancy through to age four, including assessment of maternal mental health and child mental health. Four workshops were held with frontline staff from Children's Services and Wirral Community Trust and development of pathways for maternal mental health and child mental health were identified as two priorities. A draft plan has been written to support this development and two working groups of volunteers from the workshops have been identified to develop the assessments and the pathway for those identified with additional need.
127. Ongoing support is being provided to the CCG to further develop the Local Transformation Plan including investment for 2016/17.
128. The Better Care Fund Plan for 2016/17 has been successfully signed off with a pooled budget of over £25m agreed for investment in schemes that reduce demand on hospitals and increase rates of discharge.
129. The Integrated Sexual Health service, provided by East Cheshire NHS Trust, commenced on 1<sup>st</sup> October 2015. The service is delivered from two "hubs" which deliver the full range of contraception and genito urinary medicine based at Macclesfield Hospital and a newly refurbished site at Eagle Bridge Health and Wellbeing service in Crewe and is supplemented by community clinics at various locations throughout the Borough and targeted outreach services.
130. In the first six months of the service new referral pathways have been developed (around abortion, HIV treatment, psychosexual counselling, fertility awareness and substance misuse services), a new online booking service has been introduced and work has begun to develop a c-card scheme which will improve access to condoms for young people.
131. The past 12 months has seen an increase in the number of young people aged between 15-24 screened for chlamydia. This has resulted in an increase in chlamydia diagnoses to the extent that the authority now exceeds the Public Health England target for chlamydia diagnoses (2,300 per 100,000 of the 15-24 population). This indicates that we are targeting the right population, which will raise awareness, support containment and ultimately benefit longer term prevention.
132. **0-19 Healthy Child Service** – The new 0-19 Healthy Child Service, (incorporating Health Visiting, School Nursing, Breastfeeding support, Family Nurse Partnership and National Child Measurement Programme) commenced on 1<sup>st</sup> October 2015.
133. The new provider, Wirral Community NHS Trust, has undergone a staffing consultation and restructure which places staff in locality teams and includes the appointment of Professional Leads for the Health Visiting and School Health elements of the service. A new IT system, SystemOne has also been introduced and rolled out to staff.
134. A key ambition of the new service is to integrate with Children's Services and jointly deliver the newly launched parenting journey. All relevant staff have received training on the parenting journey and have jointly developed four key priorities for the services moving forward. These are maternal mental health, transition to parenthood, early intervention in safeguarding and emotional health and wellbeing of children and young people. Scoping work to relocate Health staff into the de-designated children's centres is underway. This will enhance service delivery integration and streamline services for children and their families.

135. **Footpaths to fitness (Public Rights of Way)** – Two local circular routes were made accessible in Maw Green and Coppenhall in the north of Crewe through footpath modifications and signposting. Routes were marketed to local communities to encourage physical activity through a large-scale campaign. 13 ranger-led walks have been undertaken, with 93 individuals participating.
136. **Staying Home (Royal Voluntary Service)** – This project involved the use of Home Library staff to perform ‘safe warm and well’ checks with service users who were largely housebound; as well as a telephone befriending service. 1,892 volunteer hours were committed to the project, and 518 personal emergency plans issued. 17,318 separate interactions were made with members of the public.
137. **Diagnose Cancer Early (NHS SCCH)** – The aim was to run a campaign targeted at areas of Crewe where the incidence of lung cancer is currently at its highest and health inequalities the most prevalent. 80 community champions were recruited and trained, and the number of patients able to receive effective treatment for lung cancer rather than support care has increased from 71% to 75% since the inception of the project. There has also been a reduction from 21% to 13% of people diagnosed with lung cancer following emergency admission.
138. **Cheshire Living Well, Dying Well (End of Life Partnership)** – The End of Life Partnership has been named as one of eight pathfinders by Public Health England (PHE) and the National Council of Palliative Care as pioneers of a public health approach to end of life. The work of the team has featured as good practice in two recent PHE reports. 842 individuals have been given training at workshops to promote awareness of end of life planning, with 41 workshops/events held.
139. **Food Dudes in Our Schools** – This project achieved the expected outcomes of offering interventions to a number of classes at schools to promote healthy eating.
140. **My Choice (Catch 22)** – 279 young people participated in a primary school sexual health programme, 548 participated in a secondary school programme, and 295 young people were supported in drop-in sessions.
141. **Stop Smoking Service 2015/16** – The demand for Stop Smoking Services has reduced in recent years, due to a downturn in smoking rates and the related significant increase in the use of electronic cigarettes. However, despite a difficult climate the local service has performed well. To date they have achieved 1,199 4-week quits.
142. We have also seen an improvement in the smoking in pregnancy rates. The final Cheshire East rate is not yet available but Mid Cheshire Hospitals Trust’s (MCHFT) Leighton Maternity Unit has seen a reduction from 17.5% in 2014/15 to 15% in 2015/16. East Cheshire NHS Trust (ECT) have continued to perform well with an end of February rate of 9%.
143. **Cancer** – In response to a recognised need to improve cancer outcomes in the South of the Borough, where one-year survival amongst those diagnosed with cancer is poor, a targeted cancer project focussed on prevention and early diagnosis of cancer has been commissioned. This project will build on the previous success and learning from the Every Breath You Take project which was focussed on early detection of lung cancer and was a previous Public Health Transformation Project. Included within this project is a social marketing campaign aimed at earlier presentation to primary care with signs and symptoms of cancer and will involve



the recruitment of community champions. This will form a key part of a new Cancer Strategy, currently in development, for South Cheshire.

### Early Intervention, Help & Prevention

144. The Alcohol Harm Reduction Position Statement and Forward Plan is drafted. Consultation and engagement will begin in quarter 2 2016/17. Work is ongoing with East Cheshire and Mid Cheshire Trusts and the Police to initiate the Cardiff Model of data sharing.
145. The Winter Wellbeing Partnership worked through the winter months to facilitate activity to protect vulnerable people and reduce excess winter deaths.
146. Public Health are working together with the Communities Directorate to prepare the Council's response to the Syrian Vulnerable People Relocation Scheme / Unaccompanied Syrian Children. A multi-agency working group has been established to co-ordinate this work with statutory bodies and the voluntary and faith communities.
147. **Substance Misuse** – The Stepping Stones Substance Misuse Service is an 'all age' service, supporting Young People and Adults. Catch22 are subcontracted to deliver support to Young People via the Stepping Stones (CWP) contract. 'Admissions for Alcohol-specific conditions among under 18 year olds' is one of the Incentive Indicators within the Stepping Stones contract. Therefore a Development Plan has been co-produced by PH Commissioners and Catch22 to improve Pathways and relationships between A&E and the Substance Misuse Service.
148. The Housing Options Team undertook a Peer Review as part of the Homelessness Gold Standard Accreditation Scheme achieving 68%

(over the required level of 60%) which is recognised nationally as a high score. The team will now progress to the next stage of the process.

### Accessible Services

149. Usage of Leisure Services facilities increased, achieving a year-end total of 2.83 million (against a targeted increase to 2.73 million).
150. Bikeability level 2 or 3 cycle training was delivered to an increasing number of young people aged 8-18 years in the Borough, with training delivered to 6,162 young people (against a target of 3,872).
151. The Leisure commissioning service had a year end net nil position, in respect of base budget spend on client and management fee costs, against a net £2.2m budget.
152. Two one-off payments contributed to an overall £0.2m overspend. As reported at third quarter review, a compensation event of £0.1m was paid to the Leisure Trust, being the loss of income and additional costs due under the contract for the early surrender of the Oakley Centre lease to enable access for the University Technical College project. There was also a one-off Cost of Investment payment to the Trust to cover voluntary severance/efficiency retirement of £0.1m. This will enable an annual saving to the Council of £0.1m.
153. The Connecting Care Programme now has a new care model regarding the integrated teams that are to be established across South Cheshire and Vale Royal. Plans for implementation are being progressed.

154. **Passport to Health** – After an extensive procurement exercise, a total of 126 organisations have now been awarded contracts for Health Checks, Sexual Health, Smoking and Alcohol services. Delivery would begin from 1<sup>st</sup> April 2016. In addition to this, Peaks and Plains have been awarded the contract to manage the assessment and outreach required for Passport to Health, and to offer the Specialist Smoking Service. The awards will see services delivered at a community level allowing local people to access services in places and at times convenient to them to high standards of quality.

### **Public Protection and Safeguarding**

155. Public Health are working with the Communities Directorate to respond to the Prevent & Channel Duties for this council. Channel Panel is established and work on the Panel's collective practice is underway, with a Training Strategy and Prevent Action Plan also informing work. A pan-Cheshire Chairs' meeting is also in place to share best practice and coordinate developments across the Police Force footprint.
156. **Infection Prevention and Control** - Cheshire East Council Public Health have the responsibility for commissioning local Infection Prevention and Control Services, and have recently undertaken a tender process for the service, which provides specialist advice on the prevention and control of infection to the general public (residents, patients, carers, and others) and to non-acute providers of health and social care services across Cheshire East. The contract was awarded to Staffordshire and Stoke-on-Trent Partnership NHS Trust in January 2016 to 'go live' on 1<sup>st</sup> April 2016.
157. Work has continued in quarter 4 around delivering the children and young people's improvement plan to meet the recommendations from Ofsted's inspection of children's services. Whilst the majority of actions within the plan have been completed and there have been some areas of improvement, in particular around the voice of the child, overall there is still a need to improve the quality of practice to provide good services for our most vulnerable children and young people. The plan is subject to regular internal and external scrutiny and challenge, including by the Health and Wellbeing Board, the accountable body for progress of the plan.
158. The Local Safeguarding Children Board (LSCB) also continues to monitor the effectiveness of safeguarding in Cheshire East through implementation of its business plan and quality assurance framework. Work is underway on completing the annual report for 2015/16 that sets out progress and impact against the priorities within the business plan. The Board has also scrutinised progress against the children and young people's improvement plan to address the recommendations from Ofsted's inspection in July 2015.
159. Quarter 4 data for Cheshire East cared for children and young people placed at a distance from the Borough has improved slightly since quarter 3 and is relatively stable when compared to the 2014/15 year end position. A recent decision by Cheshire East Cabinet to a redesign of residential provision will see our internal provision increase in capacity and flexibility, which should help to accommodate more of our children with complex needs within Cheshire East.
160. Data around the percentage of cases taking 45 days or less from the start of the combined assessment continue to be above target (of 85%+) reporting an indicative year end position of 87%; a considerable improvement on 70% for the year in 2014/15. Systematic challenge and focus around timeliness of assessment is continuing to show improved overall completion rates.

161. Child participation and wishes and feelings being incorporated into child protection plans continues to improve and is evident in over 90% of cases on average. In March 2016 a change was implemented to the case management system to capture the participation at child protection conferences under the same criteria that is used for cared for children involvement in reviews. This will allow a much better understanding of how individuals are choosing to participate and, more importantly, understand reasons why individuals may not chose to attend a child protection conference or express a view.
162. Eighteen children were adopted in 2015/16 and there were 31 children with an adoption plan as at the end of quarter 4. There were seven adoption orders granted in quarter 4, with the average number of days between entering care and being placed for adoption being 545 days. This is above the government target of 426 days, but relates to a small cohort of young people which has a significant impact if one is out of timescale for a period, as was the case in quarter 4. The average days between a placement order and match with an adoptive family in Cheshire East was 99 days in quarter 4, better than the government target of 121 days, which is positive.
163. Adults Social Care has a produced a positive outturn result for the 3<sup>rd</sup> year running, which is a major achievement when considering the demographic demand being faced both in terms of an ageing population and also, the complexity and cost of younger people coming through transition to Adult services.
164. The improvement in the final outturn position to an underspend of just over £0.5m compared to the small overspend projected at Third Quarter Review is due to a number of factors:
  165. Firstly, negotiations with providers regarding fee levels have led to less being paid out than previously anticipated. As part of the fee level process providers were pragmatic about prioritising fee increases from April 2016 onwards (which have now been implemented) over back-dating in the vast majority of cases. Any back-dating has therefore been agreed as being subjected to an open book accounting exercise, with only one provider to date formally submitting their books.
  166. Secondly, there was a small residual balance on the annual accrual for care costs which has been factored into the outturn position. Income levels have remained buoyant, higher than projected, which is an early cause for optimism when looking at the finances for 2016/17. It should be noted that certain savings targets are still to be delivered and have been covered by one-off remedial measures during 2015/16 which cannot be repeated in 2016/17.
  167. In addition, the outturn for Adult Social Care also masks the current pressure in the Health and Social Care economy, both locally in Cheshire East and the wider position nationally. Demand remains high and Health colleagues are already reporting deficits in 2016/17. Integration work-streams are moving forward with one of the key aims being to reduce the financial gap which is projected to grow going forward to the end of the current parliament.
  168. Locally, Adult Social Care has some very challenging targets in 2016/17 with, for example, the work of the temporary task team who are undertaking reviews being crucial in maintaining a balanced financial position going forward. Investment is needed in a number of key areas, not only the review team, in order to drive the business forward. The First Quarter Review will contain a full update of the latest position and will detail any shortfalls on the savings targets. In addition, work continues with Health colleagues around the ongoing funding issues surrounding some of the

complex service users. Therefore whilst the final outturn for 2015/16 is a resounding success, given the factors that sit behind it, there is still further work to be done to maintain this position going forward and deliver the new financial challenges being faced.

169. Public Health have delivered a balanced budget for 2015/16 as demonstrated by the fact that there is no material change to their ring-fenced reserve of £1.9m. Behind this overall headline there are a number of important factors to be taken into account. The first of these is the 2015/16 in-year reduction of grant imposed on all Public Health functions within Local Government. This reduction was £1m for Cheshire East Council and the successful delivery of this reduction involved extensive remodelling of expenditure plans. Responsibility was taken over part way through the year (1<sup>st</sup> October 2015) in terms of Commissioning services from 0 - 5 years olds with full year responsibility commencing in 2016/17. Extensive developments have taken place during 2015/16, for example, the setting up of an Integrated Wellness Service which will further improve delivery of Outcome 5 and Joint Strategic Needs Assessment targets going forward and allows residents to take more control over their own personal wellbeing. The development of the Emotionally Healthy Schools programme working alongside both key internal partners such as Children's Services alongside external partners such as Health is another major achievement. These investments alongside existing contractual commitment will ensure that the 2016/17 grant monies are fully utilised. These investments sit alongside the delivery of statutory functions which transferred with the service when it came over from the Health sector three years ago.

## 6 ~ A Responsible, Effective and Efficient Organisation

170. The budget for Chief Operating Officer Services was underspent overall by £2.7m. The expected underspend at TQR (£3m) is

reduced by service manager requests to carry forward budget to 2016/17 amounting to £0.4m.

171. Corporate Resources & Stewardship underspent by £2.3m at outturn (£2.6m underspend at TQR). Of this total underspend, £2.0m was within Facilities Management where energy was underspent by £0.8m, National Non-Domestic Rates by £0.5m primarily due to successful rating appeals, and Repairs & Maintenance by £0.1m. The remainder of Facilities Management underspend came from within the departmental and cleaning budgets. In the remainder of Corporate Resources and Stewardship, underspending due to staff vacancies was partially offset by spending on the reintegration of CoSocius and an under-recovery against an income budget for procurement savings; whilst savings were made, not all savings were recouped from other departments' budgets.
172. The HR department underspent by £141,000 at outturn (£264,000 underspend at TQR). This position includes carrying forward £208,000 underspend to fund 2016/17 costs resulting from the restructure of Workforce Development. The underspend primarily resulted from reduced team capacity to develop and take forward a leadership development strategy and an agreed deferral of the Council's staff survey from January 2016 to June 2016. Reductions and adjustments in budgets have been made in 2016/17.
173. Legal Services underspent by £10,000 at outturn (net-nil forecast at TQR). Income from general fees and charges was higher than budgeted but this was offset by increased spend on the supplies and services budget, mainly due to additional costs of external legal advice.
174. The Governance & Democratic service underspent by £81,000 at outturn (net-nil forecast at TQR). The main reason for the

underspend was the achievement of greater income in the Registration Service due to a sustained marketing effort on a regional and national stage and innovative partnership working with Approved Premises. Early indications are that Registration income again looks set to be buoyant in 2016/17. The supplies and transport budgets within Democratic Services also came in under budget due to in year efficiencies made. The total underspend was partly offset by the employees budget being overspent by £57,000. This was due to additional non-funded staff. This has been rectified for 2016/17 with the overall staffing budgets being re-aligned to more accurately reflect staffing establishment.

maintained. The decision was taken in October 2015 to move the services provided back in house, and a comprehensive cost reduction programme has been actioned. This will bring costs in 2016/17 in line with available budgets. The net company overspend is shared with Cheshire West and once adjustments are made to unwind share capital the net cost to Cheshire East is £1.1m.

175. Communications underspent by £74,000 (£20,000 underspend forecast at TQR). Staffing was underspent by £29,000 due to vacancies throughout the year, and income was also £30,000 higher than budgeted due to salary recharges being made to various projects and services as a result of the development and implementation of a new communications business model. The budget has been restructured for 2016/17 to achieve required Business Planning Proposals and better reflect anticipated expenditure.
176. The Strategic Commissioning service underspent by £122,000 at outturn (£87,000 at TQR). The underspend is mainly due to staffing vacancies throughout the year, partially offset by an overspending on supplies and services due to one-off costs relating to systems and reports. The budget has been restructured for 2016/17 to better reflect anticipated expenditure.
177. CoSocius Ltd, which is jointly owned with Cheshire West and Chester, reported a year end overspend of £2.58m. The overspend was caused primarily by a failure of the company to generate new business and income and an overreliance on expensive contractors to fill posts to enable routine services to both Councils to be

## 2. Financial Stability

### Introduction

178. Financial performance 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.
179. Applying the best fit approach towards commissioning means the Council now wholly owns several supplier companies as well as maintaining relationships with private sector suppliers, charitable trusts and voluntary sector organisations. The financial position of the wholly owned companies has a direct effect on the financial performance of the Council and the Council's share of ongoing surpluses are currently held in the Trading earmarked reserve.
180. **Table 1** provides a service summary of financial performance for 2015/16. For further details please see Section 1 and the notes below the table. Changes to service net budgets since Third Quarter Review are analysed in **Appendix 2**.

**Table 1 - Service Final Revenue Outturn Position 2015/16**

	Revised Net Budget	Final Outturn Position	Over / Underspend)	Change from Quarter 3	Outcome Number 1 - 5
	£000	£000	£000	£000	
Children & Families	43,055	44,996	1,941	804	3,5
Adult Social Care & Independent Living	95,358	94,852	-506	-1,393	5
Public Health	0	0	0	0	5
Economic Growth & Prosperity	6,582	6,322	-260	-219	2
Chief Operating Officer					
Commissioning Services:					
Bldg Control, Land Chges & Planning Support	1,693	1,655	-38	-109	2,4,5
Environmental (incl Bereavement)	27,287	27,848	561	298	2,4,5
Highways	11,214	10,648	-566	-566	2,4,5
Leisure	2,240	2,470	230	90	2,4,5
Transport	14,585	14,882	297	43	2,4,5
Shared Services	0	1,165	1,165	1,165	
Communities	9,248	8,726	-522	-549	1,2
Other (e.g Finance, ICT, Legal, Facilities)	39,304	36,576	-2,728	289	
<b>TOTAL SERVICE OUTTURN</b>	<b>250,566</b>	<b>250,140</b>	<b>-426</b>	<b>-147</b>	

181. The impact of the final service outturn position is to increase balances by £0.4m. Further items impacting on the level of the Council's balances are detailed in the paragraphs below on centrally held budgets.

## Government Grant Funding of Local Expenditure

182. 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 2015/16 was £366.8m.
183. In 2015/16 Cheshire East Council's specific use grants held within the services was budgeted to be £270.6m based on Government announcements to February 2015. This figure has now been reduced to £256.7m.
184. A £4.3m decrease in grant during the last quarter has arisen due to schools having converted to academy status.
185. Spending in relation to specific use grants must be in line with the purpose for which it is provided.
186. Where additional 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. Additional general purpose grants totalling £518,000 were received during the final quarter of 2015/16. Services are seeking approval to use £320,000 of this additional funding, and this has been transferred to an earmarked reserve.
187. These grants were received too late in 2015/16 to seek approval to spend in year, and therefore this report seeks approval to services' requests to incur expenditure of £320,000 in 2016/17 fully funded by the additional grants. Details of the allocations are contained in **Appendix 10**.
188. Business Rates Retention compensation grants of £4.0m have also been received during 2015/16 to reimburse billing authorities for the extra discounts offered to businesses as announced in the 2013 and 2014 Autumn Statements. This includes the doubling of Small Business Rate relief for a further year and the continuation of the Retail Relief discount. These grants have been transferred to the Collection Fund Management earmarked reserve.
189. Services general purpose grant was originally budgeted at £96.2m. Net additional grant of £5.4m has been received during the year. £0.8m of additional grant has been allocated to services during the year. After allowing for the transfer of £4.4m to earmarked reserves, the net outturn variance is a £0.2m underspend against budget.
190. **Table 2** provides a summary of the updated budget position for all grants in 2015/16. A full list is provided at **Appendix 3**.

