

Cabinet Agenda

Date: Tuesday, 17th January, 2017
Time: 2.00 pm
Venue: Committee Suite 1, 2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

It should be noted that Part 1 items of Cabinet meetings are webcast and the recording of the webcast will remain available for public viewing on the Council's website.

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

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

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

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

In accordance with Procedure Rules Nos.11 and 35 a period of 10 minutes is allocated for members of the public to address the meeting on any matter relevant to the work of the body in question. Individual members of the public may speak for up to 5 minutes but the Chairman or person presiding 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 are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

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.

Please contact Paul Mountford, Governance and Democratic Services
Tel: 01270 686472
E-Mail: paul.mountford@cheshireeast.gov.uk

4. **Questions to Cabinet Members**

A period of 20 minutes is allocated for questions to be put to Cabinet Members by members of the Council. Notice of questions need not be given in advance of the meeting. Questions must relate to the powers, duties or responsibilities of the Cabinet. Questions put to Cabinet Members must relate to their portfolio responsibilities.

The Leader will determine how Cabinet question time should be allocated where there are a number of Members wishing to ask questions. Where a question relates to a matter which appears on the agenda, the Leader may allow the question to be asked at the beginning of consideration of that item.

5. **Minutes of Previous Meeting** (Pages 3 - 10)

To approve the minutes of the meeting held on 6th December 2016.

6. **Apprenticeship Levy Procurement Framework** (Pages 11 - 40)

To consider an update on the changes being brought in by the Government to apprenticeships and specifically the introduction of an apprenticeship levy. The report also seeks approval to establish a procurement framework for apprenticeship training providers.

7. **Connecting Cheshire Phase 3 Gainshare Broadband** (Pages 41 - 46)

To consider a report seeking approval to bring forward the Phase 3 Gainshare Broadband Project to extend fibre broadband coverage.

8. **Highway Service Contract Procurement** (Pages 47 - 56)

To consider a report seeking approval of the approach to procuring the Council's next Highway Service Contract.

9. **Commissioning Nurseries in Crewe** (Pages 57 - 66)

To consider a report which seeks approval for the re-procurement of three Nurseries in Crewe.

10. **Revising the Council's Code of Corporate Governance** (Pages 67 - 104)

To consider a report on the revision of the Council's Code of Corporate Governance to ensure compliance with updated best practice guidance from the Chartered Institute of Public Finance Accountants and Society of Local Authority Chief Executives (CIPFA/SOLACE).

11. **Sale of Former Children's Home, Redsands, Nantwich** (Pages 105 - 110)

To consider a report on the sale of the former children's home.

THERE ARE NO PART 2 ITEMS

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Tuesday, 6th December, 2016 at Committee Suite 1, 2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor Rachel Bailey (Chairman)
Councillor D Brown (Vice-Chairman)

Councillors A Arnold, P Bates, J Clowes, L Durham, J P Findlow and
D Stockton

Members in Attendance

Councillors C Andrew, S Corcoran, D Flude, B Moran, B Walmsley and G
Williams

Officers in Attendance

Mike Suarez, Kath O'Dwyer, Peter Bates, Frank Jordan, Bill Norman, Mark
Palethorpe, Nigel Moorhouse and Paul Mountford

Apologies

Councillor P Groves

The Chairman followed up her announcement at the previous meeting by announcing that a match between Macclesfield Town FC and Oxford United FC had resulted in a goalless draw, with a replay to be held next Tuesday. She wished Macclesfield well in the replay.

The Chairman also announced the receipt of a letter from Edward Timpson MP, Minister of State for Vulnerable Children and Families, in relation to Cheshire East's children's services which had recently been reviewed by the Department for Education. In the letter, Mr Timpson applauded the significant progress made by the Council with restructuring the children's service, strengthening audit activity and introducing a new retention strategy to address workforce issues. He confirmed that the DfE's involvement with the Council had now ended and he thanked the Leader, together with senior officers Kath O'Dwyer, Nigel Moorhouse and Gill Betton, for the collaborative way in which they had worked with the DfE throughout the recent intervention. The Leader added that the work in relation to Ofsted and the Council's improvement of its children's service was continuing and was being monitored by the Council's Health and Wellbeing Board. She looked forward to sharing the letter with all members and thanked the relevant teams within the Council for their ongoing work.

The Deputy Leader and Portfolio Holder for Highways and Infrastructure announced that with regard to BSI accreditation for highways the Council had just been reassessed and had received stage 2 recognition which would help to secure £1.6M of grant funding. The British Standards Institute had also

asked the Council to act as a case study for scheduled maintenance and how to manage the process, recognising the Council as a model of customer service excellence in this area.

At the Chairman's invitation, the Executive Director Place announced that Cheshire East Council was delighted to have been awarded £2m to progress the A500 dualling scheme to its next stage. Work could now progress on developing the business case further to show how this scheme could deliver a continuous dual carriageway between Crewe and Nantwich and Stoke-on-Trent, improving journey times and road safety along the corridor, as well as accommodating construction traffic associated with HS2. The funding had been secured as a result of the Council's bid for funding from the DfT's Local Major Scheme Fund.

65 DECLARATIONS OF INTEREST

There were no declarations of interest.

66 PUBLIC SPEAKING TIME/OPEN SESSION

Sue Helliwell asked the Portfolio Holder for Housing and Planning to comment on what she felt were inconsistencies in the application of principles to planning decisions. She cited two applications considered by the Southern Planning Committee on 23rd November: applications 16/2993N and 16/2010N. She commented that both applications were similar although one was approved and the other refused. The Chairman replied that the matter would be considered and a written response would be sent.

Sylvia Dyke commented that Alsager Civic Hall had been transferred to Alsager Town Council by Cheshire East Council a number of years ago and was in considerable need of repair. She sought financial assistance towards the cost of the repair works. The Chairman welcomed Mrs Dyke's concern for her community. She indicated that the Hall had been transferred to the Town Council in 2011 for £1, and that grant funding had been made available at the time to assist with the refurbishment of the building. However, she undertook that the Council would engage through its Communities Team with Alsager Town Council to see if there was anything that the Borough Council could do to help to sustain the Town Council's financial position.

67 QUESTIONS TO CABINET MEMBERS

Councillor D Flude commented that at a recent meeting of the Children and Families Overview and Scrutiny Committee she had raised the issue of the Academies admission criteria. Councillor Flude was concerned that some academies were not admitting the Borough's more challenging children, which was placing an unacceptable pressure on schools that had not converted to academies. She understood that academies that did not accept more difficult children would be referred to the Secretary of State

for Education. She asked how many such schools had been referred to the Secretary of State within Cheshire East. The Chairman indicated that Councillor Flude would receive a written reply.

Councillor Flude also asked what provision the Council had in place to protect vulnerable residents when residential care and nursing homes had to close because of financial and other pressures. In this respect she referred to a care home in Alsager. The Portfolio Holder for Adult Care and Integration replied that the Council had a robust protocol in place where a care home was about to close and that this had been activated in relation to the Alsager home; she undertook to send a copy to Councillor Flude. She also commented that with regard to the care home in Alsager, the Council was aiming to have the residents of the home relocated as quickly and as smoothly as possible. She undertook to follow up with a written reply to Councillor Flude.

Councillor S Corcoran referred to the large numbers of people, including children, reportedly killed in Aleppo in recent weeks and asked for an update on the Council's plans to welcome Syrian refugees and unaccompanied asylum-seeking children to Cheshire East. The Portfolio Holder for Communities and Health replied that the first group of refugees was expected in January and that referrals of unaccompanied children were made on the basis of application and that any such applications would be dealt with as and when they came in. He undertook to report further progress when more information was available.

68 **MINUTES OF PREVIOUS MEETING**

RESOLVED

That the minutes of the meeting held on 8th November 2016 be approved as a correct record.

69 **COUNCIL TAX BASE 2017/18 - DOMESTIC RATES**

Cabinet considered a report on the council tax base for 2017/18. The report set out the tax base calculation for recommendation to Council.

RESOLVED

That

1. That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, Cabinet recommends to Council the amount to be calculated by Cheshire East Council as its Council Tax Base for the year 2017/18 as **144,201.51** for the whole area; and
2. no changes be made to the Council Tax Support Scheme for 2017/18, other than the annual increase in the allowances used.

70 **NON-DOMESTIC RATES TAXBASE 2017/18**

Cabinet considered a report on the Non-Domestic Rate Tax base for 2017/18.

This was the first time the Council had provided a Non-Domestic Rate Tax base report, the purpose being to raise awareness of the increasing importance of Business Rates in local government and to improve understanding of how changes in business rates affected the Council's finances and improved medium term forecasting.

RESOLVED

That Cabinet notes that

1. the non-domestic rates estimates and calculations for 2017/18 will be calculated in accordance with the regulations as follows:

	2017/18	£m
	Projected NDR net income	135.2
Less	Payable to DCLG (50% share)	-67.6
Less	Payable to Fire Authority (1% share)	-1.4
	Cheshire East Council proportionate share	66.2
Less	<i>Fixed Tariff payable to DCLG</i>	-29.7
Add	<i>S31 compensation grants</i>	4.5
	Cheshire East Council Retained share	41.0

2. the Chief Finance Officer in consultation with the Portfolio Holder for Finance and Assets will finalise these estimates based on the latest data for submission to the Department for Communities and Local Government (DCLG) in January 2017.

71 **BENTLEY DEVELOPMENT FRAMEWORK AND MASTERPLAN**

Cabinet considered a report on a Development Framework and Masterplan developed by Bentley Motors.

The Framework and Masterplan set out the company's long term aspirations and how these could be achieved in spatial terms. The report sought Cabinet's endorsement of the Framework and Masterplan as a consultation document. Following a period of public consultation, it was intended that the document would be reviewed and returned to Cabinet for final approval.

RESOLVED

That Cabinet

1. approves the Development Framework and Masterplan (attached at Appendix 1 to the report) for the purposes of consultation with the

public in accordance with the draft Statement of Public Consultation set out at Appendix 2;

2. notes that a report on the outcomes will be reported once completed;
3. notes the proposed consultation activities contained within the draft Statement of Consultation contained in Appendix 2; and
4. delegates the approval of the consultation questionnaire to the Portfolio Holder for Regeneration.

72 **QUALITY OF PLACE**

Cabinet considered a report which proposed that 'Quality of Place' be adopted as a strategy to assist the Council in achieving its aims and objectives as articulated in the Council's Corporate Plan.

RESOLVED

That Cabinet

1. adopts the principles relating to Quality of Place outlined in the report as the overarching strategy for the Council;
2. agrees that 'Quality of Place' be used to inform a revised corporate plan for the Council;
3. notes that 'Quality of Place' will also be used as the key driver behind the refresh of Local Enterprise Partnership's Strategic Economic Plan; and
4. notes that a draft revised corporate plan will be prepared for Cabinet consideration in due course.

73 **CONNECTED COMMUNITIES**

Cabinet considered a Connected Communities Strategy which set out the broad outline of how the Council proposed to engage with its communities, including the voluntary and faith sectors and the many active volunteer-based partnerships.

RESOLVED

That Cabinet

1. approves the Connected Communities Strategy;
2. approves the allocation of £307,000 from the existing Partnerships and Communities Budget, which can be met through department reserves, to the delivery of the strategy; and

3. delegates to the Head of Communities, in consultation with the Portfolio Holder for Communities and Health, the commissioning of a VCFS Infrastructure Service, including the award of the contract to the successful bidder.

74 SUSTAINABLE TRAVEL TRANSITION YEAR GRANT FUNDING

Cabinet considered a report which sought the approval of an updated policy for the allocation of business travel planning grants. The proposed changes to the existing policy were minor and intended to enable the programme to continue during 2016/17.

RESOLVED

That

1. the Policy for the Allocation of Business Travel Planning Grants be approved, noting that this extends the effective period for this policy to make provision for future funding bids;
2. in accordance with the Constitution and paragraph 1.20 of the Scheme of Delegation, the decision for awarding the grants be delegated to the Portfolio Holder for Highways and Infrastructure; and
3. the information relating to the Sustainable Travel Transition Year fund be noted.

75 EXPRESSION OF INTEREST TO THE DfE INNOVATION PROGRAMME FOR ADOPTING SIGNS OF SAFETY AS OUR WAY OF WORKING IN CHILDREN'S SOCIAL CARE

Cabinet considered a report on an expression of interest that the Council had submitted to the DfE Innovation Programme in partnership with Munro, Turnell and Murphy Consultancy for funding to transform Children's Social Care services. The report also sought permission to proceed to the final stages of the bidding process and to draw down funds in the event that the bid was successful.

RESOLVED

That in order to support effective and efficient implementation, should funding be granted for this project, Cabinet

1. authorises the Executive Director People to submit the business case and proceed to the final stages of the bidding process to the DfE Innovative Programme;

2. authorises the Executive Director People to undertake all necessary negotiations and enter into any Funding and associated agreements to secure the funding from the DfE Innovative Programme;
3. delegates the authority to make decisions on the use of funds for this project to the Executive Director People including the procurement of services, provision of grants and entering into partnership agreements;
4. authorises match funding to a maximum of £165,000;
5. authorises the acceptance and use of funds for this project, should it be granted, for the duration of the project over the three year implementation period;
6. authorises that funding may be received direct from the DfE Innovation Fund or from a named partner in the project;
7. endorses that any funds not spent in the allocated year are transferred into the following year's budget;
8. notes that when the funding is received the funds will be allocated to the Executive Director People within the Council's Budget; and
9. notes that Cheshire East Council is not the lead organisation for this project.

76 MERGER BETWEEN WULVERN HOUSING AND THE GUINNESS PARTNERSHIP

Cabinet considered a report recommending that the Cabinet endorse a proposed merger between Wulvern Housing and the Guinness Partnership. The reasons for the proposed merger and potential benefits were set out in the report.

RESOLVED

That

1. the proposed merger between Wulvern Housing and Guinness Partnership be endorsed following reassurances that:
 - Guinness are taking over all assets and liabilities by way of a Transfer of Engagement from Wulvern;
 - a clear client management relationship can be achieved; and
 - there continues to be representation on the Board to represent the interests of the Cheshire area.
2. authority be delegated to the Executive Director Place in consultation with the Portfolio Holder for Housing and Planning and the Director of Legal Services and Monitoring Officer for any resulting action and to

agree a set of service standards with Guinness in order to establish an effective monitoring arrangement.

77 PROCUREMENT OF CARE & SUPPORT AT HEATH VIEW EXTRA CARE HOUSING SCHEME, CONGLETON

Cabinet considered a report on the procurement of care and support at Heath View Extra Care Housing Scheme, Congleton.

The current contract for the on-site care and support was due to expire on 16 January 2017 and Adults Commissioning was re-tendering the contract for a period of 3 years. The report sought authority for the Strategic Director of Adult Social Care and Health to award the contract to the successful provider at a value of over £1 million if required.

RESOLVED

That Cabinet

1. notes that a procurement exercise compliant with the Regulations and the Council's Contract Procedure Rules is underway;
2. notes that the contract value may exceed £1 million; and
3. authorises the Strategic Director of Adult Social Care and Health to award the contract to the successful provider at a value of over £1 million if required.

Before closing the meeting, the Chairman indicated that following the meeting she and other members would be travelling to Macclesfield to attend a civic reception for the Bosley Volunteers.

The Chairman also announced that at the Council meeting on 15th December the Council would be acknowledging the achievements of the Borough's Olympic and Paralympic athletes earlier this year.

Finally, the Chairman reiterated her best wishes to Macclesfield Town FC in the FA Cup.

As this was the last Cabinet meeting before Christmas, the Chairman wished everyone a happy Christmas.

The meeting commenced at 2.00 pm and concluded at 3.00 pm

Councillor Rachel Bailey (Chairman)

Cheshire East Council

Cabinet

Date of Meeting:	17 th January 2017
Report of:	Sara Barker, Head of Strategic HR
Subject/Title:	Apprenticeship Levy Procurement Framework
Portfolio Holder:	CLlr J P Findlow, Corporate Policy and Legal Services

1. Report Summary

- 1.1. Apprenticeships are an important element of a successful economy, providing an opportunity to develop the skills of an organisation and a local economy. The Government's incoming reforms only reinforce this further, by offering increased opportunities for all apprentices.
- 1.2. This report provides an update on these reforms and the introduction of an apprenticeship levy and also seeks Cabinet approval to establish a procurement framework for apprenticeship training providers.

2. Recommendation

- 2.1. That the update on the changes being brought in by the Government to apprenticeships and specifically the introduction of an apprenticeship levy is noted.
- 2.2. Approve the development of a register of training providers for the delivery of apprenticeships from April 2017 via a formal OJEU tendering process.
- 2.3. Cabinet is requested to delegate authority to the Head of Strategic HR, in consultation with the Portfolio Holder responsible for Corporate Policy and Legal Services, to award and enter into contracts with the successful providers, following a fully compliant OJEU procurement exercise for contract periods covering an initial period of 3 years with the option to extend the contract for a further 2 years (Total 5 years).

3. Other Options Considered

- 3.1 The payment of an apprenticeship levy is a statutory requirement from April 2017.

4. Reasons for Recommendation

- 4.1 To update on the introduction of an important change to the delivery of apprenticeship programmes nationally.
- 4.2 Taking into account the advice of the legal and procurement teams, the establishment of a procurement framework for the delivery of the training of the Council's apprenticeship programme will be an effective and efficient method for the procurement of training providers from April 2017.
- 4.3 The Jobs Regeneration and Assets Overview and Scrutiny Committee – Apprenticeships Task and Finish Group Report - March 2016 (Appendix One) recommended that the management of the apprenticeship levy and its accompanying Digital Apprenticeship Service (DAS) should be administered and managed centrally in Human Resources. A report back to Jobs Regeneration and Assets Overview and Scrutiny Committee in July as a response to the Task and Finish Group's original report was well received with agreement on all of the proposed recommendations. One of these agreed recommendations was the establishment of an officer working group to oversee the introduction of the levy and the DAS to Cheshire East Council. This Group has been meeting on a monthly basis to develop the systems and procedures required.
- 4.4 Cheshire East Council's work on apprenticeships and its recent Task and Finish Group Report as outlined above has been recognised nationally with an invitation to present at a national conference in London.

5. Background/Chronology

- 5.1. At the beginning of the new parliament, the Government set a target of three million new apprenticeship starts by 2020. To work towards achieving this target, the Government has developed new legislation related to apprenticeships, some of which is included in the Enterprise Act.
- 5.2. From April 2017, the Finance Bill (2016) introduces a new funding mechanism for apprenticeships, an 'apprenticeship levy'. The levy will be payable by employers (including the public sector) on 0.5% of pay bill. All employers will receive an annual allowance of £15,000 to offset against their levy, meaning that the levy will only apply to employers whose annual wage bill is £3 million or above. Employers in England who pay the levy will be able to get out more than they pay into the levy, through a 10% top-up to their digital accounts.
- 5.3. The levy payment made by Cheshire East Council will then be available to the Council through an incoming Digital Apprenticeship Service (DAS). The functionality of this online portal will enable the Council to search for training providers, advertise apprenticeship opportunities, select the most appropriate training provider and will also be the tool we use to pay our

selected training providers for the training element of our apprenticeships. Funds will expire 18 months after they appear in the digital account.

