

Council Agenda

Date: Thursday, 26th July, 2018
Time: 2.00 pm
Venue: The Ballroom, Sandbach Town Hall, High Street, Sandbach, CW11 1AX

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

It should be noted that Part 1 items of Cheshire East Council decision making meetings are audio recorded and the recordings are uploaded to the Council's website.

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

1. **Prayers**

2. **Apologies for Absence**

To receive apologies for absence.

3. **Declarations of Interest**

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

4. **Minutes of Previous meetings** (Pages 3 - 14)

To approve as a correct record the minutes of the ordinary meeting of Council and the special meeting of Council held on 23 May 2018.

5. **Mayor's Announcements**

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

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

In accordance with paragraph 1.32 of the Council Procedure Rules and Appendix 7 to the rules, a total period of 15 minutes is allocated for members of the public to speak at Council meetings.

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

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

7. **Leader's Announcements**

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

8. **Recommendation from Cabinet - 2017/18 Financial Outturn And Review Of Performance** (Pages 15 - 40)

To consider the recommendation from Cabinet.

9. **Recommendation from Cabinet - A500 Dualling** (Pages 41 - 56)

To consider the recommendation from Cabinet.

10. **Recommendation from Cabinet- Congleton Link Road - Award Of Construction Contract And Submission of Final Business Case** (Pages 57 - 68)

To consider the recommendation from Cabinet.

11. **Notices of Motion** (Pages 69 - 70)

To consider any Notices of Motion that have been received in accordance with paragraph 1.34 of the Council Procedure Rules

12. **Questions**

In accordance with paragraph 1.18 of the Council Procedure Rules, opportunity is provided for Members of the Council to ask the Mayor, the appropriate Cabinet Member or the Chairman of a Committee any question about a matter which the Council, the Cabinet or the Committee has powers, duties or responsibilities.

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

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Council**
held on Wednesday, 23rd May, 2018 at The Tenants' Hall, Tatton Park,
Knutsford WA16 6QN

PRESENT

Councillor A Moran
Councillor L Smetham

Councillors C Andrew, A Arnold, Rachel Bailey, Rhoda Bailey, G Baggott, P Bates, G Baxendale, M Beanland (PM only), E Brooks, C Browne, B Burkhill, P Butterill, S Carter, J Clowes, S Corcoran, H Davenport, W S Davies, M Deakin, T Dean, B Dooley, L Durham, S Edgar, I Faseyi, P Findlow, R Fletcher, H Gaddum, S Gardiner, S Gardner, C Green, M Hardy (PM only), G Hayes, S Hogben, D Hough, O Hunter, J Jackson, L Jeuda, A Kolker, J Macrae, D Mahon, N Mannion (PM only), D Marren, A Martin, S McGrory (PM only), R Menlove, G Merry, B Moran, J Nicholas, M Parsons, J Rhodes, B Roberts, J Saunders, M Simon, D Stockton, A Stott, B Walmsley, G M Walton, L Wardlaw, M Warren (PM only), M J Weatherill, G Williams and J Wray

Apologies

Councillors D Bailey, G Barton, M Beanland (AM only), D Bebbington, J Bratherton, S Brookfield, D Brown, C Chapman, T Fox, D Flude, L Gilbert, M Grant, P Groves, J Hammond, M Hardy (AM only), A Harewood, N Mannion (AM only), H Murray, McGrory (AM only), S Pochin, M Sewart, G Wait, M Warren (AM only) and H Wells-Bradshaw

1 PRAYERS

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

2 DECLARATIONS OF INTEREST

It was noted that Councillor Lesley Smetham and Councillor Liz Durham had a personal interest in the election of Mayor and appointment of Deputy Mayor respectively.

There were no further declarations of interest.

3 ELECTION OF MAYOR 2018/19

Council was requested to elect a Mayor for the Borough of Cheshire East for 2018/19, who would also act as Chairman of the Council for that period.

It was proposed by Councillor D Marren, seconded by Councillor J Jackson and: -

RESOLVED

That Councillor Lesley Smetham be elected Mayor of the Borough of Cheshire East for the year 2018/19 and be appointed as Chairman of the Council for that period.

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

The Mayor thanked the Council for electing her to this office and informed Members that Mr David Smetham was to be her Consort. She was then invested with the badge of office.

(Councillor L Smetham, as Mayor, took the chair).

4 APPOINTMENT OF DEPUTY MAYOR FOR 2018/19

Council was requested to appoint a Deputy Mayor of the Borough of Cheshire East for the year 2018/19, who would also act as Vice-Chairman of the Council for that period.

It was proposed by Councillor P Findlow, seconded by Councillor P Bates and:-

RESOLVED

That Councillor Liz Durham be appointed as Deputy Mayor of the Borough of Cheshire East for the year 2018/19 and as Vice-Chairman of the Council for that period.

The Deputy Mayor thanked the Council for appointing her to this office and announced that her Consort would be her husband, Mr Richard Durham.

5 APPOINTMENT OF MAYOR'S CHAPLAIN

The Mayor announced that her Chaplain for the forthcoming Municipal Year would be Reverend Sheila Bishop, who stood forward and shook hands with the Mayor.

6 VOTE OF THANKS TO RETIRING MAYOR

Councillor Rachel Bailey paid tribute to the retiring Mayor, Councillor Arthur Moran and his Mayoress, Mrs Carole Thomas, for the dedicated work that they had undertaken during their term of office. Councillor Bailey presented Councillor Moran with a framed picture.

The Mayor presented Councillor Moran with a Past Mayor's Medal and Mrs Carole Thomas with a Past Mayoress's medal.

Councillor Moran then addressed Council, as outgoing Mayor.

7 MAYOR'S ANNOUNCEMENTS

The Mayor thanked all those who had attended the Mayor Making Ceremony and stated that the meeting would now be adjourned and would be reconvened, following lunch.

(The meeting was adjourned to allow a Special Meeting of Council to take place, to confer Freedom of the Borough on Menna Fitzpatrick. The meeting was reconvened at 2pm, when the remaining items on the agenda were considered).