**Table 2 – Summary of Grants to date**

	2015/16 Original Budget  £m	2015/16 Revised Forecast TQR  £m	2015/16 Final Outturn  £m	2015/16 Change from TQR  £m
<b>SPECIFIC USE</b>				
Held within Services	270.6	261.0	256.7	-4.3
<b>GENERAL PURPOSE</b>				
Central Funding	77.8	77.8	77.8	0.0
Service Funding:				
Children and Families	0.5	1.1	1.1	0.0
Adult Social Care and Independent Living	3.5	3.3	3.3	0.0
Economic Growth and Prosperity	0.6	1.0	1.3	0.3
Chief Operating Officer: Commissioning	2.2	2.3	2.3	0.0
Chief Operating Officer: Other	11.6	11.6	15.8	4.3
Total Service Funding	18.4	19.3	23.8	4.6
<b>TOTAL GENERAL PURPOSE</b>	<b>96.2</b>	<b>97.0</b>	<b>101.6</b>	<b>4.6</b>
<b>Total Grant Funding</b>	<b>366.8</b>	<b>358.0</b>	<b>358.3</b>	<b>0.3</b>

## Collecting Local Taxes for Local Expenditure

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

### Council Tax

192. Council Tax is set locally and retained for spending locally. Council Tax was frozen for 2015/16 at £1,216.34 for a Band D property. This is applied to the taxbase.

193. 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 2015/16 was agreed at 138,764.49 which, when multiplied by the Band D charge, means that the expected income for the year is £168.8m.

194. 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 £205.8m.



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

	£m
Cheshire East Council	168.8
Cheshire Police and Crime Commissioner	21.7
Cheshire Fire Authority	9.8
Town and Parish Councils	5.5
<b>Total</b>	<b>205.8</b>

195. This figure is based on the assumption that the Council will collect at least 98.75% of the amount billed. However, the Council will always pursue 100% collection, and therefore the actual amount billed will be more than the budget.
196. 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 was £210.8m.
197. **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		
	2013/14	2014/15	2015/16
	%	%	%
After 1 year	98.1	97.9	98.1
After 2 years	99.0	98.9	**
After 3 years	99.2	**	**

\*\*data not yet available

198. The Council Tax in-year collection rate for 2015/16 at 98.1% is up on last year's rate of 97.9%.
199. Council Tax support payments (including Police and Fire) were budgeted at £18.6m for 2015/16 and at the end of the year the total council tax support awarded was £14.9m. The Council Tax Support caseload has reduced since April 2014 and there have been more reductions in the Council Tax Support awards in the year than increased or new awards.
200. Consultation on changes to the Council Tax Support Scheme for 2016/17 was launched in August 2015, with the final scheme agreed by full Council in February.
201. Council Tax discounts awarded are £19.2m which is broadly in line with the same period in 2014/15.
202. Council Tax exemptions currently awarded total £3.7m which is broadly in line with the same period in 2014/15.

## Non-Domestic Rates (NDR)

203. NDR 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 is the second year that the multiplier increase was capped by the Government at 2%.
204. The small business multiplier applied to businesses which qualify for the small business relief was set at 48.0p in 2015/16. The non-domestic multiplier was set at 49.3p in the pound for 2015/16.
205. Cheshire East Council has entered into a pooling arrangement with the Greater Manchester (GM) Authorities for the purposes of Business Rates Retention. The purpose of the pool is to maximise the retention of locally generated business rates to further support the economic regeneration of Greater Manchester and Cheshire East Councils. As a pool the members will be entitled to retain the levy charge on growth that would normally be paid over to Central Government. Cheshire East will retain 50% of this levy charge locally before paying the remainder over to the pool.
206. The Cheshire East and GM Pool are also taking part in a pilot scheme where the pool is now able to retain locally the 50% of “additional growth” in business rates which in the usual Business Rates Retention Scheme would be paid directly to DCLG.
207. Part of this arrangement means that the baseline for which growth in rates is set against has been reset to match the estimated rates to be collected as reported in January 2015. This level is £139.5m.
208. In year analysis has shown successful appeals have been awarded at a higher level than have currently been provided for. This issue

has been resolved at year end with the business rates retention earmarked reserve being utilised to cover this increased pressure.

209. **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		
	2013/14	2014/15	2015/16
	%	%	%
After 1 year	98.2	98.1	98.4
After 2 years	99.2	99.3	**
After 3 years	99.5	**	**

\*\*data not yet available

210. The business rates in-year collection rate for 2015/16 has increased to 98.4% compared to 98.1% in 2014/15.

## Capital Programme 2016/19

211. Since the Third Quarter Review the overall programme forecast budget has increased by £12.3m to £468.4m, as shown in **Table 6**.

**Table 6 – Summary Capital Programme**

	Revised Total Forecast Budget TQR 2015/19 £m	Amendments to Outturn Forecast Budget 2015/19 £m	Amended Outturn Forecast Budget 2015/19 £m	Budget Reductions £m	SCE's £m	Revised Total Forecast Budget 2015/19 £m
Children & Families	43.3	-0.9	42.4	-0.2	0.2	42.4
Adult Social Care & Independent Living	2.8	0.2	3.0	-1.6	0.0	1.4
Economic Growth & Prosperity	251.8	0.6	252.4	0.0	11.4	263.8
Chief Operating Officer - Commissioning	120.9	0.5	121.4	-0.1	1.9	123.2
Chief Operating Officer - Other	37.3	0.3	37.6	0.0	0.0	37.6
	<b>456.1</b>	<b>0.7</b>	<b>456.8</b>	<b>-1.9</b>	<b>13.5</b>	<b>468.4</b>

212. The amendments since TQR of £13.5m are mainly within the Economic Growth and Prosperity Directorate and relate to a £10.9m Supplementary Capital Estimate for the Congleton Relief Road Scheme. This increase represents the full cost of the scheme from construction through to opening of the new road.

213. There have also been a number of other Supplementary Capital Estimates within the Highways Service totalling £1.661m. These relate to the release of the Community Investment Reserve to fund Highways expenditure in year (£0.542m), additional funding of £0.534m from the Pothole Action Fund and £0.585m from the Government's Incentive Scheme.

214. There have also been a number of budget reductions totalling £1.9m which includes the reduction in the Adults Social Care Grant that has been previously reported for future years but has now ceased as of 2016/17 and will no longer be payable to Cheshire East Council.

215. 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**

	TQR Total Forecast Budget £m	Outturn Total Forecast Budget £m	Variance £m
Grants	201.3	198.4	-2.9
External Contributions	54.0	63.9	9.9
Cheshire East Resources	200.8	206.1	5.3
	456.1	468.4	12.3

### Capital Budget 2015/16

216. At the Outturn stage the Council had spent £90.6m in 2015/16 against an Approved in-year Budget of £122.8m. The Council has contributed expenditure of £9.2m for the SEMMMS relief road with matched grant funding from the Greater Manchester Combined Authority. The new relief road straddles Stockport MBC and Manchester City Council boundaries as well as Cheshire East. As the host council, Stockport MBC includes the full costs within their capital programme.

217. Since the start of 2015/16 slippage on the capital programme has been measured on schemes that are at the Gateway 2 stage and are classed as committed schemes as these schemes should have commenced prior to or during 2015/16 and have a detailed forecast expenditure plan in place. **Table 8** below shows the actual

expenditure incurred on those schemes against the revised Outturn Budget.

**Table 8 – 2015/16 Actual Expenditure compared to Revised Budget**

Committed Schemes	Revised TQR Budget	Revised Outturn Budget	Outturn Expenditure	(Over/ Underspend)
	£m	£m	£m	£m
Children & Families	10.2	9.9	7.2	-2.7
Adult Social Care & Independent Living	0.8	0.6	0.4	-0.2
Economic Growth & Prosperity	26.8	28.6	20.9	-7.7
Chief Operating Officer - Commissioning	43.8	44.0	35.9	-8.1
Chief Operating Officer - Other	14.7	14.7	8.4	-6.3
<b>Total Committed Schemes</b>	<b>96.3</b>	<b>97.8</b>	<b>72.8</b>	<b>-25.0</b>

218. During 2015/16 a number of major projects have either completed or got under way including Crewe Green Link Road £9.0m, Crewe Lifestyle Centre £8.6m, Lighting Column Replacement scheme £4.8m, Schools Improvement Programme £7.9m and the Highways Investment Programme £6.5m.

219. However there has been slippage of £25.0m across several schemes:-

- ICT Projects across the programme have slipped by £6.8m, including the new Care Act Phase two projects.
- Schemes within the Growth and Prosperity Directorate have slipped £8.5m, including the Gypsy Traveller site, Housing Innovation Fund and the Farms Strategy.

- Within Environmental Services schemes have slipped £2.3m including the Waste Hub and the Queens Park Path project.
- Highways services have slipped £3.1m, mainly due to the Alderley Edge Bypass project where the Council is still in the process of settling Part One claims and expenditure was not as high as predicted in 2015/16 based on previous financial years' demands.
- Children and Families Directorate has slippage of £3.1m which is due to the progress of the building works on the schools projects and delays in starting the projects later in the year than had been originally intended.

220. **Appendix 5** details requests of Supplementary Capital Estimates and Virements up to and including £250,000 approved by delegated decision which are included for noting purposes only.

221. **Appendix 6** details requests for three supplementary capital estimates:-

- £542,403 funded by the Community Investment Revenue Reserve and to fund a number of community led Highways schemes and forms part of the Highways Maintenance Minor Works Programme.
- £534,000 is additional funding that has been received to support the Highways Investment Programme to reduce the number of potholes on the borough's highways.
- £585,000 relates to additional funds as part of the Government's Incentive scheme.

222. There are also virements of £450,000 for Disley Primary School expansion funded by the Basic Need Grant block allocation already approved in the capital programme and £425,000 transferred from the central block allocation for supporting strategic projects to

Economic Growth and Prosperity to fund the Investment in Heritage Buildings Programme.

223. **Appendix 7** details a Supplementary Capital Estimate request of £10.9m to increase the Congleton Relief Road project to bring the approved budget in line with the full costs to deliver the scheme. A separate more detailed report on the project will be discussed at the 12<sup>th</sup> July Cabinet meeting also.
224. There are also four virements of over £1m requiring Full Council approval which relate to the allocation of block provisions for major capital schemes in schools.
225. **Appendix 8** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

## Central Adjustments

### Capital Financing Costs and Treasury Management

226. 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 costs are partly offset by the interest the Council earns from temporary investment of its cash balances during the year. The capital financing budget of £14m accounts for 6% of the Council's net revenue budget.
227. Cash balances remained stable throughout the year, and no additional external borrowing was undertaken as the Council continued its policy of 'internally' borrowing to finance the capital programme. As a result external interest charges have continued to decrease as external loans are repaid and not replaced.

228. Investment income for 2015/16 is £891,000 which is higher than the budgeted income of £200,000. The average level of cash balances in the year was higher than forecast although market interest rates remained relatively flat. However, investments in the CCLA Investment Management Ltd property fund, longer dated investments and use of corporate bonds has contributed to higher rates of interest earned on investments.

- The average lend position (the 'cash balance') including the property fund during the year was £71m.
- The average annualised interest rate received on in house investments during the year was 0.67%.
- The average annualised interest rate received on the externally managed property fund during the year was 4.97%.

229. The Council's total average interest rate received in the year was 1.09%. The returns continue to exceed our benchmark, the London Inter-bank Bid Rate for 7 days at 0.45%, and our own performance target of 1.00% (Base Rate + 0.50%).

**Table 9 – Interest Rate Comparison**

Comparator	Average Rate
Cheshire East	1.09%
LIBID 7 Day Rate	0.45%
LIBID 3 Month Rate	0.54%
Base Rate	0.50%
Target Rate	1.00%

230. As a result of additional investment income and lower external interest charges overall the budget has underspent by a total of £2.2m. This has been transferred to an earmarked reserve to fund future capital expenditure from revenue contributions. The budget is therefore reporting a net nil variance at outturn.
231. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement approved by Council on 26<sup>th</sup> February 2015. Further details of counterparty limits and current investments are given in **Appendix 9**.
232. During 2015/16 a further investment of £2.5m was made in the CCLA managed property fund bringing our total investment to £7.5m. This property fund continues to grow and has demonstrated consistently high returns over the last few years with underlying capital growth being maintained. However, this fund should be judged over a 5 to 6 year period as returns and the underlying capital value of the fund can be volatile.
233. Over the last year, regulations concerning the security of funds at banks and financial institutions have changed. The effect is that although Government support has been removed, the risk of failure has decreased due to increased capital requirements but the effects of failure to Local Authority investments are more serious due to bail-in requirements. The Council has therefore placed more investments which are outside of the bail-in requirements. This is being achieved through the use of Covered Bonds and Corporate Bonds with maturity dates to tie in with our cash flow forecasts.
234. Covered Bonds provide security as they are backed up by collateral and still provide a good level of return. The Council has two investments in covered bonds totalling £4m due to mature in November 2016.

235. Corporate Bonds are not protected by collateral but are generally exempt from any bail-in requirements. Investment in Corporate Bonds are only made on advice from our Treasury Management advisors who review the company, the market and country in which they operate, the ranking of the bond and the credit worthiness assigned to it. As at 31<sup>st</sup> March 2016 the Council had investments in two Corporate bonds totalling £3.6m. Full details are shown in **Appendix 9**.

### Central Contingencies and Contributions

236. A budget of £1.1m is held centrally to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. After allowing for the drawdown of the Pensions earmarked reserve, there is a small overspend of £0.1m against the budget.
237. This has been offset by miscellaneous income and reduction in central bad debt provisions of £0.3m.
238. Following a review of balances on earmarked reserves, £1.5m has been returned to central balances. This happens when specific projects are completed or when the requirement for additional earmarked funding is no longer appropriate.
239. This, together with the favourable outturn position, has allowed the transfer of £1.8m from general balances to specific earmarked reserves to provide for additional costs likely to arise on Insurances and to provide funds to support the further transformation of services within the Council.

## Debt Management

240. The balance of outstanding debt has decreased by £0.6m since Third Quarter Review. Balances remain within forecast levels and adequate provisions have been made. Details of the Council's debt position are contained in **Appendix 11**.

## Outturn Impact

241. The impact of the final service outturn position is to increase balances by £0.4m as reported above (**para 181**).
242. Taken into account with the central budget items detailed above and the approved use of general reserves below (**paras 245-247**), the financial impact described in this report has resulted in an reduction in balances of £1.7m as summarised in **Table 10**.

**Table 10 – Impact on Balances**

	£m
Service Net Budget Outturn	0.4
Central Budgets Outturn	0.1
Use of Reserves approved by Council	-2.2
<b>Total</b>	<b>-1.7</b>

## Management of Council Reserves

243. The Council's Reserves Strategy 2015-18 states that the Council will maintain reserves to protect against risk and support investment. The Strategy forecast that the risk assessed level of reserves is likely to remain at £12.5m throughout the medium term.

244. The opening balance at 1<sup>st</sup> April 2015 in the Council's General Reserves was £14.7m as published in the Council's Statement of Accounts for 2014/15.
245. At the February 2015 meeting, Council approved the use of £1.7m of general reserves in 2015/16, to be transferred to earmarked reserves to meet additional planning costs, potential increased insurance claims, and to support investment in sustainability.
246. At First Quarter Review, Council approved that £0.5m be transferred from balances to an earmarked reserve for Early Intervention initiatives.
247. 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 <sup>st</sup> April 2015	14.7
Impact on Balances at Final Outturn	-1.7
<b>Closing Balance at March 2016</b>	<b>13.0</b>

248. The balance of £13.0m reflects the fact that risks associated with budget achievement in 2015/16 did not actually materialise due to managed remedial actions and this is slightly above the level planned in the 2015/18 Reserves Strategy. Overall the Council remains in a strong financial position given the major challenges across the public sector.

249. The Council also maintains Earmarked Revenue reserves for specific purposes. At 31<sup>st</sup> March 2015 balances on these reserves stood at £49.1m, excluding balances held by Schools. A contribution of £0.2m to the Emergency Assistance earmarked reserve was approved as part of the 2015/16 budget. Council also approved the transfer of a further £1.7m from general reserves into earmarked reserves in 2015/16 to provide for additional costs in Planning, and on Insurances, and to support investment in sustainability. These items brought the earmarked reserves balance available in 2015/16 to £51.0m. At First Quarter Review, Council approved the transfer of £0.5m to an earmarked reserve for Early Intervention Initiatives.

250. During 2015/16, expenditure drawn down from earmarked reserves has been applied to fund service expenditure specifically provided for. Service outturn positions take account of this expenditure and funding, together with further contributions to earmarked reserves for future spending.

251. Services have made provisions within their outturns to reflect slippage in spending plans, carry forward of grant backed initiatives and provision for specific liabilities. It is proposed that this expenditure be met from carry forward via the service manager earmarked reserve under Finance Procedure Rule A 40, as listed in **Table 12** below.

252. A full list of earmarked reserves and movement in 2015/16 is contained in **Appendix 12**. Cabinet are asked to recommend that Council approve the creation of two new earmarked reserves for Transforming Services and Royal Arcade Crewe as detailed in the appendix.

253. Subject to this approval, the balance on earmarked reserves at 31<sup>st</sup> March 2016 is £53.0m.

**Table 12 – Service Manager Carry Forward Earmarked Reserve**

Service	Description	Amount £000	Total £000
Children & Families	Duke of Edinburgh Award	14	48
	Clerking & Governance Team	34	
Adult Social Care & Independent Living	Social Care Bill implementation	383	1,582
	Respite Placements Review	89	
	Learning Disability / Fees Review	96	
	Adult Integrated Care	158	
	Commissioning Reviews	251	
	Better Care Fund	605	
Environmental	Bereavement	40	462
	New Delivery Model	393	
	Mapping Maintained Assets for Routing	29	
Highways	Flood Management	80	214
	Highways Contract	84	
	NRSWA Permits	50	
Communities	Local Community Services	190	285
	Car Park Strategy	9	
	Licensing Enforcement	24	
	Delivering Differently in Neighbourhoods	62	
Economic Growth & Prosperity	Lifelong Learning	532	592
	Housing - Choice Based Lettings	39	
	Cultural	21	
Chief Operating Officer	Scrutiny / Training	3	3
<b>GRAND TOTAL</b>			<b>3,186</b>



# 3. Workforce Development

254. This section sets out the Council’s activities and progress in relation to HR, Organisational Development, Health and Safety and Workforce Development plans and changes during 2015/16.

## Culture and Values

255. Work has continued to embed the Councils FIRST values. To encourage greater innovation and creativity, a network of “creative facilitators” was established during 2015/16. Following a short training programme the creative facilitators are equipped to help individuals and small groups to define an idea / issue clearly and develop creative solutions. Early feedback has been good with creative breakthroughs on issues being found. This programme will continue during 2016/17.

256. A number of employee engagement events took place through 2015/16 including a series of Big Events for staff, a range of Directorate specific conferences and a programme of four “an audience with” engagement events. Feedback from these events has been positive providing opportunity for staff to gain insights and make connections with colleagues and senior management.

## Building Capability and Capacity

257. The Corporate Training programme and Continuous Professional Development Portfolios ensure that the Council creates a workforce which is safe, knowledgeable and competent in performing their duties to the highest possible standard, providing the best quality services to the residents and businesses.

258. Over 19,864 reservations were successfully arranged for CEC employees to attend a range of regulatory and mandatory learning and development opportunities during 2015/16. With a further 21 employees successfully securing funding approval via the Learning and Development Panel for role specific development, seeing £45,254 investment.

259. Developing management capability at all levels has continued to be a primary focus during 2015/16 with further management development programmes to take place during 2016/17 following CEC executive leadership team approval.