- 5.4. This levy funding can be used to pay for the apprenticeship training of existing employees or new employees at Cheshire East Council.
- 5.5. Cheshire East Council will calculate, report and pay its apprenticeship levy to HMRC through the PAYE process alongside tax and NICs.
- 5.6. The Enterprise Act also provides the Secretary of State for Business, Innovation & Skills the power to set public bodies a target for the number of apprentices that they should have in their workforce in England. The target is currently set to be 2.3% of the total workforce. The aims of this measure are to grow the number of apprentices in the public sector, helping to meet the Government's target of 3 million apprentices by 2020 and to ensure the public sector is leading by example in terms of the number and quality of apprenticeships.
- 5.7. Therefore, from May 2017, Cheshire East Council will have a statutory duty to pay the apprenticeship levy and to hit the target set for the number of apprentices within the organisation.

6. Wards Affected and Local Ward Members

- 6.1 All Wards.

7. Implications of Recommendation

7.1 Policy Implications

The recommendations in this report support those set out in the Apprenticeship Task and Finish Group Report - March 2016. They are also in line with our procurement policy and procedure.

7.2 Legal Implications

The Enterprise Act 2016 provided the Secretary of State with the power to set targets for apprentices in public bodies in England to contribute to meeting national targets.

The apprenticeship levy will be paid into a digital account and the Council will be allowed to draw down on the money to pay for external trading providers. The mechanism being introduced for the payment of apprenticeship training providers (DAS) will only allow the procurement of government approved suppliers which will be detailed on a Register of Approved Training Providers to be established nationally.

When the Council commissions training providers it has to comply with the Public Contracts Regulations 2015 (the Regulations) and the Council's own Contract Procedure Rules. Contracting authorities may conclude framework agreements pursuant to section 33 of the Regulations by undertaking a

compliant procurement process. A framework will allow the Council to call off services as and when required within a four year time frame.

7.3 Financial Implications

The financial implications of the introduction of an apprenticeship levy have been laid out in a high level business case submitted for funding allocation as part of the budget planning process for 2017/2018.

The apprentice levy is set at 0.5% of total payroll. Based on figures from CEC's total annual payroll in August 2016, it is currently estimated that the financial liability across the total organisation (including ASDVs and maintained schools) is approximately £771,000.

The payment of the apprenticeship levy is a statutory requirement from April 2017.

The incoming 2.3% public sector quota will mean that the Council will need to offer more apprenticeship opportunities from April 2017. These could be for new or existing employees. Based on a total FTE headcount of 8,130 (Aug 2016), CEC has a target for apprentices of 187 from April 2017. Increasing the number of apprentices will incur additional salary costs.

7.4 Equality Implications

None

7.5 Rural Community Implications

None

7.6 Human Resources Implications

The government changes to the way that apprenticeships are funded through the apprenticeship levy will mean they Council has new administration responsibilities around procuring and tracking training for the Council's apprentices.

7.7 Public Health Implications

None

7.8 Implications for Children and Young People

The introduction of an apprenticeship levy and a public sector target for the number of apprentices are government initiatives, designed to drive up the number of apprenticeships across the country.

8. Risk Management

- 8.1 A timetable for the awarding of the contracts is in place to ensure that the required deadlines are met and that the Council is compliant with the incoming government procedures from April 2017.

9.0 Access to Information/Bibliography

- 9.1 The background papers relating to this report can be inspected by contracting the report writer.

10. Contact Information

Contact details for this report are as follows:

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Jobs Regeneration and Assets Overview and Scrutiny Committee



Apprenticeships

Task and Finish Group

Final Report

March 2016

1.0 Chairman's Foreword

- 1.1 When a review of Apprenticeships was added to the Scrutiny Committee's work programme in July 2015 it was to contribute to ensuring that Cheshire East provides its share of the three million apprenticeship starts the Government is looking for by 2020. During the review we agreed at an early stage that if we as a Council are to make an effective contribution to creating sufficient and quality apprenticeships in the Borough's key industries then we must start by ensuring the Council has an excellent internal apprenticeship offer to be an example of best practice to others.
- 1.2 This review has been very timely as the legislation and Government initiatives to drive up the number of apprenticeships in the UK have been developing as we have been going through our work. This has enabled us to produce a piece of work that will be valuable to the Council and other local authorities who will be looking for guidance on how new rules will affect them. The Apprenticeship Levy and Public Sector Target for Apprenticeships are going to have a big financial impact on the Council and we need to ensure that we are prepared to make the most of the changes and reap the benefits that high quality apprenticeships can bring to the organisation.
- 1.3 I would like to thank my colleague Councillor Brian Roberts for his commitment and valued contribution to the work we have done. I would also like to thank Councillor Liz Durham for the role she played in the group before she became a Deputy Cabinet Member in October 2015. Councillor Roberts and I would both like to thank all those officers and partner organisations who have supported us with special thanks to James Morley for his advice and guidance during our first task and finish group experience.
- 1.4 I commend this report to Cabinet and hope that our recommendations will be supported and taken forward.

Councillor Jonathon Weston

Chairman of the Apprenticeships Task and Finish Group

Task Group Membership



Cllr Jonathon Weston, Cllr Brian Roberts and Cllr Liz Durham (Oct – Dec 2015)

2.0 Recommendations

- 2.1 To ensure the Council provides high quality apprenticeships and training, and meets the requirements of future Legislation the Task and Finish Group recommends that:
- 2.1.1 The Council develops a holistic corporate plan for apprenticeships which identifies the type of apprenticeships needed, how they will help to achieve the Council's aims, where in the Council structure they can be placed, how apprentices will be recruited and supported on the job and provided with long term opportunities.
 - 2.1.2 All apprenticeships provided by the Council must meet minimum standards and provide apprentices with long term employability as will be required by the Institute for Apprenticeships and recommended by Ofsted.
 - 2.1.3 The Council consider how, and where, more Higher Apprenticeships and Degree Level Apprenticeships can be created to provide more opportunities for skilled local young people and ensure the Council has a skilled workforce for the future, taking into consideration the higher salaries that these apprenticeships command.
 - 2.1.4 The Council's Budget setting for 2017/18 ensures that the Apprenticeship Levy and additional costs of meeting the 2.3% apprenticeship quota, including administrative costs, be taken into consideration.
 - 2.1.5 The Apprenticeship Levy and access to the Digital Apprenticeship Service should be administered and managed centrally in Human Resources with sufficient additional resources allocated to cover the administrative costs.
 - 2.1.6 All apprenticeships be employed and managed centrally within Human Resources as part of the Council's core to ensure standards are maintained and to provide flexibility for the Council to place apprentices where they are needed when there is demand and provide apprentices with more experience of different departments and roles within the organisation. This should be funded by taking contributions from departments' budgets where apprentices are able to be employed.
 - 2.1.7 The Council develops a preferred training provider list to ensure that apprenticeship training is of the highest standard and contracts are in place, and can be monitored, to support the purchase of apprenticeship training through the Digital Apprenticeship Service.
 - 2.1.8 In order to attract high quality candidates the salaries for apprenticeships be maintained at national minimum wage based on age to ensure apprenticeships remain attractive options for young people and that all apprenticeship posts are advertised within schools and colleges at an early stage in the academic year.
 - 2.1.9 In its role as a corporate parent, as well as seeking to employ high quality candidates, the Council ensures it provides opportunities to all young people, including care leavers and SEND. The Cygnet Pilot should be evaluated with a view to continuing some form of provision for young who face challenging circumstances.
 - 2.1.10 The Council continues to support the Crewe and Macclesfield Pledges and any future pledges created in the Borough and liaises with those local organisations involved in the pledges to create opportunities for our young people, particularly those internal apprentices that the Council may not be able to provide with long term opportunities.
 - 2.1.11 The Jobs Regeneration and Assets Overview and Scrutiny establishes a further Task and Finish Review to consider apprenticeship provision across Cheshire East external to the

Council including: the private sector, other public bodies, the third sector and how provision is being developed by other organisations such as Chambers of Commerce and the Local Enterprise Partnership alongside the Skills and Growth ASDV.

3.0 Background

What is an Apprenticeship?

- 3.1 An apprenticeship is paid employment which involves both on the job training and classroom study and is open to anyone aged 16 or above. An apprenticeship takes one to four years to complete depending on their level and lead to a recognised qualification in the related field. An apprenticeship has an equivalent education level and can be: Intermediate - equivalent to 5 GCSE passes; Advanced - equivalent to 2 A level passes; Higher - can lead to NVQ Level 4 and above, or a foundation degree.
- 3.2 The National Apprenticeship Service (NAS) was created in April 2009 and in 2013 became a division of the Skills Funding Agency (SFA). The NAS has end-to-end responsibility for apprenticeships in England and is responsible for: promoting apprenticeships to employers and learners; supporting employers through the process of recruiting and training an apprentice; and maintaining the national online apprenticeship vacancies system which allows employers to post vacancies, and aspiring apprentices to search and apply for them.

Apprenticeship Frameworks and Standards

- 3.3 The Apprenticeships, Skills, Children and Learning (ASCL) Act 2009 requires that all apprenticeships adhere to an apprenticeship framework. There are a wide range of frameworks for different types of apprenticeship. The Specification of Apprenticeship Standards for England (SASE) sets out the minimum requirements to be included in a recognised English apprenticeship framework and compliance with the SASE is a requirement of the 2009 Act.
- 3.4 An apprenticeship framework:
 - covers all the statutory requirements for an apprenticeship programme in England
 - is used by colleges, employers and training providers to make sure that all apprenticeship programmes are delivered consistently and to national standards
 - includes the names of all qualifications and what each qualification is worth
 - gives guidance on how to get onto an apprenticeship programme, the time it will take and career paths available after an apprenticeship
- 3.5 Currently the NAS and SFA provide funding for 100% of the cost of training courses for apprentices aged 16-18 and partial funding for 19s and over which is paid directly to the training provider. The Skills Funding Agency only supports frameworks which are publicly funded.
- 3.6 However in October 2013 the Government published 'The Future of Apprenticeships in England: Implementation Plan' which developed a new approach where Apprenticeship Frameworks would be replaced by Apprenticeship Standards. These Apprenticeship Standards are developed by employer groups called 'Trailblazers' and new standards for a variety of different apprenticeships

have gradually been developed and approved to replace frameworks, with more scheduled for development. The staged withdrawal of SASE Frameworks begins on 31st May 2016. The new standards will replace all the current apprenticeship frameworks by the academic year 2017 to 2018. The Institute of Apprenticeships will be responsible for managing standards and monitoring their effectiveness.

- 3.7 In January 2016 the Skills Funding Agency published its Apprenticeship Standards Funding Rules for August 2016 to July 2017. Unlike with the frameworks, Government funding will not cover 100% of the cost of training. Government will contribute £2 for every £1 spent by the employer on the cost of each training course it purchases from a lead training provider, up to a Cap which will be set for training for each apprenticeship standard (i.e. some apprenticeship will require more advanced training than others and therefore higher costs). The total cost of training will be agreed between the employer and the training providers (potentially more than one provider for a single apprenticeship however a lead provider will be identified). The Rules contain further details about funding incentives for smaller businesses and funding for English and Maths training.

Enterprise Bill

- 3.8 At the beginning of the new Parliament the Government set a target of three million new apprenticeship starts by 2020. To work towards achieving this target the Government has been developing some new legislation related to apprenticeships, some of which is included in the Enterprise Bill. At the time of writing this report the Bill was at the House of Commons: Committee Stage. Two particular elements of the Bill that related to apprenticeships were: a public sector apprenticeships target; and making “apprenticeship” a protected term. The Bill is also establish the Institute for Apprenticeships mentioned below.
- 3.9 The Bill is proposing to the give the Secretary of State for Business Innovation & Skills the power to set public bodies a target for the number of apprentices that they should have in their workforce in England. The target is currently set to be 2.3% of total workforce. The aims of this measure are to grow the number of apprentices in the public sector, help to meet the Government’s target of 3 million apprentices by 2020, and to ensure the public sector is leading by example in terms of the number (and quality) of apprenticeships. It was unclear how the 2.3% would be monitored and what penalties or otherwise would be put in place for those that did not meet the 2.3%.
- 3.10 In relation to making “apprenticeship” a protected term the Bill sets out to: create an offence for a person, in the course of business, to provide or offer a course or training as an apprenticeship if it is not a statutory apprenticeship; and ensure employers cannot commit the offence in relation to their employees. The maximum penalty for committing this offence will be a fine to be set by the legislation. There is a concern that by growing the number of apprenticeships there may be a rise in those claiming to offer an apprenticeship or apprenticeship related training that is not of the same quality as a Government apprenticeship. This could dilute the apprenticeship brand and have a negative impact on growth of statutory apprenticeship schemes. The Government’s aim is that this measure will protect the apprenticeship brand and those employers and training providers offering genuine statutory apprenticeships. The Ofsted Report mentioned below explains the negative impact of poor quality “apprenticeships”.

Apprenticeship Levy

- 3.11 The Apprenticeship Levy was first announced by the Chancellor of the Exchequer George Osborne in the Summer 2015 Budget and mentioned again in the Autumn Statement. The Levy will be introduced into legislation as part of the Finance Bill 2016 and will come into effect in April 2017. It will be payable by employers (including public sector) on 0.5% of payroll. All employers will receive an allowance of £15,000 meaning that the levy will only be paid by those employers with a payroll over £3,000,000 (apparently less than 2% of all employers in UK).
- 3.12 At the time of writing this report the Levy is still in development and there are still some aspects to the collection and use of the funds that are unclear. In November 2015 the Department for Business Innovation & Skills conducted a consultation with employers and training providers about how the levy system might work in practice and further consideration of this is on-going.
- 3.13 Current proposals are that the levy will be payable through Pay As You Earn (PAYE) and will be payable alongside income tax and National Insurance. To keep the process as simple as possible payroll will be based on total employee earnings subject to Class 1 secondary National Insurance Contributions (NICs). There will be a connected persons rule, similar the Employment Allowance connected persons rule, so employers who operate multiple payrolls will only be able to claim one allowance. For employers paying the levy, the measure is expected to have some impact on administration costs and the impact will vary by employer, depending on the size of their payroll. The policy intention is that employers will calculate and pay the levy on a monthly basis.
- 3.14 It is suggested by Government that the levy will raise £3billion by 2020/21. Employers are expected to be able to claim back the levy to pay for training of apprentices through the Digital Apprenticeship Service. Employers will be able to claim back more than they put into the levy, through a top-up to their digital accounts (amount of top-up is unknown), the implication being that employers are encouraged to provide more apprenticeships. It is also aimed at boosting training and skills building in the workforce generally and employers will be able to fund training to upskills/reskill existing staff. All employers who do not pay the levy will be able to access government support for apprenticeships.

English Apprenticeships 2020 Vision

- 3.15 The English Apprenticeships 2020 Vision was developed jointly by Department of Business Innovation & Skills and Department of Education and published in December 2015. The publication outlines the government's plan for increasing the quality and quantity of apprenticeships, and achieving 3 million apprenticeships by 2020. It sets out what is expected of all main stakeholders, employers, education and training providers and government working together.
- 3.16 The plan documents the benefits of apprenticeships to apprentices by improving their earning potential, employers by improving the quality of products and services and providing a return on investment through greater productivity and the economy by increasing the population's skills based and increasing productivity and tax revenue. The plan also sets out a vision for quality and standards

in apprenticeships by establishing milestones, standards and criteria for what makes a good apprenticeship.

- 3.17 The plan explains the Digital Apprenticeship Service (DAS) which is an online portal that will be introduced in October 2016 (DAS will commence a pilot phase in April 2016). The online portal will be used to access the apprenticeship levy and will enable employers to select the most appropriate apprenticeships, choose a training provider and pay for apprenticeship training and assessment. This will build on the 'Find an Apprenticeship' website which was launched in February 2016 as a free online tool for employers to advertise their vacancies and look for potential recruits as well as potential apprentices to look and apply for opportunities.
- 3.18 The plan sets out the long term system for apprenticeships and explains further how the apprenticeship levy will work. An independent and employer-led body, the Institute for Apprenticeships, will be established through the Enterprise Bill and be set up by April 2017. It will regulate the quality of apprenticeships within the context of reaching three million starts in 2020. An independent Chair will lead a small Board of employers, business leaders and their representatives, to continue to drive up apprenticeship quality to the highest level and approve apprenticeship standards.

Ofsted

- 3.19 In October 2015 Ofsted published a report on an apprenticeships survey that the Chief Inspector commissioned to look into the quality of apprenticeships to inform Government reforms. The report considered how well apprenticeships met the needs of young people, their employers and the economy. The Key Findings of the survey were:
- The quality of the apprenticeship provision reviewed during the survey was too variable and often poor.
 - The growth in apprenticeships in the last eight years has not focused sufficiently on the sectors with skills shortages.
 - Leaders of the apprenticeship provision reviewed did not focus sufficiently on improving the quality and impact of apprenticeships.
 - Employers did not make sufficient contributions to the costs of apprenticeships.
 - Small- and medium-sized enterprises were not sufficiently involved in apprenticeships.
 - The most effective apprenticeship provision was for those aged 16 to 24 in skilled technical and professional industries.
 - Apprentices aged 25 and over often received too little training while at work or during off-the-job learning sessions.
 - Young people still face too many barriers to becoming apprentices.
- 3.20 The Report also suggested that the best apprenticeships focused on developing the careers of apprentices while simultaneously improving their skills, developing their understanding and increasing their knowledge. The Report set out some common characteristics for the best provision of apprenticeships as well as pointing reasons why some apprenticeships were of a poor quality and devalued the 'apprenticeships brand'.

Previous Scrutiny Reviews

- 3.21 The Task Group reviewed apprenticeship related scrutiny reports previously produced by other local authority scrutiny bodies to develop ideas for its review and compare the issues identified. The most recent example was from February 2014 when a Scrutiny Task and Finish Group from Worcestershire County Council conducted a review of Apprenticeships. The review was carried out to look at the quality and level of access to apprenticeships opportunities in the county and outcomes for young people. The task group found that the quality and level of advice provided by schools and colleges in relation to apprenticeships was low although availability of opportunities with employers was relatively good. The task group recommended that there needed to be a rebalance of aspirations and that apprenticeships needed to be a valued option with less importance placed on university. The task group suggested that schools needed to accept their responsibility to promote all opportunities and offer impartial advice to students despite the withdrawal of connexions funding as well as do more to ensure pupils were prepared for the world of work. The task group also recommended that apprenticeship vacancies needed to be promoted more widely and that the Council had a role to promote apprenticeships as an option to employers and young people.
- 3.22 In September 2013 a scrutiny panel from Southampton City Council published an Apprenticeships Inquiry report. The inquiry had been undertaken to look at ways to increase the number of apprenticeships provided in the Borough. The panel engaged employers, training providers, the NAS and National Careers Service as well as apprentices in its review. The panel recommended that the quality of information about apprenticeships needed to be improved and greater access to it in schools, colleges and for NEETs was needed. The panel suggested establishing an Apprenticeship Graduation Day to promote the value of apprenticeships and that the Council introduce a grant scheme to encourage local businesses to employ apprentices. The panel also recommended: establishing an Opportunity Hub to promote apprenticeships and engage employers and potential apprentices, updating the Local Labour Market Information to map local skill needs, and that the Council should be a leading provider of apprenticeships that local employers could follow.
- 3.23 In 2013 Sunderland City Council Scrutiny Panel conducted a spotlight policy review on the delivery of apprenticeships in Sunderland. The review was established in response to the raising of participation age to 18 and examined the delivery of apprenticeships including the role of SMEs, the quality of schemes, the barriers to young people and how demand from employers matched the skills of young people. The panel found that participation and the offer from employers had decreased therefore recommended that larger employers should be encouraged to take an active role in establishing more apprenticeships, including at SMEs in their supply chain. The panel also suggested that academic and vocational routes post 16 should be equally weighted and promoted by schools.