8 APOLOGIES FOR ABSENCE

Apologies for absence were updated.

9 DECLARATIONS OF INTEREST

There were no further declarations of interest.

10 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting of Council held on 22 February 2018 be approved as a correct record.

11 LEADER'S ANNOUNCEMENTS

The Leader highlighted a number of issues of key importance to her as Leader of the Council which were as follows:-

PLACE

Waste & Environmental Services

- The Council had moved from landfill to an "energy from waste" solution, with new waste contracts and the opening of Cheshire East Environmental Hub.

Customer Services

- The Council had been a Finalist in "Go Procurement" awards for its compost facility procurement.
- Redesign and refurbishment of Crewe and Macclesfield Customer Service Centres had taken place.

- The Council had been shortlisted as a finalist for Contact Centre of the Year.
- The Council had retained its top 4* ranking for the Cheshire East website.
- There had been a 3% increase in participation in the annual Summer Reading Challenge.
- Refurbishment of Macclesfield and Wilmslow libraries had taken place.
- Improvements to leisure facilities, including a new Fitness Gym at Sandbach Leisure Centre had taken place.

Rural and Culture

- Tatton Park had successfully launched its Farm 'Field to Fork' project, The Gardener's Cottage at Tatton park had been voted 'Cheshire's Tea room of the year', Green Flags, Green Heritage flags and heritage flags had been awarded across the Council's parks.

Housing

- The Council had recommissioned the 'No Second Night Out' Service and increased the number of beds from 4 to 6 with new temporary accommodation provided in Crewe for the homeless.
- Policies and procedures had been updated and a restructure of Strategic Housing Services had been undertaken in order to ensure that there were sufficient resources to deal with the introduction of the Homelessness Reduction Act 2017.

Highways and Infrastructure

The following highways schemes were moving forward:-

- Congleton Link Road, Poynton Relief Road, Middlewich Eastern Bypass and dualling of the A500.
- During the winter, the Highways Service had received 18,914 enquiries of which 17,481 had been resolved. In addition the council exceeded its target for the year to upgrade 9,000 street lighting columns with LEDs.
- The Council continued to work collaboratively with Government and Network Rail to develop a preferred concept for an enhanced Crewe HS2 Hub station.
- The Council had also completed its Supported Bus Service Review with a series of changes made to bus services from 1st April 2018.

Planning

- Over 6,000 applications, with 92% of major applications had been determined within target timescales and 90% of non-major planning applications determined within target timescales.
- Earlier in 2017/18 the Council's Local Plan Strategy and Design Guide was adopted.

PEOPLE

Local Government Chronicle Awards 2018:-

- Emotionally Healthy Schools had been shortlisted in the 'Children's Services' category.
- LSCB Neglect Campaign had been shortlisted in the 'Campaign of the year' category and the LSCB Neglect Strategy/Campaign had been launched in April 2017.

Early Years

- Entitlement to free early education for working parents of three and four year olds changed from September 2017 from 15 to 30 hours per week. Take up of the 30 hours in Cheshire East was one of the highest in the country.

Delayed Transfers of Care (DTOC)

- National figures for October 2017 had put Cheshire East top out of 151 Local Authority areas in England areas for avoiding 'bed blocking'.

Early Help Framework

- Commissioning of the Care at home and care with accommodation & Carers Hubs had taken place.

Adult Safeguarding

- The appointment of an Independent Chair of the Adults Safeguarding Board had taken place as well as an improvement in the process of Deprivation of Liberty with regard to safeguarding assessments and reviews.

Public Health, Partnerships and Communities

Community Safety achievements included:-

- Poynton PSPO: Implementation of the first Public Space Protection Order (PSPO) in Cheshire East Council.
- Stay Safe Operation – Congleton: Partner agencies supported the Police to address increasing issues of Anti Social Behaviour in town and park locations in Congleton to keep young people safe.

- Crewe Town Centre: work was undertaken to deal with issues in Crewe Town Centre relating to Anti Social Behaviour. All alongside the Cheshire East Alcohol Harm Reduction Plan finalised in March 2017.

Children's Safeguarding

- Signs of Safety, was officially launched in September 2017. The Council's strategy had been identified as a national exemplar.

Cared for Children and Care Leavers

- The Ignition Panel had been shortlisted for the iNetwork and Children and Young People Now awards in 2017.
- Regional Adoption Agency (RAA), 'Adoption Counts', was launched on 3 July 2017 in partnership with Manchester, Salford, Trafford and Stockport Councils.

Preventative Services

- There were only 2.2% of NEETs/'not known' young people in Cheshire East, compared to a national average of 6% when the statistics were published. The Council had the third lowest level of youngsters not employed or in education in the UK.

Special Educational Needs and Disabilities

- The 0-25 SEND Partnership completed a number of key pieces of work to improve outcomes of SEND children and young people in 2017-18.
- The SEND inspection recognised significant improvement in the strategic leadership of SEND but also confirmed the areas for improvement that the Council had identified in our self assessment.
- Cheshire East was one of only 19 local authorities whose expression of interest to develop a free school was approved by the DfE last year.

Education Participation and Pupil Support

- A high proportion of parents/carers had been given their first choice of school for their child in September.

Education Infrastructure and Outcomes

- Cheshire East along with Cheshire West was also successful in two applications in Round 2 (2017-18) to the Strategic School Improvement Fund, totalling over £1. The Lifelong Learning team achieved the highest overall achievement rates across the Cheshire and Warrington area.

Legal and Democratic Services

- 17 elections/referendums had been successfully delivered, including the “snap” Parliamentary Election in June.
- There had been a review of the Constitution.
- There had been a record performance in marriages for the Registration Service inspection of the Registration Service.

Final reference was made to the Brighter Future and Cultural Transformation and the importance of supporting staff working in the front line services who were very much a part of the good news stories shared today.

12 RECOMMENDATION FROM THE CONSTITUTION COMMITTEE - CHANGES TO THE COUNCIL'S CONSTITUTION

Consideration was given to a report on the recommendations from the Constitution Committee in respect of Changes to the Council's Constitution.