260. The Workforce Development Team continues to work closely with numerous regulatory and professional bodies and link into several local universities and colleges to ensure academia and research based theories are inherent in everything we do, establishing teaching partnerships with Keel University and local FE colleges too. As a recognised centre of excellence, quality assurance measures ensure that all employees and apprentices receive up to date training and surpass expectations of external verification and examination boards and feel fully supported throughout all stages of their career.

## Resourcing and Talent

261. The Council has provided more than 240 work experience sessions for young adults and school children and arranged more than 51 apprenticeship pathways for school and college leavers in employment, introducing a six month work readiness traineeship

programme developed for cared-for young people, entitled the Cygnet Pathway programme.

262. The Council continues to offer Graduate Internships with over 60 applications received and a Graduate Development Programme nominated for several awards during the year. This programme includes both permanent staff, recent graduates and graduate interns and recognises the importance of early career development by providing opportunities to build networks, gain skills and obtain wider insights.

### Reward and Recognition

263. The national pay award (often referred to as the cost of living rise) has recently been agreed. The pay increase to be applied is 1% for both 2016/17 and 2017/18 for all staff. Linked to the pay award, the Council introduced a local Living Wage for colleagues on lower pay scales which came into effect on 1<sup>st</sup> November 2015, ahead of the national Living Wage and pay negotiations.
264. The Councils Making a Difference employee recognition scheme has seen more than 1,360 colleagues being recognised in different ways for Putting Residents First in 2015. The Council's "Making a Difference" recognition scheme celebrates and recognises those people who role model the Council's FIRST values and through this have made a positive impact on their team, colleagues or wider community.

### Education HR Consultancy

265. The Education HR consultancy have continued to offer and provide two levels of service Gold and Silver, with the Silver Service having a limit on the amount of time that can be spent providing on-site support to schools and academies. Total buy back during 2015/16

equated to 89.4% of Schools and Academies which represents a slight reduction on last year due to a number of Schools joining Multi Academy Trusts which provide their own / alternative HR support.

### Health and Safety

266. The Council has recently received two awards; the first is a fourth (consecutive) Gold Royal Society for the Prevention of Accidents (RoSPA) Award for Health & Safety and the second is a Commended Award in the RoSPA Public Service and Local Government competitive sector. The latter award recognises that the Council achieved third place from all portfolios submitted in this sector. This RoSPA award gave us an opportunity to prove our ongoing commitment to raising health and safety standards and means we are part of a long running and highly respected occupational safety awards programme.

### Staffing Changes

267. As shown in **Tables 13** and **14**, Cheshire East's employee headcount decreased almost by 6% between March 2015 and March 2016.

**Table 13: March 2015 headcount and FTE figures**

Directorate/Service	Employee FTE Mar-15	Employee Headcount Mar-15
Public Health	19.3	22
Media (Communications and PR)	8	8
Strategic Commissioning	2,053.2	2,845
Adults Social Care & Independent Living	871.3	1,148
Children's Services	742.1	1,169
Commissioning and Client Support	25.8	27
Communities	413	500
Chief Operating Officer	489.8	604
Commissioning	47.2	52
Corporate Resources and Stewardship	254.2	317
Democratic Services and Governance	57.1	92
Legal Services	33.7	38
People and OD	53.7	60
Apprentices	43	44
Economic Growth & Prosperity	325.3	407
Assets	28	29
Investment	79.8	88
Strategic and Economic Planning	100.1	109
Strategic Infrastructure	9.5	10
Visitor Economy, Culture and Tatton Park	103.2	166
<b>Cheshire East Council Total</b>	<b>2,896.6</b>	<b>3,875</b>

Note: in tables 13 and 14 employees with multiple assignments across services will appear in the headcount figures for each service, but will be counted only once in the total (CE) headcount figure. The Chief Executive has not been included in any of the Directorate/Service information, but is counted in the overall Cheshire East Council headcount and FTE figures; similarly Executive/Directors will not appear in the "Service" totals but will appear in the overall "Directorate" figures.

**Table 14: March 2016 headcount and FTE figures**

Directorate/Service	Employee FTE Mar-16	Employee Headcount Mar-16
Public Health	22.6	25
Adults Social Care & Independent Living	769.8	992
Children's Services	788.9	1195
Chief Operating Officer	905.2	1095
Commissioning	39	41
Corporate Resources and Stewardship	299.4	365
Democratic Services and Governance	55.4	83
Legal Services	28	34
Media (Communications and PR)	8.7	9
Commissioning and Client Support	31.4	33
Communities	404.2	489
Apprentices	38.2	40
Economic Growth & Prosperity	282.9	359
Growth and Regeneration	79.3	86
Crewe – High Growth City	3	3
Investment	29.4	31
Planning and Sustainable Development	62.2	70
Strategic Infrastructure	9.5	10
Countryside, Culture and Visitor	94.5	154
Economy		
<b>Cheshire East Council Total</b>	<b>2770.3</b>	<b>3,655</b>

## Absence

268. As shown in **Table 15**, absence levels were lower in 2015/16 than in 2014/15 and 2013/14. Proactive management of sickness absence levels will continue through 2016/17.

**Table 15: Average days lost to sickness (per FTE employee) per annum since 2013/14**

	2013/14	2014/15	2015/16
Cheshire East (excluding Schools)	11.33	11.97	11.14
Whole Year Target	12.03	11.00	11.97

### **Voluntary Redundancies**

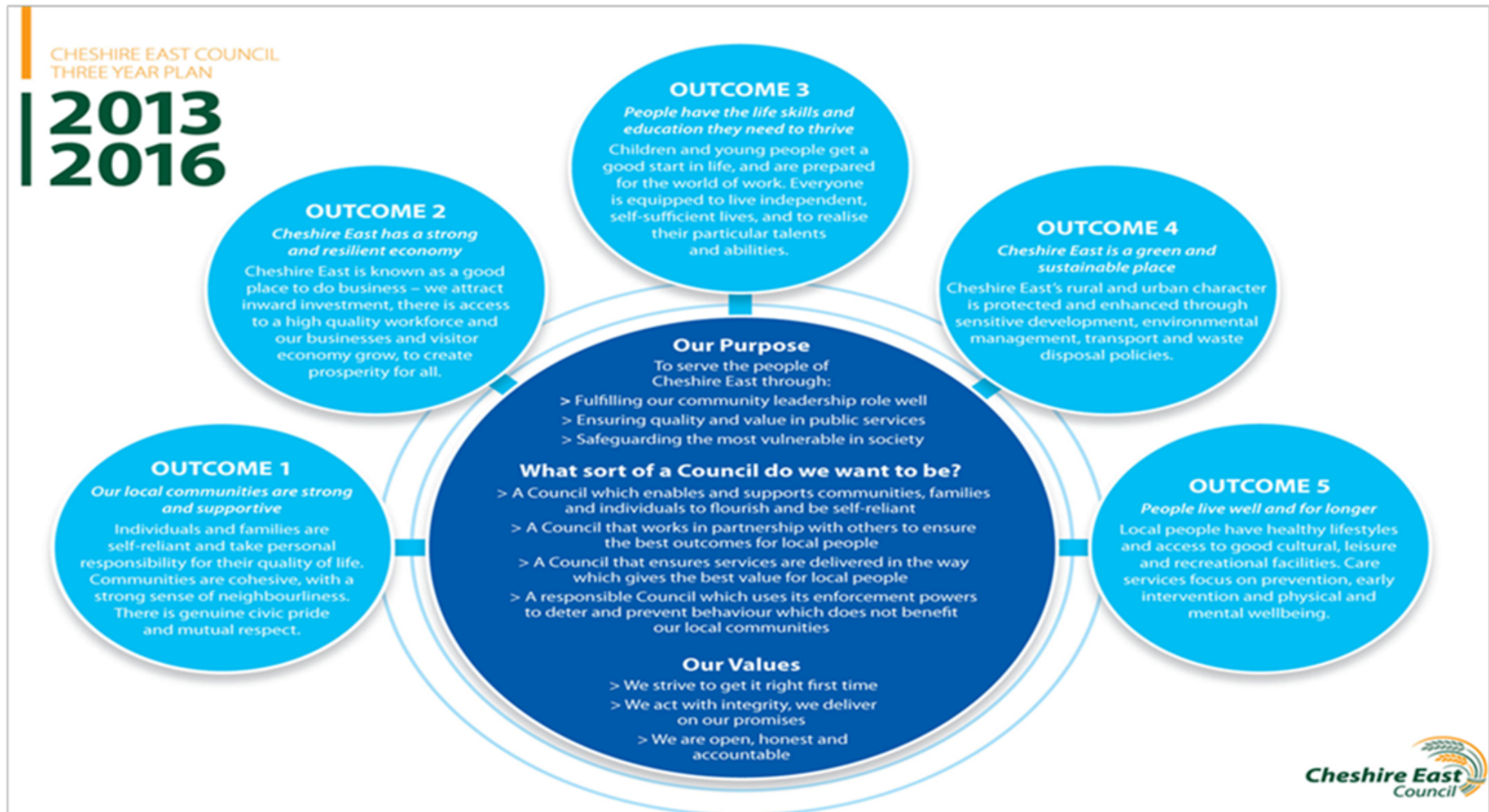
269. The Council's voluntary redundancy scheme continues to support organisational change and the delivery of the planned programme of change in the Council Plan. The effective use of voluntary redundancy in this way enables the Council to achieve its planned savings and efficiencies and also helps to maintain good employee relations within the Authority and minimises the prospect of compulsory redundancy.
270. 98 people (excluding Schools) have left the Council under voluntary redundancy terms in 2015/16, 7 of whom held posts within the management grades (Grade 10 or above). The total severance cost for all 98 employees was £1,694,320 inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £7,189,328 (which is the combined accumulated costs of the deleted posts).

# **Appendices to the Final Outturn Review of Performance 2015/16**

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**July 2016**

# Appendix 1 Cheshire East Council Three Year Plan



## Appendix 2 Changes to Revenue Budget 2015/16 since Quarter 3

	Quarter 3 Net Budget £000	Virements £000	Final Outturn Net Budget £000
Children & Families	43,055		43,055
Adult Social Care & Independent Living	95,358		95,358
Public Health	0		0
Economic Growth & Prosperity <sup>* see note</sup>	6,582		6,582
Chief Operating Officer:			
Commissioning Services:			
Building Control, Land Charges and Planning Support <sup>* see note</sup>	1,693		1,693
Environmental	27,330	-43	27,287
Highways	11,214		11,214
Leisure	2,030	210	2,240
Transport <sup>* see note</sup>	14,585		14,585
	56,852	167	57,019
Communities	9,205	43	9,248
Other (e.g Finance, ICT, Legal, Facilities)	39,394	-90	39,304
<b>TOTAL SERVICE BUDGET</b>	<b>250,446</b>	<b>120</b>	<b>250,566</b>
Central Budgets			
Specific Grants	-19,198		-19,198
Capital Financing	14,000	-120	13,880
Corporate Contributions	1,084		1,084
Contribution to / from Reserves	241		241
	-3,873	-120	-3,993
<b>TOTAL BUDGET</b>	<b>246,573</b>	<b>0</b>	<b>246,573</b>

\* Since February 2015 Council, the budgets for Transport, and for Building Control, Land Charges & Planning Support have been moved from Economic Growth and Prosperity to Commissioning Services.

# Appendix 3 Corporate Grants Register

Corporate Grants Register 2015/16		Original	Revised	Final Outturn	Change from	SRE / Balances
Final Outturn		Budget	Forecast TQR		TQR	(Note 2)
		2015/16	2015/16	2015/16	2015/16	
	Note	£000	£000	£000	£000	
<b>SPECIFIC USE (Held within Services)</b>						
<b>Schools</b>						
Dedicated Schools Grant	1	160,635	150,433	149,706	-727	
Pupil Premium Grant	1	6,795	6,247	6,072	-175	
Sixth Forms Grant	1	4,408	4,164	4,164	0	
<b>Total Schools Grant</b>		<b>171,838</b>	<b>160,844</b>	<b>159,942</b>	<b>-902</b>	
Housing Benefit Subsidy		84,518	84,518	80,887	-3,631	
Public Health Funding		14,274	15,598	15,889	291	
Restorative Justice Development Grant		8	8	8	0	
<b>TOTAL SPECIFIC USE</b>		<b>270,638</b>	<b>260,968</b>	<b>256,726</b>	<b>-4,242</b>	
<b>GENERAL PURPOSE (Held Corporately)</b>						
<b>Central Funding</b>						
Revenue Support Grant		39,182	39,182	39,182	0	
Business Rates Retention Scheme		38,607	38,607	38,607	0	
<b>Total Central Funding</b>		<b>77,789</b>	<b>77,789</b>	<b>77,789</b>	<b>0</b>	



Corporate Grants Register 2015/16 Final Outturn	Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	SRE / Balances (Note 2)
Note	2015/16 £000	2015/16 £000	2015/16 £000	2015/16 £000	
<b>Children &amp; Families</b>					
Troubled Families	110	332	332	0	
Troubled Families - Co-ordinator	85	200	200	0	
Youth Justice Grant	326	289	288	-1	
Youth Rehabilitation Order - Junior Attendance Centre	0	33	33	0	
Extended Rights to Free Transport	0	128	128	0	
Staying Put Grant	0	73	73	0	
Remand Funding		40	40	-0	
<b>Adult Social Care &amp; Independent Living</b>					
Local Reform and Community Voices Grant	265	195	195	0	
Independent Living Fund	1,000	749	749	0	
Adult Social Care New Burdens	2,272	2,272	2,272	0	
Social Care in Prison Grant	0	70	70	0	
<b>Economic Growth &amp; Prosperity</b>					
Skills Funding Agency	628	628	798	170	
Neighbourhood Planning Grant	0	55	205	150	SRE
Right to Move	0	3	3	0	
Property Search Fees New Burdens	0	259	259	-0	
Letting Agents Transparency and Redress Schemes		1	1	-0	
<b>Chief Operating Officer - Commissioning Services:</b>					
<b>Environment</b>					
Lead Local Flood Authorities	35	35	35	0	
Lead Local Flood Authorities - technical advice on surface water proposals	0	82	82	0	

Corporate Grants Register 2015/16 Final Outturn	Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	SRE / Balances (Note 2)
Note	2015/16 £000	2015/16 £000	2015/16 £000	2015/16 £000	
<b>Communities</b>					
Housing Benefit and Council Tax Administration	1,549	1,549	1,549	0	
NNDR Administration Grant	559	559	559	0	
Implementing Welfare Reform Changes	53	53	53	0	
Smoke and CO2 Alarms		0	1	1 SRE	
<b>Chief Operating Officer - Other:</b>					
Education Services Grant	3,000	3,000	3,186	186	Balances
Council Tax Freeze Grant 2015/16	1,816	1,840	1,840	0	
New Homes Bonus 2011/12	870	870	870	0	
New Homes Bonus 2012/13	1,844	1,844	1,844	0	
New Homes Bonus 2013/14	1,037	1,037	1,037	0	
New Homes Bonus 2014/15	1,356	1,356	1,356	0	
New Homes Bonus 2015/16	1,200	1,200	1,200	0	
Affordable Homes 2012/13	85	85	85	0	
Affordable Homes 2013/14	82	82	82	0	
Affordable Homes 2015/16	63	63	63	0	
New Homes Bonus 2015/16 - return of topslice	128	126	126	0	
Individual Electoral Registration	0	112	112	0	
Local Government Transparency Code 2015	0	0	13	13	Balances
Business Rates Retention Grants	0	0	4,059	4,059	Balances
<b>Total Service Funding</b>	<b>18,363</b>	<b>19,219</b>	<b>23,797</b>	<b>4,578</b>	
<b>TOTAL GENERAL PURPOSE</b>	<b>96,151</b>	<b>97,008</b>	<b>101,586</b>	<b>4,578</b>	
<b>TOTAL GRANT FUNDING</b>	<b>366,789</b>	<b>357,975</b>	<b>358,312</b>	<b>336</b>	

## 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/decreases to allocations by the DfE and conversions to academy status.

2 SRE - Supplementary Revenue Estimate requested by relevant service

# Appendix 4 Summary Capital Programme and Funding

Service	In-Year	SCE's	SCE's	Revised	Actual	Forecast Expenditure	
	Budget	Virements	Virements	In-Year	Expenditure	2017/18 and	
	TQR	Reductions	Reductions	Budget		2016/17	Future Years
	2015/16	Approved	Outturn	Outturn	2015/16	2016/17	2017/18 and
	£000	Since TQR	2015/16	2015/16	£000	£000	Future Years
		£000	£000	£000			£000
<b>Children and Families</b>							
Committed Schemes - In Progress	10,249	-2	-297	9,950	7,203	4,050	948
Committed Schemes at Gate 1 Stage	400	0	48	448	451	3,668	0
Medium Term and Rolling Programme	419	-182	-136	101	101	9,050	5,943
Longer Term Proposals	250	0	0	250	231	18	10,725
<b>Adult Social Care and Independent Living</b>							
Committed Schemes - In Progress	824	169	-355	638	380	283	0
Committed Schemes at Gate 1 Stage	0	0	0	0	0	0	0
Medium Term and Rolling Programme	0	0	0	0	0	731	0
<b>Commissioning Services:</b>							
<b>Leisure</b>							
Committed Schemes - In Progress	10,971	0	0	10,971	8,604	2,366	0
Committed Schemes at Gate 1 Stage	150	0	0	150	84	1,331	7,300
Longer Term Proposals	0	0	0	0	0	250	0
<b>Environment</b>							
Committed Schemes - In Progress	3,513	17	16	3,546	2,257	1,271	16
Medium Term and Rolling Programme	3,621	0	-7	3,614	2,480	13,741	0
Longer Term Proposals	634	0	0	634	150	3,547	9,620
<b>Highways</b>							
Committed Schemes - In Progress	27,922	0	195	28,117	23,824	12,539	5,962
Committed Schemes at Gate 1 Stage	0	0	0	0	0	0	0
Medium Term and Rolling Programme	0	0	0	0	0	13,512	12,637

Service	In-Year	SCE's	SCE's	Revised	Actual		
	Budget	Virements	Virements	In-Year	Expenditure	Forecast Expenditure	
	TQR	Reductions	Reductions	Budget		2016/17	2017/18 and
	2015/16	Since TQR	2015/16	2015/16	2015/16	2016/17	Future Years
	£000	£000	£000	£000	£000	£000	£000
<b>Communities</b>							
Committed Schemes - In Progress	1,435	0	-49	1,386	1,229	535	0
<b>Economic Growth and Prosperity</b>							
Committed Schemes - In Progress	26,810	1,607	167	28,584	20,869	21,423	4,882
Committed Schemes at Gate 1 Stage	825	17	60	902	531	1,496	4,650
Medium Term and Rolling Programme	1,798	0	0	1,798	1,792	6,065	2,097
Longer Term Proposals	12,539	-1,083	0	11,456	10,224	26,065	163,668
<b>Chief Operating Officer</b>							
Committed Schemes - In Progress	14,651	0	0	14,651	8,397	6,780	0
Committed Schemes at Gate 1 Stage	3,060	-8	0	3,052	441	3,881	0
Medium Term and Rolling Programme	474	0	0	474	166	9,929	5,997
Longer Term Proposals	2,630	0	-575	2,055	1,190	865	0
<b>Committed Schemes - In Progress</b>	<b>96,375</b>	<b>1,791</b>	<b>-323</b>	<b>97,843</b>	<b>72,763</b>	<b>49,247</b>	<b>11,808</b>
<b>Committed Schemes at Gate 1 Stage</b>	<b>4,435</b>	<b>9</b>	<b>108</b>	<b>4,552</b>	<b>1,507</b>	<b>10,376</b>	<b>11,950</b>
<b>Medium Term and Rolling Programme</b>	<b>6,312</b>	<b>-182</b>	<b>-143</b>	<b>5,987</b>	<b>4,539</b>	<b>53,028</b>	<b>26,674</b>
<b>Longer Term Proposals</b>	<b>16,053</b>	<b>-1,083</b>	<b>-575</b>	<b>14,395</b>	<b>11,795</b>	<b>30,745</b>	<b>184,013</b>
<b>Total Net Position</b>	<b>123,175</b>	<b>535</b>	<b>-933</b>	<b>122,777</b>	<b>90,604</b>	<b>143,396</b>	<b>234,445</b>

Funding Sources	2015/16	2016/17	2017/18 and
	£000	£000	Future Years
Grants	27,882	49,118	121,432
External Contributions	8,603	12,552	42,740
Cheshire East Council Resources	54,119	81,726	70,273
<b>Total</b>	<b>90,604</b>	<b>143,396</b>	<b>234,445</b>

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

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000</b>		
<b>Supplementary Capital Estimates</b>		
<b>Economic Growth &amp; Prosperity</b>		
Countryside Vehicle Replacement Programme	136,773	Replacement vehicles for Countryside Services. Funded from the service revenue budget.
Disabled Facilities Grant	137,470	Additional Disabled Facilities Grant allocation.
A500 Widening at junction 16	5,116	Increased budget to cover costs 2015-16 funded from Section 106 contributions.
A6 MARR Design Checks and TA	122,858	Budget increase to reflect additional income from Stockport Metropolitan Borough Council.
Private Sector Assistance	5,698	Increased budget to cover 2015-16 costs funded from repayment of loans.
Crewe Town Squares - Lyceum Square	2,537	Increased budget due to additional work paid for via third party.
<b>Environment</b>		
Banbury Park Re-vitalisation	5,089	Additional WREN grant received.
Lacey Green Park	4,024	Additional S106 funding received.