4.0 Methodology

- 4.1 The Task and Finish Group (the Group) first carried out a scoping exercise to develop its objectives and project plan. The Group's original scope for the review included all apprenticeships in the Borough and how the Council supports the growth in the number, and the quality, of apprenticeships. However it was agreed at an early stage in the Group's discussions that first the Council needed to be sure it had high quality arrangements in place for its own apprenticeship

schemes, before it was able to effectively promote apprenticeships and encourage other organisations to adopt the same standards.

4.2 At the same time the Enterprise Bill was developing and new requirements such as the Apprenticeship Levy and Public Sector Quotas were being realised and it was essential for the Council to ensure it prepared to comply with the new rules. Therefore the objectives of the Task and Finish Review were:

- Increase the number of apprenticeships provided by the Council to ensure the 2.3% quota set by Government is achieved
- To consider how the Council should administer the Apprenticeship Levy and how it could benefit the Council
- Make the Council a model of best practice in the employment of apprentices and achieve a high retention rate

4.3 The Group has held several meetings with officers to consider the Council's current arrangements for employing and supporting apprentices, what roles they were fulfilling (and in what departments) and what the outcomes have been for them. The Group also met with some of the Council's apprentices to ask them about their experience, how they had decided to do an apprenticeship, and why they chose Cheshire East as an employer. The Group met with Janice Wooley from Total People who current provide the training for most of our apprentices. The Group also visited Stockport Metropolitan Borough Council (MBC) to see their Apprenticeship Store and learn more what how they employed and supported apprentices.

4.4 As documented in the Section 3 of this report the Group has considered a lot of background information to this review. The Group felt that there had been a lot of research carried out by other bodies into the value of apprentices to a business/local authority and the Group did not want to replicate this. The Group's work has also been guided by the process which is currently taking place with the development of the Enterprise Bill and considering the implications for the Council.

5.0 Key Findings

Potential Financial Implications of the new Legislation

5.1 Figures for 31 December 2015 indicate the Council employed approximately 2833.6 FTE staff. This is the core staff and does not include anyone employed by the Council's ASDVs or schools. It is expected that the ASDVs and schools will not count towards the total staff to measure the 2.3% target for apprenticeships however the Task Group could not confirm this at the time as the precise details around the legislation were not available.

5.2 Based on 2833.6 FTE the Council will need approximately 65 apprentices to achieve 2.3% target. Based on the 31 December 2015 figures the Council currently has 46 apprentices therefore the Council would require an additional 19 positions before the quota is fully introduced. The full cost to the Council of employing one apprentice with on costs is approximately £16,000. Employing an extra 19 apprenticeship positions will result in an additional £304,000 in costs (19 x £16,000); not including

other additional costs such as providing employability workshops, performance development reviews and assessments.

- 5.3 The figures for 31 December 2015 indicate that the Council's salary bill was £74,532,932 meaning that £357,665 (0.5% - £15,000 allowance) would be taken for the levy. This money will not come back to the Council as it is not a provider of training and will instead go straight to the providers when appointed to carry out training. If the Council exceeds the amount of the Levy through its apprenticeship training costs then it will be provided with a top up however it is unclear whether there is a limit on this top up and whether the Council would be required to fund further costs of training beyond this. Any levy money which the Council does not spend within two years will be made more widely available (e.g. to small employers who have not contributed to the levy).
- 5.4 If the Apprenticeship Levy is used to fund the Government's 2:1 contribution for training costs then under Apprenticeship Standard Funding Rules employers will still need to fund 33% of training costs. The majority of the Council's current apprenticeships are in business administration. The Standards for Business Administration Apprenticeships have not been developed yet and it is unclear what the costs of training contributions will be capped at. However it is suggested that Business Admin will fall into Cap 2 therefore costs would be capped at £4,500. If there are 65 apprentices the full cost of training would be £292,500. The levy contribution to this would be £195,000 and the Council's contribution would be £97,500. This would leave £162,665 unallocated in Council's the levy pot. If the 2:1 funding rule did not apply to apprenticeship standards and the full cost of training was covered by the levy then there would be £65,165 remaining in the levy pot.
- 5.5 If the Council chooses to employ more Higher Level and Degree Apprentices then the training costs for those will be higher and more of the levy would be spent. Higher Level and Degree Apprenticeships may also command a higher salary than lower level apprenticeships however the additional cost of training, and therefore benefit to the apprentice, may enable the Council to negotiate the same minimum wage salaries as lower level apprenticeships.
- 5.6 The Apprenticeship Levy and management of the Digital Apprenticeship Service will come with an additional administration cost. Officers have advised that it is likely at least one 'grade 5' post would be required to administer the DAS with a salary of approximately £24,000 plus on costs. The salary equates to about £370 per apprentice (£24,000/65).
- 5.7 Overall, additional costs to the Council of the new legislation could be circa £685,000-£800,000.

Workforce Development and Apprenticeship Provision

- 5.8 It is the Council's responsibility to support young people by providing opportunities such as apprenticeships but the apprentices also needed to contribute to the work of the Council. The Council's 'Recruitment Watch' is not currently allowing grade 2 and 3 positions to be created/filled. This means that jobs aren't available for apprentices to move into.
- 5.9 Each year departments produce their business plans which include a workforce development plan detailing the skills and training needs of the workforce. Managers develop these plans with support

from HR and are required to submit plans for employing an apprentice to HR, to ensure the role is appropriate and training courses can be acquired. Apprentices are currently managed and paid for by each department that has one. Some departments have expressed interest in employing an apprentice but are not able to fund one within their budget.

- 5.10 The main issue for the Council as a result of the new legislation will not necessarily be in finding positions for additional apprentices or putting more employees on training courses which qualified for the quota. The main issue for the Council is likely to be opportunities for the apprentices to progress within the organisation. The Council's workforce, like many local authorities', has been shrinking and there is currently a recruitment freeze, due to budget constraints, meaning that fewer full time positions are available to apprentices at the end of their course or internal staff looking for progression. Due to the lack of good opportunities, or prospects for progression, the Council is in danger of losing the best apprentices because they will look for more attractive positions elsewhere.
- 5.11 HR holds £108,000 from the Employing Young People's Budget to fund some apprentices, marketing for apprenticeships, a graduate development programme, and Cygnet pilot (the cared for children work experience placement scheme). The Council has developed a more structured approach to intakes than it had previously. There are four intake periods based on school term times.
- 5.12 The current workforce strategy requires the Council as an employer to consider the development needs of its existing staff. Therefore the Council can not simply focus on offering opportunities to new young people and has to consider the needs of all staff looking for training to develop their skills from within current professional development budgets available.
- 5.13 The Council currently receives a variety of funding streams for training and development, such as the Continuing Personal Development (CPD) money which is controlled by HR. It is unclear whether these funding streams will remain in place when the Apprenticeship Levy is introduced.
- 5.14 As well as apprentices the Council currently runs an in-house Virtual College which provides employees with training to achieve an NVQ. Management Group Board has recently made a decision to reduce this service; as a commissioning council it was suggested that the Council should not be providing all training delivery and instead look to commission from other providers. When the creation of the Skills and Growth ASDV was approved in December 2015 consideration had been given to including Workforce Development, and the Virtual College in the services which transferred over. However the decision was made to keep the Council's internal workforce development in-house and separate from external facing services.
- 5.15 The new Skills and Growth ASDV was set up to have responsibility for business engagement and developing the local economy and could support relationships between the Council and employers around opportunities for those completing an apprenticeship.

Council's A* Apprenticeship Scheme

- 5.16 The A* (A Star) Apprenticeship Scheme has been running since 2010. In 2014 the scheme was "highly commended in the North West" by the National Apprenticeship Service (NAS). The scheme

offers a one year temporary contract to complete a NVQ Level 2 or Level 3; many apprentices were offered a second year (advanced) apprenticeship to study for a higher qualification. Apprentices



usually work a 37 hour week (including six hours per week study time) and are paid by Cheshire East on the national minimum wage according to age, which is higher than the minimum wage for apprentices. Training for the NVQ is provided by external training provider Total People (however some apprentices, such as agricultural, are trained by Reaseheath College).

- 5.17 Previously the Council had between 40-50 apprentices at any one time. There are currently 46 apprentices and the vast majority of these are funded and recruited by individual departments as part of their own structures. Previously Workforce Development had budget for 25 apprentices and undertook the recruitment; this was prior to decision to pay the minimum wage which meant fewer could be employed within the budget. These apprentices were given the opportunity to rotate between various departments to gain experience in different roles, enabling them to develop different skills and decide what type of role may suit them best in the future. Now that departments are employing their own apprentices they are retained by that department throughout the term of the contract. Workforce Development currently holds a £93,000 budget to fund some apprentices for services without a budget to fund their own apprentice. As well as the wage for the apprentice, there was other costs such as pension, heat and light etc., which need to be included in budgets.
- 5.18 The majority of apprentices at the Council are currently aged between 18 and 19 although there was one previous example of a 31 year old apprentice. The majority of apprentice roles are business admin although there are others in finance that will go on to complete AAT Training in accountancy. Towards the end of each apprentice's contract the Council supports them to apply for internal and external posts, to help them go on to have full time permanent employment (FTE). Since 2010, 192 young people have been through an apprenticeship with the Council. 94 have gone on to be employed in the private sector, 54 have taken positions with the Council or an ASDV and one has gone on to further education.
- 5.19 Workforce Development Team and A*s are invited into schools to promote apprenticeships on an ad hoc basis and run a stall at careers events and job fairs when possible. Most careers fairs promote apprenticeships generally and training providers market the apprenticeships they provide for various employers online.

Cygnets Pathway

- 5.20 The budget is also being used to fund a work experience programme currently being piloted for care leavers. The Cygnets Pathway is a six month paid for work experience programme providing a level

two employability qualification to which difficult to engage young people are referred to by their social worker. It is unclear in many cases were these work experience posts should be placed and it is difficult to find places for them. As these young people are difficult to engage some have not completed the programme. However there are some examples of the young people having a positive experience and being able to go on to further training or employment.

Meeting with Apprentices

- 5.21 The Group met with apprentices to discuss their experiences. The apprentices the Group met were at varying stages in their contract and were from a variety of departments. They informed the Group that they had mostly applied for their apprenticeships through Total People's website and had heard about the opportunity through word of mouth. They said that they hadn't had any advice about apprenticeships at school and colleges pushed their pupils to go to university.
- 5.22 Some of the apprentices had been to college but had dropped out before applying for their apprenticeship. One believed that there would be better opportunities to progress their career ambitions through an apprenticeship rather than a degree. Most of the apprentices were hoping to be able to apply for a FTE role at the Council once they had finished their apprenticeship as they enjoyed working for the Council. One of them had recently agreed to take a role with a company in Crewe so would be leaving soon but had hoped to find a job with the Council.
- 5.23 Apprentices at the Council are encouraged to take part in many of the events that the Council run or take part in e.g. Cheshire Show, Nantwich Show. Some of the apprentices had taken part in events at schools and enjoyed talking to students about their experience as an apprentice. The apprentices studied weekly with Total People and were pleased with the learning they were doing.
- 5.24 Experiences in work varied between them due to the department they were in. Some felt they were treated as an apprentice should and were given lots of help and advice as well as their training. Others felt they were simply another member of the team required to get on with the tasks that they had been given and weren't supported or mentored in a way that helped them to develop.

Council's Current Training Provider - Total People

- 5.25 The Group met Janice Woolley from Total People to discuss the role it plays with the Council's apprenticeships and gave her views on how we might increase the number of apprentices. She suggested that Cheshire East's main issue is the supply of young people willing to do an apprenticeship. Cheshire East has low unemployment and high achievement in GCSEs which gives our young people good opportunities and lots of options. Many of them go onto university or full time employment and the idea of an apprenticeship does not appeal to them. Parents also encourage their children into taking a degree rather than consider an apprenticeship.
- 5.26 One of the keys to increasing interest in apprenticeship vacancies is to advertise them early in the school year to give pupils more time to consider them at a time when they may not have made up their mind about what to do when they leave school. A lot of vacancies that Total People deal with weren't advertised until June at which point most pupils will have decided to go to college or

university or take another job. January is considered to be a good time to promote vacancies and sustained promotion and encouragement to consider apprenticeships would help to increase interest from more promising applicants.

- 5.27 Schools currently have a mixed approach to apprenticeships. It was suggested that some schools did not invite external providers such as Total People to careers events as they wanted to encourage their pupils to attend their sixth form or apply for university degree courses. In some cases there is little support from schools for pupils who have expressed an interest in doing an apprenticeship; this may lead some of them to abandon that option.
- 5.28 While Total People acknowledged that there were some poor apprenticeships available which tainted the apprenticeships 'brand' they suggested that there were also some poor quality degrees available which offered little to students long term prospects and could leave them with large students debts.
- 5.29 One of the ways that apprenticeships could become more appealing to college leavers and competitive with degrees is through Higher Level apprenticeships. Currently there aren't many of these apprenticeships available in Cheshire East. Of the 4500 apprenticeships that Total People worked with in a year approximately 25% are higher level. Degree Apprenticeships are also in development. These combined part time university courses with real work experience. Nationally there are programmes available but not locally. Manchester Metropolitan University (MMU) are apparently starting to bring some to Cheshire and Total People will start to offer some Level 7 apprenticeships.

Stockport Model

- 5.30 Stockport is similar to Cheshire East as it has a small NEET pool with good outcomes for school leavers and parents encouraging their children to do to university. This means that Stockport MBC has to work hard to attract quality young people into their Apprenticeships. Stockport also has to compete with other local public service providers, such as, Stepping Hill Hospital and the Fire and Rescue Service who will also be required to reach the Governments 2.3% apprentices target; Cheshire East will also experience this with two acute trusts and Cheshire Police and Cheshire Fire and Rescue services. Stockport does not have many large employers and local jobs are mainly provided by SMEs. This is attributed to Stockport's proximity to Manchester city centre with good transport links attracting many residents, particularly skilled young people, into the centre and away from jobs in Stockport. Stockport currently has 7.5% of its 16-17 year old residents in an apprenticeship. This is higher than both the North West and National averages.
- 5.31 As part of the Association of Greater Manchester Authorities (AGMA), Stockport Metropolitan Borough Council (MBC) is encouraged to use the AGMA way of working, with a preferred list of Apprenticeship training providers as part of its workforce development tendering process. Most of the training providers available to Stockport MBC mainly offered business admin training and the AGMA authorities would require them to bid to provide training for their apprentices.

- 5.32 Like Cheshire East, Stockport is currently paying its apprentices minimum wage based on age. Some AGMA authorities were known to be paying the national living wage for their Apprenticeships; however this was considered to be too high and unnecessary to be competitive in the market. It was considered appropriate to pay above the current minimum for apprenticeships as it encouraged more young people to consider a apprenticeship, particularly those who are from poor backgrounds whose families' working tax credits are affected by them being in work (which is not the case for students at university or other full time education).
- 5.33 All apprentices at Stockport Council are managed as a pool centrally by the 14-19 Services department. The Council is structured so that all admin is provided centrally and each directorate receives support services from the centre. Business Admin apprentices are 'loaned' to directorates on a flexible basis as and when needed. This helps to cover gaps in the workforce (e.g. due to sickness or maternity) and enables apprentices to gain experience in a variety of areas. There is also a similar pool of apprentices for schools support.
- 5.34 Like Cheshire East, apprentices are also encouraged to take part as ambassadors for the Council in schools and are involved in the advertising and promotion of apprenticeships on a wider basis across the borough. They are also required to spend time staffing the Apprenticeships Store which helps to control running costs and enables them to experience working with employers and advising young people. Peer mentoring is popular with the youth attendees at the store.
- 5.35 Stockport also employs some apprentices working for Stockport Homes, the arm's length social housing provider as Building Apprentices on construction contracts.
- 5.36 All Level 4 and 5 apprentices had had good outcomes in the Council e.g. full time employment or Higher Education. The outcomes of the Level 2 and 3 apprentices were also positive, with 80% progressing onto some form of employment.

The Stockport Apprenticeships Store

- 5.37 Stockport MBC owns and operates an Apprenticeships Store which is located centrally between the Town Hall and the Railway station. It is next door to a building which houses of Children's Services – Services for Young People (formerly Connexions Service). This enables joint working and easier access for young people and parents.
- 5.38 The store supports people looking for an apprenticeship as well as advising on employability skills and other options available to them. The Service matches what vacancies are available with the pool of young people who were looking for work.



- 5.39 The Job Centre Plus (JCP) also hosts a session once a week at the venue for people looking for work. The JCP team refers people to the Apprenticeships Store and there is training at the store provided by JCP advisors.
- 5.40 Employers use the store to advertise positions and access advice about recruitment and training. There are also facilities for employers to use for interviewing and staff at the store can support this. The Store is used by a lot of SMEs who do not have the experience or resources to recruit young people.
- 5.41 The Store is promoted online with a website and high use of social media – twitter, webchat, etc. Staff work closely with the Greater Manchester Chamber of Commerce and Federation of Businesses.
- 5.42 The Store was set up initially with Grant funding. It is maintained by part funding from the Council, and Service Level Agreements with schools and college. There is match-funding in kind through staffing from Job Centre Plus and training providers (however the store remained provider neutral).
- 5.43 There is no charging for any of the Apprenticeships Services as charging was seen as a deterrent and the main aim of the service was to provide better outcomes for young people and local businesses.

The Supported Apprenticeships Scheme for Children in Care, Care Leavers, Young Carers, Special Educational Needs and Disabilities Learners

- 5.44 Stockport MBC also provides a training and work placements scheme, similar to Cheshire East Council's Cygnet scheme, to some of its looked after children. The Service currently has 16 care leavers on placements with local businesses (mostly in vocations such as car mechanics, sport/leisure and beauty). The care leavers are provided with a one year contract on a Level 2 scheme with 30 hours a week on minimum wage for their age. The cared for children are employed by the Council but work for the local businesses which include some local charities. Employers have access to a liaison officer to monitor the progress of the young people and deal with any issues that arise. The employers have a good relationship with the Council and understand the needs and challenges of working with cared for children. The care leavers continue to liaise with their social worker and safeguarding measures are in place. There are some good examples of where these placements have given cared for children good prospects for progression, however there are also some who have failed to see out their contract due to challenging personal circumstances.

Crewe and Macclesfield Pledges

- 5.45 The Group met Trevor Langston from South Cheshire Chamber of Commerce to discuss the Crewe and Macclesfield Pledges. The Macclesfield Pledge was launched during this review on 3 February 2016. The Crewe Pledge has been running since March 2015 and has been successful in bringing businesses together to provide young people living, studying or working in Crewe with opportunities to develop employability related skills and personal qualities. There was also interest from Poynton, Wilmslow and Congleton in setting up similar local pledges as well as interest from Cheshire West.