RESOLVED

- 1.1. That the Constitution Committee recommendations, as set out in paragraph 3.7 of the report, be approved, together with the additional proposal relating to the rounding up of quorums, where appropriate.
- 1.2. That powers be delegated to the Acting Director of Legal Services to make such changes to the Council's Constitution as he considers are necessary to give effect to the resolution of Council.

13 RECOMMENDATION FROM CONSTITUTION COMMITTEE - CHANGES TO THE CONTRACT PROCEDURE RULE

Consideration was given to a report on the recommendations from the Constitution Committee in respect of Changes to the Contract Procedure Rule.

RESOLVED

That, with the exception of those changes within the delegated authority of the Monitoring Officer, the proposed changes to the Contract Procedure Rules as appended to the report be approved.

14 POLITICAL REPRESENTATION ON THE COUNCIL'S COMMITTEES

Consideration was given to a report and its appendix, to determine the political representation on the Council's Committees and to appoint those Committees. In moving the recommendation, the Leader of the Council stated that the Conservative group was willing to offer the role of Vice

Chairman of the Children and Families Overview and Scrutiny Committee to a Member from the Independent group.

RESOLVED

1. That the political group representation, as set out in the appendix to the report and the methods, calculations and conventions used in determining this, as outlined in the report, be adopted, the allocation of places to Committee be approved, and the listed Committee be appointed.

2. That the Committee Chairmen and Vice Chairmen allocations be noted as set out in the Appendix; "(C)" denoting the allocation of the office of Chairman to political groups and "(VC)" denoting the allocation of the office of Vice Chairman to political groups, subject to the inclusion of "(C)" and "(VC)" under the Conservative column for the Public Rights of Way Committee and Licensing Committee and the Vice Chairman of the Children and Families Overview and Scrutiny Committee being allocated to a Member from the Independent Group.

15 ALLOCATIONS TO THE OFFICE OF CHAIRMAN AND VICE CHAIRMAN

Consideration was given to the allocation of Chairmanships and Vice-Chairmanships of the Council's decision-making and other bodies.

RESOLVED

That the office of Chairman and Vice Chairman be allocated to the political groups for each of the Council's decision-making and other bodies, as indicated in the report and as listed in the appendix to the previous agenda item, subject to:-

The inclusion of (C) and (VC) under the Conservative column for the Public Rights of Way and Licensing Committees and the Vice Chairman of the Children and Families Overview and Scrutiny Committee being allocated to a Member from the Independent group.

16 APPOINTMENTS TO ADOPTION PANEL AND FOSTERING PANEL

Consideration was given to a report inviting Council to approve a number of appointments to Statutory Panels which do not fall within the definition of "Committee" for the purpose of legislation.

RESOLVED

1. That Councillor Laura Jeuda be appointed to the Adoption Panel.

2. That Councillor Gillian Merry be appointed to the Fostering Panel.

**17 APPOINTMENTS TO THE CHESHIRE POLICE AND CRIME PANEL
AND THE CHESHIRE FIRE AUTHORITY**

Consideration was given to a report inviting Council to make appointments to the Cheshire Fire Authority and the Cheshire Police and Crime Panel. Council was asked to appoint eight Councillors to the Cheshire Fire Authority and to appoint three Councillors and a nominated substitute to the Cheshire Police and Crime Panel.

RESOLVED

1. That Councillors Stephen Edgar, Paul Findlow and Mick Warren be appointed to the Cheshire Police and Crime Panel, with a named substitute Member to be notified to officers in the forthcoming days.

2. That Councillors Damian Bailey, Beverley Dooley, Paul Findlow, Dorothy Flude, George Hayes, Dennis Mahon, Gillian Merry, Margaret Simon and Jacque Weatherill, be appointed to the Cheshire Fire Authority.

18 APPROVAL OF ABSENCE FROM COUNCIL MEETINGS

This item was withdrawn at the meeting.

The meeting commenced at 11.00 am and concluded at 2.37 pm

Councillor A Moran (Chairman)
CHAIRMAN

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CHESHIRE EAST COUNCIL

Minutes of a Special meeting of the **Council**
held on Wednesday, 23rd May, 2018 at The Tenants' Hall, Tatton Park,
Knutsford WA16 6QN

PRESENT

Councillor L Smetham (Mayor/Chairman)

Councillor L Durham (Deputy Mayor/Vice-Chairman)

Councillors C Andrew, A Arnold, Rachel Bailey, Rhoda Bailey, G Baggott, P Bates, G Baxendale, E Brooks, C Browne, B Burkhill, P Butterill, S Carter, J Clowes, S Corcoran, H Davenport, W S Davies, M Deakin, T Dean, B Dooley, S Edgar, I Faseyi, P Findlow, R Fletcher, H Gaddum, S Gardiner, S Gardner, C Green, G Hayes, S Hogben, D Hough, O Hunter, J Jackson, L Jeuda, A Kolker, J Macrae, D Mahon, D Marren, A Martin, R Menlove, G Merry, A Moran, B Moran, J Nicholas, M Parsons, J Rhodes, B Roberts, J Saunders, M Simon, D Stockton, A Stott, B Walmsley, G M Walton, L Wardlaw, M J Weatherill, G Williams and J Wray

11 APOLOGIES FOR ABSENCE

Apologies for absence were noted.

12 DECLARATIONS OF INTEREST

There were no declarations of interest.

13 FREEDOM OF THE BOROUGH

The Mayor reported that she was delighted to ask the Deputy Leader of the Council to propose that Menna Fitzpatrick be granted the Freedom of Cheshire East Borough.

Menna Fitzpatrick had learnt to ski when she was just five years old. In 2012 she had made her senior international debut for Great Britain and in March 2016, she and her Guide, Jennifer Kehoe, had made history by becoming the first British skiers to win the overall World Cup Visually Impaired title when skiing in the United States. In the 2017 World Championships in Italy, Menna again with Jennifer, had claimed Bronze in the giant slalom.

At the recent PyeongChang 2018 Winter Paralympic Games, Menna had become Britain's most successful Winter Paralympian when, along with Jennifer Kehoe she had claimed slalom Gold, super combined Silver, giant slalom Silver and super-G Bronze.