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Capital Budget Virements</b>		
<b>Education</b>		
Elworth Primary - Basic Needs	8,593	Virement of Schools Condition grant to meet the cost of Children & Families staff time spent on projects.
Lacey Green PS - Basic Need	564	
Manor Park - Basic Needs	6,877	
St Benedicts CPSS	376	
Daven PS Relocation of Kitchen	2,579	
Mobile replacement - Disley PS	7,805	
Dingle Primary School Mobile	10,411	
Mablins Lane PS Mobile	12,775	
Wheelock PS - Phase 2	5,702	
Adelaide Academy	940	
Schools Block 2015-16	37,260	
Wyche PS - Condition Works	3,158	
Pupil Referral Unit - New Site	25,047	
Free Early Years Education 2yo	1,626	
Hollinhey Primary School 15-16	15,759	
Poynton HS - Condition Works	2,481	
Springfield Special Sch	61	
Basic Need Block	84,000	Scheme Completed at Dean Oaks Primary School, surplus fund vired back to Basic Needs Block for re-allocation.
The Dingle Kitchens block (Gas interlock)	6,982	Virement to combine UIFMS and Gas interlock Projects for the Dingle Primary School.
Manor Park - Basic Needs	38,676	Virement from Schools Maintenance project toward additional costs incurred in relation to improvements to the floors.

Capital Scheme	Amount Requested £	Reason and Funding Source
Capital Maintenance Central Allocation	498	Construction complete, Mobberley PS, surplus funds via back to Capital Maintenance pot for re-allocation.
Basic Need Block	29,177	Construction complete, Offley Basic Needs, surplus funds via back to basic needs pot for re-allocation.
Capital Maintenance Central Allocation	1,201	Construction complete, Pebblebrook PS, surplus funds via back to Capital Maintenance pot for re-allocation.
Capital Maintenance Central Allocation	47,892	All works from 2014-15 SMS programme have now been completed, surplus funds via back to capital maintenance pot for re-allocation.
Universal free school meals	4,718	All works from 2014-15 SMS programme have now been completed, surplus funds via back to UIFSM Pot for re-allocation.
Capital Maintenance Central Allocation	120	Construction complete, Sound PS, surplus funds via back to Capital Maintenance pot for re-allocation.
Basic Need Block	24,837	Completion of works from St Johns Wood Community School Project, surplus funds via back to Basic Needs pot for re-allocation.
St. Benedict's CPSS extensions and internal re-modelling	4,671	Virement from Capital Maintenance Central Allocation to meet the cost overspends on Local Authority managed schemes.
Capital Maintenance Central Allocation	500	Completion of works from 2015-16 SMS programme, surplus funds via back to capital maintenance pot for re-allocation. (Gawsworth Primary School - Kitchen improvements).
Basic Need Block	1,989	Construction complete, Wilmslow Grange Primary School, surplus funds via back to Basic Needs pot for re-allocation.
Scholar Green Primary School	150,000	Virement from Basic Needs Grant for a new scheme to increase the number of places available to teach pupils at Scholar Green Primary School.
Underwood West Primary School	244,714	Virement from Schools Managed Schemes Block as this scheme will now required it own project code due to the overall cost exceeding £250,000.
<b>Economic Growth &amp; Prosperity</b>		
Countryside Projects	7,217	Transfer Local Transport Plan budget from Rights of Way Improvement Plan to fund Countryside Projects.
Crewe Rail Exchange	13,322	Transfer Local Transport Plan budget from Strategic Programme Delivery to fund the Crewe Rail Exchange scheme.

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Communities</b>		
Electronic Vehicle RAPIDS	6,848	Transfer Air Quality budget funded by Local Transport Plan Grant to fund budget shortfall.
<b>Environment</b>		
Banbury Park Re-vitalisation	1,037	Virements from Parks Development Fund to fund budget shortfalls on completed 2015/16 projects.
Queens park Paths Project	5,535	
Weston Cemetery Extension	150,000	Funding for the extension works at Weston Cemetery to be vired from the Strategic Pot.
Pavilion Way Play Area	2,029	S106 funding virement from West Park Play Project
<b>Highways &amp; Transport</b>		
S106 Adlington Road, Wilmslow	9,111	Redistribution of Local Transport Plan Grant (LTP) to cover budget pressures within the programme.
Highway Investment Programme	52,574	
Surface Water Mgt Schemes	22,312	
Bridge Maintenance Minor Wks	138,039	
Road Safety Cycle Scheme	1,509	
<b>Total Capital Budget Virements Approved</b>	<b>1,191,522</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>2,131,158</b>	



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

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Cabinet are asked to approve the Supplementary Capital Estimates and Virements above £250,000 up to and including £1,000,000</b>		
<b>Supplementary Capital Estimates</b>		
<b>Highways &amp; Transport</b>		
Highway Maintenance Minor Works	542,403	Additional schemes requested in year that were outside the original capital programme, funded by the Community Investment reserve.
Highway Investment Programme	534,000	2016/17 funding allocation for the Pothole Action Fund.
Maintenance Block (Highways LTP)	585,000	Additional Funding from the Department Of Transport of £585,000 as part of the Governments Incentive Scheme.
<b>Total Supplementary Capital Estimates Requested</b>	<b>1,661,403</b>	
<b>Capital Budget Virements</b>		
<b>Children and Families</b>		
Disley Primary School (Basic Needs)	450,000	Virement from Basic Needs Grant for a new scheme to increase the number of places available to teach pupils at Disley Primary School.
<b>Economic Growth &amp; Prosperity</b>		
Investment in Heritage Buildings	425,000	Transfer budget from the supporting strategic projects block allocation to fund the Council's investment in local heritage assets.
<b>Total Capital Budget Virements Requested</b>	<b>875,000</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>2,536,403</b>	

# Appendix 7 Request for Supplementary Capital Estimates and Virements above £1m

Capital Scheme	Amount Requested £	Reason and Funding Source
Cabinet are asked to request Council to approve the Capital Virements and SCEs over £1,000,000		
<b>Supplementary Capital Estimates</b>		
<b>Economic Growth &amp; Prosperity</b>		
Congleton Relief Road	10,931,000	To reflect the full delivery costs of the scheme to be funded by developer contributions.
<b>Total Supplementary Capital Estimates Requested</b>	<b>10,931,000</b>	
<b>Capital Budget Virements</b>		
<b>Chief Operating Officer</b>		
Schools Capital Maintenance	1,000,000	Virement from Childrens and Families Capital Maintenance Grant to Asset to address conditions works at schools.
<b>Children and Families</b>		
Hungerford Primary School	2,030,000	Virement from Basic Needs and Capital Maintenance block for new schemes to increase the number of places available to teach pupils at schools in Cheshire East.
Mablins Lane Primary School - Phase 2	1,500,000	
Monks Coppenhall Primary School - Basic Needs	1,845,000	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>17,306,000</b>	

# Appendix 8 Capital Budget Reductions

Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
<b>Cabinet are asked to note the reductions in Approved Budgets</b>				
<b>Education Strategy</b>				
DFC Grant	5,590,778	5,534,273	56,505	Reductions required due to schools converting to Academy Status.
Kitchens block (Gas interlock)	610,651	605,097	5,554	Scheme completed, this reduction relates to return of the surplus contribution from Pussbank Primary School.
School Maintenance Projects	2,855,905	2,778,181	77,724	All works from 2014-15 SMS programme have now been completed. This reduction relates to return of the surplus contributions from School.
Springfield Special School - to build a sports barn	1,146,903	1,121,831	25,072	Scheme completed, this reduction relates to return of the surplus contribution from Springfield Special School.
Suitability, Minor Works and Accessibility block	1,405,379	1,404,879	500	This reduction relates to return of the surplus contribution from Gawsworth Primary School.
Case Management Phase 2	65,000	1,411	63,589	Project no longer required.
<b>Adult Social Care</b>				
Supporting the Front Line - Standardising of the Adults, Children & Families ICT Systems	1,557,840	1,472,919	84,921	Notification has been received that social care capital grant has now ceased. This reduction is being actioned to remove the budget relating to our estimate of the grant for 2016-17 and 2017-18
NHS Number - Patient Demographic Service Integration	20,000	0	20,000	
Care Act Information Solutions	200,000	0	200,000	
Sensory Room - Crewe Lifestyle Centre	50,000	0	50,000	
Social Care Capital Grant	1,956,426	730,749	1,225,677	
Integrated Digital Care Record	1,071,000	1,070,949	51	Scheme Completed.

Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
<b>Highways</b>				
Boundary Lane, Congleton	2,500	2,448	52	Refund of unspent S278 Fees - Budget Reduction.
<b>Communities</b>				
Electronic Vehicle RAPIDS	278,000	222,000	56,000	Original budget anticipated an external contribution of £56k, which did not materialise.
Customer Access	829,649	829,206	443	Revenue contribution revised to reflect the final figures.
<b>Leisure</b>				
Leisure Cent ICT Member System	153,228	152,286	942	Final closedown for completed projects.
Nantwich Pool Enhancements	1,605,259	1,603,559	1,700	
<b>Total Capital Budget Reductions</b>	<b>19,398,518</b>	<b>17,529,788</b>	<b>1,868,730</b>	

# Appendix 9 Treasury Management

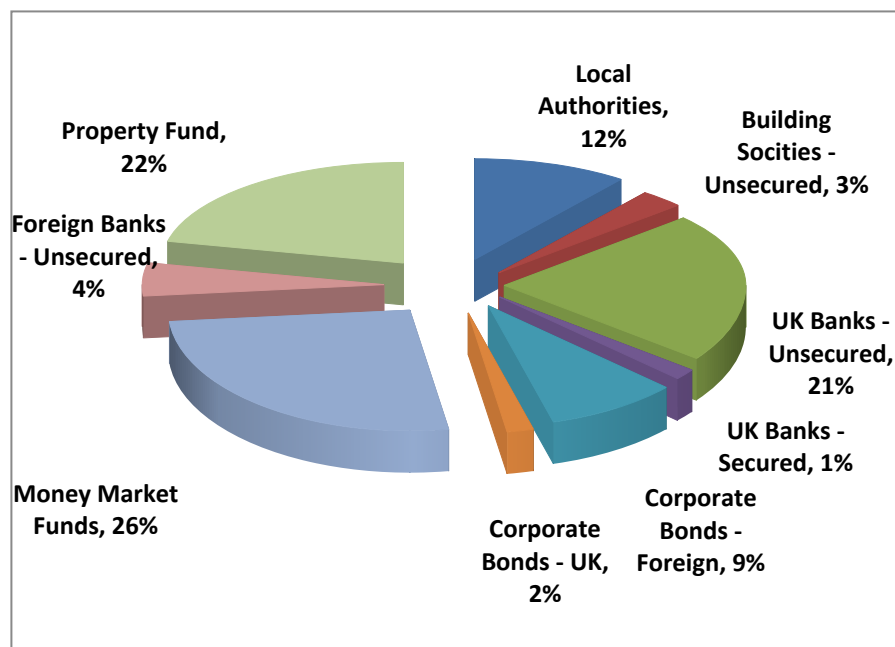
## Counterparty Limits and Investment Strategy

1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. The maximum amount and duration of investments with any institution depends on the organisations credit rating, the type of investment and for banks and building societies, the security of the investment. For most of 2015/16 credit rated banks and building societies have generally been set at a maximum value of £5m for unsecured investments and £10m for secured investments. Any limits apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £10m per fund with a limit of 50% of total investments per fund. Due to their smaller size, unrated Building Societies have a limit of £1m each.
2. The limits in the Treasury Management strategy also apply to investments in foreign banks subject to an overall limit of 40% of our total investments in foreign countries and a limit of £10m per country. Foreign investments held at 31<sup>st</sup> March 2016 total £4.5m over two countries (Germany and Canada).
3. To maintain diversification of investments over a broader range of counterparties, the Council is also investing with other Local Authorities and some unrated Building Societies on advice from our treasury advisors who are monitoring their financial standing in the absence of any normal credit rating.
4. Banks' credit ratings are kept under continual review. There have been some changes in 2015/16 following the regulatory changes and withdrawal of Government support although these changes have not been as severe as expected. Government support has generally been replaced by greater loss absorbency capability. However, as the impact of any bank failure on Council investments is now greater, the following measures have been taken to reduce the risk of being bailed in:
  - a. Invest in more secure financial instruments such as Covered Bonds and Repurchase Agreements (REPO's)
  - b. Invest in highly rated Corporate Bonds which will not be subject to any 'bail-in risk'
5. Covered Bonds are fixed period investments (typically three to ten years) which are tradeable and where the investment is backed by collateral. The bonds held by the Council were purchased on the secondary market with less time to run until maturity. These bonds are exempt from any 'bail-in' requirements and gives the Council protection in the event the Counterparty gets into difficulties. Bonds are rated depending on their collateral so it is possible that a bond is acceptable to the Council where an unsecured deposit would not be.
6. REPO's are where the Council purchases assets from a counterparty with an agreement that the counterparty repurchases those assets on an agreed future date and at an agreed price. The future price will include interest on the investment. The assets purchased will vary in value over the term of the trade so a third party is used (at the cost of the other party, not the Council) to hold those assets on our behalf and obtain additional assets if the value falls below the level of the investment

at any time. It is the quality of the purchased assets that governs the credit quality of the investment rather than the actual counterparty. The Council is making arrangements with Clearstream who can provide the third party facilities and are internationally regarded.

7. **Chart 1** shows an analysis of the investments by counterparty type. A full analysis of the types of investment and current interest rates achieved is given in **Table 1** with the maturity profile in **Chart 2** which also shows the value of investments potentially subject to bail-in in the event of counterparty failure and those which are exempt from bail in requirements.

**Chart 1 – Current Investments by Counterparty Type**



**Table 1 – Types of Investments and Current Interest Rates**

Instant Access Accounts	Average Rate %	£m
Instant Access Accounts	0.05	0.5
Money Market Funds	0.52	8.9

Fixed Term Deposits (Unsecured)	Start	Maturity	Rate %	£m
Close Bros	30/10/2015	29/04/2016	0.65	2.0
National Counties Building Society	13/11/2015	13/05/2016	0.75	1.0
Lancashire County Council	02/12/2015	04/12/2017	1.00	2.0
Close Bros	18/12/2015	20/06/2016	0.70	1.0
Toronto Dominion (CD)	04/01/2016	03/01/2017	0.90	1.5
Gloucester Police CC	31/03/2016	07/04/2016	0.55	2.0

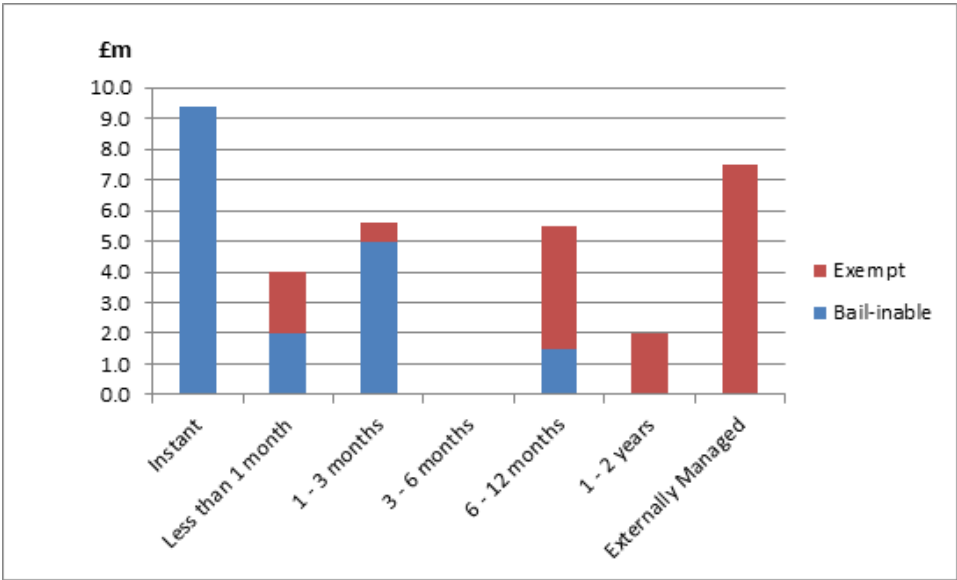
Secured Deposits	Start	Maturity	Rate %	£m
Bank of Scotland	17/06/2015	08/11/2016	0.84	2.5
Bank of Scotland	30/10/2015	08/11/2016	0.95	1.5

Corporate Bonds	Start	Maturity	Rate %	£m
Volkswagen Financial Services	27/04/2015	23/05/2016	0.90	3.0
Rolls Royce plc	29/01/2016	14/06/2016	1.06	0.6

Externally Managed Funds	£m
Property Fund	7.5

Summary of Current Investments	£m
<b>TOTAL</b>	<b>34.0</b>

Chart 2 – Maturity Profile of Investments



# Appendix 10 Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Economic Growth and Prosperity	Neighbourhood Planning Grant (General Purpose)	150	A further grant of £150,000 has been provided to the Council by the Department for Communities and Local Government for designated Neighbourhood Areas. This is to support these local communities to prepare a neighbourhood plan. The grant is not ring fenced to Neighbourhood Planning so can be used to support the wider Spatial Planning function.
Economic Growth and Prosperity	Adult Skills (General Purpose)	169	Additional funding for learners attending Skills Funding Agency courses. The funding contributes towards the Council's 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.
Communities	Smoke and CO2 Alarms (General Purpose)	1	Grant of £835 provided to the Council by the Department for Communities and Local Government.
<b>Total</b>		<b>320</b>	



# Appendix 11 Debt Management

1. Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates) for which the performance related data is contained within Section 2 of this report.
2. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including Highways, Property Services, Licensing, Markets and Building Control.
3. In 2015/16 the Council raised invoices with a total value of £77m. This includes around £18m in Adult Social Care relating to client contributions towards care packages and income from Health.

## Volumes of Invoices raised in 2015/16

	Number	Value £000
Adult Finance	49,567	18,380
Other	9,438	59,066
<b>Total</b>	<b>59,005</b>	<b>77,446</b>

4. The amount of income collected in 2015/16 was £59.2m.
5. The Council's standard collection terms require payment within 28 days of the invoice date, however, services receive immediate credit in their accounts for income due. 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.

6. The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor). In 2015/16 the team collected £1.8m on behalf of services.
7. During 2015/16 the Social Care Business Support team were responsible for the collection of debt for Adult Social Care. Following a lean system review, changes have now been made to the team and debt resources of two FTE are now managed within the Revenue Recovery team with a focus on new debt cases. It was recognised that historic debt needs to be tackled in a dedicated way with a one off dedicated debt recovery team. This resource will be managed by the service due to the important connection to social care professionals, case management and financial assessment systems, charging policies and legal debt recovery resource already in place within Legal Services.
8. During 2015/16 quarterly meetings have been held with the Portfolio Holder for Finance, the Chief Operating Officer and the Director of Legal Services to review and approve the write off of outstanding debt.

### Amounts of sundry debt written off in year

	Adults £	Sundry £
Under £5,000	202,395	40,761
£5,000 - £10,000	90,482	15,853
£10,000 - £50,000	79,091	84,704
Over £50,000	0	496,768
<b>Total</b>	<b>371,968</b>	<b>638,086</b>

9. During 2015/16 a cleansing exercise was undertaken in both Adults Social Care debt and legacy debt with approximately £0.5m of sundry debt written off which related to predecessor authorities.
10. The amount of outstanding service debt at the end of March 2016 was £5.6m. This excludes debt still within the payment terms. The total amount of service debt over 6 months old is £2.7m; provision of £2.9m has been made to cover doubtful debt in the event that it needs to be written off.