- 5.46 The Pledges are hosted by South Cheshire Chamber of Commerce and supported by the Macclesfield and Congleton Chambers. South Cheshire is the only one of the three that has accredited chamber status which enables it to bid for National Funding therefore was made the accountable body for the pledges. The Pledges are able to bid for funding from the Local Enterprise Partnership (LEP).
- 5.47 Apprenticeships are a big part of the pledges but not the only element. It is important to get local schools involved in pledges; there has been a lot of engagement from schools and colleges in Macclesfield and Crewe. The Pledges introduce employers to training providers to help them set up apprenticeship schemes. Targets for the Pledges are linked to the Council's targets about the number of apprenticeship and in relation to NEETs in the Borough, and Trevor liaises with officers of the Skills and Growth ASDV.
- 5.48 The Crewe Pledge is linked to proposals from South Cheshire Chamber to set up an Apprenticeship Store in Crewe by bidding for Capital funding from Cheshire and Warrington Enterprise Partnership of £100k. The store would also be for supporting businesses as well as young people based on a similar model to the Stockport Store.

6.0 Conclusions

- 6.1 This review has come at a time of considerable change to the apprenticeships landscape and there are still a lot of rules, regulations and guidance that need to be published before the full implications for the Council can be understood and prepared for.
- 6.2 However it is clear that the Apprenticeship Levy and Public Sector Apprenticeship Target are going to create additional costs for the Council and the need for some structural changes. At current employment levels the Council is going to need approximately 65 apprenticeship positions by April 2017, 19 more than the current level.
- 6.3 With limited opportunities available due to reducing budgets and a shrinking workforce the Council needs to have clear plans in place for the progress of its apprentices, including assisting them to find positions outside the Council. The Group suggests that when departments express an interest in taking on an apprentice there should be a clear onward plan for the apprentice prepared.
- 6.4 If the Council is unable to offer an apprentice a full time job in the authority then it should ensure it supports apprentices to secure them external opportunities. This could be achieved through the Council's links with partners or local businesses. The Group feels that in order to help apprentices go on to attain FTE (full time employment) the Council should engage with employers who would benefit from access to young people who have been given excellent experience in a high quality scheme run by the Council, potentially through links with the local Pledges.
- 6.5 The Council needs to make sure that the apprentices each department employs are provided with accredited training and support and are not treated as low skilled cheap labour as described in Ofsted's report. In order to increase the number of apprentices at the Council there needs to be real positions for them to take up at the Council.

- 6.6 The Council needs to ensure there is a pathway for our young people to make them work ready in order to benefit the local economy, particularly our SMEs who may not have the resources to train and develop their own workforce.
- 6.7 It is suggested that designated officers within the Council's Workforce Development Team should be responsible for accessing the Apprenticeship Levy and managing spend, as opposed to individual managers having to learn the system and access it.
- 6.8 The Task Group suggests that in order to ensure the levy is managed effectively, the Council achieves its 2.3% quota, and that apprentices are employed in the right places, provided with support and helped to progress at the end of their contract; this should all be managed centrally within HR. All apprentices would be employed by HR and departments would apply to HR for an apprentice.
- 6.9 This could be funded by top slicing funding from departmental budgets where apprentices could be employed and then requiring departments to apply for an apprentice. This would enable more departments to take on an apprentice. It would enable a comprehensive induction to the authority and provide more flexibility for departments to take on apprentices for limited periods of peak activity, enabling apprentices to experience multiple roles and ensuring they are always contributing to the needs of the Council. This is a similar model to the one which Stockport MBC operates.
- 6.10 There is a concern that the Apprenticeship Levy may be replacing the various existing funds that are available to local authorities for apprenticeships, training and personal development. The levy will only partially cover the cost of training courses, meaning the Council will still have to find funding for part of the training. The Council will incur increased costs through additional wages of additional apprenticeship posts and administration costs of the levy.
- 6.11 However the Council should aim to benefit from having more skilled young people in the workforce. The Council should be seeking to employ the best local young people to secure a highly capable workforce with skills in relevant areas for delivering high quality services in the long term. Vacancies need to be advertised early in the academic year to ensure young people have the opportunity to consider an apprenticeship at the Council before they make an alternative decision.
- 6.12 It is suggested that Memorandums of Understanding should be developed with potential Training Providers and Colleges/Universities to form a list of preferred providers for training in future. This should help to smooth the procurement process for setting up contracts to access the levy and enable the Council to negotiate better rates for training. This list of preferred providers would also improve the Council's use of the Digital Apprenticeship Service once it is available and improve contract monitoring, auditing and review.
- 6.13 It is clear that some departments are not appropriate for employing an apprentice. For example, apprentices should not be expected to be employed in social care and some children's service roles due to the nature of the environment and the skills and maturity required. However the Group wants to ensure that as many departments as possible contribute to the supply of apprentices.

- 6.14 The Group also wants to consider how more high level apprentices and degree courses for new and existing employees could be created. However there is a need to consider the value of these apprenticeships to the Council against the potential higher costs of salaries and training, and the length of time required to complete them.
- 6.15 The Council needs to ensure it provides opportunities for young people experiencing challenging circumstances as a Corporate Parent. The Cygnet Pathway should be looked at to consider how it can be made sustainable and ensure it is providing opportunities that care leavers and young people with SEND are interested in and provide them with real prospects for the future.
- 6.16 The Task Group was very impressed with the Apprenticeship Store in Stockport and is interested in the potential of setting up such stores here in Cheshire East. The Task Group is pleased that the Chambers of Commerce, through the Pledges, are looking at options for an initial store in Crewe however the Group would like to see this located somewhere that will maximise accessibility via local transport links and enable joint working with other services (e.g. the Council's Youth Engagement Hub).

7.0 External Apprenticeship Provision

- 7.1 Although the Task Group's remit for this review has been focused on the Council's internal arrangements for apprenticeships there have been several occasions that the Group has considered how the issues raised in relation to the Council will affect apprenticeship provision across the Borough. This section has been included in the report to document those issues and state the Task Group's recommendation that a further scrutiny task and finish group be established to build on what has been done here to look at apprenticeships across Cheshire East in more detail.
- 7.2 There are many local organisations and businesses that will be effected by the changes in legislation and funding of apprenticeships and the Council has a responsibility to support the SMEs that may not have the resources or time to effectively understand and manage the changes that they need to make or how they could benefit from creating apprenticeships in their business. The task group would be able to look at how the Council, as an exemplar for apprenticeship provision, could encourage businesses in Cheshire East to grow apprenticeship provision to ensure the Borough is contributing effectively to achieve the Government's target of three million apprenticeship starts by 2020.
- 7.3 Ofsted's Report has suggested that schools need to support young people more who want to do an apprenticeship. The Group has also read that other local authority scrutiny bodies have made recommendations previously that schools need to do more. A further scrutiny review should consider how schools and colleges are being engaged in promoting apprenticeships and what more could be done to support this.
- 7.4 The task group would have to work closely with the Council's latest ASDV, the Skills and Growth ASDV, to look at how they are developing the image of apprenticeships and working with local businesses and training providers to ensure there are apprenticeships in the Borough's leading industries to ensure local young people have the opportunity to get the best local jobs.

- 7.5 The task group could also follow up on the Crewe and Macclesfield Pledges and consider further how apprenticeship stores could be established in the Borough.

Appendices

- A- Terms of Reference
- B- References and links to background docs

Appendix A – Terms of Reference

Scrutiny Project Initiation Document

Project Name:	Cheshire East Council Apprenticeships Task and Finish Group
Project Manager	James Morley
Project Team	Jon Weston, Liz Durham, Brian Roberts
Supporting Officer	Peter Cavanagh, Sue Malec, Steve Belairs
	Lisa Burrows, Sara Barker
Timescales	October 2015 – March 2016
Distribution:	Project Team, Portfolio Holders, Supporting Officers, Heads of Service,
Purpose of this document:	To document the reasons for undertaking the project, to define the project and to form the basis for its management
Project Initiator	Jobs Regeneration and Assets Overview and Scrutiny Cttee

Background & Reasons for undertaking the project

The Government has set a target of three million apprenticeships nationally during this parliament. There is also an Enterprise Bill which is currently being considered which will include a quota for the number of apprenticeships provided by public organisations and a levy on all organisations to fund apprenticeships. Ofsted recently published a report into apprenticeships which concluded that many apprentices currently being provided are a low standard which do not provide long term employability skills or meet the skills needs of the economy. New standards for apprenticeships will be set. The Council needs to fulfil its responsibilities to providing apprenticeships as well as encourage organisations across the Borough to do their part. The Task Group will consider how the Council can be best practice and increase its number of apprenticeships to lead other organisations in the Borough by example.

Project Objectives

- Increase the number of apprenticeships provided by the Council
- Make the Council a model of best practice in the employment of apprentices and achieve a high retention rate

Project Scope

The Task Group will consider the internal arrangements for apprenticeships in the Council, where posts are located, how they are funded, what training they receive, what roles they fulfil in their duties and how they are recruited. The Task Group will consider how

improvements to the current system can be made and where additional apprenticeship posts can be added/are needed.

Project Deliverables/Outcomes

The Task Group will produce a report documenting its findings, conclusions and recommendations to be considered by Cabinet and MGB, including an action plan and suggested timescales for implementation.

Appendix B – References and Links to Background Documents

1. National Apprenticeship Service – www.apprenticeships.gov.uk
2. The Future of Apprenticeships in England: Implementation Plan - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/253073/bis-13-1175-future-of-apprenticeships-in-england-implementation-plan.pdf
3. Skills Funding Agency - <https://www.gov.uk/government/organisations/skills-funding-agency>
Apprenticeship Frameworks - <https://www.gov.uk/government/publications/apprenticeship-frameworks-live-list>
Apprenticeship Frameworks Funding Rules 2016 to 2017 - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/496196/Combined_Framework_Rules_FINAL.pdf
Apprenticeship Standards - <https://www.gov.uk/government/collections/apprenticeship-standards>
Apprenticeship Standards Funding Rules 2016 to 2017 - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/496151/Apprenticeship_standards_funding_rules_2016_to_2017_FINAL_v2.pdf
4. Enterprise Bill – <https://www.gov.uk/government/collections/enterprise-bill>
Institute of Apprenticeships Factsheet - <https://www.gov.uk/government/publications/institute-for-apprenticeships-enterprise-bill-factsheet>
Apprenticeship (data sharing and spending) Factsheet - <https://www.gov.uk/government/publications/apprenticeships-data-sharing-and-spending-enterprise-bill-factsheet>
Public Sector Apprenticeship Target Factsheet - <https://www.gov.uk/government/publications/public-sector-apprenticeship-targets-enterprise-bill-factsheet>
Make Apprentice a protected term Factsheet - <https://www.gov.uk/government/publications/make-apprentice-a-protected-term-enterprise-bill-factsheet>
5. Apprenticeship Levy - <https://www.gov.uk/government/publications/apprenticeship-levy/apprenticeship-levy>
6. English Apprenticeships 2020 Vision - <https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020>
7. Ofsted Report Apprenticeships: Developing Skills for Future Prosperity - <https://www.gov.uk/government/publications/apprenticeships-developing-skills-for-future-prosperity>

8. Worcestershire County Council Scrutiny Report -
http://www.cfps.org.uk/domains/cfps.org.uk/local/media/library/2014_02_apprenticeships_report_final.pdf
9. Southampton Scrutiny Report -
http://www.cfps.org.uk/domains/cfps.org.uk/local/media/library/apprenticeship_inquiry.pdf
10. Sunderland Scrutiny Report -
http://www.cfps.org.uk/domains/cfps.org.uk/local/media/library/delivery_of_apprenticeships_in_sunderland.pdf
11. Cheshire East Council A* Apprentices -
http://www.cheshireeast.gov.uk/jobs_and_careers/apprenticeships_a-team/apprenticeships.aspx
12. Skills and Growth ASDV Report Dec 2015 -
<http://moderngov.cheshireeast.gov.uk/ecminutes/documents/s44107/PH%20report.pdf>
13. Total People Website - <http://www.totalpeople.co.uk/>
14. Stockport Apprenticeships and Store -
<http://www.stockport.gov.uk/services/education/educationtrainingandemployment/apprenticeships/?view=Standard>
15. The Crewe Pledge - <http://thecrewepledge.co.uk/>
16. The Macclesfield Pledge - <http://www.macclesfieldpledge.co.uk/>

For further information, please contact:

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Cheshire East Council

Cabinet

Date of Meeting:	17 th January 2017
Report of:	Frank Jordan, Executive Director of Place
Subject/Title:	Connecting Cheshire Phase 3 Gainshare Broadband
Portfolio Holder:	Councillor David Brown, Deputy Leader and Cabinet Member for Highways and Infrastructure

1. Report Summary

- 1.1. Over half of the population in Cheshire East lives in a rural area. Broadband and digital connectivity are essential to support our rural communities and for increasing the productivity of our rural businesses.
- 1.2. Since 2013, the Connecting Cheshire Partnership (a collaboration between Cheshire East Council, Cheshire West & Chester Council, Halton Council and Warrington Council) has delivered fibre broadband to over 85,000 premises across Cheshire, Halton and Warrington, ensuring over 96% of homes and businesses can access high speed broadband.
- 1.3. The Connecting Cheshire Partnership aims to build upon this success and this report seeks Cheshire East Council's approval to bring forward a third project of the programme, referred to 'Phase 3 Gainshare', to extend fibre broadband coverage.
- 1.4. The Phase 3 Gainshare project is to be funded by a £3.4m reinvestment fund generated by "clawback" from the Connecting Cheshire Contract 1 between British Telecommunications PLC ("BT") and Cheshire East Council (as Lead Provider to the Connecting Cheshire Partnership). Clawback is derived from excess subsidy that may have been granted to a beneficiary of State Aid. In this case, it is generated from take-up of broadband services exceeding the forecasted level (20%).
- 1.5. Following technical modelling by BT it was reported that an additional 5,387 premises could be connected across Cheshire and Warrington with superfast broadband by June 2018 at a cost of £3.34 from the reinvestment fund.
- 1.6. The Phase 3 Gainshare project will increase the coverage fibre broadband to homes and businesses and has been approved by Broadband Delivery

UK (“BDUK”), demonstrating strong value for money for residents and businesses.

2. Recommendations

It is recommended that the Cabinet

- Approve a contract change to the Superfast Extension Project contract held with BT, which will commit £3.34m from the reinvestment fund to extend the rollout of superfast broadband to an additional 5387 premises by June 2018
- Delegates authority to the Executive Director of Place, in consultation with the Cabinet Member for Highways and Infrastructure and the Chief Operating Officer, to invest any future additional funds accumulated in the reinvestment fund to further the rollout of superfast broadband
- Authorises the Director of Legal Services to enter into any necessary legal documentation to give effect to the above recommendations

3. Other Options Considered

- 3.1. Option 1 – Accept the Phase 3 Gainshare proposal, which forms the basis of the recommendation of this report.
- 3.2. Option 2 - Seek to withdraw funding from the reinvestment fund. The authority will be required to repay BDUK and DCLG their proportions of the capital contributions to Contract 1, reducing funding available to the Connecting Cheshire Partnership by up to 85%.
- 3.3. Option 3 - Do Nothing. The clawback funding would stay in the reinvestment fund until the end of Contract 1 in 2023.

4. Reasons for Recommendations

- 4.1. Access to high-speed broadband is a strategic priority for the councils across Cheshire, Halton and Warrington. The economic and social benefits of good quality high-speed broadband connectivity are significant and are a corner stone of the national agenda to improve productivity and enterprise growth.
- 4.2. The phase 3 Gainshare proposal from BT has been assessed and viewed to be good value for money by BDUK’s assurance board, scoring ‘green’ (good) across the key criteria of the Comparison Report.
- 4.3. The proposal will connect an additional 5,387 premises with Superfast Broadband at speeds of 24Mbps or greater by June 2018 - an average cost of £620/premise. It is estimated that 54% of these premises will be in Cheshire East benefiting over 2,900 premises locally.

- 4.4. The Phase 3 Gainshare project will maximise the positive impact and benefit of monies held in the reinvestment fund, ensuring homes and businesses with poor broadband speeds are upgraded as soon as possible.
- 4.5. The Connecting Cheshire Delivery Team is able to deliver the additional tranche of activity alongside the existing Contract 2 deployment underway, ensuring management and team efficiencies are realised.

5. Background/Chronology

- 5.1. On 7th May 2013 Cabinet endorsed the recommendation for Cheshire East Council to enter into a broadband contract with BT to deliver the roll out of fibre broadband in rural areas of Cheshire, Warrington and Halton (“Connecting Cheshire Contract 1”).
- 5.2. As part of Connecting Cheshire Contract 1’s finance model BT built their solution on an assumed 20% base take-up of service over the contract term, through to 2023. If take-up is higher, or if build costs are cheaper, a clawback mechanism is triggered returning investment to the reinvestment fund to further the rollout of superfast broadband. Currently take up stands at nearly 40%.
- 5.3. Gainshare is the early offer of £3.4m clawback from the Connecting Cheshire Contract 1 with BT. The context is that BT generated c. £129m nationally from phase 1 BDUK projects. It was agreed with BT, BDUK and the European Commission responsible for State aid that this funding is offered back to projects to reinvest into broadband, according to how clawback is treated in the specific contract.

6. Wards Affected and Local Ward Members

- 6.1. The majority of wards stand to benefit

7. Implications of Recommendation

7.1. Policy Implications

- 7.1.1 The original Government policy of 90% superfast broadband coverage across the UK by 2015 was updated as part of the autumn 2013 budget extending coverage targets to 95% superfast coverage by 2017, with the aspiration of 99% by 2018.

The case for investment into high-speed broadband for Cheshire East has been established in the following key policy documents:

- Cheshire East Corporate plan 2016 - 20
- Cheshire East Sustainable Community Strategy: Ambition for All (2010)

- Cheshire Est: Where Rural Communities Matter (2014)
- Cheshire and Warrington Local Enterprise Partnership Strategic Economic Plan (2013)
- Cheshire and Warrington Local Broadband Plan (2012)

7.2. Legal Implications

7.2.1. Section 2 of the Local Government Act 2000 gives Local Authorities power to take steps which they consider are likely to promote the economic, social or environmental well being of their area - or its inhabitants. However, no action can be taken which would contravene any specific statutory prohibition, restriction or limitation. Regard must also be had to the Community Strategy. The actions proposed in this report fall within this power.

7.2.2. Specialist legal advice has been obtained on the proposed reinvestment of the £3.34m in the Council's current contract with BT (Connecting Cheshire Contract 2) by way of a modification to that contract. The Council's advisor has advised that:

- although the procurement process is complex and not entirely risk-free, the risk of a challenge being presented and being successful is low to medium given character and value of contractual change in relation to the existing contracts with BT
- the risk around State aid compliance is low as the investment is to be made in accordance with the provisions of the European Commission's State aid clearance in respect of the National Broadband Scheme for the UK
- they have no reason to believe that the Council would breach the terms of the grant agreement if the gainshare sum is utilised as proposed (especially given the support the reinvestment has received from BDUK). However they did recommend confirming the position with the grant funder (the European Regional Development Fund)

7.2.3. The other local authorities comprising the Connecting Cheshire Partnership (i.e. Cheshire West and Chester Council, Halton Council and Warrington Council) have all approved the Phase 3 Gainshare proposal.