The Councillor Rachel Bailey, proposed that Menna Fitzpatrick be granted the Freedom of Cheshire East Borough.

Councillor A Moran seconded the motion.

RESOLVED

That Menna Fitzpatrick be granted the Freedom of Cheshire East Borough.

Menna then came forward to receive her medal and certificate from the Mayor. She then said a few words and thanked the Council for this honour.

The meeting commenced at 12.05 pm and concluded at 12.20 pm

Councillor L Smetham (Chairman)
CHAIRMAN

COUNCIL MEETING – 26th July 2018**2017/18 FINANCIAL OUTTURN AND REVIEW OF PERFORMANCE**

Cabinet recommends that Council approve fully funded supplementary capital estimates above £1,000,000 in accordance with Financial Procedure Rules as detailed in (Appendix 4, Table 8).

Extract from the Minutes of the Cabinet meeting on 12th June 2018

7 2017/18 FINANCIAL OUTTURN AND REVIEW OF PERFORMANCE

Cabinet considered a report on the 2017/18 Financial Outturn and Review of Performance.

RESOLVED

That Cabinet

1. notes the contents of the report and appendices;
2. approves:
 - (a) fully funded supplementary capital estimates above £500,000 in accordance with Financial Procedure Rules as detailed in (Appendix 4, Table 7 of the report); and
 - (b) fully funded supplementary capital virements above £1,000,000 in accordance with Financial Procedure Rules as detailed in (Appendix 4, Table 7);
3. **recommends that Council approve:**
 - (a) **fully funded supplementary capital estimates above £1,000,000 in accordance with Financial Procedure Rules as detailed in (Appendix 4, Table 8); and**
4. acknowledges the work of the officers in addressing financial pressures in order to achieve a balanced financial outturn for 2017/18.

Link to full Cabinet report, including all appendices:

[Cabinet 12 June 2018 - Item 7 2017/18 Financial Outturn and Review of Performance](#)

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Cabinet

Date of Meeting: 12 June 2018

Report Title: 2017/18 Financial Outturn and Review of Performance

Portfolio Holder: Cllr Paul Bates - Finance and Communication
Cllr Paul Findlow - Corporate Policy and Legal Services

Senior Officer: Jan Willis - Interim Executive Director of Corporate Services
(Section 151 Officer)

1. Report Summary

- 1.1. This report outlines how the Council managed its resources to achieve both positive outcomes and value for money in the delivery of services during the 2017/18 Financial Year. The report includes a narrative from the Council's Draft Group Accounts, to highlight financial performance within the year, as well as associated appendices to show how the Council has achieved against the outcomes contained within the Corporate Plan as well as other important financial matters.
- 1.2. The financial outturn for Cheshire East Council is balanced for 2017/18, with gross income matching gross expenditure, meaning General Reserves remain unchanged at £10.3m. This is despite the fact that 2017/18 presented a challenging year for the Council, in common with all local authorities across the UK, as revenue budgets came under severe pressure due to the combined effects of rising inflation, increased demand for services and continuing reductions in government funding.
- 1.3. At Quarter One (reported to Cabinet in September 2017) financial pressures that could have led to a deficit of up to £17.7m were identified. Mitigating action was detailed in the report to show how a balanced position could be achieved. These actions have been managed throughout the year to deliver the balanced outturn.
- 1.4. Demand led financial pressures in the People Directorate have exceeded forecasts in both Children and Adults Services. For example the number of cared for children and adults receiving support have been at unprecedented levels. Further financial pressures have been experienced in Waste Services, Planning and Transport. Pressures have been mitigated through re-commissioning activity, vacancy management and significant reviews of central budgets alongside changes to Capital Financing.

- 1.5. The Council's wholly owned companies produced an overall profit of £833,000 in 2017/18, prior to contractual profit sharing. This was made up of surpluses achieved on the delivery of services to the Council (£558,000) and commercial returns from services supplied to external customers (£275,000).
- 1.6. Of the Group's profits, £334,000 was retained by the companies, as per contractual arrangements, and £499,000 was added to the companies-related earmarked reserve held by the Council. As at 31st March 2018, retained company balances stands at £613,000; and the Council's earmarked reserve at £1.7m, made up of accumulated profit shares to date, offset by certain items of approved expenditure, and pending further committed usage early in 2018/19 (after which the balance will stand at some £1.5m). Taken together with the annual reductions in management fees delivered since the companies were formed in 2015 this represents a substantial return on the Council's investment in its ASDVs (Alternative Service Delivery Vehicle).
- 1.7. During 2017/18 Ansa developed a new joint venture, forming a subsidiary company with Staffordshire Moorlands and High Peak Borough Councils, Alliance Environmental Services, which itself made a surplus of £39,000 from efficiencies in the delivery of waste collection services in the High Peak area.
- 1.8. The Council has continued to perform strongly, delivering positive outcomes in each of the six priority areas identified by the Corporate Plan. This report provides evidence of how the Council has been engaging with residents, businesses and its partners to achieve positive outcomes.
- 1.9. The Council's Corporate Plan sets out 6 Priority Outcomes and 2017/18 has seen important improvements in each area. Examples evidenced within Appendix 2 highlight how outcomes are being achieved. For example: People feel safe in the area; Gross Value Added (GVA) has increased in Cheshire East; educational achievement has improved; waste to landfill has ended as a primary means of disposal; life expectancy in Cheshire East is higher than the national average; and efficiencies have been delivered across corporate services, including significant reductions in expenditure on ICT.
- 1.10. A number of key indicators provide further evidence of good performance:
 - 6 Connected Communities centres were opened
 - 88 organisations received £155,913 of funding contributing to £1,134,963 worth of community projects
 - We became the local authority with the third-lowest level of NEETs (Not in Employment, Education or Training) in the UK