	Outstanding Debt £000	Over 6 Months Old £000	Debt Provision £000
Children & Families	67	9	9
Schools	48	31	31
Adult Social Care & Independent Living	3,999	1,818	2,209
Public Health & Wellbeing	0	0	0
Economic Growth & Prosperity	405	241	293
Chief Operating Officer:			
Commissioning Services:			
Environmental	153	132	132
Highways	588	219	219
Leisure	16	12	12
Communities	17	9	9
Other	287	213	84
<b>Total</b>	<b>5,580</b>	<b>2,684</b>	<b>2,998</b>

# Appendix 12 Earmarked Reserves

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2015 £000	Movement in 2015/16 £000	Balance at 31 <sup>st</sup> March 2016 £000	Notes
<b>Children &amp; Families</b>				
Long Term Sickness	350	-350	0	Carried forward surplus of contributions paid by schools ~ operated as a trading account.
Education All Risks (EARS)	343	-343	0	Carried forward surplus of contributions paid by schools ~ operated as a trading account.
Children's Social Care	377	0	377	To support implementation of Children's Social Care bill.
<b>Adult Social Care &amp; Independent Living</b>				
Extra Care Housing PFI	1,681	198	1,879	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.
Individual Commissioning	309	141	450	To provide capacity to perform Deprivation of Liberties and Best Interest reviews of care customers following recent case law.
NHS Section 256	3,535	-144	3,391	To support adult social care which also has a health benefit, as agreed with Eastern Cheshire and South Cheshire Clinical Commissioning Groups and governed by Cheshire East Health and Wellbeing Board.
<b>Public Health</b>	1,972	-30	1,942	Ring-fenced underspend to be invested in areas to improve performance against key targets. Including the creation of an innovation fund to support partners to deliver initiatives that tackle key health issues.
<b>Environmental</b>				
Crematoria	160	-160	0	Mercury abatement income set aside to fund potential replacement cremators as per the capital programme.

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2015 £000	Movement in 2015/16 £000	Balance at 31 <sup>st</sup> March 2016 £000	Notes
<b>Highways</b>				
Severe Weather	240	120	360	To provide for future adverse winter weather expenditure.
<b>Communities</b>				
Communities Investment	1,788	-1,202	586	Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.
Emergency Assistance	845	-276	569	Carry forward of underspend on previous years' schemes to provide for future hardship payments.
<b>Economic Growth &amp; Prosperity</b>				
Building Control	168	-168	0	Ring-fenced surplus (could be used to offset service deficit, if applicable)
Tatton Park	222	-20	202	Ring-fenced surplus on Tatton Park trading account.
Economic Development	141	-141	0	Support for town centres and economic development initiatives.
Planning Costs and Investment Service Structure	1,000	-642	358	To meet potential costs within the Planning Service and Investment Service Structure.
Royal Arcade Crewe	0	500	500	To provide for future costs relating to the Royal Arcade including repairs and maintenance.
<b>Chief Operating Officer</b>				
Elections	604	-592	12	To provide funds for Election costs every 4 years.
Climate Change	67	-67	0	Renewable Energy project.
Insurance & Risk	2,695	1,886	4,581	To settle insurance claims and manage excess costs.
Investment (Sustainability)	8,681	-5,937	2,744	To support investment that can increase longer term financial independence and stability of the Council.
Pension Contributions	173	-173	0	To meet impact of reduced workforce on fixed contribution to Past Service Pensions deficit.
Collection Fund Management	4,648	3,543	8,191	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until 2016/17.
Financing	4,820	6,720	11,540	To provide for financing of capital schemes, feasibility studies, and other projects and initiatives.
Transforming Services	0	3,345	3,345	Funding for costs associated with service transformation; particularly in relation to staffing related expenditure.

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2015 £000	Movement in 2015/16 £000	Balance at 31 <sup>st</sup> March 2016 £000	Notes
<b>Cross Service</b>				
Trading Reserve	36	1,143	1,179	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives.
Service Manager carry forward	5,244	-2,058	3,186	Allocations for Cost of Investment or grant funded expenditure.
Revenue Grants - Dedicated Schools Grant	8,184	-3,026	5,158	Unspent specific use grant carried forward into 2015/16.
Revenue Grants - Other	2,733	-329	2,404	Unspent specific use grant carried forward into 2015/16.
<b>TOTAL</b>	<b>51,016</b>	<b>1,938</b>	<b>52,954</b>	

**Notes:**

- Figures exclude Schools balances of £8.058m at 31st March 2016.
- Proposed earmarked reserves to be created at March 2016 are highlighted.
- Balances at 31st March 2016 exclude the following Council approved additions and reductions to earmarked reserves from 1st April 2016:

	£000
Planning costs and Investment Service structure	1,000
Transitional Funding	2,500
Collection Fund Managememt	451
Investmemt Sustainability	-140
	<u>3,811</u>

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**COUNCIL MEETING – 28 July 2016****Extract from the Minutes of the Constitution Committee Meeting on  
15 July 2016****5 SCHEME OF MEMBERS' ALLOWANCES: REPORT OF THE MEMBERS  
ALLOWANCES INDEPENDENT REMUNERATION PANEL (IRP)**

The Committee considered the report of the Independent Remuneration Panel on the Scheme of Members' Allowances.

The Independent Remuneration Panel had conducted a review of the current Scheme of Members' Allowances. To inform its review, the Panel had considered comparative data on allowances paid in the CIPFA family of authorities of which Cheshire East was part. The Panel had also met members from the different political groups and received briefings from officers of the Council. A copy of the Panel's Report was attached as Appendix A to the Committee report.

Professor Steve Leach, Chairman of the Independent Remuneration Panel, responded to Members' questions regarding the Panel's report and recommendations.

**RESOLVED:** That

1. Council be recommended to note the Independent Remuneration Panel's (IRP) report, and that the IRP members be thanked for their work on the Scheme of Members' Allowances (the Scheme).
2. Council be recommended to agree that:
  - a. All allowances under the Scheme be index-linked, for a four year period commencing on 28th July 2016, to any NJC officers' pay awards; the first of such indexation increases (if any) to apply to the NJC pay award for 2017/18.
  - b. The Council's new Allowances Scheme be implemented with effect from 28th July 2016.

*(the following recommendations show the paragraph numbering in the financial analysis at Appendix C to the report)*

- c. (1) The Panel's views about the level of any overall increase in the budget be noted.
- d. (2) The Panel's recommendations to discontinue Special Responsibility Allowances (SRAs), as set out in paragraph 2 of Appendix C, be agreed.

- e. (3) The Panel's recommendations, that the SRAs of the Leader, Deputy Leader, Cabinet members and Group Leaders should remain at their current level (subject to any future indexation as per paragraph 2[a] above), be agreed.
- f. (4) Consideration of the question of any changes to the SRA allocated to the Chairman of the Public Rights of Way Committee be deferred pending a report to the Constitution Committee upon potential options to amalgamate the work of that Committee with that of another decision-making body.
- g. (5) Whilst the principle of the recommended change to the SRA allocated to the Chairman of the Licensing Committee is accepted, the current SRA be retained, pending a report to the Constitution Committee upon potential options for the re-distribution of the SRA in line with the Panel's recommendations.
- h. (6a) The Basic Allowance be increased to £11,754 per Member, as recommended by the Panel as its first option.
- i. (6b) The second option recommended by the Panel, for a further increase to the Basic Allowance of an additional £187 per annum per Member be not accepted.
- j. (7) [as per Recommendation 2(a)].
- k. (8) The Panel's recommendation that Members should be allowed to claim more than one SRA be not accepted.
- l. (9) The Panel's recommendation, that fees paid to Members who act as directors of wholly owned companies/ASDVs etc should not be taken into account in relation to payment of SRAs be accepted, provided that SRAs will not be paid to such Members in circumstances in which the Director of Legal Services determines that the payment of an SRA, or part, relates to a comparable duty performed by such Members in both roles.
- m. (10) No changes be made to the existing mileage rates available to Members, nor to the existing recommendation that they claim the HMRC rate of 45p per mile.



# CHESHIRE EAST COUNCIL

## Constitution Committee

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**Date of Meeting:** 15<sup>th</sup> July 2016  
**Report of:** Head of Governance and Democratic Services  
**Subject/Title:** Scheme of Members' Allowances: Report of the Members Allowances Independent Remuneration Panel (IRP)

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### 1.0 Report Summary

- 1.1 This report appends the Members Allowances Independent Remuneration Panel's review of Cheshire East Council's Scheme of Members Allowances (Appendices A and B).

### 2.0 Recommendation

- 2.1 That the Constitution Committee note the Independent Remuneration Panel's report and refer the report to full Council.
- 2.2 Specific consideration of the following matters is also requested:
- a) In respect of the annual index recommended to be applied to all allowances in the Scheme– if accepted, to recommend for how many years this index should apply (up to a maximum of 4 years).
  - b) In respect of the implementation date, to recommend whether any changes to the Scheme of Allowances once approved should be implemented from the date of the Council meeting, or be backdated to 11 May 2016.
  - c) In respect of the financial aspects of the report, to consider the analysis provided by Financial Services (Appendix C) and to make appropriate recommendations to Council.
  - d) In respect of the references in the IRP report to the fees paid to Councillors as Directors of ASDVs, to consider the legal advice provided by the Director of Legal Services (Appendix D).

### 3.0 Reasons for Recommendations

- 3.1 The reasons for the recommendations of the Members Allowances IRP are contained with the Panel's report.

**4.0 Wards Affected**

4.1 All

**5.0 Local Ward Members**

5.1 None

**6.0 Policy Implications**

6.1 None

**7.0 Financial Implications**

7.1 A financial analysis of the Report of the Members Allowances IRP Panel has been undertaken by Financial Services and is attached (Appendix C).

**8.0 Legal Implications**

8.1 The Council is empowered to pay a range of allowances to its elected Members in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 in respect of their roles and responsibilities.

8.2 In accordance with the Regulations, the Council is required to appoint an Independent Remuneration Panel to make recommendations in respect of the Members' Allowances Scheme to Council. The Council has to have regard to the recommendations of the Panel when determining or making changes to a scheme of Members Allowances.

8.3 Specific legal advice is appended in connection with the IRP report's recommendations relating to ASDV payments (Appendix D).

**9.0 Risk Management**

9.1 No risks have been identified.

**10.0 Background and Options**

10.1 The Members Allowances Regulations 2003 require that a Members Allowances Independent Remuneration Panel is established and maintained.

10.2 The scheme of Members Allowances covers the payment of basic allowance, special responsibility allowance, dependants' carers' allowance, travel and subsistence allowance and co-optees allowance.

10.3 The former Members Allowances Independent Remuneration Panel Members retired in February 2015. The Constitution Committee therefore appointed a new Panel on 26 November 2015 comprising of Professor Steve Leach (Chairman); Mr Patrick Grange; Mrs Mandy Ramsden and Mr Eric Shaw for a four year term of office expiring in 2020.

- 10.4 The Constitution Committee agreed that there was no necessity for a report of the Independent Remuneration Panel to be produced on an annual basis and that in order to achieve this, consideration could be given to making future provision for the Members Allowances Scheme to be adjusted on an annual basis, by reference to an index. Where the only change made to a scheme in any year is that affected by an annual adjustment, the scheme shall not be deemed to be amended and, therefore, in those cases does not need to be reviewed/agreed by Council.
- 10.5 An index can be applied for a period of up to four years. This option has been considered by the Independent Remuneration Panel and a recommendation has been included in their report. Council will need to determine for how long the index will apply which is recommended for all allowances.
- 10.6 Council will need to determine whether any changes to the Scheme of Allowances when approved should be implemented from the date of the Council meeting or be backdated to 11 May 2016. Officers recommend that the scheme be effective from the date of the Council decision, rather than backdating, to avoid potential complications with regard to the recovery of payments from some Members.

#### **11.0 Access to Information**

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

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**CHESHIRE EAST COUNCIL****REPORT OF THE INDEPENDENT REVIEW PANEL ON MEMBERS ALLOWANCES.**

## Introduction

1.1 The Panel was appointed by Cheshire East Council in November 2015. Its membership comprises Professor Steve Leach (De Montfort University), who chairs the panel, Patrick Grange (South Cheshire Chamber of Commerce), Mandy Ramsden (resident and former local government officer) and Eric Shaw (ex- local government chief officer). It has met on four occasions (15<sup>th</sup> January, 25<sup>th</sup> January, 12<sup>th</sup> February and 2<sup>nd</sup> March). Invitations to make representations to the panel were sent to all Cheshire East's councillors. As it turned out, each party group chose to discuss the issues involved collectively, and then to ask their leader or a senior member to address the Panel and to discuss the groups' concerns with it. Three other councillors chose to address the panel with individual concerns. The Panel also received helpful briefings from Brian Reed, Paul Mountford and Diane Moulson. It is grateful for all these contributions, and to Lindsey Parton and Diane Moulson for responding to numerous requests for information, and for facilitating its meetings so efficiently. This report is the unanimous response of the Panel to its brief.

1.2 At an early stage in its deliberations, the Panel identified a series of principles which it felt should inform its thinking and its recommendations. These are set out in the Appendix to this report. One of the key principles identified was that the system of members' allowances should not restrict the possibility of any member of any group in society from becoming a councillor, and should also have the effect of encouraging groups currently under-represented to put themselves forward. This concern was expressed in several of the representations made to the Panel (especially in relation to younger adults and those in full-time work). The panel, unlike its predecessor, felt this to be an important consideration.

1.3 In addition to the evidence provided by interviewees, the Panel considered comparative information on allowances paid in the CIPFA family of authorities of which Cheshire East is part. It looked at the changes in members' allowances in the authority since 2009, in relation to changes in officer remuneration over the same period. It examined carefully the assumptions, arguments and recommendations set out in the Report of the previous panel (December 2013). It noted the recent developments in Cheshire East involving 'wholly-owned companies' (WOCs) and 'alternative service delivery vehicles' (ASDVs), and the payments made to councillors in positions of responsibility on these entities. The Panel was also well-aware of the climate of austerity in which the Council had operated since 2009, and its likely continuation over the next five years. However, its position is that it is its' job to recommend what it considers to be an appropriate level and distribution of members allowances, and the council's to decide the extent to which it wishes to implement these recommendations, in the light of the current economic circumstances.

## The Basic Allowance

2.1 Cheshire East's basic allowance currently stands at £11,466. In 2009-10 it was 11,200. The increase over the six-year period involved is therefore £266, or 2.3%. Over the same period, officers pay awards have resulted in an overall increase of 3.2%.

2.2 However, the value of the basic allowance has decreased significantly during this time. Applying the Average Weekly Earnings index on a year-by-year basis indicates that to maintain its' 2010 value of £11,200, it would now have to be increased to £12,432 (a rise of 11%) i.e. the real value of the basic allowance has fallen by 11% over six years.

2.3 Compared with other authorities in its CIPFA family, Cheshire East's basic allowance of £11,466 is 19% above the family average of £9,635. In the most recent Census of Local Authority Councillors (2013) the average number of hours per week spent by the 49 councillors from Cheshire East who completed the survey was 34.4. This figure equates to an annual average time commitment of approximately 1,800 hours, which, related to the current basic allowance implies an hourly rate of £6.37p per hour, or if one makes the usual assumption that 50% of a councillor's time commitment should be on a voluntary (unpaid) basis, the implied hourly rate is £12.74. Both of these figures are low compared to the current minimum wage.

2.4 In these circumstances, the Panel was faced with some hard choices. Interviewees told us that the workload of all councillors had increased significantly since 2010, not least because of the increased pressure to cut council services, and the adverse public reaction that this invariably entailed. Evidence from other allowances reviews confirms the plausibility of this assertion. Taking into account also the fall in the real value of the basic allowance since 2010, and the case for seeking to attract a wider range of councillors, there is a strong case for recommending a significant increase, at the very least to restore its' real value to 2010 levels. But to do so would break the link between increases in member allowances and increases in officer remuneration, which many councils have been committed to maintaining, on grounds of fairness. And given the above average of the basic allowance in Cheshire East compared with other authorities in its' CIPFA family, and the continuation of public sector austerity, the Panel did not see that such a recommendation could really be justified?

2.5 Faced with this dilemma, the Panel considered that a helpful way forward would be to examine whether there was a case for making savings in the current budget for Special Responsibility Allowances (SRAs), which could be then be used to finance an increase in the basic allowance, without raising the overall level of expenditure on members' allowances to an extent which would cause understandable concern on the part of officers (or indeed the public). These possibilities are explored in the next section of this report.

#### Special Responsibility Allowances

3.1 The councillors presenting evidence to the Panel made surprisingly little reference to SRAs. Cases were presented for the retention of particular SRAs, in particular those allocated to group whips and deputy portfolio holders. In both of these categories the previous panel had recommended that SRAs were not appropriate, but the Council had overturned the panel's recommendations. However, no representations were made about the appropriateness of the levels of the SRAs in these two categories, nor indeed about the levels of any of the (many) other SRAs currently allocated. The panel could only conclude that there was a general level of satisfaction (or at least no significant dissatisfaction) with the levels of SRAs currently paid.

3.2 The Panel heard arguments from all three parties that the SRAs for group whips should be retained. It was acknowledged that the 'party political' element of this role should not be eligible for an SRA. Rather, the argument was that there was an important aspect of the role, that of 'oiling the wheels of council business', which did merit such an allowance. The Panel was told that in Cheshire East, group whips acted as a vital intermediary between the officer hierarchy and the three party

groups in ensuring that the business of the council (for example the timing and agenda-setting of meetings, dealing with unexpected challenges, and the handling of inter-party disputes) was dealt with efficiently and effectively. One of the councillors interviewed made a helpful distinction between three different councillor roles which in principle merited allowances: representative (covered by the basic allowance): governance (e.g. leadership/cabinet positions): and corporate. It is this final category in which administrative element of the group whips' work would fall.

3.3 At present, it is unusual for group whips to be allocated SRAs. Of the sixteen authorities in Cheshire East's CIPFA group, only two others (Cheshire West and Chester and the East Riding of Yorkshire) make such payments. However, on balance, the Panel was persuaded by the case made to it that the group whip role had a 'corporate' element to it which did merit an SRA. But the panel was clear that only one whip position per group should qualify for an SRA. It appears in the present schedule that there are two 'deputy administration' whip positions. These two SRAs should be discontinued, thereby reducing the number of whip positions which qualify for SRAs from six to four (although currently only two minority party groups are large enough to qualify for these SRAs). It should be made clear that the Panel's decision to recommend the continuation of the remaining SRAs is a response to the administrative (or corporate) element of the whips' role, and not the political element. The Panel would wish to re-examine the appropriateness of its recommendations regarding group whips in its next review.

3.4 With regard to the position of 'deputy portfolio holder', it is becoming increasingly common for panels to recommend that SRA payments should be made to such posts. Of the sixteen authorities in Cheshire East's CIPFA family, eight do so, and it is likely that most of the remaining authorities do not designate such positions. Although in Cheshire East, as elsewhere, deputy portfolio holders cannot formally take decisions, it is clear that they play a significant role in enabling cabinet members to make decisions, as well as taking over other of their responsibilities. Such positions also provide a valuable developmental function for councillors who may well become cabinet members in the future. In these circumstances, the Panel, unlike its' predecessor, was persuaded of the case to allocate SRAs to such positions, albeit at a relatively modest level.

3.5 Although the Panel received no representations regarding the level of SRAs paid to the chairs and vice-chairs of the various committees in Cheshire East, it did seek clarification from officers about the responsibilities and workload of some of the more unusual committees on the list. Whilst it was satisfied that the Audit and Governance and Constitution Committees had important (and different) functions which merited the level of SRA currently allocated, it was less convinced that those of the Staffing and Public Rights of Way Committees did so. Cheshire East is the only Council in the CIPFA family to operate a Public Rights of Way Committee. Presumably other authorities have the same responsibility, but do not see it as necessary to establish a committee to implement it, probably because the responsibility for the function is delegated to officers, or it is included in the brief of the planning committee. In relation to the Staffing Committee, only five other authorities in the CIPFA family pay SRAs to the chairs of such committees (if indeed they have them) and those that do, with one exception, all pitch the SRA involved at a significantly lower level. However, the Panel was informed that the role of the Staffing Committee in Cheshire East was an unusually high profile one, with an above average involvement in appointing senior staff. In these circumstances, the Panel felt that it was appropriate to retain the SRA involved at its current level. However, with regard to the Chair of the Public Rights of Way, the Panel did not feel it could justify recommending an SRA. The role should be regarded as one of the many minor positions of responsibility within the Council which do not qualify for an SRA.