7.3. Financial Implications

7.3.1. The £3.34m funding in the reinvestment fund will be brought into the Connecting Cheshire Contract 2 by means of a change control. With BT contributing £960k, the total capital funding for this project is £4.3m.

7.3.2. There is no new capital investment required by Cheshire East Council as this funding is generated by the contracted clawback mechanism under Connected Cheshire Contract 1. Project delivery costs will be borne from existing budgets

7.3.3. £4.3m is total value of the Gainshare project. Outcomes of the project need to be delivered within this funding envelop.

7.3.4. The Connecting Cheshire Partnership will be entitled to receive any future clawback generated under the Contract 1 through to 2023.

7.4. Equality Implications

7.4.1. The recommendations do not have any direct equality implications

7.5. Rural Community Implications

7.5.1. The project will positively benefit rural communities and support the quality of place agenda by upgrading broadband services where speeds are typically not as good as in more urban areas.

7.6. Human Resources Implications

7.6.1. Project management arrangements in place until April 2017 to support the delivery of Contract 2 will be further extended to July 2018.

7.7. Public Health Implications

7.7.1. The recommendations do not have any direct health implications.

7.8. Implications for Children and Young People

7.8.1. There are no direct implications for Children and Young People, although it is well understood good broadband speeds support learning and attainment online.

7.9. Other Implications (Please Specify)

7.9.1. none

8. Risk Management

8.1. The Connecting Cheshire local authority partners would work together, in accordance with the collaboration agreement, to ensure funding generated from clawback is, wherever possible, reinvested to further extend the coverage of superfast broadband across Cheshire, Warrington and Halton.

8.2. The Phase 3 Gainshare proposal, as an extension to Connecting Cheshire Contract 2, has been endorsed by BDUK and by DCLG.

- 8.3. The Connecting Cheshire project team will work with BT to ensure targets and timescales of the Phase 3 Gainshare project are met.
- 8.4. The Connecting Cheshire project team will work with BDUK and the national state aid competency centre to ensure the rollout is compliant and continues to demonstrate the good value for money.

9. Access to Information/Bibliography

9.1.

10. Contact Information

Contact details for this report are as follows:

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Cheshire East Council

Cabinet

Date of Meeting:	17 th January 2017
Report of:	Frank Jordan - Executive Director of Place
Subject/Title:	Highway Service Contract Procurement
Portfolio Holder:	Cllr David Brown, Highways and Infrastructure

1. Report Summary

- 1.1. The Highway Service remains the most visible public sector service used by virtually every member of the public every day of their lives when they step out of their front door. The £5bn Highway Network is the single most important and valuable asset managed by the Council, and is essential to delivering a thriving economy. Managed well our highway network enables our residents, businesses and service sectors to carry out their daily needs safely and efficiently to the benefit of everyone.
- 1.2. The Council has listened to its residents' and businesses and prioritises around £32 million per annum of expenditure through the current Highway Service Contract on highway improvements, maintenance, operations and professional services.
- 1.3. Cabinet are being requested to approve the approach to procuring the Council's next Highway Service Contract. The approval is necessary as the current arrangements expire in October 2018 and the decision will provide a reasonable timeframe for both the procurement exercise and contract mobilisation for the successful bidder.

2. Recommendations

- 2.1. That Cabinet approve that the Executive Director for Place, in consultation with the Deputy Leader and Portfolio Holder for Highways and Infrastructure, progress the process for procuring a new Highway Service Contract for the Council.
- 2.2. That Cabinet agree to the establishment of a pre-procurement advisory cross-party Member Panel, the composition of which to be determined by the Portfolio Holder for Highways and Infrastructure, to make informal recommendations to the Portfolio Holder in respect of priorities for the Contract.

- 2.3. To note that the Corporate Overview and Scrutiny Committee will receive a report on the suggested procurement approach to allow their recommendations to be considered by Cabinet before a decision is made.
- 2.4. That Cabinet note the establishment of an officer Project Board involving key staff from other Council service areas in delivering this Contract, including Legal, Finance, HR, Assets, Procurement and external advisors.
- 2.5. That Cabinet note the funding allocations are in place to develop and deliver a new Highway Service Contract.
- 2.6. That Cabinet note that the decision on contract model, duration and procurement route will be brought back to Cabinet for approval, and following completion of the tender process. Cabinet will also approve award of contract to the preferred/recommended provider.

3. Other Options Considered

- 3.1. The current Highway Service Contract relates to the delivery of highway maintenance services and highway improvement schemes. The Contract includes a wide range of professional services to support the Councils Strategic Infrastructure delivery programme and many other Council departments including Regeneration, Facilities Management, Assets, Parking Services, and Open Spaces.
- 3.2. Following the Highway Maintenance Efficiency Programme guidance (*HMEP is the Department for Transport's sector led transformation programme*), there are a range of delivery models open to the Council, the choice of which depends on a number of factors including the function to be retained by the client team, the performance management framework, and the payment mechanisms.
- 3.3. The 8 variants of delivery model will be considered by the Project Board (see section 5) and a recommendation made to Cabinet.

4. Reasons for Recommendations

- 4.1. The Council is setup to deliver the 'best fit' approach to the commissioning of Council services. Cheshire East Council has a statutory duty, under the 1980 Highway Act, to manage and maintain the highway network within the borough.
- 4.2. Consideration of the future contract model for Highway Service delivery will consider whether to update the current model or develop a completely new model. Given the significant additional cost associated with a completely new procurement model, it is recommended that this is considered by the Project Board and Member Panel prior to making a recommendation. Utilising a Member Panel was successful in delivering the current Highway Service Contract given the lengthy process involved and the level of engagement required.

- 4.3. The Highway Client team will require both in-house and specialist support as part of the procurement. At this stage the procurement cost, assuming this is based around the current model, is estimated at £500k and allocations have been included from the existing Highway Revenue budget for 2016/17 with further allocations earmarked for 17/18 and 18/19. If the Council chooses a different route to procurement the estimated cost could change and further funding is likely to be required.
- 4.4. It is intended to utilise the advice and guidance provided through the Government's Highway Maintenance Efficiency Programme, which is widely recognised within the highway industry, and seeks to avoid the expensive development of bespoke highway contracts.

5. Background/Chronology

- 5.1. Cheshire East Council appointed Ringway Jacobs as the Service Provider for the current Highway Service Contract in 2011. This Contract will end on 4th October 2018 having previously granted the two year extension to utilise the maximum 7 year duration.
- 5.2. Consideration of the contract scope is required to assess the benefits and advantages of including other service areas within any future contract. Suggested areas for consideration include Parking Services, Street Sweeping and Public Rights of Way given their strong links and synergies to the highway service. Further areas for consideration include the delivery of smaller Major Infrastructure Schemes potentially up to £5m, together with a more strategic approach to the funding of highway maintenance.
- 5.3. An initial outline programme is shown in Appendix 1 for delivery of a new Contract by October 2018. It is recommended that preparation of the Selection Questionnaire and Tender Documentation commences in March 2017, this will follow agreement on the type of Contract and Scope in order to ensure the documentation accurately reflects the Council's needs.
- 5.4. The Council has established a Project Gateway Model to provide a strong quality assurance system for major Projects and Programmes in Cheshire East.
- 5.5. The proposed project governance will include a Member Panel with detailed management and monitoring of the various work stream activities being undertaken by the Project Board.
- 5.6. To implement the agreed options there will need to be a number of key individuals with wide ranging skills available. It is therefore recommended that a project management framework be adopted and a suggested format is outlined below.

Project Sponsor

- Executive Director of Place

Responsible for delivering the organisational benefits of the re-procurement.

Portfolio Holder

- Deputy Leader and Portfolio Holder for Highways and Infrastructure

To monitor the implementation of the project through periodic progress updates, take key decisions and agree courses of action.

Advisory Member Panel

- Cross Party Members

To identify priorities for the Contract. Make informal recommendations to the Portfolio Holder for Highways and Infrastructure.

Project Board

- Executive Director of Place
- Director Infrastructure and Highways
- Head of Service for Highways and Parking*
- Legal Representative
- Finance Representative
- HR Representative
- Procurement Representative
- External Advisors
- Other services as required on an ad-hoc basis.

To provide the link between the Member Panel and the Contract Management Team (see below). This group will be led by a Project Leader / Manager* who is responsible for managing and driving the project on a day to day basis.

Contract Management Team

- Head of Service for Highway and Parking
- Contract and Governance Temporary Support
- Other support as required

The project management team is responsible for delivery of the agreed options on a day-to-day basis and undertakes tasks to achieve specified objectives.

6. Wards Affected and Local Ward Members

6.1. All Wards and Ward members are affected by this proposal.

7. Implications of Recommendation

7.1. Policy Implications

- The contract re-procurement will have a significant influence on the service's contribution to the delivery of the Cheshire East Corporate Plan outcomes:
 - Outcome 2: Cheshire East has a strong & resilient economy
 - Outcome 4: Cheshire East is a green & sustainable place
 - Outcome 6: A Responsible, Effective & Efficient Organisation
- The Council has a suite of Highway policies, procurement will provide a challenge to the market to assess the most efficient way to deliver these policies.

7.2. Legal Implications

- The existing Highway Service Contract will expire in October 2018 and cannot be extended further as the Council previously approved the full two year extension at Cabinet in November 2014.
- The aggregate value of the Council's requirement for highway services is such that these services must be procured in accordance with the Public Contracts Regulations 2015 and in compliance with the Council's Finance and Contract Procedure Rules. This will require a fully OJEU compliant tender exercise.

7.3. Financial Implications

- The objectives of the new Contract will determine the financial implications. This will be dependent on the vision regarding the condition and level of maintenance of the highway asset balanced against affordability.
- It is suggested that the level of capital investment be discussed with potential bidders through dialogue to determine efficiencies each potential bidder can deliver.
- At this stage it is envisaged that the Contract includes a requirement that the network condition must remain in its current condition or improve, with incentives for over performance and penalties if the network condition deteriorates.

- The financial effects of the new Contract will be reflected in future business planning rounds, for the year 2018/19 onwards.

7.4. Equality Implications

- All our residents utilise the highway network, therefore having the right contract provider to efficiently and effectively deliver the service will be essential to meet the diverse needs of our communities.

7.5. Rural Community Implications

- As part of the procurement the Council will seek ideas and innovations as to how to deliver services to our rural communities in the most effective and efficient manner.

7.6. Human Resources Implications

- The transfer of staff allocated to the current highway contract will require a TUPE process between service providers, and the same duties apply in any second-generation outsourcing situation or any other changes required dependent on the selected procurement model.

7.7. Public Health Implications

- Maintenance and promotion of walking and cycling can have a positive impact on public health. Maintaining investment in road safety activity also makes an important contribution to safer and more sustainable environments and assists in improving health outcomes, this includes lessons learnt from road traffic collision data. These will be taken into account as part of the procurement process.

8. Risk Management

- 8.1. The risk to the Council of not implementing a robust procurement strategy to manage the provision of highways services is high. Failure to manage this risk could lead to discontinuity of service and increased costs. This risk is being mitigated by utilising the project management framework, programming and resourcing requirements.
- 8.2. A project risk register will be developed for the selected model option which will detail the risks which may impact on project delivery.
- 8.3. There are a number of areas of risk which could arise, these are:
 - Market interest from potential bidders in tendering for a new Cheshire East Contract;
 - Support Service capacity within the Council essential to the procurement; and

- Potential collaboration with other local authorities, in particular Cheshire West and Chester.
- 8.4. The selection of service delivery model will have a major influence on the long-term risk limitation and management levels. The more risk borne by the provider the greater the contract cost, the more risk taken by the client the cheaper the contract but the risk of unexpected costs falls to the client. It is essential that risk sits with the party who is best placed to manage that risk.
- 8.5. Utilising the right procurement model will also assist in minimising the financial risk associated with securing the right delivery partner. This is best managed by securing a partner who understands the Councils outcomes and is committed to improving the service delivery.

9. Access to Information/Bibliography

- 9.1. The current Highway Service Contract (HSC) was awarded to Ringway Jacobs on 6 October 2011 for an initial service period of 5 years, with the option for up to a 2 year extension depending on contract performance. Cabinet approved the full 2 year contract extension in November 2014 following the achievement of the contractual Key Strategic Indicator (KSI) targets in 2012/13 and 2013/14. The HSC will terminate in October 2018 and a re-procurement exercise will be required.
- 9.2. Following an extensive review of all available delivery approaches for the highway service in 2010, Cheshire East Council opted to incorporate all professional and operational services into one contract and out-source. The primary objectives being to drive improvement in the network condition, increase value for money, improve residents' perception and modernise the service.
- 9.3. Through the Head of Service for Highways and Parking there is a significant volume of information relating to performance of the existing Highway Service Contract which will be reviewed by the Member Panel and Project Board including:
- Contractual Performance Indicators
 - Health and Safety
 - Network Condition
 - Resident and Member Satisfaction
 - Asset Management
 - Innovation and Best Practice
 - Communication and Engagement
 - Depot Strategy

10. Contact Information

Contact details for this report are as follows:-

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	Recommended Programme Durations	
	Date	Duration (mths)
SQ/Tender Preparation	March 2017	4
Tender Period	July 2017	4
Evaluation and Award	November 2017	4
Mobilisation	March 2018	7
Contract Start	October 2018	
	Total	19

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Cheshire East Council

Cabinet

Date of Meeting:	17 th January 2017
Report of:	Kath O'Dwyer – Executive Director of People and Deputy Chief Executive
Subject/Title:	Commissioning Nurseries in Crewe
Portfolio Holder:	Cllr Liz Durham, Children and Families

1. Report Summary

- 1.1. The Council is the commissioner of three Nurseries in Crewe. The original contract term commenced in June 2011 and was for 9 years with break clauses at years 5 and 7. Following negotiation with the current supplier a further break clause was added for the end of year 6 and this has been agreed and applied. The contract end date is 26 July 2017.
- 1.2. Ensuring good quality nursery provision in our most deprived wards is of critical importance and fits with the current Corporate Plan and the priority 'to support residents early to provide a great start in life'. Ensuring early years settings that provide a good platform for education for our children in our most deprived wards and supporting their parents into work is crucial.
- 1.3. The three nurseries are essential to ensure there are sufficient places available for 2, 3 and 4 year olds to access their free early education entitlement, and flexible childcare to meet the needs of working families. These three Crewe Nurseries deliver 26% of the 2 year old and 14% of the 3 and 4 year old provision in Crewe.
- 1.4. The recommended approach is to re-tender for the nursery provision in Crewe following a transparent and compliant procurement process. It is also proposed to explore the ability to extend the specification requirements for crèche facilities for the three Crewe Nursery sites to cover the programme of activities across Cheshire East. This extended specification is in response to difficulties experienced through a stand-alone procurement plan, feedback from potential providers and benchmarking with other local authorities.
- 1.5. The purpose of this paper is to seek Cabinet approval to proceed with the procurement and award of contracts for 9 years at a value of circa £8 million. The funding for this service is via pass through of Department for Education (DfE) per capita funding for families that are eligible for free nursery provision and those that decide to top up from personal finances.

The potential to extend the crèche reach is estimated to be £20,000 pa and is funded via base budget.

- 1.6. The Council is proposing to procure these nurseries as it is not likely that the market will make this provision in the least affluent areas under its own steam. We have a statutory duty to ensure a sufficiency of child care and without this provision we would be in breach of this duty.
- 1.7. The Council is the owner of the properties that it proposes to use to house the successful bidder following the procurement process. It will be necessary for the Council to grant a lease of each of the sites to the successful bidder to enable the service to be provided in accordance with the service contract.

2. Recommendations

- 2.1. That Cabinet agree the re-procurement of the three Nurseries on their current sites and that the requirement for crèche facilities within the specification is extended beyond the three Crewe Nursery sites to support the programme of activities across Cheshire East.
- 2.2. That Cabinet delegates authority to the Executive Director of People Services and Deputy Chief Executive in consultation with the Portfolio Holder for Children's Services to undertake the procurement process, award of contracts and to take all necessary steps to mobilise the contract.
- 2.3. To authorise the Director of Legal Services to enter in to the contract with the successful bidder together with any ancillary legal documentation required including the granting or taking of leases, underleases and licence agreements (after having consulted with the Head of Assets in respect of any property agreements).

3. Other Options Considered

- 3.1. In order to consider any alternative service models and refine the specification of services it is proposed to undertake a procurement process that builds dialogue into the process. Although this takes additional time it is important that the procurement process delivers the model that delivers the best quality service, value for money and sustainability across the term of the contract.
- 3.2. The procurement dialogue will review the market appetite and financial viability of letting the contract as one or as separate lots for each site.
- 3.3. The indicative procurement timeline is attached at Appendix 1.
- 3.4. Any option put forward during the procurement process would have to be predicated on the provision running on a 52 week basis and as full child care (to support working parents). Any move away from this would have the net effect of reducing the volume and availability of child care in Crewe at a time when the onus is on Local Authorities to expand the availability of

child care. The current picture is one of expansion not reduction of the availability of 2 year old places. The Government has also committed to expand free child care for working parents to 30 hours a week from September 2017.

- 3.5. The three current settings offer full child care i.e. 8 am to 6 pm for 52 weeks of the year. This offer is deliberately flexible in order to meet the needs of parents. They also provide approximately 25% of the 2 year old child care places in Crewe as they serve areas where a significant number of the eligible two year olds live. The current contract also delivers 4% of the hours for 3 and 4 year old free entitlement for the whole of the borough.
- 3.6. The option to run this service in-house has been ruled out based on financial sustainability.

4. Reasons for Recommendation

- 4.1. The key reason for this recommendation is to test the market and models of service delivery following 6 years of the current contractual arrangement in order to ensure that the quality of Early Years learning in Crewe is maximised.
- 4.2. The Council has introduced a relatively new Social Value policy and the re-commission will allow this to be tested and applied.
- 4.3. To allow the Council an opportunity to find a solution to the difficulties being experienced in putting in place a crèche service to support activities being delivered across Cheshire East.
- 4.4. Future housing developments and population forecasts indicate an ever growing demand for childcare across the borough and particularly in Crewe. 96% of the eligible population of 3 and 4 year olds in Crewe access their entitlement to funded provision. The entitlement is set to increase in September 2017 from 15 to 30 hours per week. The almost universal take up of 15 hours is a strong indicator of the likely demand for 30 hours. It is estimated that an additional 286 places may be required in Crewe to meet the demand for this new statutory entitlement.
- 4.5. To ensure a transparent procurement that builds on the ability to have dialogue with local Schools and the local provider market to ensure engagement drives the best service delivery model. The contract is planned to be for 9 years with a break clause at 5 years to provide a longer term commitment to the market and therefore stable and sustainable service delivery.

5. Background/Chronology

- 5.1. In 2007 when Children's Centres were established in Crewe there was a requirement that Children's Centres in the bottom 30% Index of Multiple Deprivation areas provided Child Care on site. This resulted in the setting

up of three day care provisions at Oak Tree/Underwood West, The Brooks and Monks Coppenhall. All three are on joint school and Children's Centre sites.