- Over 6,000 applications were determined by the Council and 92% of major planning applications were determined within required timescales
 - The three-year target of achieving 1,050 affordable homes was significantly outperformed with 1,371 delivered
 - 2,270 home adaptations were made and the Council won a 'Home Adaptations Service of the Year' award
 - Attendances at Council leisure facilities rose by 11.7% to over 3.3million
 - The Cheshire East Carers & Young Carers Hub was launched
 - The Council achieved more awards wins and short listings than ever before
- 1.11. 2018/19 plans also reflect on the need to improve in some important areas, based on information from the 2017/18 Outturn Report. In particular we will build on the findings and recommendations of an independent culture review through the 'Brighter Future' Culture Transformation Programme. We will also look again at management of sickness levels across the Council, as these did not hit targets that were set in 2017/18. In addition we will use the outcome of an inspection of services across Cheshire East for children and young people with special educational needs and disabilities (SEND) to engage with key stakeholders and produce an Improvement Plan.
- 1.12. The attached Appendices set out details of how the Council has performed in 2017/18:
- Appendix 1 – Narrative from the Draft Group Accounts** – Provides context of the area and it's people, commentary on performance and introduces the financial statements of the Council and the wider Group of Companies for the period 1st April 2017 to 31st March 2018.
- Appendix 2 – Outcomes** - Provides highlights of Council activities, and achievements, from working with partners and the community throughout 2017/18. The Appendix is set out in line with the 6 outcomes contained within the Corporate Plan 2017 to 2020.
- Appendix 3 – Grants** – includes details of capital and revenue grants received during 2017/18.
- Appendix 4 – Requests for Supplementary Capital Estimates and Virements**
- Appendix 5 – Debt Management**
- Appendix 6 – Reserves**
- Appendix 7 – Workforce Development**

2. Recommendations

- 2.1. Cabinet is asked to note the contents of the report and each appendix.

2.2. Cabinet is asked to approve:

2.2.1. fully funded supplementary capital estimates above £500,000 in accordance with Financial Procedure Rules as detailed in **(Appendix 4, Table 7)**;

2.2.2. fully funded supplementary capital virements above £1,000,000 in accordance with Financial Procedure Rules as detailed in **(Appendix 4, Table 7)**;

2.3. Cabinet is asked to recommend that Council approve:

2.3.1. fully funded supplementary capital estimates above £1,000,000 in accordance with Financial Procedure Rules as detailed in **(Appendix 4, Table 8)**;

3. Reasons for Recommendations

3.1. The Council monitors in-year performance through a quarterly reporting cycle, which includes outturn reporting at year-end. Quarterly reports reflect financial and operational performance and provide the opportunity for members to note, approve or recommend changes in line with the Council's Financial Procedure Rules.

3.2. The overall process for managing the Council's resources focuses on value for money and good governance and stewardship. Financial changes that become necessary during the year are properly authorised and this report sets out those areas where any further approvals are now required.

3.3. This report presents a new opportunity to identify strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.

4. Other Options Considered

4.1. None.

5. Background

5.1. Monitoring performance is carried out to provide evidence of the achievement of outcomes for local residents. This is especially important in an organisation the size of Cheshire East Council. The Council is the third largest in the Northwest of England, responsible for around 500 services, supporting over 370,000 local people. Gross annual spending is over £720m, with a balanced net budget for 2017/18 of £264.8m.

5.2. The management structure of the Council is organised in to three directorates, People, Place and Corporate. The Council's quarterly

reporting structure provides forecasts of a potential year-end outturn within each directorate during the year, as well as highlighting activity carried out in support of each outcome contained within the Corporate Plan.

- 5.3. At final outturn, the Council's reserves strategy remains effective with a zero net variance against the budgeted position, an improvement since the Third Quarter Review, of £0.1m against a net revenue budget of £264.8m. Capital expenditure in the year is £88.2m.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. The legal implications surrounding the process of setting the 2018 to 2021 medium term financial strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report at the final outturn stage in 2017/18. That is done as a matter of prudential good practice, notwithstanding the abolition of centrally imposed reporting requirements under the former National Indicator Set.
- 6.1.2. In relation to the approach to the Council's minimum revenue provision (MRP) the Council's Section 151 Officer needs to be content that Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, requiring local authorities to make a prudent amount of minimum revenue provision, are complied with. In addition The Secretary of State has issued statutory guidance on determining the "prudent" level of MRP which the Council is required to have regard to.
- 6.1.3. The only other implications arising directly from this report relate to the internal processes of approving supplementary capital estimates and virements referred to above which are governed by the Finance Procedure Rules.
- 6.1.4. Legal implications that arise when activities funded from the budgets that this report deals with are undertaken, but those implications will be dealt within the individual reports to Members or Officer Decision Records that relate.

6.2. Finance Implications

- 6.2.1. The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure

that resources are used effectively and that business planning and financial decision making are made in the right context.

6.2.2. The Council's Audit & Governance Committee is responsible for reviewing and analysing the Council's financial position at year-end. The Committee received the Draft Group Accounts on 31st May 2018, with final accounts due for approval by 31st July 2018 following external auditing and associated recommendations to the Committee.

6.2.3. The forecast outturn for 2017/18, as reported at quarter three, was used to inform the budget setting process for 2018/19. Analysis of the final outturn helps to inform the Council of potential issues arising for the 2018/19 budget, or highlights potential underlying issues that can be managed in future budget setting cycles. It is important to note that the minor variations reported at outturn have not identified any significant risks to the 2018/19 budget.

6.3. Policy Implications

6.3.1. Performance management supports delivery of all Council policies. The final outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2019/22 medium term financial strategy.

6.4. Equality Implications

6.4.1. This report is a backward look at Council activities in quarter four and provides the year end position. Any equality implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records that relate.

6.5. Human Resources Implications

6.5.1. This report is a backward look at Council activities in quarter four and states the year end position. Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records that relate.

6.6. Risk Management Implications

6.6.1. Performance and risk management are part of the management processes of the Authority. Risks are captured both in terms of the risk of underperforming and risks to the Council in not delivering its objectives for its residents, businesses, partners and other

stakeholders. Risks identified in this report are used to inform the overall financial control risk contained in the Corporate Risk Register.

- 6.6.2. Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2017/18 budget and the level of general reserves were factored into the 2018/19 financial scenario, budget and reserves strategy.