3.6 Having dealt with these details, it is important to point out that there are two more fundamental issues relating to the SRAs in the current Cheshire East schedule. The first is that there are too many of them, compared with most other authorities. Currently there are forty-six positions in the authority which qualify for SRAs, which means that well over half (55%) of councillors in the authority receive one. The guidelines issued by the Office of the Deputy Prime Minister in 2001 recommended that no more than one third of the councillors in any one authority should receive SRAs. The second is that no account has yet been taken of the impact of switching a significant tranche of council decision-making to ASDVs and WOCs (see 1.3 above), where councillors, as directors, receive fees for carrying out these duties. The Panel does not regard such payments as inappropriate, and it is outside its' remit to comment on the level of the payments involved. But it is relevant for it to consider the implications of these changes for the responsibilities that remain within the ambit of the council's decision-making process.

3.7 The Panel felt it was important to deal with the excessive number of SRAs in Cheshire East. The best way of doing so was, it felt, to discontinue paying SRAs to all (or most) of the vice-chair posts which currently qualify. There is always an issue of whether such posts do in principle justify SRAs. Occasionally deputising for the chair does not, in the Panel's view in itself provide a justification. If a chair is absent for more than the odd meeting (e.g. through illness) then the appropriate response would be to transfer the appropriate portion of the chair's SRA to the vice-chair for the period of time involved. In addition, the vice-chair SRAs are pitched at the nominal level of £1,000, which is in itself unlikely to act as a motivation to take on the post. The panel accepts that there is a degree of responsibility involved in a vice-chair position. But there are many other minor responsibilities scattered throughout the council's governance structures, and the official guidelines to panels have always emphasised that there has to be a significant level of responsibility involved to justify an SRA.

3.8 For these reasons, the Panel recommends that SRAs should be discontinued for the positions of the vice-chairs of the Constitution, Licensing, Public Rights of Way, Audit and Governance, Strategic Planning and Northern and Southern Area Committees. The same should apply to the positions of the two deputy Administration Whips. In total this would mean a reduction of ten SRAs (including PROW), leaving a total of 36 positions which qualify for such payments. If these changes were to be made, it would mean that 44% of councillors in Cheshire East would receive an SRA, which is still some way above the percentage figure that the Panel would ideally like to see, but does represent a sizeable reduction from 55%. The Panel would wish to consider the case for further reductions in future reviews. It was encouraged to learn that a review is likely of the decision-making structure in the near future, which may result in a reduction in the number of positions of responsibility that would qualify for SRA payments (e.g. in relation to the scrutiny function)

3.9 The Panel was informed that most of the business of the Licensing Committee (i.e. the consideration of applications for licences) was carried out in smaller sub-committees which were normally chaired either by the chair or vice-chair of the parent Committee. In these circumstances, the Panel recommends that the Chairs SRA of £7,280 be split proportionately in a way which reflects the relative proportion of such meetings chaired (but with a figure to reflect the role of the Chair in relation to the full meetings of the committee built into the formula). A 2:1 proportionate split might be appropriate, but the Panel is happy to leave the details of the allocation to the Council.

3.10 One of the distinctive features of the way Cheshire East conducts its' business is the extent to which the council has devolved responsibility for the delivery of a range of services to alternative service delivery vehicles (ASDVs), and in particular, wholly-owned companies (WOCs). Other authorities have established such mechanisms, but none, so far as the Panel is aware, to the extent that Cheshire East has. The Panel was informed that the role of strategic commissioning for the



services involved remains with the council (and in particular with the relevant cabinet members) but that responsibility for managing service delivery and the allocated budget now rests with directors of the ASDVs and WOCs, positions largely filled by Cheshire East councillors.

3.11 Although the fees that are paid to councillors as chairs and directors of these bodies do not fall within the remit of a Members Allowances review, the panel felt that it was appropriate to consider whether these new arrangements had implications for any recommendations for SRAs that the panel might wish to consider. There were two reasons for doing so. First, there is an existing provision that the fees paid to directors of WOCs etc. should be subject to the rule that members can only claim one such payment, whether he or she is occupying two positions which qualify for an SRA, or one such position and that of a chair/director of a WOC. Secondly the Panel felt it relevant to explore whether the establishment of WOCs etc. had resulted in any reduction in the level of responsibility enjoyed by cabinet members.

3.12 The view from officers was that the responsibilities of cabinet members were unchanged. Their strategic commissioning role was unaffected by the introduction of WOCs, an argument which the Panel accepted. However, there is a good deal of evidence that cabinet members often find themselves involved in issues of service delivery, a finding confirmed by the personal experience of one of the Panel's members. Given that service delivery is now exclusively in the hands of WOCs, the clear implication would be that cabinet members who deal with WOCs would lose any scope for involvement in such issues, which would necessarily affect the scope of their responsibilities

3.13 The Panel was also aware that the total level of payments which could now be claimed by councillors (including directors' fees) had risen by around £100,000, which involves a significant overall increase, even if not all directors' fees are claimed. This is something which the public (as well as the Panel) would need to be convinced was justified in the circumstances.

3.14 However, the Panel recognised that, at present, it did not have enough evidence to justify a recommendation that cabinet members' SRAs should be reduced. It was also aware that the introduction of WOCs has impacted differentially on different cabinet members. Some have been totally unaffected, whilst in one case, four WOCs have been set up within the remit of a cabinet member. It would have made it difficult for the Panel to deal with these differentials without a great deal more work. But it would wish to reconsider the issue at their next review, by which time it is likely that responsibility for the delivery of a further tranche of councils services will have been transferred to WOCs, and more evidence will be available on the impact on cabinet members' responsibilities.

3.15. Included in the current allowances scheme is a clause which specifies that no councillor can claim more than one SRA. If a councillor holds more than one position which qualifies for an SRA, then he or she must forego the smaller of the two allowances. This limitation is widely, though by no means universally applied. In Cheshire East's CIPFA family, only three councils depart from this practice, two allowing a member to claim 50% of a second (lower) allowance, and one permitting two SRAs to be claimed (there are also authorities which exempt specific posts, e.g. deputy leader or group leader(s)).

3.16 When asked by one of our interviewees to justify the 'one SRA only' clause, the Panel found it difficult to do so, beyond the rather lame reason that it's 'common practice'. On discussing the matter further, it concluded that the limitation should be removed. If an SRA is seen as 'the rate for the job', and if one councillor has the time and energy to undertake two such positions of responsibility, then why should he or she not be remunerated for both? (assuming that the roles are

performed competently). The only exceptions should relate to the leader and deputy leader of the council, where it would not be appropriate for a second SRA to be claimed in relation to their roles as cabinet members (even if they hold a specific portfolio).

3.17 When WOCs and ASDVs were introduced, and a scheme of directors fees agreed by the council, it was also agreed that any such fees claimed by a councillor should be deducted, where applicable from an SRA payable in the members' allowances scheme. The Panel felt that this was an unnecessary complication. Directors fees should not be seen as a variant of an SRA, and should be unaffected by SRA eligibility for council responsibilities on the part of directors, unless there is a legal requirement to the contrary. They are a different kind of payment associated with the risks of running a company, and should be seen as separate from the business directly conducted through the council machinery.

3.18 The Panel did not consider that there was a strong case for more than a marginal increase in the overall members' allowances budget. To do otherwise would undermine the parity between increases in members' allowances and officers' salaries, which would be unfair at a time of continuing austerity. In addition, it is likely that the public and local media would find it hard to understand how such an increase could be justified, when local services are under threat.

3.19 What would however be possible, and arguably desirable would be to use the savings which accrue from the Panel's recommendations regarding the discontinuation of a range of existing SRAs (see 3.8) to fund a modest increase in the basic allowance. There was agreement amongst those presenting evidence that there was a strong case for a significant increase in the basic allowance, as an incentive to increasing the number and broadening the composition of those standing for council election, as a response to the increased workload of and expectations placed on councillors as ward members, and in recognition of the decrease in the value of the basic allowance since 2009. No evidence was presented which argued for increases in any of the SRAs, which are almost all above the CIPFA family average. The savings which would accrue from the discontinuation of the vice-chair and deputy whip SRAs would amount to £10,360. The savings which would accrue from the proposed discontinuation in the SRA of the chair of the Public Rights of Way Committees would amount to £5,600. The overall savings of £15,960 if used to increase the basic allowance, would result in an increase of £195 per councillor.

3.20 If the Cheshire East basic allowance had been raised in line with the officer pay awards since 2010, it would now be £11,559, which is £93 more than the current figure of £11,466. Adding these two figures would result in a per capita increase of £288, which the Panel recommends should be applied as a minimum. But this is a small increase of 3% which goes nowhere near to restoring the basic allowance to its 2010 value in real terms, based on the application of the Average Weekly Earnings index (see 2.2 above).

3.21 In these circumstances, the Panel considers that it would be appropriate to propose an option which would involve a greater increase in the Basic Allowance, which would need to be funded through a modest increase in the overall members' allowances budget. If the basic allowance were to be raised by a further £187, which would result in an overall increase of £500 to £11,966, this would require an additional allocation of £15,334, which is close to 1% of the existing members allowances budget. Given that this is probably the last opportunity to increase the Basic Allowance for the next four years, the Panel recommends that this higher level of increase be given serious consideration by the Council.

## Other issues

4.1 The previous panel made no recommendation as to the annual indexing of members allowances. In the current circumstance where increases in officer salaries are closely regulated by central government, the Panel is of the view that the most appropriate index is parity between officer and member increases. More specifically, this implies the annual updating of members allowances in line with the average level of change in the NJC staff pay award for spinal columns 35-40, an index which is now widely used. This should be applied automatically, unless the council resolves to forego the increase.

4.2 The Panel was pleased to note the increased use made in Cheshire East of job descriptions for the various member roles which qualify for allowances (basic or SRA), although some of the descriptions would benefit from an increased degree of specificity. The Panel would encourage the Constitution Committee to continue with its work in extending the scope of job descriptions. Recommendations as to allowances are easier to make when detailed job descriptions are available.

4.3 There was little in the way of comment on the travel, subsistence and other allowances section of the Members Allowances Scheme. The Panel was aware of the confusion relating to the mileage allowance, whereby members were recommended to claim The HM Revenue and Customs-approved tax-free mileage rate of 45p per mile, but the approved rates in the scheme were 46.9p per mile and 52.2p per mile depending on engine size. The Panel recommends that a standard rate of 45p per mile should be specified in the scheme, applicable to both members and officers. This rate should be adjusted if the HMRC provisions change. The principle of an additional allowance of 5p per passenger per mile being paid if passengers are taken who would otherwise be claiming a travel allowance is recommended, as a contribution to energy-saving. The current level of the carers allowance was seen as appropriate by interviewees, and the Panel sees no reason to recommend changes in this nor any of the other elements of the scheme.

## Summary of Recommendations

(1) The changes proposed in the Allowances Scheme should not result in more than a marginal (1%) overall increase in the 2015-16 Allowances budget.

(2) Of the current SRA entitlements, ten should be discontinued, including all vice-chairs. (as set out in 3.8)

(3) The SRAs for the leader and deputy leader of the Council, cabinet members and group leaders should remain at their current level

(4) The SRA of the Chair of the Public Rights of Way Committees should be discontinued (see 3.5).

(5) The SRA for the Chair of the Licensing Committee should be redistributed between the Chair and Vice-chair, on a proportionate basis, reflecting the involvement of both in decision-making sub-committees over the course of the year (see 3.9)

(6) The savings accruing from recommendation (2) should be reallocated to increase the Basic Allowance from £11,466 to £11,754 (option 1). A second option, increasing the basic allowance by a further £187 to £11,941 should also be considered by the Council (see 3.21).

(7) All allowances should be index-linked every year to the NJC officers pay award (see 4.1)

(8) The stipulation that only one SRA can be claimed by any one councillor should be discontinued (except for the leader and deputy leader of the council), and replaced by a maximum of two.

(9) The fees paid to councillors as directors of WOCs etc. should not (as is the present situation) be taken into account in relation to payment of SRAs, unless this is a legal requirement.

(10) The mileage allowance paid to members and officers should be the same, and should be pitched at the level stipulated as being tax-free by HMRC (currently 45p per mile). An additional 5p per passenger per mile should be payable, if to do so avoids additional claims for mileage allowance being made.

CHESHIRE EAST COUNCIL

REPORT OF IRP

Underlying Principles

\*system of allowances should not discourage any social category from seeking to become a councillor, and ideally should act to encourage those groups currently under-represented to stand.

\*it should bear comparison with those in other authorities which have similar characteristics and responsibilities.

\*SRAs should reflect the level of responsibility associated with the role, rather than time spent carrying it out.

\*a proportion of the time spent by councillors on their duties should be regarded as voluntary, and hence not eligible for remuneration (typically 50%)

\* purely party political roles should not be eligible for SRAs. Some impact on the overall performance of the authority should always be demonstrable.

\*the nature of the responsibilities which qualify for allowances can be representative, governance, or corporate.

\*there will be a range of minor positions of responsibility in a local authority which should be regarded as part of normal duties, and hence not eligible for an SRA.

\*the proportion of councillors eligible for an SRA should ideally not be more than one third.

\*the job of an IRP is to make recommendations as to what allowances are merited in the light of the principles set out above. If the council wishes to take account of prevailing financial/budgetary circumstances, that is a matter for them, not the panel.

\*all allowances should be adjusted every year in line with an agreed index (e.g. retail price index) unless the council specifically decides to forego such the implied increase.

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	Changes proposed by Independent Remuneration Panel	Implications for Cheshire East
1	The changes proposed should not result in more than a marginal (1%) overall increase to the 2015-2016 allowances budget.	The Council must decide upon the appropriateness of allowances for members. The Panel's views are noted.
2	Of the current SRA entitlements, ten* should be discontinued, including all vice-chairs (as set out in paragraph 3.8 of the IRP's report)  *This figure includes proposal at (4) below	The nine committee posts which are proposed to be removed are: (SRA per annum) Constitution Vice Chairman (£1000) Licensing Vice Chairman (£1000) Public Rights of Way Vice Chairman (£1000) Audit and Governance Vice Chairman (£1000) Strategic Planning Vice Chairman (£1000) Southern Planning Vice Chairman (£1000) Northern Planning Vice Chairman (£1000) Deputy Administration Whip (£1680) Deputy Administration Whip (£1680)  <b>Potential savings which could be accrued:            Minimum £1,000 (removal of 1 post), maximum £10,360 (removal of all the above posts)</b>
3	The SRAs for the leader and deputy leader of the Council, cabinet members and group leaders should remain at their current level	No changes would be required to the current scheme from this proposal.
4	The SRA of the Chair of the Public Rights of Way Committees should be discontinued (paragraph 3.5 of the IRP's report )	SRA per annum is £5,600.  <b>Potential saving of £5,600</b>
5	The SRA for the Chair of the Licensing Committee should be redistributed between the Chair and Vice-chair, on a proportionate basis, reflecting the involvement of both in decision-making sub-committees over the course of the year	If approved, a mechanism for allocating the allowance will need to be developed and formally approved.
6a	The savings accruing from recommendations (2) & (4) should be reallocated to increase the Basic Allowance from £11,466 to £11,754.	It is for Council to decide upon how, if available, any savings should be utilised.
6b	A second option, increasing the basic allowance by a further £187 from £11,754 to £11,941 should also be considered by the Council (see paragraph 3.21 of the IRP's report).	It is not possible to validate this proposal as the IRP's report does not include any calculations which show how the £187 figure was reached. Notwithstanding this, if this secondary increase was to be applied, the potential cost would be (£187 x 82) = £15,334  <b>Potential increase to the base budget</b>

Changes proposed by Independent Remuneration Panel		Implications for Cheshire East
7	All allowances should be index-linked every year to the NJC officers pay award (see paragraph 4.1 of the IRP's report)	An index can only be applied for a four year period before it needs to be reviewed. The NJC pay award for 2016/2017 is 1%. The first indexation would be applied in line with the following NJC officer award; projections for this and subsequent years would need to be made to ascertain the cost to the budget.  <b>Potential increase to the budget</b>
8	The stipulation that only one SRA can be claimed by any one councillor should be discontinued (except for the leader and deputy leader of the council), and replaced by a maximum of two.	The removal of this rule is likely to result in an increase on the budget. However, the amount by which the budget would increase is difficult to quantify as it is dependent on which members are in post/appointed to an ASDV at any given time. The level of increase could also go up or down if appointments were to change during the course of a financial year.  <b>Potential increase to the budget</b>
9	The fees paid to councillors as directors of WOCs etc. should not (as is the present situation) be taken into account in relation to payment of SRAs, unless this is a legal requirement.	The removal of this rule is likely to result in an increase on the budget. However, the amount by which the budget would increase is difficult to quantify as it is dependent on which members are in post/appointed to an ASDV at any given time. The level of increase could also go up or down if appointments were to change during the course of a financial year.  <b>Potentials increase to the budget</b>
10	The mileage allowance paid to members and officers should be the same*, and should be pitched at the level stipulated as being tax-free by HMRC (currently 45p per mile). An additional 5p per passenger per mile should be payable, if to do so avoids additional claims for mileage allowance being made.	The 2015-2016 Members Allowances Scheme allows members to claim 45p, 46.9p or 52.2p per mile based on engine size and mileage of no more than 8,500 per year. However, members are recommended to claim the HMRC tax free rate of 45p, which some members currently adhere to.  <b>Potential savings to the budget</b>

**Summary of proposals - possible savings:**

- a) If all the proposals were rejected, there would be no change to the allowances base budget
- b) If recommendations 2 and 4 were adopted, the maximum saving would be £15,960



**Summary of proposals - possible increases:**

- d) If basic was raised further from £11,754 to £11,941 (by £187), the increase to the budget would be £15,334.
- e) On a current budget of £1,392,386, a 1% increase would equate to £13,923.

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**Advice from the Director of Legal Services in respect of IRP recommendation 9**

Whilst the Panel felt unable to comment on the level of remuneration paid to directors of the Council's ASDVs, although those payments are NOT allowances, there IS a regulatory connection to the remuneration scheme.

The Local Authorities (Companies) Order 1995 makes it a legal requirement for 'regulated' companies (companies owned or controlled by local authorities) not to pay directors more than the 'maximum amount.' That is defined as 'the greatest amount which would for the time being be payable by [the Council] in respect of a comparable duty performed on behalf of [the Council], less any amount paid by that authority in respect of the relevant duty to the regulated director in question.'

In other words, payments to Directors of ASDVs should not exceed the amount paid in respect of the nearest equivalent role that commands a SRA. Moreover, if the Director is also paid for that equivalent role, that other payment should be deducted.

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**COUNCIL MEETING – 28 July 2016****Extract from the Minutes of the Constitution Committee Meeting on  
15 July 2016****7 VACANCIES IN THE OFFICE OF PARISH COUNCILLOR - TREMLOW  
PARISH COUNCIL**

The Committee considered a report on vacancies in the Office of Parish Councillor at Tremlow Parish Council.

It was reported at the meeting, that since the report had been published, a parish councillor had withdrawn their resignation and that Tremlow Parish Council was now quorate and could now make decisions. As a result, Recommendations 1(a) and (b) were no longer required.

Given that the Council in future may be required to make temporary appointments to parish councils to enable them to be quorate and take decisions, it was recommended that Council delegates this function to the Constitution Committee and the Committee's terms of reference be amended accordingly.

**RESOLVED:**

That Council be recommended to delegate to the Constitution Committee the Council's powers under section 91 of the Local Government Act 1972 in relation to the appointment of persons to fill vacancies on parish councils where such councils are otherwise unable to act, and the terms of the reference of the Constitution Committee, and hence the Constitution, be amended accordingly.

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# CHESHIRE EAST COUNCIL

## Constitution Committee

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<b>Date of Meeting:</b>	15 <sup>th</sup> July 2016
<b>Report of:</b>	Head of Governance and Democratic Services
<b>Subject/Title:</b>	Vacancies in the Office of Parish Councillor - Twemlow Parish Council

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### 1.0 Report Summary

- 1.1 This report invites the Committee to recommend to Council that two appointments be made to Twemlow Parish Council and that the terms of reference of the Committee be amended.