- 5.2. The original contract term commenced in June 2011 and was for 9 years with break clauses at years 5 and 7. Following negotiation with the current supplier a further break clause was added for the end of year 6 and this has been agreed and applied. The contract end date is 26 July 2017.
- 5.3. In order to support effective transition to the current model of service delivery Safehands Ltd received some sustainability funding in the initial years of the contract term. The majority of the income to deliver the current service comes from the Department for Education (DfE) grant funding for 15 hours of Free Child Care for 2, 3 and 4 year olds.
- 5.4. The three Crewe nursery settings support some of our most vulnerable children and families. Ofsted is the arbiter of quality. The provision's Ofsted judgment should be as a minimum 'good' with aspirations to be 'outstanding'. All 3 settings are currently judged as 'Good' by Ofsted. However Ofsted inspections in this arena are on a four year cycle with Crewe nursery settings last being inspected between October 2012 and February 2015.
- 5.5. Due to the nature of the settings and their focus on our most vulnerable children and early communication and language they are supported on a weekly basis via the Local Authority's Early Years team to ensure an appropriate quality of provision. Each Nursery accesses universal support but also a targeted programme: 'Raising Attainment in the Early Years'.
- 5.6. The Early Years team visits provide support and challenge, with a focus on:
 - Early Language and Communication
 - Safeguarding, including the support for children based on an early help assessment i.e. based on the Common Assessment Framework (CAF) process, children who are Children in Need or on a Child Protection Plan
 - Supporting children with special education needs and disability
- 5.7. The visits utilise a quality monitoring framework covering:
 - Strengthening Leadership
 - Supporting progress learning and development
 - Developing Practitioner learning
 - Facilitating partnerships for learning and
 - Securing high quality environments for learning and development
- 5.8. The visits described above are supplemented and formalised through regular performance management meetings as follows:

- 5.8.1 Childcare Partnership Meetings are held every 6 to 8 weeks, led by the Lead Early Years Consultant and focus on partnership working between the setting and their Children Centre. The focus is data and operational site issues. Children are identified as not reaching age related expectations, with discussions with their local children centres this will be developed to enable the children to access groups within the children centre which will support the early identification of their needs. All Records of visits are shared with the manager and the Operational Lead.
- 5.8.2 Childcare Strategy Meetings are held every 6 to 8 and are chaired by the Early Years and Childcare Manager and include the Operational Lead of the company and the LAs Lead Early Years Consultant. The focus for quality improvement and these meetings is the Early Years Quality Improvement Support programme.
- 5.8.3 Commissioned Childcare Meetings are led by the Head of Service for Commissioning and held on a 3 monthly basis to monitor the settings contract with the LA.

6. Wards Affected and Local Ward Members

- 6.1. All Crewe Wards

7. Implications of Recommendation

7.1. Policy Implications

- 7.1.1. There is a strong Council commitment to improve the educational outcomes of the most vulnerable children and to improve educational outcomes for children in Crewe.

7.2. Legal Implications

- 7.2.1. Section 6 of the Childcare Act 2006 places local authorities under a statutory duty to ensure there are sufficient childcare places in their area to meet the requirements of parents to take up or remain in work. Section 7 of the Act also requires local authorities to ensure that there are sufficient free places for those children entitled to free early years care.
- 7.2.2. These services will need to be procured in accordance with the Public Contract Regulations 2015 (“the Regulations”) and the Council’s Contract Procedure Rules. Services of this nature fall within Schedule 3 of the Regulations and procurement of Schedule 3 contracts is commonly referred to as the light touch regime. In accordance with Regulation 76, it is for contracting

authorities to devise their own procurement procedures that apply to above threshold Schedule 3 contracts which take into account the specifics of the services in question. The procedure shall be at least sufficient to ensure compliance with the principles of transparency and equal treatment of suppliers. All time limits imposed on suppliers, whether for responding to a contract notice or taking any other steps in the relevant procedure, must be reasonable and proportionate. When devising their procedures, which may be any of the existing procedures outlined in the Regulations or variations of those procedures, contracting authorities may take into account any relevant considerations including

- The need to ensure quality, continuity, accessibility, affordability, availability and comprehensiveness of the services;
- The specific needs of different categories of users, including disadvantaged and vulnerable groups;
- The involvement and empowerment of users; and
- Innovation.

7.2.3 The Council will need to ensure that the duties under the Public Services (Social Value) Act 2012 are fulfilled. The Act requires the Council to:

- Consider how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area
- How in conducting a procurement process it may well act with a view to securing that improvement
- Undertake any local provider market / community engagement as appropriate on their proposals.

7.2.4 Section 123 of The Local Government Act 1972 permits the Council to dispose of land (for a term longer than a short tenancy) subject to it obtaining the best consideration that can reasonably be obtained. Local authorities are, however, able to dispose of land and buildings at less than the best consideration reasonably obtainable under the General Disposal Consent (England) 2003, where the 'undervalue' is less than £2million. The leases would be disposals. The Consent requires the Council to be of the view that the disposal is likely to help to secure the promotion or improvement of the economic, social or environmental well-being of its area or residents in its area.

7.2.5 There is no requirement that local authorities undertake a tendering process within the General Disposal Consent. However, there is the general requirement for authorities to follow "normal and prudent commercial practices". Where a local authority has undertaken a valuation of the asset to understand the level of the `undervalue` and has established a robust business case for the

leases, there would be no further requirement to 'market test' a lease proposal to meet the General Consent criteria.

7.2.6 The Council has a fiduciary duty at all times to the taxpayers and must fulfil this duty in a way which is accountable to local people.

7.2.7 All disposals must comply with the European Commission's State Aid rules. When disposing of land at less than best consideration the Council is providing a subsidy to the occupier of the land. In such cases the Council must ensure that the nature and the amount of the subsidy complies with State Aid rules, failure to comply means that the aid is unlawful and may result in the benefit being recovered with interest from the recipient. If the occupier receives less than approximately £156,531.00 (as at 15th March 2016) (200,000 Euros) in state aid over a 3 year period then the De Minimis Regulation will apply (small amounts of aid are unlikely to distort competition).

State aid rules can (among other things) apply to the following:

- grants
- loans
- tax breaks
- the use or sale of a state asset for free or at less than market price.

7.2.8 The rules can apply to funding given to charities, public authorities and other non-profit making bodies where they are involved in commercial activities. It is the activity that needs to be considered.

7.2.9 Services of this nature fall under a light touch regime in the Regulations. This affords the Council significant flexibilities in how the procurement process is designed. Subject to the timescales for tenders being proportionate and reasonable for the contracts being tendered, any process or procedure can be adopted as long as it respects the treaty principles of transparency and equal treatment.

7.3. **Financial Implications**

7.3.1. The commissioning of a sustainable provider for the three Crewe Nurseries will be cost neutral. The potential to extend the crèche reach is estimated to be £20,000 pa and is funded via base budget.

7.4. **Equality Implications**

7.4.1. The expansion of child care is aimed at increasing school readiness and parents employment and training opportunities.

7.5. Rural Community Implications

None.

7.6. Human Resources Implications

7.6.1. Depending on the outcome of the re-tender process, the transfer of staff between providers may apply and may require a TUPE process however this will not directly involve the Council.

7.7. Public Health Implications

7.7.1. The recommissioning of the settings will allow for integrated working between the settings, Health Visitors and Children's Centres on public health outcomes.

7.8. Implications for Children and Young People

7.8.1 This commission will ensure good quality nursery provision in our most deprived wards to ensure our children get a great start in life and reach their full potential. This service will also support a strong family unit for children by helping their parents into work.

7.9. Other Implications

7.9.1 None.

8. Risk Management

8.1. That the provision does not remain financially sustainable and requires additional council support. This risk can be mitigated by ensuring that the successful provider is sufficiently capitalised and has strong financial management systems in place.

9. Access to Information/Bibliography

9.1 None.

10. Contact Information

Contact details for this report are as follows:

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Crewe Nursery Provision

Desired Contract Completion Date	29/04/17
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	Open Procedure		Days
Contract Notice issued (Advertise on Chest) (all PQQ documents/ITT spec must be ready) PQQ Issue	03 February 2017	ITT/Tender active	at least 30 mandatory days for tender to be out (eTender + 5days for OJEU publication)
Post Full Tender Documents	06 February 2017		
Pre Tender Clarification Close	06 March 2017		
Tender return closing date	13 March 2017		
Finish tender evaluations and award decision made	06 April 2017		
Send out 'Intention to Award' letter along with unsuccessful letters and full written debriefs	07 April 2017	Award and standstill	10 days as per EU.
Official award after 10 days standstill	18 April 2017		
Official Award Letter	18 April 2017	Setup Contract	Contract commences
Formal Contract Signing 4 weeks			
Mobilisation of New Contract Start	29 April 2017		

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 17th January 2017
Report of: Director of Legal Services
Subject/Title: Revising the Council's Code of Corporate Governance
Portfolio Holder: Councillor Peter Groves

1. Report Summary

- 1.1. The purpose of this report is to update Cabinet on the revision of the Council's Code of Corporate Governance to ensure compliance with updated best practice guidance from the Chartered Institute of Public Finance Accountants and Society of Local Authority Chief Executives (CIPFA/SOLACE).

2. Recommendation

- 2.1. It is recommended that subject to the revisions shown as track changes in Appendix A, Cabinet notes the recommendation and associated comments of the Audit and Governance Committee (8th December 2016) and:
- Adopts the revised Code of Corporate Governance (Appendix A, as amended) to ensure that the Council adheres to best practice in its governance arrangements.
 - Notes that the Annual Governance Statement (AGS) will be used to report publically on the extent to which the Council has complied with its adopted Code.
 - Notes that the Code will be reviewed and updated as necessary in the light of operational experience.

3. Other Options Considered

- 3.1. Failure to revise the Council's Code of Corporate Governance in light of the updated guidance would mean the Council was not compliant with best practice in its governance arrangements.

4. Reasons for Recommendation

- 4.1. To ensure that the Council has proper and effective governance arrangements in place.

5. Background/Chronology

- 5.1. Good governance is about ensuring that the Council does the right things, in the right way, in a timely, open, and accountable manner. It must therefore include the systems, processes, cultures and values by which

services are directed and controlled, and by which we are accountable to, and engage with our stakeholders and communities.

- 5.2. CIPFA and SOLACE have provided best practice guidance on establishing a local Code of Corporate Governance. This was originally published in 2001, refreshed in 2007 and 2012 and has most recently been updated earlier in 2016; the *Delivering Good Governance in Local Government* framework.
- 5.3. The Council must adopt a Code of Corporate Governance which has been produced to the standards prescribed in the best practice guidance in order to prepare the AGS. The best practice guidance is recognised as the CIPFA Framework.
- 5.4. The Council's Code of Corporate Governance was first approved by the Governance and Constitution Committee in November 2009. The Code has subsequently been reviewed and updated to reflect best practice and organisational changes, firstly in November 2013 and a revised format was agreed to in January 2015. Cheshire East Council's existing Code has been consistent with the principles of the former CIPFA/SOLACE Framework.
- 5.5. A draft revised Code has been taken to the Audit and Governance Committee for comment and endorsement on 8th December 2016, and the Committee recommend adoption of the Code to Cabinet.
- 5.6. The Council's Code of Corporate Governance articulates the expected standards, principles and values by which Cheshire East Council Officers and Members will operate. There should be clear links between the principles of the Code, and the governance framework of strategies, policies and procedures which underpin the Code.
- 5.7. Each local authority has responsibility for setting out its commitment to the principles of good governance included in the framework, determining its own governance structure, or local code underpinned by those principles, and for ensuring it operates effectively in practice.
- 5.8. The recommendation is to update the Council's Code of Corporate Governance to fully adopt the new principles described in the revised CIPFA/SOLACE guidance to ensure that the Council adheres to best practice in its governance arrangements. The revised Code of Corporate Governance is shown in detail in Appendix A.
- 5.9. The updated Code will be used to facilitate the necessary review of the Council's Corporate Governance arrangements for the purposes of producing the next Annual Governance Statement in 2016/17. The AGS is used by the Council to report publically on the extent to which the Council has complied with its adopted Code, which is a requirement of the Accounts and Audit Regulations (England) 2015.

5.10. In the new framework, the existing six core principles have been updated to seven principles drawn from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014). The table below maps the original principles to the new ones, and shows whilst there are differences, the core values are shared.

Old Principles		New Principles	
1	Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local areas:	C	Defining outcomes in terms of sustainable economic, social and environmental benefits
2	Members and officers working together to achieve a common purpose with clearly defined functions and roles	E	Developing the entity's capacity including the capacity of its leadership and the individuals within it
3	Promoting the values of the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour	A	Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
4	Taking informed and transparent decisions which are subject to effective scrutiny and managing risks	F	Managing risks and performance through robust internal control and strong public financial management
5	Developing the capacity and capability of members and officers to be effective	E	Developing the entity's capacity including the capacity of its leadership and the individuals within it
5	Engaging with local people and other stakeholders to ensure robust public accountability	B	Ensuring openness and comprehensive stakeholder engagement
		D	Determining the interventions necessary to optimise the achievement of the intended outcomes
		G	Implement good practices in transparency, reporting and audit to deliver effective accountability

5.11. Principles A and B are described in the Framework as “permeating” the implementation of Principles C-G. It is also noted that “good governance is dynamic, and that the entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.”

5.12. The Code will be reviewed, and tailored as necessary in the light of operational experience and in response to any issues highlighted in self-assessing against the Code, which is a fundamental part of the AGS assurance gathering process

5.13. The review will examine the continuing relevance of the principles and sub principles of the Code, and provides an opportunity to ensure that the evidence sources used to demonstrate compliance with the Code are as wide ranging and comprehensive as possible. Failure to capture all relevant evidence may undermine the quality of the AGS process, and

increase the risk of significant governance issues emerging outside of the AGS process.

- 5.14. The revisions shown as track changes in Appendix A clarify the respective roles of Members and officers using language derived from the Council's existing Member/Officer Relations Protocol.

6. Wards Affected and Local Ward Members

- 6.1. All Wards

7. Implications of Recommendation

7.1. Policy Implications

- 7.1.1. Revising the Code of Corporate Governance in line with the updated best practice guidance supports the Council's ambitions to be a well-managed, open and accountable authority.

7.2. Legal Implications

- 7.2.1. The Council must adopt a Code of Corporate Governance which has been produced to the standards prescribed in the best practice guidance in order to prepare the AGS. The best practice guidance is recognised as the CIPFA Framework *Delivering Good Governance in Local Government*, which has recently been updated and was issued earlier in 2016.
- 7.2.2. The AGS is used by the Council to report publically on the extent to which the Council has complied with its adopted Code, which is a requirement of the Accounts and Audit Regulations (England) 2015.

7.3. Financial Implications

- 7.3.1. Good governance leads to good management, good performance and good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users. However, there are costs associated with embedding and continuing good governance practices, and as the Council's organisational structures develop, the costs associated with governance need to be monitored to ensure they remain proportionate.

7.4. Equality Implications

- 7.4.1. None

7.5. Rural Community Implications

- 7.5.1. None.

7.6. Human Resources Implications

- 7.6.1. None.

7.7. Public Health Implications

7.7.1. None.

7.8. Implications for Children and Young People

7.8.1. None

7.9. Other Implications (Please Specify)

7.9.1. None.

8. Risk Management

8.1. Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with sound arrangements for control and management of risk. Failure to develop and maintain a local Code of Corporate Governance and publish an AGS means the Council would be negligent in its responsibilities for ensuring accountability and the proper conduct of public business.

9. Access to Information/Bibliography

9.1. The Council's Audit and Governance Committee have considered the proposed Code of Corporate Governance at the 8th December 2016 meeting.

10. Contact Information

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Cheshire East Council

Code of Corporate Governance

Draft for Audit and Governance Committee 8/12/2016

1. Introduction

- 1.1. Corporate Governance is about the systems, processes and values by which organisations operate and by which they engage with and are held accountable to their stakeholders.
- 1.2. Cheshire East Council is committed to the principles of effective corporate governance and has therefore adopted a Code of Corporate Governance which follows the guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE), entitled “Delivering Good Governance in Local Government – Framework” (2016 Edition).
- 1.3. The guidance defines the seven core principles, that underpin the governance framework of a local authority:
 - A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
 - B. Ensuring openness and comprehensive stakeholder engagement
 - C. Defining outcomes in terms of sustainable economic, social and environmental benefits
 - D. Determining the interventions necessary to optimise the achievement of the intended outcomes
 - E. Developing the entity’s capacity including the capacity of its leadership and the individuals within it.
 - F. Managing risks and performance through robust internal control and strong public financial management
 - G. Implement good practices in transparency, reporting and audit to deliver effective accountability
- 1.4. Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users. It enables the Council to pursue its vision effectively as well as underpinning that vision with mechanisms for control and the management of risk.
- 1.5. Cheshire East Council has a robust governance framework in place. The policies, procedures and arrangements which comprise the framework demonstrate that the Council continually seeks to ensure it is and remains, well governed, through integration of the core principles of the CIPFA/SOLACE framework into all aspects of the Council’s conduct and operation.
- 1.6. Cheshire East Council, as a commissioning Council increasingly works with a range of other organisations to deliver services and achieve its corporate objectives. There is a need to ensure the Council’s governance standards are shared with our delivery partners, and that the Council has mechanisms in place to monitor compliance with these expectations.

- 1.7. The Chief Operating Officer is responsible for ensuring the Code is reviewed annually, and the outcome of the review, along with adoption of any revision to the Code is reported to the Audit and Governance Committee for approval as the Annual Governance Statement.
- 1.8. The Council produces an Annual Governance Statement to report publicly on how the Council has complied with its own Code of Corporate Governance, including how the effectiveness of these arrangements during the year has been monitored.
- 1.9. The production of the Annual Governance Statement is required for compliance with the Accounts and Audit Regulations (England) 2015, and the Statement is presented to the Audit and Governance Committee annually in conjunction with the Statement of Accounts.
- 1.10. The following tables identify the means by which Cheshire East Council will achieve the core and supporting principles of its Code of Corporate Governance, along with examples of the evidence associated with them.