6.7. Rural Communities Implications

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

6.8. Implications for Children & Young People

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

6.9. Public Health Implications

- 6.9.1. This report is a backward look at Council activities in quarter four and provides the year end position. Any public health implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records that relate.

7. Ward Members Affected

- 7.1. All.

8. Consultation & Engagement

- 8.1. As part of the budget setting process the Pre-Budget Report 2017/18 provided an opportunity for interested parties to review and comment on the Council's Budget proposals. The budget proposals described in the consultation document were Council wide proposals and that consultation was invited on the broad budget proposals. Where the implications of individual proposals were much wider for individuals affected by each proposal, further full and proper consultation was undertaken with people who would potentially be affected by individual budget proposals.

9. Access to Information

- 9.1. The following are links to key background documents:

[Budget Book 2017/18](#)

[Medium Term Financial Strategy 2017/20](#)

[First Quarter Review of Performance 2017/18](#)

[Mid-Year Review of Performance 2017/18](#)

[Third Quarter Review of Performance 2017/18](#)

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

Name: Jan Willis

Job Title: Interim Executive Director of Corporate Services (Section 151 Officer)

Email: jan.willis@cheshireeast.gov.uk

Appendix 4 Requests for Supplementary Capital Estimates and Virements

Capital Programme 2017/21

1. Since the third quarter review the overall programme has increased by £26.0m as shown in the table below. A summary of the capital programme and funding is shown at table 4.

Table 1 - Summary Capital Programme

	Revised Total TQR Forecast Budget 2017/21 £m	Amendments to TQR Forecast Budget 2017/21 £m	Amended TQR Forecast Budget 2017/21 £m	Budget Reductions £m	SCE's £m	Revised Total Forecast Budget 2017/21 £m
People Directorate	44.0	-	44.0	-	0.9	44.9
Place Directorate	284.0	22.9	306.9	(0.1)	0.7	307.5
Corporate Directorate	71.9	(1.5)	70.4	-	3.1	73.5
	399.9	21.4	421.3	(0.1)	4.7	425.9

2. A number of projects have been approved at the Finance Portfolio holder meeting to move budgets from the Capital Addendum to the main capital programme totalling £20.2m. This amount primarily relates to the Strategic Site Development project where £20.0m was approved.
3. There has been an overall reduction in Corporate of £1.5m which is in the main in respect of a £2.0m virement from the Strategic Capital Projects budget to the Highways Improvement Programme to increase expenditure on resurfacing.

4. There are a number of Supplementary Estimates that require approval at Outturn of £4.7m. This relates in the main to an increase in the Best for Business Project run jointly with Cheshire West and Chester Council of £3.1m to take in to account their share of the costs so far on the project that is being hosted by Cheshire East.
5. Two other significant Supplementary Capital Estimate requests at Outturn are for £0.594m a Department of Education grant, Special Provision Capital Funding which will allow Councils to invest in adults and children aged 0 to 25 years old who have special educational needs. Then there is a request for £0.539m which is additional funding from the Department of Transport from the Pothole Action Fund 2017/18.
6. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 2**.

Table 2 - Capital Funding Sources

	TQR Total Forecast Budget £m	Outturn Total Forecast Budget £m	Change £m
Grants	182.0	189.6	7.6
External Contributions	55.2	59.6	4.4
Cheshire East Resources	162.7	176.7	14.0
	399.9	425.9	26.0

Capital Budget 2017/18

7. At Outturn the Council had actual expenditure of £88.2m against an in-year forecast position of £110.9m, with an overall slippage figure of £22.7m. **Table 4** gives a summary of the Capital Programme and **Table 5** shows transfers from and to the Capital Addendum.
8. Since the start of 2017/18, slippage on the capital programme has been measured on schemes that are at the Gateway 2 stage. These are classed as committed schemes as these schemes should have commenced prior to or during 2017/18 and have a detailed forecast expenditure plan in place. Schemes have been monitored on their progress during the year and re-categorised quarterly. This includes the net impact in 2017/18 of supplementary capital estimates, virements and budget reductions listed in **Tables 6 to 9**.
9. **Table 3** shows the actual expenditure incurred on those schemes against the revised Outturn Budget.

Table 3 - Changes to the 2017/18 Capital Budget

Committed Schemes	Revised TQR Budget £m	Revised Outturn Budget £m	Forecast Expenditure £m	Current Over / Underspend £m
People Directorate	8.9	8.9	7.8	(1.1)
Place Directorate	55.8	56.9	41.3	(15.6)
Corporate Directorate	32.8	34.1	23.8	(10.3)
Total Committed Schemes	97.5	99.9	72.9	(27.0)

10. At the Outturn Stage the actual expenditure was £72.9m on the committed schemes against a forecast of £99.9m which means slippage in to future years of £27.0m. The main areas of slippage are within the ICT projects of £6.7m, £2.4m on Place client Commissioning projects, £2.7m within the Corporate Environment Commissioning Projects and £1.1m within the Premises Capital budget.
11. **Table 6** details requests of Supplementary Capital Estimates (SCE) up to and including £500,000 and Capital Virements up to and including £1,000,000 approved by delegated decision which are included for noting purposes only.
12. **Table 7** details requests of Supplementary Capital Estimates (SCE) between £500,000 and including £1,000,000 and Capital Virements up to and including £5,000,000 approved by delegated decision which are included for noting purposes only.
13. **Table 8** details requests of Supplementary Capital Estimates (SCE) over £1,000,000 which is for the increase in budget on the Best for Business Project to include the share of the costs due from Cheshire West and Chester Council for 2017/18.
14. **Table 9** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