### 2.0 Recommendations

- 2.1 That Council be recommended that:

1. the Director of Legal Services be authorised to:
  - (a) draw up and execute an Order (to be known as 'The Cheshire East Council (Temporary Appointments to Twemlow Parish Council) Order 2016') pursuant to section 91 of the Local Government Act 1972 to appoint Councillors Les Gilbert and Andrew Kolker to Twemlow Parish Council until such time as two or more other councillors have been elected to or co-opted by the Parish Council; and
  - (b) send two copies of that Order to the Secretary of State; and
2. the Council's powers under section 91 of the Local Government Act 1972 in relation to the appointment of persons to fill vacancies on parish councils where such councils are otherwise unable to act be delegated to the Constitution Committee and the terms of reference of the Committee, and hence the Constitution, be amended accordingly.

### 3.0 Reasons for Recommendations

- 3.1 The appointments to Twemlow Parish Council are necessary for the parish council to be quorate and therefore able to take decisions.
- 3.2 The delegation to the Committee of the Council's powers under section 91 of the Local Government Act 1972 will enable such matters to be determined by the Committee in future without reference to full Council.

#### **4.0 Background and Options**

- 4.1 Twemlow Parish Council has 7 seats, but currently has 5 vacancies. The quorum for the Council is 4. Therefore, the Parish Council cannot make decisions at this time.
- 4.2 Section 91 of the Local Government Act 1972 provides that where there are so many vacancies on a parish council that it is unable to act, the Borough Council may by order appoint persons to fill all or any of the vacancies until other councillors can be elected or co-opted to the parish council. It is the normal practice for such appointments to be made from among the local Borough ward councillors for the area covered by the parish. Twemlow parish is situated wholly within the Borough ward of Dane Valley. The Borough Councillors for that ward are Councillors Les Gilbert and Andrew Kolker. Both Councillors have been consulted and have confirmed that they are willing to be appointed to the Parish Council until such time as two or more other councillors have been elected to or co-opted by the Parish Council.
- 4.3 The 1972 Act requires the making of such temporary appointments to be made 'by order.' Accordingly, it is recommended that the Director of Legal Services be authorised to draw up and execute the requisite order; the order to be known as 'The Cheshire East Council (Temporary Appointments to Twemlow Parish Council) Order 2016.' Two copies of this order are required to be sent to the Secretary of State.
- 4.4 Given that the Council may be required to make similar temporary appointments to parish councils in the future, it is recommended that Council delegate this function to the Constitution Committee and amend the Committee's terms of reference accordingly.

#### **5.0 Access to Information**

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

Name: Paul Mountford  
Designation: Governance and Democratic Services  
Tel No: 01270 686472  
E-mail: [paul.mountford@cheshireeast.gov.uk](mailto:paul.mountford@cheshireeast.gov.uk)



## CHESHIRE EAST COUNCIL

### Council

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<b>Date of Meeting:</b>	28 July 2016
<b>Report of:</b>	Director of Legal Services
<b>Subject/Title:</b>	Overview and Scrutiny Annual Report 2015/16

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#### **1.0 Purpose of Report**

- 1.1 The annual Overview Scrutiny report 2015/16 is attached.

#### **2.0 Recommendation**

- (1) That the annual report be received;
- (2) That the report be posted on the Council's website

#### **3.0 Wards Affected**

- 3.1 Not applicable

#### **4.0 Local Ward Members**

- 4.1 Not applicable

#### **5.0 Policy Implications**

- 5.1 Not applicable

#### **6.0 Financial Implications**

- 6.1 No financial implications would appear to arise from the recommendations of this report.

#### **7.0 Legal Implications**

- 7.1 Not applicable

## **8.0 Risk Assessment**

- 8.1 There are no identifiable risks.

## **9.0 Background and Options**

- 9.1 The 2015/2016 Overview and Scrutiny Annual report attached summarises the activities of the Council's six Overview and Scrutiny Committees during the period of the 2015/16 Municipal Year.
- 9.2 The report explains how Scrutiny plays its part in the governance of Cheshire East, summarises the main activity carried out by the Council's Overview and Scrutiny Committees during the 2015/16 municipal year, and addresses future challenges for Overview and Scrutiny.

## **10.0 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](mailto:mark.nedderman@cheshireeast.gov.uk)



# Overview and Scrutiny

## Annual Report

June 2016

## Introduction

- 1.1 Welcome to the Council's 2015/ 2016 Annual Overview and Scrutiny Report.

Overview and scrutiny plays an important role in the governance of Cheshire East by examining the Council's performance and undertaking policy reviews. Through the work of six committees,



overview and scrutiny committee members ensure that the Council's decision makers and partner organisations are held to account for their decisions. We strive to ensure that the residents of Cheshire East receive the best value possible from those who provide services to the residents of the borough.

- 1.2 This is the second annual report since the Council reintroduced a formal overview and scrutiny committee structure comprising 6 committees in May 2014. The new structure was implemented following a review of the Council's arrangements by Professors Steve Leach and Colin Copus of De Montfort University.
- 1.3 The May 2015 elections introduced a significant number of new Members to overview and scrutiny. In order to give the new members the best possible start, a dedicated session on overview and scrutiny was included in the induction programme for new Members. This session was closely followed by a workshop hosted by Dr Stephanie Snape from NW employers on post regulation scrutiny and work planning best practice. Both sessions were well received by Members and arrangements are in hand to follow up the training sessions in 2016/17.
- 1.4 Local Authorities continue to face unprecedented reductions in central funding and the Government has recently announced that the Council will receive no revenue support grant at all in 4 years' time. The consequences are that the Council will then have to be fully self-funding. This is expected to be achieved through a combination of Council tax, business rates and fees and charges. The Council will therefore have to continue to transform the way in which it conducts its business. Overview and scrutiny will have an integral role to play in that process.
- 1.5 Each of the six committees have managed full work programmes during the civic year. This included six task and finish groups which began during the year. Three task and finish groups have already submitted final reports to Cabinet and the remaining three are expected to report in the summer of 2016.
- 1.6 Elsewhere, Health and Adult Social Care Committee undertook an intensive spotlight review of Ambulance Services in April 2016. This is a good example of an overview and scrutiny committee adopting a different method of

investigation, in this case, using a Parliamentary Select committee approach. Feedback from all those who took part in this review has been very positive and will undoubtedly be used for other reviews in future.

- 1.7 As always, our thanks are extended to all those who have taken part in the work of Overview and Scrutiny over the past year. Our work would not be possible without the co-operation and support of Cabinet Members, co-opted members, officers, public and partners.
- 1.8 I hope you find this report to be informative and look forward to the year ahead.

Margaret Simon Chairman Corporate Overview and Scrutiny Committee

## **2.0 The work of Overview and Scrutiny Committees**

### **2.1 Corporate**



Chairman: Councillor Margaret Simon

Vice Chairman: Councillor Mo Grant

Committee Members: Chris Andrew, Gary Barton, Gordon Baxendale, Sam Corcoran, Dorothy Flude, Arthur Moran, Jos Saunders, Bernice Walmsley, Liz Wardlaw, Hayley Wells-Bradshaw, Jonathan Weston, John Wray

- 2.2 The Committee is responsible for reviewing the Council's internal operation, including budget setting, risk management, governance, human resources and procurement. The committee comprises the Chairs and Vice Chairs of all of the overview and scrutiny committees and has a secondary role to co-ordinate the work of the other five committees to ensure there is consistency in relation to new legislation and best practice. The committee also oversees the training requirements of Overview and Scrutiny.

### **2.5 Committee work**

- 2.6 The Committee plays a crucial role in monitoring the budget and operational performance of the Council on a quarterly basis. Allied to this, the Committee plays an integral part in the formal consultation arrangements on the draft budget. This year, the Committee played a full part in the consultation process by challenging portfolio holders and chief officers on budget options at key stages during the municipal year.
- 2.7 The Council is currently working in partnership with Price Waterhouse Cooper to redesign the Council's website to improve the digital offer to customers of Cheshire East. Corporate Overview and Scrutiny Committee has been closely involved in overseeing the design of the new website and will, in the summer

of 2016, be involved in trials of a number of new software options during the development process. This development work is expected to lead to the Council having the most interactive local authority website in the country which in turn should provide commercial opportunities for the Council to sell to other public bodies.

- 2.8 The Committee has also received regular updates from the portfolio holder to oversee the local plan process following the pause instigated by the Local Plan Inspector in 2015.

## **2.9 Safer Parking for Communities Around Schools Task and Finish Review**

- 2.10 A Task and Finish Group has been looking at universal problems associated with parking around schools. This cross cutting issue was taken up by Corporate Overview and Scrutiny Committee with the aim of finding solutions to lessen the impact on local communities of inconsiderate parking around schools. Apart from the inconvenience caused to those local communities, the actions of some parents potentially puts children at risk. The group has also identified concerns associated with enforcement.



- 2.11 As the problem affects all areas within the borough, the group sent a questionnaire to all Members of the Council to gain an understanding of the personal experiences of locally elected representatives on a ward by ward basis. Cheshire Constabulary, Cheshire Fire and Rescue, highways, planning and education are all involved in the review.
- 2.12 Although the review is not yet completed, it is becoming clear that it is unlikely that a 'one size fits all' approach will be found. The group is exploring opportunities to work with an individual school and its local community to produce a mutually acceptable solution that can be used as blueprint for other locations.

## **2.13 Looking Ahead to 2016/17**

- 2.14 The budget will continue to form a significant part of the work of the committee especially as the projected financial position of the Council continues to forecast significant pressures.
- 2.15 The Committee has been invited to review the Council's member training arrangements in order to ensure that the Council is fit for purpose to deliver training programmes that meet the modern needs of e learning and remote learning. In conjunction with this work, a review will be undertaken of member

facilities at the Council's headquarters at Westfields Sandbach which are recognised to be unsatisfactory at the moment.

- 2.16 As outlined above, the committee will be involved in further development work on the Council's improved website to improve digital facilities for Cheshire East residents.
- 2.17 A review of the Council's recent decision to disband Coscious will be undertaken. The committee is also committed to undertaking a value for money review of the third sector and partner organisations

## **2.18 Children and Families**



Chairman: Councillor Rhoda Bailey

Committee: Members Beverley Dooley, Dorothy Flude, Laura Jeuda, Gill Merry, Arthur Moran, Jos Saunders, Liz Wardlaw

Co-opted Members: Jill Kelly, John McCann

## **2.19 Committee work**

- 2.20 The Committee has overseen the Council's improvement plan which was produced in response to the Ofsted inspection carried out at the beginning of the 2015/16 municipal year. The review had looked at the effectiveness of the Council's arrangements for children in need of help and protection, children looked after, and care leavers. Inspectors had also carried out a review of the Local Safeguarding Children's Board (LSCB).
- 2.21 The inspection report had subsequently identified 17 recommended actions for the Council and its partners and a further 8 for the LSCB to achieve a consistently good standard.
- 2.2 Two particular matters that the Committee focussed on from the improvement plan were the need to improve recruitment and retention of children's social workers and the introduction of a suite of performance indicators specific to children's services which will now be presented to the committee on a quarterly basis beginning in July 2016.
- 2.23 The Committee has also received briefings on the school improvement programme and school capacity in light of the expected increase in the number of academies in the borough and will be taking a keen interest in how this develops.
- 2.22 The Committee followed up the actions taken by Cabinet in response to the Care Leavers Task and Finish Group report from 2012. The aim of the 2012

review was to help care leavers make a successful and adjusted transition from care into sustainable independence and adulthood.

- 2.24 Since 2013, services for care leavers in Cheshire East have been driven by the Council's involvement in the New Belongings project as part of a north west cluster of authorities, aimed at creating better fully integrated, easily accessible services for care leavers.
- 2.25 The Committee was informed that New Belongings had progressed a number of actions during 2015, many of which had overlapped the recommendations of the task and finish review.

## **2.26 CSE Task and Finish Review**

- 2.27 A task and finish group originally convened in December 2014 resumed in the late summer of 2015. The task and finish group produced an interim report in February 2015 which summarised the groups findings relating to the policies and procedures that were in place to protect children and young people from sexual exploitation. When the group resumed its work in 2015, members were keen to ensure that evidence existed to demonstrate that the voice of the victim was being heard and acted upon by the Council and partners in light of systematic failings widely reported in Rochdale and Rotherham. This is being tested by looking at some real life case to assess how the policies and procedures are applied and to gain an understanding of the process from the perspective of those closely involved. The review is expected to finish in September 2016

## **2.28 Looking Ahead to 2016/17**

- 2.29 In response to significant public interest in the February Council decision to de-designate four children's centres, the committee included an item in its work programme to review the impact of that decision 6 months after the implementation of the decision.



- 2.30 The committee has recognised that little attention has been paid over recent years to children's mental health and wellbeing. The committee has therefore committed to undertaking a piece of work jointly with the Health and Adult Social Care Committee and colleagues in Cheshire West to review the Council's arrangements regarding the mental health of children and young people, which forms part of a 'Pioneer' project which is reviewing I arrangements across Cheshire. It is expected that the review will be carried out in a select committee style spotlight investigation along similar lines to the recent successful review of ambulance services.



- 2.31 A new Corporate Parenting Committee was set up in 2015 to oversee the Council's Corporate Parenting responsibilities. The Committee will review the impact that the new committee during 2016/17.

## 2.32 Environment



Chairman: Councillor John Wray

Vice Chairman: Councillor Gary Barton

Committee Members: Harold Davenport, Martin Hardy, Andrew Martin, Michael Parsons and Brian Roberts

2.33 The Environment Overview and Scrutiny Committee deals with environmental matters including flood risk management and the following Alternative Service Delivery Vehicles (ASDVs):

- ANSA – waste and recycling, grounds maintenance, fleet and street cleansing.
- Orbitas – cemeteries and crematoria, handyman service.
- Transport Services Solutions – home to school transport, specialised transport, public transport, demand responsive transport and transport associated activities
- Fairerpower – energy supply

## 2.34 Committee Work

### 2.35 ASDVs

2.36 The Committee has continued to build upon the well-established working relations with ANSA and Orbitas, and the Council's Commissioning Managers which has enabled it to monitor quarterly performance reports on a regular basis.

2.37 To understand the improvements made by ANSA over the past 12 months, Members undertook site visits to the various depots and premises. Members were pleased to see the progress made to date, particularly the improved working conditions at West Park Depot in Macclesfield which had been highlighted by Members on a previous visit.

### 2.38 Street Lighting Review

2.39 Following reports in the press about an increase in accidents due to street lights being switched off as part of an energy saving initiative, the Committee reviewed the 702 street light programme in Cheshire East to ascertain whether or not switching off street lights on certain roads had caused an increase in accidents at those locations.

2.40 The Committee discovered that all the street lights involved in the programme were on rural lengths of road at locations where there was little frontage development and no pedestrian or cyclist provision. All approaches to junctions on these roads had remained lit. Historically, the sites had low

collision rates. A safety evaluation had been carried out based upon Police road traffic accident statistical data which compared collision rates before and after the switch off. The figures indicated that collisions had actually reduced since the switch off. It was also evident that crime had not increased during the period in which the lights had been switched off. The Committee concluded that the programme had not had a detrimental effect on residents and that no further action needed to be taken.

## **2.41 Speed Management Strategy**

2.42 The Committee has assisted in drafting the Speed Management Strategy, which will address residents' concerns about the effect of speeding traffic on their safety and quality of life. The strategy required the input of various agencies including Cheshire Fire and Rescue and Cheshire Constabulary in the provision of:

- Setting local speeds
- Education with Cheshire Fire and Rescue Service
- Speed enforcement with Cheshire Constabulary
- Speed management measures (physical and persuasive)

2.43 The strategy is due to go out for consultation, prior to being submitted to Cabinet for approval in summer 2016.

## **2.44 Waste**

2.45 The Committee has been monitoring progress made in the development of an Environmental Services Hub to be located in Middlewich, which will become the Borough's main recycling centre and new headquarters for Ansa. The new site is due to be completed in winter 2016. Plans were also in place to build and operate a Dry Anaerobic Digestion Facility within the borough to recycle garden and food waste to generate energy and high quality compost.

## **2.46 Flood Risk Management**

2.47 Under the Localism Act 2011, this Committee is responsible for the scrutiny of flood risk management within Cheshire East. Members received an annual report outlining the progress made in 2015/2016, on the Council's flood risk management arrangements which due to significant flooding in other parts of the country during the recent winter had received renewed focus.

2.48 A revised food risk management strategy had been produced in accordance with the Council's role as a Lead Local Flood Authority. One matter of immediate concern to Members had been the fact that the flood risk management team had three vacancies at the time the committee had received the annual report. Due to the national focus on flood risk management, it was apparent that qualified flood risk engineers were in high demand. For that reason, the committee wrote formally to the portfolio holder urging him to give the recruitment of staff within the flood risk team his highest priority.

## **2.49 Fly Tipping Task and Finish Group**

Membership

Councillors: N Mannion (Chairman), Rhoda Bayley, M Parsons and B Roberts

- 2.50 A Task and Finish Group has been set up to address the problems of Fly Tipping within Cheshire East, as the current arrangements to deal with incidents were considered to be inadequate due to coping with the a significant increase in fly tipping over recent years which was now costing the Council around £160,000 per year. Along with reviewing the extent of the problem, the group is monitoring the success of a 12-month pilot scheme to address local fly-tipping/side waste issues in Crewe. The pilot scheme involves employing two full time officers who will take proactive action in areas within Crewe where high levels of fly tipping currently occur. This will be backed up by to a publicity campaign to make the public aware of the pilot scheme and work being undertaken by Cheshire East and Ansa.

## **2.51 Looking Ahead to 2016/2017**

- 2.52 As well as continuing to monitor the work of the ASDVs and Flood Risk Management, the Committee will be will be looking to develop a place based parking strategy, which will identify and meet the needs of each individual town.

## **2.53 Communities**



Chairman: Councillor Gordon Baxendale

Vice Chairman: – Councillor Chris Andrew

Committee Members: – Michael Beanland, Ellie Brooks, Mo Grant, Sarah Pochin, Gill Rhodes, Mick Warren

## **2.54 Committee work**

- 2.55 The Communities Overview and Scrutiny Committee is responsible for Community Strategies, localism, communities and regulatory services, visitor economy, Tatton Park Enterprises and crime and disorder matters as provided by Sections 19 and 20 of the Police and Justice Act 2006.

## **2.56 Crime and Disorder Matters**

- 2.57 The Safer Cheshire East Partnership is currently updating its plan to develop new priorities to reflect the changing landscape of crime in Cheshire East. Serious and organised crime are on the increase within Cheshire East compared to the rest of Cheshire. The police have new priorities for 2016/2017 including public space crime, cyber crime and organised crime around human trafficking and child abuse which will be reflected in the plan.

Following a recommendation from the Committee, rural crime will now also be featured and the Committee will be reviewing the final plan in June 2016.

The council now also has a statutory responsibility to prevent people from being drawn into terrorism and adopting a prevention strategy. Local authorities must have a panel to provide support for people vulnerable to being drawn into terrorism.

## **2.58 Alternative Service Delivery Vehicle (ASDV)**

- 2.59 Members undertook a tour of the mansion and catering facilities at Tatton Park and met senior officers to gain an appreciation of the vision for Tatton Park and also to enable the committee to review the performance of Tatton Park Enterprises from a better informed position. Members learnt about the cultural economy, the profile, governance arrangements, financial projections and the vision for future expansion for Tatton Park and Tatton Park Enterprises.



## **2.60 Task and Finish groups**

### **2.61 Domestic Violence**

Met between June 2015 - March 2016

Membership

G Baxendale (Chairman), E Brooks, M Grant, S Pochin and M Warren

- 2.62 The task and finish group was set up to consider how domestic violence is dealt with, investigate the under reporting of domestic abuse and understand the reasons why there is no longer a single specialist court in Cheshire East. The group met with representatives of the police, Council's Domestic Abuse Family Safety Unit and service users.
- 2.63 The investigation revealed some interesting and startling facts about the extent of known domestic abuse in the borough and highlighted a number of

issues connected with current arrangements that the Council and its partners have in place to deal with domestic abuse including funding arrangements, which has led the group to making twelve recommendations for Cabinet to consider.

- 2.64 The recommendations focused around funding and working smarter with partners. The Communities Overview and Scrutiny Committee approved the final on 21 April 2016 and was submitted to Cabinet for consideration on 3 May 2016.

## **2.65 Looking Ahead to 2016/2017**

- 2.66 The Committee hopes to concentrate on Crime and Disorder matters and as well as developing strategies for preventing extremism, community cohesion and scams and mass marketing.