A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
Behaving with integrity	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	<ul style="list-style-type: none"> • Code of Conduct for Officers and Members • Induction for Officers and Members • Performance Development Process
	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).	<ul style="list-style-type: none"> • Communication of shared values to members, staff, residents and partners • Leader's Announcements to Council • "FIRST" values and behaviours • Corporate Plan
	Leading by example and using the above standard operating principles or values as a framework for decision making and other actions.	<ul style="list-style-type: none"> • Declarations of interests in meetings • Conduct at meetings • Standards Committee
	Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that effectively.	<ul style="list-style-type: none"> • Anti-fraud Policy • Register of staff interests • Register of gifts and hospitality • Whistleblowing policy • Complaints policies • Recorded declaration of interests at meetings
Demonstrating strong commitment to ethical values	Seeking to establish, monitor and maintain the organisation's ethical standards and performance.	<ul style="list-style-type: none"> • Constitution Committee • Council's Constitution
	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.	<ul style="list-style-type: none"> • FIRST "values and behaviours"

A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.	<ul style="list-style-type: none"> • Procurement rules • Performance development process
	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.	<ul style="list-style-type: none"> • Documented shared values in partnership working • Finance and Contract Procedure rules
Respecting the rule of law	Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.	<ul style="list-style-type: none"> • Statutory provisions • Constitution • Schemes of delegation
	Creating the conditions to ensure that the statutory officers, other key post holders, and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	<ul style="list-style-type: none"> • Job description/person specifications • Terms of reference for Committees • Democratic services • Compliance with CIPFA's Statement on the Roles of the Chief Financial Officer in Local Government
	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.	<ul style="list-style-type: none"> • Reports to Committee's, including legal implications • Open data website • Scrutiny function
	Dealing with breaches of legal and regulatory provisions effectively.	<ul style="list-style-type: none"> • Monitoring Officer function and provisions • Legal advice
	Ensuring corruption and misuse of power are dealt with effectively.	<ul style="list-style-type: none"> • Anti-fraud policy • Whistleblowing policy

B: Ensuring openness and comprehensive stakeholder engagement		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
Openness	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.	<ul style="list-style-type: none"> • Publication Scheme/Compliance with the Local Government Transparency Code 2015 • Opportunity for public speaking provided in Committee Meetings • Variety of communication channels available; Customer Service Centres, Online Reporting and Forms, Social Media and Customer Call Centres • Acceptance of paper/online petitions • Pay policy statement • Authority's website • Corporate Plan • Financial Statements • Published Committee agendas, papers and minutes
	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If this is not the case, a justification for the reasoning for keeping a decision confidential should be provided.	<ul style="list-style-type: none"> • Published Committee agendas, papers and minutes including decision record • Committee report format and clearance procedure
	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about criteria, rationale and considerations used. In due course, ensuring that	<ul style="list-style-type: none"> • Decision making protocol • Committee report format and clearance procedure

B: Ensuring openness and comprehensive stakeholder engagement		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
	the impact and consequences of those decisions are clear.	<ul style="list-style-type: none"> • Published Committee agendas, papers and minutes including decision record • Published calendar of meetings
	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/course of action.	<ul style="list-style-type: none"> • Consultation • Consultation results • Digital influence panel • Pre-budget consultation strategy • Research and consultation team
Engaging comprehensively with institutional stakeholders	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.	<ul style="list-style-type: none"> • Consultation • Consultation results/ record • Digital influence panel • Pre-budget consultation strategy
	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.	<ul style="list-style-type: none"> • Sustainable Community Strategy • Commissioning Plans
	Ensuring that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.	<ul style="list-style-type: none"> • Sustainable Community Strategy • Commissioning Plans • Documented partnership arrangements; Memorandums of Understandings, Terms of Reference etc.
Engaging with individual citizens and service users effectively.	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.	<ul style="list-style-type: none"> • Consultation • Consultation results/ record • Equality Impact Assessments • Documented partnership arrangements; Memorandums of

B: Ensuring openness and comprehensive stakeholder engagement		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
		Understandings, Terms of Reference etc.
	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.	<ul style="list-style-type: none"> • Sustainable Community Strategy • Research and Consultation team
	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.	<ul style="list-style-type: none"> • Sustainable Community Strategy • Joint strategic needs assessment • Research and Consultation team
	Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account.	<ul style="list-style-type: none"> • Research and Consultation team • Published Consultation results
	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.	<ul style="list-style-type: none"> • Consultation • Consultation results/ record • Research and Consultation team • Published Committee agendas, papers and minutes including decision record
	Taking account of the impact of decisions on future generations of tax payers and service users.	<ul style="list-style-type: none"> • Published Committee agendas, papers and minutes including decision record • Consultation • Consultation results/ record • Research and Consultation team

C: Defining outcomes in terms of sustainable economic, social, and environmental benefits		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
Defining outcomes	Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions.	<ul style="list-style-type: none"> • Corporate Plan • Medium Term Financial Strategy • Sustainable Community Strategy • Annual Budget Book
	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.	<ul style="list-style-type: none"> • Corporate Plan • Commissioning Plans • Service/Team Plans • Sustainable Community Strategy
	Delivering defined outcomes on a sustainable basis within the resources that will be available.	<ul style="list-style-type: none"> • Quarterly Performance Reports – Cabinet and Scrutiny Committee
	Identifying and managing risks to the achievement of outcomes.	<ul style="list-style-type: none"> • Quarterly Performance Reports – Cabinet and Scrutiny Committee • Risk Management Strategy and Policy • Risk Management Group • Audit reports and action plans
	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.	<ul style="list-style-type: none"> • Commissioning Strategies • Contracts/SLAS • Business Intelligence/Research and Consultation
Sustainable economic, social and environmental benefits	Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decision about service provision.	<ul style="list-style-type: none"> • Corporate Plan • Medium Term Financial Strategy • Capital Programme • Annual Budget Book • Published Committee agendas, papers and minutes including

C: Defining outcomes in terms of sustainable economic, social, and environmental benefits		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
		decision record
	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.	<ul style="list-style-type: none"> • Published Committee agendas, papers and minutes including decision record • Risk Management Strategy and Policy • Risk Management Group • Corporate Plan • Medium Term Financial Strategy
	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.	<ul style="list-style-type: none"> • Programme Management Office • Project Management • Business Planning Process • Published Committee agendas, papers and minutes including decision record • Risk Management Strategy and Policy • Risk Management Group • Corporate Plan • Medium Term Financial Strategy • Business Intelligence/Research and Consultation • Pre-budget consultation strategy
	Ensuring fair access to services.	<ul style="list-style-type: none"> • Sustainable Community Strategy • Research and Consultation team • Published Committee agendas,

C: Defining outcomes in terms of sustainable economic, social, and environmental benefits		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
		papers and minutes including decision record.

D: Determining the interventions necessary to optimise the achievement of the intended outcomes		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
Determining interventions	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided.	<ul style="list-style-type: none"> • Programme Management Office • Project Management • Business Planning Process • Published Committee agendas, papers and minutes including decision record • Risk Management Strategy and Policy • Committee report format and clearance procedure • Calendar of Committee Meetings
	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.	<ul style="list-style-type: none"> • Corporate Plan • Medium Term Financial Strategy • Pre-budget consultation strategy
Planning interventions	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	<ul style="list-style-type: none"> • Committee report format and clearance procedure • Calendar of Committee Meetings
	Engaging with internal and external stakeholders in determining how	<ul style="list-style-type: none"> • Sustainable Community Strategy

D: Determining the interventions necessary to optimise the achievement of the intended outcomes		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
	services and other courses of action should be planned and delivered.	<ul style="list-style-type: none"> • Research and Consultation team • Programme Management Office • Project Management • Business Planning Process
	Considering and monitoring risks facing each partner when working collaboratively, including shared risks.	<ul style="list-style-type: none"> • Risk Management Strategy and Policy
	Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances.	<ul style="list-style-type: none"> • Programme Management Office • Project Management • Business Planning Process • Published Committee agendas, papers and minutes including decision record
	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.	<ul style="list-style-type: none"> • Commissioning arrangements • Programme Management Office • Project Management • Quarterly Performance Reports – Cabinet and Scrutiny Committee
	Ensuring capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none"> • Commissioning arrangements; contracts, specifications etc. • Compliments and Complaints processes
	Preparing budgets in accordance with objectives, strategies and the medium term financial plan	<ul style="list-style-type: none"> • Corporate Plan • Medium Term Financial Strategy • Capital Programme • Annual Budget Book • Quarterly Performance Reports –

D: Determining the interventions necessary to optimise the achievement of the intended outcomes		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
		Cabinet and Scrutiny Committee
	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	<ul style="list-style-type: none"> • Sustainable Community Strategy • Corporate Plan • Medium Term Financial Strategy • Capital Programme • Annual Budget Book • Quarterly Performance Reports – Cabinet and Scrutiny Committee
Optimising achievement of intended outcomes	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	<ul style="list-style-type: none"> • Corporate Plan • Medium Term Financial Strategy • Capital Programme • Annual Budget Book • Quarterly Performance Reports – Cabinet and Scrutiny Committee
	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.	<ul style="list-style-type: none"> • Programme Management Office • Project Management • Business Planning Process • Pre-budget consultation strategy • Medium Term Financial Strategy • Annual Budget Book • Quarterly Performance Reports – Cabinet and Scrutiny Committee
	Ensuring the medium term financial strategy sets the context for ongoing decision on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	<ul style="list-style-type: none"> • Programme Management Office • Project Management • Business Planning Process • Pre-budget consultation strategy

D: Determining the interventions necessary to optimise the achievement of the intended outcomes		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
		<ul style="list-style-type: none"> • Medium Term Financial Strategy • Annual Budget Book • Quarterly Performance Reports – Cabinet and Scrutiny Committee
	Ensuring the achievement of “social value” through service planning and commissioning.	<ul style="list-style-type: none"> • Project Management • Business Planning Process • Social Value Policy

E Developing the entity's capacity , including the capacity of it's leadership and the individuals within it		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
Developing the entity's capacity	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.	<ul style="list-style-type: none"> • Strategic Asset Management Plan • Quarterly Performance Reports – Cabinet and Scrutiny Committee
	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently.	<ul style="list-style-type: none"> • Benchmarking exercises • Research and Consultation team
	Recognising the benefits of partnerships and collaborative working where added value can be achieved.	<ul style="list-style-type: none"> • Sustainable Community Strategy • Published Committee agendas, papers and minutes including decision record
	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.	<ul style="list-style-type: none"> • Workforce Strategy • Reports to Staffing Committee
Developing the capability of the entity's	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the	<ul style="list-style-type: none"> • Job descriptions/personal specifications

E Developing the entity's capacity , including the capacity of it's leadership and the individuals within it		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
leadership and other individuals.	relationship and that a shared understanding of roles and objectives is maintained.	<ul style="list-style-type: none"> • Member/Officer Code of Conduct • Constitution • Financial and Local Schemes of Delegation
	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.	<ul style="list-style-type: none"> • Constitution • Financial and Local Schemes of Delegation
	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a clear structure and provide a balance for each other's authority. Members are mainly responsible for the political direction and leadership of the Authority; the determination of strategies, policies, and plans; and major decisions (including almost all Key Decisions) to implement those strategies, policies, and plans. Officers are responsible for day-to-day managerial and operational decisions in line with those strategies, policies, and plans.	<ul style="list-style-type: none"> • Job descriptions/personal specifications • Member/Officer Code of Conduct • Constitution • Financial and Local Schemes of Delegation
	Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risk by:- <ul style="list-style-type: none"> • Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged. • Ensuring members and offices have the appropriate skills, knowledge resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis. 	<ul style="list-style-type: none"> • Induction processes • Personal development process • Role of scrutiny • Democratic Services/Member support • Workforce strategy

Deleted: whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check

E Developing the entity's capacity , including the capacity of it's leadership and the individuals within it		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
	<ul style="list-style-type: none"> Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external. 	
	Ensuring that there are structures in place to encourage public participation.	<ul style="list-style-type: none"> Research and Consultation team Digital influence panel Sustainable Communities Strategy
	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	<ul style="list-style-type: none"> Member training and skills development framework
	Holding staff to account through regular performance reviews which take account of training or development needs.	<ul style="list-style-type: none"> Induction processes Personal development process
	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.	<ul style="list-style-type: none"> Workforce Strategy Personal development process Reports to Staffing Committee

F: Managing risks and performance through robust internal control an strong public financial management		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
Managing risk	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.	<ul style="list-style-type: none"> Risk management strategy and policy Committee report format and clearance procedure
	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.	<ul style="list-style-type: none"> Risk management strategy and policy Reports to Audit and Governance Committee

F: Managing risks and performance through robust internal control an strong public financial management		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
		<ul style="list-style-type: none"> • Annual Governance Statement assurance gathering
	Ensuring that responsibilities for managing individual risks are clearly allocated.	<ul style="list-style-type: none"> • Risk management strategy and policy • Corporate/strategic risk register • Directorate/Team risk registers
Managing performance	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.	<ul style="list-style-type: none"> • Quarterly Performance Reports – Cabinet and Scrutiny Committee • Benchmarking exercises • Calendar of Committee Meetings
	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks in inherent in the organisation’s financial, social and environmental position and outlook.	<ul style="list-style-type: none"> • Committee report format and clearance procedure • Committee work programmes • Calendar of Committee Meetings • Published Committee agendas, papers and minutes including decision record • Officer decision notices
	Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.	<ul style="list-style-type: none"> • Terms of reference and Work Programmes for Scrutiny Committees • Annual Scrutiny report to Council • Published Committee agendas, papers and minutes including decision record • Member training and development

F: Managing risks and performance through robust internal control an strong public financial management		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
	Providing members and senior management with regular reports on service delivery plans on progress towards outcome achievement.	<ul style="list-style-type: none"> • Calendar of Committee Meetings • Committee report format and clearance procedure
	Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).	<ul style="list-style-type: none"> • Finance and contract procedure rules • Programme Management Office • Advice and guidance from the Finance and Accountancy team
Robust internal control	Aligning the risk management strategy and policies on internal control with achieving objectives.	<ul style="list-style-type: none"> • Risk management strategy and policy • Annual Audit Plan • Audit Reports
	Evaluating and monitoring risk management and internal control on a regular basis.	<ul style="list-style-type: none"> • Risk management strategy and policy • Reports to Audit and Governance Committee
	Ensuring effective counter fraud and anti-corruption arrangements are in place.	<ul style="list-style-type: none"> • Anti-Fraud and Corruption Strategy • Whistleblowing Policy • Reports to Audit and Governance Committee
	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	<ul style="list-style-type: none"> • Annual Governance Statement • Maintaining and resourcing an effective internal audit function • Reports to Audit and Governance Committee
	Ensuring an audit committee or equivalent group/function, which is	<ul style="list-style-type: none"> • Self-assessment of the Audit and

F: Managing risks and performance through robust internal control an strong public financial management		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
	<p>independent of the executive and accountable to the governing body:</p> <ul style="list-style-type: none"> - Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment - That its recommendations are listened to and acted upon. 	<p>Governance Committee against best practice, defined in “Audit Committees: Practical Guidance for Local Authorities and Police”</p>
Managing data	<p>Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.</p>	<ul style="list-style-type: none"> • ICT Code of Practice and associated ICT policies • Information assurance policy • Information Asset Register • Mandatory Information Governance training • Data Protection Officer • Data protection policy
	<p>Ensuring effective arrangements are in place and operating effectively, when sharing data with other bodies.</p>	<ul style="list-style-type: none"> • Data sharing protocol • Data sharing register • Appointed Caldicott Guardian and deputies
	<p>Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.</p>	<ul style="list-style-type: none"> • Information Asset Register • Information assurance policy • Information governance training
Strong public financial management	<p>Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.</p>	<ul style="list-style-type: none"> • Corporate Plan • Business planning process • Quarterly Performance Reports – Cabinet and Scrutiny Committee
	<p>Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and</p>	<ul style="list-style-type: none"> • Budget monitoring arrangements • Quarterly Performance Reports –

F: Managing risks and performance through robust internal control an strong public financial management		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
	controls	Cabinet and Scrutiny Committee

G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
Implementing good practice in transparency Implementing good practices in reporting Assurance and effective accountability	Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.	<ul style="list-style-type: none"> • Committee report format and clearance procedure • Published Committee agendas, papers and minutes including decision record • Open data website
	Striking a balance between providing the right amounts of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.	<ul style="list-style-type: none"> • Compliance with the Local Government Transparency Code 2015 • Open data website • Committee report format and clearance procedure
	Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.	<ul style="list-style-type: none"> • Annual financial statements • Annual governance Statement • External Audit reports
	Ensuring members and senior management own the results reported.	<ul style="list-style-type: none"> • Annual Governance Statement • Reports to Audit and Governance Committee • Published Committee agendas, papers and minutes including decision record

G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement).	<ul style="list-style-type: none"> • Annual Governance Statement
	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.	<ul style="list-style-type: none"> • Annual Governance Statement
	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.	<ul style="list-style-type: none"> • Publication of financial statements in line with best practice guidance
	Ensuring that recommendations for corrective action made by external audit are acted upon.	<ul style="list-style-type: none"> • External Audit reports • Reports to Audit and Governance Committee • Self-assessment of the Internal Audit function against the best practice guidance; “Public Sector Internal Audit Standards” and CIPFA’s “Statement on the Role of the Head of Internal Audit” • Internal Audit Charter
	Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.	<ul style="list-style-type: none"> • External Audit reports • Reports to Audit and Governance Committee • Self-assessment of the Internal Audit function against the best practice guidance; “Public Sector Internal Audit Standards” and

G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability		
Supporting principles	Behaviours and actions that demonstrate good governance	Evidenced in practice at Cheshire East Council by:
		<p>CIPFA's "Statement on the Role of the Head of Internal Audit"</p> <ul style="list-style-type: none"> • Internal Audit Charter
	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.	<ul style="list-style-type: none"> • Assurance gathering process for the Annual Governance Statement • Reports to the Audit and Governance Committee
	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.	<ul style="list-style-type: none"> • Annual Governance Statement
	Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.	<ul style="list-style-type: none"> • Sustainable Community Strategy • Commissioning arrangements

Appendix B

Member/Officer Relations Protocol

1.0 INTRODUCTION

- 1.1 The aim of this Protocol is to guide Members and Officers of Cheshire East Council in their relations. It is hoped the Protocol will help build good working relationships between Members and Officers as they work together to build the new authority.
- 1.2 A strong, constructive, and trusting relationship between Members and Officers is essential to the effective and efficient working of the Council.
- 1.3 It is recognised that relationships between Members and Officers are very varied and can often be complex. Therefore, this Protocol does not seek to be comprehensive and may not cover all situations. However, it is hoped that the framework it provides will serve as a guide to dealing with a wide range of circumstances.
- 1.4 This Protocol forms a key part of the Council's approach to corporate governance and its commitment to uphold standards in public life.

2.0 INTERPRETATION OF THE PROTOCOL

- 2.1 Members and Officers must observe this Protocol at all times.
- 2.2 The provisions of this Protocol will be interpreted having regard to the requirements of the Members' Code of Conduct, the Officers' Code of Conduct, the Council's Whistleblowing Policy and the Council's policies, procedures and processes.
- 2.3 Where there is a conflict or discrepancy between this Protocol and the Codes and Policies referred to in 2.2 above then those Codes and Policies shall have precedence. Conventions will also be taken into account in cases of conflict or discrepancy. Any questions over interpretation will be decided by the Monitoring Officer in consultation with the Chief Executive.
- 2.4 It is recognised that, in the period preceding any Council Election or by-election, specific protocols are in place. These protocols will take precedence over this Protocol where there is again conflict or a discrepancy.
- 2.5 This Protocol does not affect or interfere with any rights or protection which a person may have in law.

3.0 THE ROLE OF MEMBERS

- 3.1 Members are accountable to the electorate who determine every four years the people they wish to represent them on the authority. Therefore, this

Protocol recognises that Members are elected to serve the people of Cheshire East.