Table 4 - Summary Capital Programme and Funding

Service	In-Year Budget Outturn 2017/18 £000	SCE's Virements Reductions During Quarter £000	SCE's Virements Reductions Outturn 2017/18 £000	Revised In-Year Budget Outturn 2017/18 £000	Actual Expenditure 2017/18 £000	Forecast Expenditure	
						2018/19 £000	2019/20 and Future Years £000
People Directorate							
Adults, Public Health and Communities							
Committed Schemes - In Progress	111	-	-	111	108	836	-
New Schemes and Option Developments	-	-	-	-	-	-	-
Children's Social Care (Incl. Directorate)							
Committed Schemes - In Progress	109	-	-	109	-	385	-
New Schemes and Option Developments	-	-	-	-	-	-	-
Education and 14-19 Skills							
Committed Schemes - In Progress	8,522	-	(84)	8,438	7,482	6,587	1,767
New Schemes and Option Developments	1,593	-	-	1,593	858	24,122	396
Prevention and Support							
Committed Schemes - In Progress	250	-	-	250	169	347	-
New Schemes and Option Developments	1,375	-	-	1,375	1,117	709	-
Total People Directorate	11,960	-	(84)	11,876	9,734	32,986	2,163

Service	In-Year	SCE's	SCE's	Revised	Actual	Forecast Expenditure	
	Budget	Virements	Virements	In-Year	Expenditure	2018/19	2019/20 and
	Outturn	Reductions	Reductions	Budget	2017/18	2018/19	Future Years
	2017/18	During	Outturn	Outturn			
	£000	Quarter	2017/18	2017/18	£000	£000	£000
Place Directorate							
Infrastructure and Highways (inc Car Parking)							
Committed Schemes - In Progress	38,283	627	433	39,343	31,622	34,255	117,119
New Schemes and Option Developments	13,106	-	-	13,106	11,218	16,533	11,272
Growth and Regeneration							
Committed Schemes - In Progress	14,948	-	70	15,018	7,747	19,709	29,628
New Schemes and Option Developments	2,060	3	-	2,063	1,244	2,713	19,000
Rural and Cultural Economy							
Committed Schemes - In Progress	2,536	-	-	2,536	1,926	2,218	1,274
New Schemes and Option Developments	-	-	-	-	-	-	-
Total Place Directorate	70,933	630	503	72,066	53,757	75,428	178,293

Service	In-Year Budget Outturn 2017/18 £000	SCE's Virements Reductions During Quarter £000	SCE's Virements Reductions Outturn 2017/18 £000	Revised In-Year Budget Outturn 2017/18 £000	Actual Expenditure 2017/18 £000	Forecast Expenditure	
						2018/19 £000	2019/20 and Future Years £000
Corporate Directorate							
Customer Operations							
Committed Schemes - In Progress	2,918	-	(70)	2,848	2,103	1,275	-
New Schemes and Option Developments	-	-	-	-	-	-	-
Finance and Performance							
Committed Schemes - In Progress	2,883	(2,000)	-	883	6	877	-
New Schemes and Option Developments	-	-	-	-	-	-	-
ICT							
Committed Schemes - In Progress	14,101	-	3,099	17,200	11,353	17,867	3,564
New Schemes and Option Developments	-	15	-	15	15	-	-
Client Commissioning - Environmental							
Committed Schemes - In Progress	11,843	148	-	11,991	9,949	2,935	150
New Schemes and Option Developments	1,650	-	-	1,650	570	3,724	9,400

Service	In-Year Budget Outturn 2017/18 £000	SCE's Virements Reductions During Quarter £000	SCE's Virements Reductions Outturn 2017/18 £000	Revised In-Year Budget Outturn 2017/18 £000	Actual Expenditure 2017/18 £000	Forecast Expenditure	
						2018/19 £000	2019/20 and Future Years £000
Corporate Directorate							
Client Commissioning - Leisure							
Committed Schemes - In Progress	1,149	-	-	1,149	384	3,288	5,403
New Schemes and Option Developments	720	-	2	722	353	369	-
Total Corporate Directorate	35,264	(1,837)	3,031	36,458	24,733	30,335	18,517
Committed Schemes - In Progress	97,653	(1,225)	3,448	99,876	72,849	90,579	158,905
New Schemes and Option Developments	20,504	18	2	20,524	15,375	48,170	40,068
Total Net Position	118,157	(1,207)	3,450	120,400	88,224	138,749	198,973

Funding Sources		2019/20 and Future Years	
	2017/18 £000	2018/19 £000	£000
Grants	30,787	58,320	100,550
External Contributions	6,677	10,588	42,297
Cheshire East Council Resourc	50,760	69,841	56,126
Total	88,224	138,749	198,973

Table 5 – Transfers from and to the Capital Addendum

Capital Scheme	Amount Transferred Q1 £	Amount Transferred Q2 £	Amount Transferred Q3 £	Amount Transferred Q4 £	Reason / Comment
Budgets Transferred from the Addendum to the Main Capital Programme					
Education and 14-19 Skills					
To Expand 'in borough' SEN placement Capacity (Feasibility)	(600,000)				Element moved to main programme to undertaken an expansion of Springfield Special School.
Prevention and Support					
Development of Hurdsfield Family Centre		(700,000)			Approved for transfer to main programme
Infrastructure and Highways (inc Car Parking)					
Middlewich Eastern Bypass Add	-	(1,500,000)			Approved for transfer to main programme
Northern Gateway Infrastructure	(2,955,500)	-			During the First Quarter, £2,955.5k has been transferred from the Addendum to the main programme as Crewe HS2 Hub Project Development
Growth and Regeneration					
Crewe Town Centre Regeneration	(295,936)	(24,659,064)			Approved for transfer to main programme
Strategic Site Development			(1,875,600)	(20,000,000)	Approved for transfer to main programme
Housing Development				(188,000)	
Alderley Road, Wilmslow – A34 Junction and pedestrian access improvements				(45,796)	£46k was spent in 2017-18 on preparation work before the scheme was put on hold
Total Budgets Transferred to Main Capital Programme	(3,851,436)	(26,859,064)	(1,875,600)	(20,233,796)	