## **2.67 Jobs Regeneration and Assets Overview and Scrutiny Committee**



Chairman: Councillor Hayley Wells-Bradshaw

Vice Chairman: Councillor Jon Weston

Membership: Councillors Derek Bebbington, Susanne Brookfield, Craig Browne, Liz Durham (May-Nov 2015) and Brian Roberts

- 2.68 The Jobs Regeneration and Assets Overview and Scrutiny Committee is responsible for monitoring performance and policy development relating to economic growth and employment, regeneration of the Borough's towns and villages, housing and development management, and asset management: including facilities management, use of assets, disposals of land and buildings. The Committee is also responsible for monitoring the ASDVs: Cheshire East Engine of the North, Civicance Ltd and the Skills and Growth Company.

### **Committee Work**

- 2.69 The Committee began the municipal year by considering the progress of devolving assets to Town and Parish Councils and Community Groups which began in September 2011. Regarding Council assets more generally the Committee has also been monitoring the Strategic Asset Management Plan implementation process to ensure the aims of the strategy are being achieved and that consolidation of assets is not adversely affecting services.
- 2.70 The Committee has monitored the progress of regeneration projects in the Borough major towns of Crewe and Macclesfield. The Committee has been specifically keeping up to date with the progress of HS2, which will create

massive economic and social opportunities for the town and surrounding areas.

- 2.71 In January 2016 the Committee received progress and performance reports from Cheshire East Engine of the North, responsible for property development on major strategic land assets, and Civicance Ltd, responsible for planning and development support. The Committee has also monitored the development of the newly created Skills and Growth Company, which will be responsible for business engagement and working with partners to create jobs and develop the skills of local people.
- 2.72 The Committee has looked into the potential introduction of the Community Infrastructure Levy (CIL) and what that could mean for development in our area and how communities might benefit. The Committee has also been keeping up to date with the quality of private rented sector housing provision in the Borough and the impact it has on our residents. In particular Homes of Multiple Occupancy (HMOs) has been an issue in some areas and the Committee will continue to monitor the situation to see if there is any requirement for more in-depth scrutiny.
- 2.73 The Committee has continued to monitor the progress of Cheshire Neighbours Credit Union (CNCU). In August the Committee encouraged the Council to continue to support CNCU and has been monitoring the credit union to ensure that it is providing value for the Council's investment and support.

## 2.74 Apprenticeships – Task and Finish Group

October 2015 – March 2016

Membership

J Weston (chair), B Roberts and L Durham (until Nov 2015)

- 2.75 The Government has set a target of 3 million apprenticeship starts during the current Parliament. The Task Group was set up to see how Cheshire East would contribute towards this, to make the Council a best practice model for other organisations in the Borough to follow. During the review the Enterprise Bill and the Finance Bill were being developed by Government which introduced a 2.3% apprenticeships as a proportion of total employees target for public sector bodies and an apprenticeships levy for all organisations with pay bill over £3m. The Task Group met officers, training providers, local chambers of commerce and officers from Stockport MBC during the review and considered



Task Group visited the Apprenticeship Store in Stockport

a variety of previous reports from other local authority scrutiny bodies. The Task Group developed recommendations for the Council and produced a report. The Report was published in March 2016 and was presented to Cabinet in April 2016.

## **2.76 Section 106 Agreements – Task and Finish Group**

December 2015 – March 2016

Membership

H Wells-Bradshaw (chair), S Brookfield, C Browne and J Weston

- 2.77 The Task Group was established following discussions at Corporate Scrutiny following concerns raised by several members about their lack of knowledge and involvement in the Section 106 Agreements in their communities. The Committee assisted with the arrangement of training sessions for councillors to help them learn more about S106s and the Task Group developed a Member Survey to collect the views of councillors. The Task Group received an excellent response to the Survey, demonstrating councillors' interests in this issue. Using the evidence gathered from the survey, and learning from previous S106 scrutiny reviews from other local authorities, the Task Group met with officers to discuss the issues and develop recommendations for how councillors' involvement in S106s can help to improve outcomes for communities. The Task Group produced a report which was presented to Cabinet in April 2016.

## **2.78 Looking Ahead to 2016/17**

- 2.79 During the next year the Committee plans to continue to develop its relationships with the Council's ASDVs and monitor performance to help ensure they are delivering value for money and achieving the objectives set to them by the Council. The Committee will also continue to monitor the regeneration of the Borough's Towns and the progress of HS2 to ensure the Council is maximising the benefits of the huge opportunities for Crewe and the surrounding area.
- 2.80 The Committee will monitor the Cabinet response to the two Task and Finish Groups which carried out reviews this year. In particular, the Committee will look to build on the work of the Apprenticeships Task and Finish Group by establishing a further review to look at external apprenticeship provision across the Borough.
- 2.81 Earlier in the year, the Committee had aimed to develop a relationship with its neighbours in Cheshire West & Chester and Warrington. The Committee will continue to work on developing initiatives to create a joint scrutiny function to work with the Cheshire and Warrington Enterprise Partnership, to hold the Local Enterprise Partnership to account for the decisions it takes on behalf of the residents of the region.

## **2.82 Health and Adult Social Care**





Chairman: Councillor Jos Saunders

Vice Chairman: Councillor Liz Wardlaw

Memberships: Councillors Damian Bailey, Rhoda Bailey, Beverly Dooley, Laura Jeuda, Gill. Merry and Arthur Moran

2.83 The Health and Adult Social Care Overview and Scrutiny Committee deals with the scrutiny of health and social care services by holding the Council and the many healthcare service commissioners and providers to account to ensure that health and wellbeing objectives are achieved. In its statutory health scrutiny role, the Committee has commented on substantial developments and variations proposed by the NHS, and commented on changes to adult social care services. The Committee has continued to work closely with both internal partners in the Council and external partners from the NHS and the community. The commitment and cooperation of partners to Overview and Scrutiny has been excellent and helped the Committee to carry out some valuable pieces of work throughout the year.

## 2.84 Committee Work

2.85 During the year the Committee had considered a wide range of health and social care issues. One of the main issues that the Committee has been involved in is changes to the way respite care is delivered. In November 2015 the Committee reviewed the implementation of changes to respite services and in April 2016 the Committee reviewed the performance information for the first three months of operation.

2.86 Also in relation to adult social care, the Committee has been keeping up to date with the implementation of changes to services required by the Care Act 2014 and the Council's review of its adult social care fees and charges. This year the Committee considered the response of the Council and the local Clinical Commissioning Groups to the two task and finish groups on Assistive Technology and Carers presented in March 2016. The committee received good feedback and the implementation of the recommendations is progressing well. In relation to Carers, the Committee has also been monitoring the development of the joint Council and CCGs strategy for carers



Committee Members on visit to Crewe Lifestyle Centre during development

which has incorporated some of the recommendations from the Carers Task Group.

2.87 The Committee has continued to develop good relations with the Clinical Commissioning Groups (CCGs) and has considered a variety of the health services they commission. At several points this year the Committee has considered and provided feedback on reviews by both CCGs within Cheshire East in relation to primary care services and community service provision. In order to raise Member awareness of a number of key health initiatives, the committee received briefings on the following matters during the course of the year:

- On the work of both CCGs with NHS England to move to fully delegated commissioning of general practice which enables decisions about GP services to be made locally without the risk of conflicts of interest for the GP involved in decision making at the CCGs.
- On the work that both local hospital trusts were undertaking in relation to maternity services, following the Kirkup Report into failings at Morecambe Bay,
- On Cheshire East Healthwatch's Annual Report 2014/15 and a twelve-month performance report from Everybody Sport and Recreation.

2.88 In relation to Public Health, the Committee has considered the future funding arrangements for services and the coordination of the Winter Wellbeing Partnership.

2.89 Members have been on a variety of site visits including to the new Crewe Lifestyle Centre, lifestyle services at Macclesfield Leisure Centre and drug and alcohol rehabilitation services provided by community organisation ROAR in Macclesfield.

## 2.90 Ambulance Services Review

2.91 The Committee decided to conduct a review of ambulance services to consider how improvements might be made to response times in the Borough and how unnecessary demand for services could be reduced to help relieve pressure on budgets. A review was carried out in the style of a Parliamentary Select Committee with the whole Committee taking part in one and a half days of intensive information gathering and discussions. The review brought together a wide range of organisations that have a stake in ambulance services, from the main provider and commissioners to other health and care services and partners in the community. This enabled the Committee to consider how the



whole system impacts on ambulance services and what we can all do to help improve outcomes for patients. The review was undertaken in two stages. Initially, the Committee held a fact finding day where stakeholders provided information about services and commissioning and answered members' questions. This was followed by a half-day session a fortnight later where the Committee discussed its findings and agreed its conclusions and recommendations to stakeholders. The Committee produced a report, which was published in April 2016 and has been sent to all those whom the Committee made recommendations to for a response.

## **2.92 East Cheshire NHS Trust**

- 2.93 In May 2015 the Care Quality Commission (CQC) published its report into the inspection it carried out at East Cheshire NHS Trust during December 2014. The CQC rated the Trust as 'requires improvement' and the Committee undertook to understand more about why this rating was given and what the Trust had done to address the issues identified by CQC. On 11 March the Committee held a meeting which representatives of both the CQC and the Trust attended to discuss what progress had been made by the Trust and to answer members' questions. Following consideration of the actions taken by the Trust to learn lessons from the inspection and improve standards the Committee was assured that residents were receiving safe, effective and caring services.

## **2.94 Looking Ahead to 2016/17**

- 2.95 Plans have been put in place to ensure that in May 2016 the Committee effectively reviews the Quality Accounts for 2015/16 of East Cheshire NHS Trust, Mid Cheshire Hospitals NHS Foundation Trust and Cheshire and Wirral Partnership NHS Foundation Trust.
- 2.96 Following the success of the Ambulance Services Review the Committee will look to use the select committee approach that has proved effective in relation to large scale services.
- 2.97 The Committee will continue to work with health and care service commissioners and providers to ensure there is effective consultation and cooperation on potential developments and variations to services and will continue to monitor the ongoing integration of health and care services across the Borough. Although the Committee has not undertaken any joint working with other local authorities this year, the Committee will engage with its counterparts to ensure effective scrutiny of cross boarder issues. The Committee will also look at developing its relationship with the Safeguarding Adults Board, Healthwatch and the Health and Wellbeing Board.

## **3.0 Overview and Scrutiny Activity 2015/16 and Beyond**

- 3.1 The work of Scrutiny should add value to the democratic process and have a positive impact for the residents of Cheshire East. As outlined earlier in this report, more than ever, Overview and Scrutiny Committees will need to

demonstrate the likely value that Overview and Scrutiny will add to any report or review. This will need to be carefully balanced against the time and resources required to undertake the activity.

- 3.2 It is widely accepted that Overview and Scrutiny is most effective when it is focused on a limited number of in-depth topics. In Cheshire East, this is backed up by the positive remarks expressed by Cabinet Members and partners to the task and finish work undertaken during 2015/16.
- 3.3 We firmly believe that we must maintain our overriding aim to be the eyes and ears of the residents of Cheshire East in holding decision takers to account. However, we also believe that our greatest added value derives from the detailed work we carry out through task and finish reviews. Although the reviews are time consuming for members when many have other competing interests, they are nevertheless challenging, often very interesting and rewarding for those who take part. With the continued help of council colleagues and partners, we intend to pursue as many opportunities as our resources will allow us, to carry out further task and finish work in the coming months and years.

## CHESHIRE EAST COUNCIL

### COUNCIL

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<b>Date of Meeting:</b>	28 July 2016
<b>Report of:</b>	Head of Governance and Democratic Services
<b>Subject/Title:</b>	Appointment of Members to Committees

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#### **1.0 Report Summary**

- 1.1 To approve changes to group nominations to the membership of Committees.

#### **2.0 Recommendations**

- 2.1 That the changes to Committee places, to be circulated at the meeting, be approved.

#### **3.0 Reason for Recommendations**

- 3.1 To make changes to group nominations to Committee places as required by legislation.

#### **4.0 Legal Implications**

- 4.1 The Annual Meeting of Council is responsible for appointing the Council's decision-making bodies, the number of seats to be allocated to each body and the memberships of those bodies.
- 4.3 The Local Government (Committees and Political Groups) Regulations 1990 require political Group Leaders to notify the Proper Officer of the Group's nominations, or any changes to the bodies in question.

#### **5.0 Risk Assessment**

- 5.1 Failure to comply with the Act and Regulations would leave the Council open to legal challenge.

**6.0 Appointments to Committees under the Council's Political Structure for the Municipal Year 2016/17**

- 6.1 The Council's decision-making structures and bodies, and the memberships of those bodies were approved at the Annual meeting of Council on 11 May 2016
- 6.2 The 1990 Regulations require political Group Leaders to notify the Proper Officer where any changes are made to their nominations. Notification has been received of a number of changes to group nominations to Committees, which will be finalised shortly before the Council meeting, and circulated around the Chamber.

**7.0 Access to Information**

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

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## CHESHIRE EAST COUNCIL

### Council

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<b>Date of Meeting:</b>	<b>28 July 2016</b>
<b>Report:</b>	<b>Director of Legal Services and Monitoring Officer</b>
<b>Subject/Title:</b>	<b>Appointment of Independent Persons for Standards Matters</b>

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#### **1.0 Report Summary**

- 1.1 This report invites Council to appoint up to three Independent Persons to work with the Monitoring Officer and the Audit and Governance Committee on standards matters in accordance with the Localism Act 2011 ('the Act') and the Council's code of conduct complaints procedure.
- 1.2 Following public advertisement, shortlisted applicants were interviewed by a panel on 18 July 2016. Following those interviews, references are being taken up and the names of the persons recommended by the panel for appointment by Council will be circulated to Members prior to the commencement of the meeting on 28 July.

#### **2.0 Recommendation**

- 2.1 That Council appoint up to three Independent Persons pursuant to section 28 of the Localism Act 2011.

#### **3.0 Reason for Recommendation**

- 3.1 To comply with the requirements of the Act, the Council must appoint at least one Independent Person to deal with standards matters. To ensure that an Independent Person is always available, allowing for possible conflicts of interest and absences, it is recommended that three Independent Persons are appointed.

#### **4.0 Implications for Rural Communities**

- 4.1 Cheshire East Council is responsible for handling standards complaints relating to 107 town and parish councils within the borough.

#### **5.0 Legal Implications**

- 5.1 These are set out in the Background to this report. To comply with the requirements of the Act, the Council must appoint at least one Independent Person.

## **6.0 Risk Management**

- 6.1 Failing to appoint an Independent Person would place the Council in breach of its statutory duty under the Act and prevent the Monitoring Officer from dealing with complaints in accordance with the Council's code of conduct complaints procedure.

## **7.0 Background**

- 7.1 Section 28 of the Act requires the Council to appoint one or more Independent Persons.

- 7.2 The Independent Person has three roles to perform:

- (a) The views of an Independent Person must be sought and taken into account by the Council before it makes a finding that any Member has failed to comply with its code of conduct or imposes any sanction;
- (b) The views of an Independent Person may be sought on whether to investigate a complaint and how to deal with a particular allegation; and
- (c) Any Member against whom an allegation has been made (including a town or parish councillor) may consult the Independent Person regarding that allegation.

- 7.3 Individuals appointed as Independent Persons must be recruited through a formal procedure in line with the Act. To be compliant:

- (i) The vacancy must be advertised in such manner as the authority considers is likely to bring it to the attention of the public;
- (ii) An applicant has to submit a formal application to be appointed as an Independent Person, and
- (iii) The Independent Person's appointment must be approved by 'a majority of the members of the authority.'

The last requirement means that the appointment must be made by the Full Council.

- 7.4 An Independent Person must **not** be:

- (i) A member, co-opted member, or officer of Cheshire East Council; or
- (ii) A member, co-opted member, or officer of a town or parish council within Cheshire East; or
- (iii) A relative or close friend of any of the above.



7.5 In addition to the restrictions in the preceding paragraph, an Independent Person must **not** have been, at any time in the 5 years preceding the date of their appointment:

- (i) A member, co-opted member, or officer of Cheshire East Council; or
- (ii) A member, co-opted member, or officer of a town or parish council within Cheshire East.

## **8.0 Present position**

8.1 In accordance with the Act, a public advertisement campaign was undertaken to attract suitable applicants for the role of Independent Person. This attracted a large number of well qualified applicants.

8.2 Following a structured selection process, shortlisted applicants were interviewed on 18 July 2016 by a panel comprising the Chair and Vice Chair of the Audit and Governance Committee, the Deputy Leader of the Labour Group, and the Monitoring Officer. Following those interviews, references are being taken up and the names of the persons recommended by the panel for appointment by Council will be circulated to Members prior to the commencement of the meeting on 28 July.

## **9.0 Access to Information**

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

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**COUNCIL – 28 JULY 2016****NOTICES OF MOTION****Submitted to Council in Accordance with Procedure Rule 12****1 Elections****Proposed by Councillor Rachel Bailey and Seconded by Councillor Janet Jackson**

Council acknowledges the hard work and commitment of the Elections Team in delivering an important democratic service over the last year or so of electoral activity, including:

- The greatest scale of elections ever seen in May 2015, with all out Borough and Parish Council elections, plus a Parliamentary General Election, the combination of such activity which will not be experienced again until 2035.
- Excellently run Police and Crime Commissioner Elections in May 2016.
- Excellently run EU Referendum in June 2016, in respect of which we experienced a historically high turnout, exceeding many other areas nationally.
- The hugely successful introduction of Individual Electoral Registration which has resulted in a more accurate Register than ever before, with more electors being registered to vote than at any time in the past.
- The honour of hosting an international delegation of elections experts, at the request of the Electoral Commission, enabling Cheshire East's practice and processes to be passed back to countries such as Canada, Finland, Malta, Romania and Bangladesh.

**2 Emergency Response****Proposed by Councillor Rachel Bailey and Seconded by Councillor Damian Bailey**

Council applauds the work of so many of its officers across different teams who, along with the Council's emergency planning team, have worked tirelessly over the last 12 months in dealing with the challenges which have faced our communities and the services we provide:

- The devastating circumstances surrounding the Bosley Mill explosion.
- The terrible flash flooding in and around Poynton.
- The recent evacuation of residents who live near to the Bossons Mill in Congleton.

Council sincerely thanks its officers, from so many parts of the organisation, for their true dedication as devoted public servants, working 'round the clock to ensure the safety of our residents.

### **3 Hate Crime**

#### **Proposed by Councillor Brian Roberts and Seconded by Councillor Nick Mannion**

Since the Referendum on 23<sup>rd</sup> June, the National Police Chiefs' Council report that hate crimes have increased by 42%.

Around 3,076 alleged offences were reported between June 16 and 30 - 915 more than in the same period last year. Police recorded 289 alleged offences on the day following the result of the poll being revealed - an average of 12 an hour.

The LGA has also reported a significant increase and Members of this Council have also been approached by residents that have been subjected to threats and harassment because of their nationality or race.

Therefore, we urge Council to discuss and adopt the following resolution as a matter of urgency at its meeting today:

“We are proud to live in a diverse and tolerant society. Racism, xenophobia and hate crimes have no place in our country. We Cheshire East Borough Council condemn racism, xenophobia and hate crimes unequivocally. We will not allow hate to become acceptable.

Cheshire East Borough Council will work with our partners to ensure that there will always be support and resources needed to fight and prevent racism and xenophobia, identify the perpetrators, and subject them to the full force of the law.

We reassure all people living, working and visiting Cheshire East that they are valued members of our community.”

### **4 Tax Compliance and Procurement Procedures**

#### **Proposed by Councillor Steve Hogben and Seconded by Councillor a Sam Corcoran**

##### **This Council notes that:**

- corporate tax evasion and avoidance are having a damaging impact on the world's poorest countries, to such a level that it is costing them far more than they receive in aid
- this is costing the UK as much as £30bn a year
- this practice also has a negative effect on small and medium-sized companies who pay more tax proportionately.

**This Council further notes that** the UK Government has taken steps to tackle the issue of tax avoidance and evasion by issuing Procurement Policy Note 03/14 (PPN 03/14). This applies to all central government contracts worth more than £5m.

**This Council also notes** the existence of voluntary schemes promoting tax compliance such as the Fair Tax Mark, which can serve as an independent means of verification. This council notes the 2015 Public Contract Regulations which state (in section 4) that local government can choose to adopt Procurement Policy Note 03/14.

**This Council believes** that bidders for council contracts should be asked to account for their past tax record, using the higher standards in PPN 03/14.

**This Council therefore calls for** procurement procedures to be amended to require all companies bidding for service and works contracts worth more than figures to be agreed with the Chief Operating Officer to self-certify that they are fully tax-compliant in line with central government practice using the standards in PPN 03/14, applying to contracts of the size specified above.

**This Council asks** the Cabinet to publicise this policy and to report on its implementation annually.

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