- 3.2 Members, as politicians, may express the values and aspirations of their party political groups but they must recognise that in their role as Members they have a duty to always act in the public interest.
- 3.3 Members may have a number of roles within the Council and need to be alert to the possible conflicts of interest that may arise.
- 3.4 At all times Members should be aware that the role they are performing may impact upon the nature of their relationship with Officers and the expectations that Officers may have of them.
- 3.5 Members are mainly responsible for:
 - the political direction and leadership of the Authority
 - the determination of policies, plans and strategies
 - deciding matters to give effect to or implement those policies, plans and strategies particularly in service delivery terms
 - performing the Council's regulatory functions
 - monitoring and reviewing, primarily through the Executive and Overview and Scrutiny functions, the Council's performance in implementing its policies, plans and strategies and in delivering its services
 - participation in partnership working
 - representing the Council on national regional and local bodies and organisations
 - representing the views of their communities and individual constituents
- 3.6 Some Members will have additional responsibilities relating to their membership of the Executive, Scrutiny Boards or other committees and sub-committees. The holding of these roles will involve a different relationship with certain Officers in areas where the Member has particular roles and responsibilities.
- 3.7 Members who serve on committees and sub-committees collectively have delegated responsibilities. These responsibilities may include deciding quasi-judicial matters which by law are excluded from the remit of the Cabinet.
- 3.8 Officers can expect Members:
 - to act within the policies, practices, processes and conventions established by the Council

- to work constructively in partnership with Officers acknowledging their separate and distinct roles and responsibilities
- to understand and support the respective roles and responsibilities of Officers and their associated workloads, pressures and reporting lines
- to give political leadership and direction and to seek to further their agreed policies and objectives with the understanding that Members have the right to take the final decision in issues based on advice
- to treat them fairly and with respect, dignity and courtesy
- to act with integrity, to give support and to respect appropriate confidentiality
- to recognise that Officers work to the instructions of their senior Officers and not to individual Members
- not to subject them to intimidation, harassment, or put them under undue pressure. Members will have regard to the seniority of Officers in determining what are reasonable requests, having regard to the relationship between the Member and Officer, and the potential vulnerability of Officers, particularly at junior levels
- not to request them to exercise discretion which involves acting outside the Council's policies and procedures
- not to authorise, initiate, or certify any financial transactions or to enter into any contract, agreement or undertaking on behalf of the Council or in their role as a Member without proper and lawful authority
- not to use their position or relationship with Officers to advance their personal interest or those of others or to influence decisions improperly
- to comply at all times with the Members Code of Conduct, the law, the Constitution and such other policies, procedures, protocols and conventions agreed by the Council.

3.9 It is important that Members of the Authority:

- respect the impartiality of Officers and not undermine their role in carrying out their duties
- do not ask Officers to undertake work, or act in a way, which seeks to support or benefit a particular political party or gives rise to an Officer being criticised for operating in a party political manner
- do not ask Officers to exceed their authority where that authority is given to them in law, by the Council or by their Managers

3.10 The Head of Paid Service, the Monitoring Officer and the Chief Finance Officer (section 151 Officer) and other Statutory Officers have specific responsibilities placed on them by law. These responsibilities go beyond their obligations as employees of the Council. Where an Officer is discharging his/her responsibilities under any statutory office a Member or Members shall not:

- interfere with or obstruct the Officer in exercising those responsibilities
- victimise any Officer who is discharging or has discharged his/her responsibilities of the Statutory Office

4.0 THE ROLE OF OFFICERS

4.1 The primary role of Officers is to advise, inform and support all members and to implement the lawfully agreed policies of the Council.

4.2 Officers are responsible for day-to-day managerial and operational decisions within the Council. Members should avoid inappropriate involvement in such matters.

4.3 In performing their role Officers will act professionally, impartially and with political neutrality. Whilst Officers will report a Members' view on an issue, the Officer should not be influenced or pressured to make comments, or recommendations which are contrary to his professional judgement or views.

4.4 Officers should:

- implement decisions of the Council and its subordinate bodies which are lawful, which have been properly approved in accordance with the requirements of the law and the Council's constitution, and are duly recorded.
- work in partnership with Members in an impartial and professional manner
- assist and advise all parts of the Council. Officers must always act to the best of their abilities in the best interests of the authority as expressed in the Council's formal decisions.
- respond to enquiries and complaints in accordance with the Council's standards
- be alert to issues which are, or are likely to be, contentious or politically sensitive, and be aware of the implications for Members, the media or other sections of the public.
- act with honesty, respect, dignity and courtesy at all times
- provide support and learning and development opportunities for Members to help them in performing their various roles

- not seek to use their relationship with Members to advance their personal interests or to influence decisions improperly
- comply, at all times, with the Officer Code of Conduct, and such other Policies or Procedures approved by the Council

4.5 Officers have the right not to support Members in any role other than that of Member, and not to engage in actions incompatible with this Protocol. In particular, there is a statutory limitation on Officers' involvement in political activities.

4.6 Some Officers may be appointed to local, regional or national bodies because of their particular skills and expertise. They may be appointed specifically to represent the Council or in their personal capacity.

5.0 THE RELATIONSHIP: GENERAL

5.1 Members and Officers are servants of the public. They are indispensable to one another. However, their responsibilities are distinct. Members are accountable to the Public, whereas Officers are accountable to the Council as a whole.

5.2 At the heart of the Codes, and this Protocol, is the importance of mutual respect. Member/Officer relationships are to be conducted in a positive and constructive way. Therefore, it is important that any dealings between Members and Officers should observe standards of courtesy and that neither party should seek to take unfair advantage of their position nor seek to exert undue influence on the other party.

6.0 THE RELATIONSHIP: OVERVIEW AND SCRUTINY BODIES

6.1 It is accepted that in carrying out the Council's overview and scrutiny functions Members may require an Officer to attend to answer questions or to discuss issues.

6.2 It is recognised by this Protocol that challenge in a constructive and non-confrontational way is important in ensuring policies and performance are meeting the Council's strategic objectives. Therefore, nothing in this Protocol is intended to stop Members holding Officers to account for decisions made under delegated powers. Nor is it intended to affect the Council's overview and scrutiny functions

6.3 When deciding whether to require an Officer to attend, the body will consider the seniority of the Officer it would be appropriate to invite. There is a presumption against inviting Officers outside the senior Officers' range to attend in this capacity. Requests for Officer attendance should be made to the Director concerned. Such requests should indicate in broad terms the areas which Members will want to discuss, and should give reasonable notice of the dates when attendance is needed

- 6.4 Where an Officer attends such a body his/her contribution should be confined to matters of fact and explanation. However, an Officer may be asked to explain and justify advice which he/she has given prior to a decision having been taken, including decisions taken by him/her under delegated powers.
- 6.5 Officers should not be drawn, overtly or covertly, into discussions of a political nature which would be inconsistent with the political neutrality requirement. Any questioning of an Officer should not be reasonably interpreted as constituting harassment.
- 6.6 In overview and scrutiny proceedings the capability or competence of Officers must not be questioned. The distinction needs to be drawn between reviewing the policies, performance and decisions of the Council or its services and the appraisal of staff's individual performance. The latter is not a function of overview and scrutiny bodies.
- 6.7 The approach here is consistent with the Overview and Scrutiny Procedure Rules as set out in the Council's Constitution.
- 6.8 In applying this part of the Protocol, account will be taken of any guidance agreed by Overview and Scrutiny bodies provided that guidance is consistent with the principles of this Protocol.

7.0 POLITICAL GROUPS

- 7.1 The Chief Executive, together with Directors and Heads of Service and occasionally other employees all with the permission of the Chief Executive may at times decide that it is appropriate to attend a political group meeting with a view to briefing and advising on the formulation of policy. This may be of his/her own initiative or at the request of a political group. However, the decision on whether he/she should attend is the Chief Executive's, in either case.
- 7.2 If the Chief Executive decides that he/she or another Officer may attend a political group meeting and it concerns a proposed significant policy change which is about to be presented to a meeting of the Council, Executive Group or committee, then he/she must offer the facility to all other political groups within the Authority, indicating the area of policy upon which he/she is offering to brief/advise. He/she will inform the leader of the political group with whom he/she is having the meeting that he/she will be offering the facility to the other political groups.
- 7.3 Certain points must be clearly understood by all those participating in this process, Members and Officers alike. In particular:
- (a) Officer support in these circumstances must not extend beyond providing information and advice in relation to matters of Council business. Officers must not be involved in advising on matters of party business. The observance of this distinction will be assisted if Officers are not expected to be

present at meeting, or parts of meeting, when matters of party business are to be discussed;

(b) political group meetings, whilst they form part of the preliminaries to Council decision-making, are not empowered to make decisions on behalf of the Council. Conclusions reached at such meetings do not therefore rank as Council decisions and it is essential that they are not interpreted or acted upon as such; and

(c) similarly, where Officers provide information and advice for a political group meeting in relation to a matter of Council business, this cannot act as a substitute for providing all necessary information and advice to the Cabinet or relevant committee when the matter in question is considered.

7.4 Special care needs to be exercised whenever Officers are involved in providing information and advice to a political group meeting which includes persons who are not Members of the Council. Such persons will not be bound by the Model Code of Local Government Conduct (in particular, the provisions concerning the declaration of interests and confidentiality) and for this and other reasons Officers may not be able to provide the same level of information and advice as they would to a Members only meeting.

7.5 Officers must respect the confidentiality of any political group discussions at which they are present in the sense that they should not relay the content of any such discussions to another political group.

8.0 ACCESS TO PREMISES

8.1 Officers have the right to enter the Council land and premises to carry out their work. Some Officers have the legal power to enter property in the ownership of others.

8.2 Members have the right of access to Council land and premises to fulfil their duties.

8.3 When making visits as individual Members, Members should:

- notify and make advance arrangement with the appropriate manager or Officer in charge (unless this is not practicable);
- comply with health and safety, security and other workplace rules;
- not interfere with the services or activities being provided at the time of the visit; and
- notify ward Members beforehand if visiting somewhere outside his/her own ward.

9.0 USE OF COUNCIL RESOURCES

- 9.1 All Members are provided with services such as typing, printing and photocopying and goods such as stationery and computer equipment, to assist them in discharging their roles as Members. These goods and services are paid for by public funds and should only be used for Council purposes.
- 9.2 Members should not ask Officers to provide resources or support which they are not permitted to give, for example support or resources
- which are to be used for business which is solely to do with a political party;
 - for work in connection with a ward or constituency party political meeting or electioneering;
 - for work associated with an event attended by a Member in a capacity other than as a Member of the Council;
 - for private personal correspondence;
 - for work in connection with another body or organisation where a Member's involvement is other than as a member of the Council; and
 - which constitutes support to a Member in his/her capacity as a member of another authority.

10.0 BREACHES OF THE PROTOCOL

- 10.1 Where a Member is dissatisfied with the conduct, behaviour or performance of an Officer, the matter should be raised with the appropriate Director or Head of Service. Where the Officer concerned is a Director, the matter should be raised with the Chief Executive, and in the case of a Head of Service with the appropriate Director. Where the employee concerned is the Chief Executive, the matter should be raised with the Monitoring Officer.
- 10.2 On the Members' side, where the relationship between Members and Officers breaks down or becomes strained, every effort will be made to resolve matters informally, through conciliation by an appropriate senior manager or Members. Officers will also have recourse to the Grievance Procedure or to the Council's Monitoring Officer, as appropriate, in certain circumstances. In the event of a grievance or complaint being upheld, the matter will be referred to the Chief Executive who, having advised the Leader of the Council and the other appropriate Group Leaders, will decide on the course of action to be taken, following consultation with the Audit and Governance Sub-Committees if appropriate.
- 10.3 Breaches of the protocol by a Member may also constitute a breach of the Members Code of Conduct.

11.0 STATUS OF THIS PROTOCOL

- 11.1 This Protocol was approved by Full Council on 24 February 2009. It now forms part of the Council's Constitution. As such, it is binding on all Members including co-opted and independent Members, and Officers.
- 11.2 This Protocol shall apply, as appropriate and necessary, to any person appointed individually or on behalf of a body or organisation to advise support or assist the Authority in its work.

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	17 th January 2017
Report of:	Executive Director, Place
Subject/Title:	Sale of Former Children's Home, Redsands, Nantwich
Portfolio Holder:	Councillor Don Stockton, Regeneration

1.0 Report Summary

- 1.1 Redsands, Nantwich is a former Children's Home. It is surplus to operational requirements and has been vacant since 2009. There have been a number of proposals for the site but none of these have managed to come to fruition. The Property has been subject to recurring vandalism and arson attacks that continue to present a security, health and safety risk and ongoing budget pressure.
- 1.2 The Property, shown edged red on the attached plan, has been marketed for sale by Engine of the North on behalf of the Council. Several offers have been received. The highest of these offers, which is for a nursing home development, is recommended for approval.

2.0 Recommendation

- 2.1 It is recommended that Cabinet authorise the Executive Director of Place to advertise the intention to dispose of the land in accordance with the Local Government Act should any of the land be identified as open space and the consultations will be considered by the Portfolio Holder for Regeneration and approve the freehold disposal of the former Redsands Children's Home, Nantwich as shown edged red the attached plan to Richmond Care Villages Holdings Limited, or to a group company, on terms to be agreed by the Executive Director for Place in consultation with the Director of Legal Services, the Chief Operating Officer, the Cabinet Member for Finance and the Cabinet Member for Regeneration.

3.0 Reasons for Recommendations

- 3.1 The property is not required for any purpose by the Council and while vacant remains a liability. A sale will generate a significant capital receipt and save the Council ongoing holding and maintenance costs and health and safety risks.

4.0 Wards Affected

4.1 Wistaston

5.0 Local Ward Members

5.1 Cllr. Margaret Simon, Cllr. Jacquie Weatherill

6.0 Policy Implications

6.1 The Disposal will remove a number of derelict buildings, bring a redundant site back into economic use, create new local jobs and facilitate new development that is in keeping with the locality.

7.0 Implications for Rural Communities

7.1 The development of a new social care facility will remove a security issue and create around 80 new jobs in the rural community around Willaston.

8.0 Financial Implications

8.1 The sale of the site will generate a significant capital receipt and dispose of a longstanding maintenance liability. The recommended offer is the highest offer received to date for the site.

8.2 Maintenance and holding costs are circa £40,000 per annum (half of which is business rates). The size of the buildings and their secluded location means they require significant security provision.

9.0 Legal Implications

9.1 Section 123 of the Local Government Act 1972 allows a Local Authority to dispose of an interest in land on such terms, as it considers appropriate subject to its obtaining the best consideration reasonably obtainable for the land interest

9.2 Section 123 of the Local Government Act requires the advertisement of any open space before its disposal and consideration of any objections received following such advertisement.

9.3 The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous wellbeing powers however the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles.

10.0 Risk Management

- 10.1 The sale is subject to receipt of planning permission for a nursing home development. There is a risk planning permission will not be granted and the sale will not proceed however advice has been obtained from planning officers and there appears to be a realistic prospect of approval.

11.0 Background and Options

- 11.1 The site comprises the former Redsands Children's Home and associated buildings, which were closed in 2009 and have since been vacant. The buildings have been subject to arson attacks, repeated break-ins and acts of vandalism. They remain a security risk and maintenance liability. The Council is proactively mitigating these risks at a cost to its revenue budgets in holding costs.
- 11.2 The Council is intending to retain land shown edged blue on the attached plan to the north of the property comprising a pond, woodland and a football pitch. Access to the football pitch lies across the land being sold but will be secured for future use by a right of way.
- 11.3 The site has been marketed in the past and offers received and accepted but, to date, none have been converted into a sale.
- 11.4 The latest marketing exercise was undertaken by Colliers International between September and October 2016. Several offers were received. They were for a range of different uses and at prices that substantially exceed all previous offers. The offers were evaluated by Colliers and discussed with planning officers. The proposal recommended is the highest price and has a reasonably good prospect of being delivered.
- 11.5 The offer has been submitted by Richmond Care Villages Holdings Limited, a wholly owned subsidiary of BUPA which owns and operates 300 care homes in the UK. Richmond already operates a care village in Nantwich about a mile from the Property. Their intention is to develop the Property as a specialist centre of excellence for dementia care which will operate as a satellite campus to the existing care village in Nantwich. It will create around 80 new jobs.

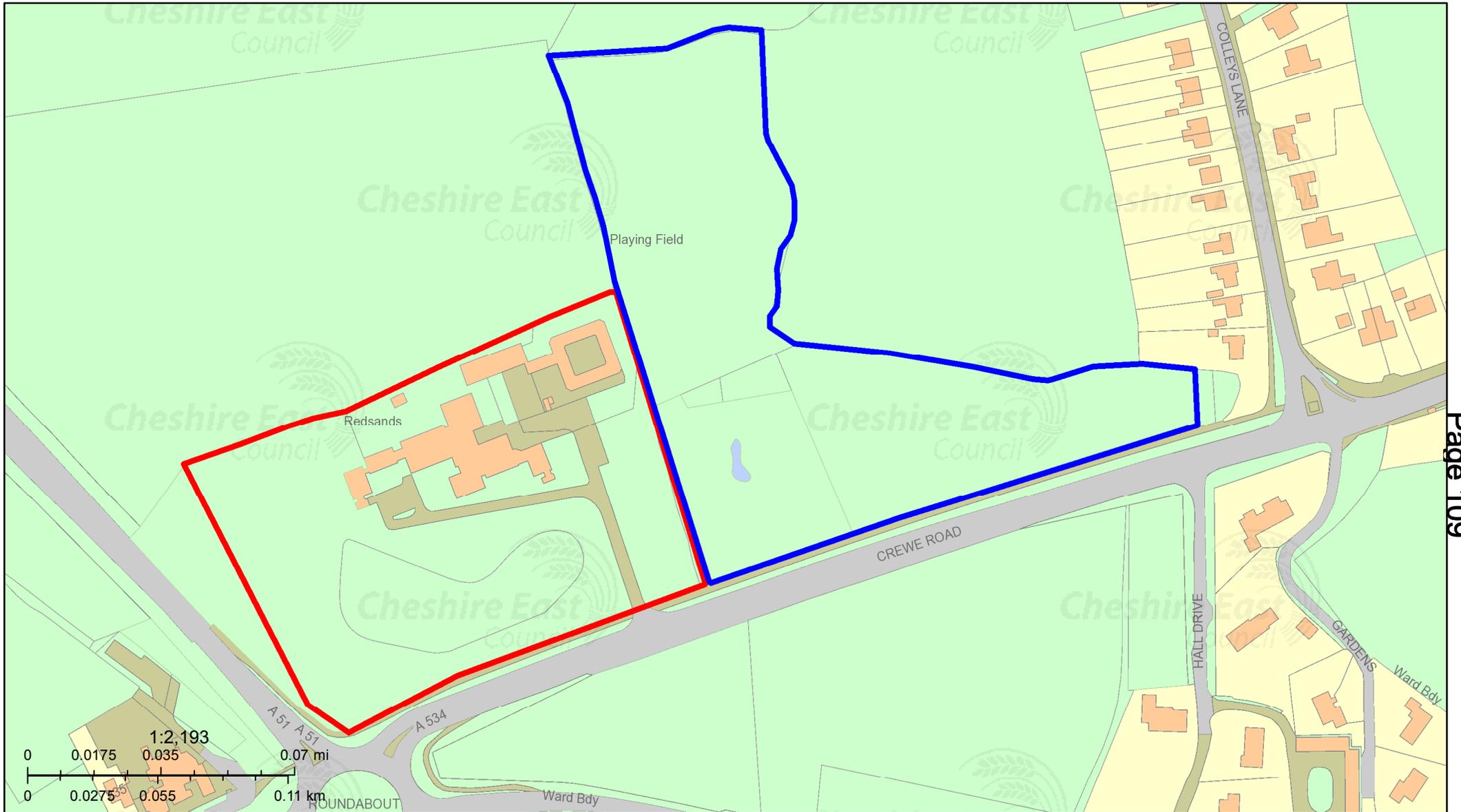
12.0 Access to Information

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

Name: Frank Jordan
Designation: Executive Director, Place
Tel No: 01270 686643
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Redsands - Willaston, Nantwich



December 15, 2016



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