Capital Scheme	Amount Transferred Q1 £	Amount Transferred Q2 £	Amount Transferred Q3 £	Amount Transferred Q4 £	Reason / Comment
Capital Budget removed from the Addendum					
Education and 14-19 Skills					
Education - Community Hub (formerly Knutsford Achievement)			(9,400,000)		Removed following third quarter review of capital programme.
Rural and Cultural Economy					
Playing Fields Strategy	-	(1,000,000)			Removed following mid year review of capital programme.
Growth and Regeneration					
Supplier Park			(40,000)		Removed following Place Capital Challenge
ICT					
Elections Replacement System			(100,000)		Amount amended as part of the Business Planning process
Revs & Bens Doc Mgmt System			(2,000,000)		Amount amended as part of the Business Planning process
Planning and Sustainable Development System			(368,000)		Amount amended as part of the Business Planning process
Regulatory Services and Environmental Health System			(370,000)		Amount amended as part of the Business Planning process
Total Capital Budget Removed from the Addendum	-	(1,000,000)	(12,278,000)	-	

Capital Scheme	Amount Transferred Q1 £	Amount Transferred Q2 £	Amount Transferred Q3 £	Amount Transferred Q4 £	Reason / Comment
Capital Budgets transferred from the Main capital Programme to the Addendum					
Infrastructure and Highways (inc Car Parking)					
Alderley Road, Wilmslow – A34 Junction and pedestrian access improvements			1,162		Moved to Addendum from main programme following Third Quarter Review of capital programme.
Growth and Regeneration					
Astbury Marsh Caravan Site Works		200,000			} Moved to Addendum from main programme following mid year review of capital programme.
Gypsy and Traveller Sites		2,401,142			
Housing Development Fund		1,211,766			
Modular Construction (Gawsworth)		1,653,538			
Volumetric Construction (Redroofs/Hole Farm)		1,766,000			
Supplier Park		40,000			
Total Capital Budget Transferred to the Addendum	-	7,272,446	1,162	-	
Capital Budgets transferred from one Directorate's Addendum to another.					
Infrastructure and Highways (inc Car Parking)					
Handforth Garden Village (formerly known as A34 Corridor)	(15,500,000)				Moved to Growth and Regeneration Addendum, associated with North Cheshire Garden Village (NCGV).
North West Crewe (Leighton West)	6,000,000				£6m moved from Growth & Regeneration Addendum.
Growth and Regeneration					
Handforth Garden Village (formerly known as A34 Corridor)	15,500,000				Moved from Highways and Infrastructure Addendum, associated with NCGV.
Strategic Site Development	(6,000,000)				Moved to Highways and Infrastructure Addendum, as part of North West Crewe (Leighton West) works.
Total Capital Budget Transferred between Directorates	-	-	-	-	
Net Change to the Addendum	(3,851,436)	(20,586,618)	(14,152,438)	(20,233,796)	

Table 6 - Approved Supplementary Capital Estimates up to £500,000 and Virements up to £1,000,000

Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements		
Supplementary Capital Estimates that have been made up to £500,000		
Education and 14-19 Skills		
Schools Condition Capital Grant	55,331	The capital programme contain an estimate of the schools condition grant for 2018-19. The SCE is being actioned to match the budget within the programme to the actual award announced by the department of Education
Healthy Pupils Capital Fund	212,673	The Department for Education are providing capital funding for local authorities to improve children's and young people's physical and mental health by improving and increasing availability to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions.
Infrastructure and Highways (inc Car Parking)		
S278s		
A51 Reaseheath Spine Road	5,311	To match budgets to works undertaken, covered by developer contributions
Pool Lane, Winterley	662	
S278 Turning Heads, Sandbach	3,888	
S106s		
S106 Portland Drive	1,062	To align the additional funding available in the S106 into the budget so that it can contribute to the expenditure in year.
TRO - Co-op, Bollington	29	
A54/A533 Leadsmithy St, M'wich	38,114	
Car Parking Improvements	53,090	Revenue contribution to capital towards flooding issues at Wilmslow Sainsbury's car park.

Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements		
Supplementary Capital Estimates that have been made up to £500,000		
Client Commissioning - Environmental		
Park Development Fund	9,000	Increase in budget due to £9,000 contribution from Friends of Stanley Park
Client Commissioning - Leisure		
Sandbach Leisure Centre Gym Conversion	1,840	Increase in budget required due to additional expenditure on R&D Survey, provision of fire extinguishers and a temporary security guard.
Total Supplementary Capital Estimates Requested	381,000	

Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements		
Capital Budget Virements that have been made up to £1,000,000		
Education and 14-19 Skills		
Disley Primary School (Basic Needs)	7,999	Virement of Schools Condition grant to meet the cost of Children & Families staff time spent on projects.
Hungerford Primary School	17,582	
Mablins Lane Primary School - Phase 2	583	
Monks Coppenhall Primary School - Basic Needs	18,480	
Poynton HS - Condition Works	583	
Pupil Referral Unit - New Site	15,453	
The Dingle Primary School	250	
Weaver Primary School - Mobile	5,249	
Wilmslow High School	5,416	
Chelford Planning Area (Primary Schools - 30 Places)	18,884	
Shavington Planning Area (Primary Schools - 210 Places)	12,205	
Monks Coppenhall Primary School - Basic Needs	5,573	The cost of this scheme has exceeded the original funding. Virement to be actioned from Basic Needs Grant to meet the overspend.
Schools Condition Capital Grant - Wilmslow High School	29,501	The cost of this scheme have exceed the original funding. Wilmslow High School has provided some of its capital balance toward the additional costs
Wilmslow High School	13,563	
The Quinta Primary School	650,000	Virements from Future Years Basic Need to add a new scheme to the capital programme for works to create three additional classrooms at The Quinta Primary High School .

Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements		
Capital Budget Virements that have been made up to £1,000,000		
Infrastructure and Highways (inc Car Parking)		
S278 Parkers Rd Crewe Ghost Isl	15,849	Increased so that several projects can be amalgamated as the detail is no longer required.
Gurnett Bridge Reconstruction	2,086	Budget transferred from the Part 1 claim LTP funded budget to cover the expenditure at Gurnett Bridge.
Highways Investment Network	159,991	To address shortfalls in budget due to the allocation of costs coming across via the Ringway Jacobs contract
Highway Investment Programme	58,677	
Surface Water Mgt Schemes	281	
Congleton Public Realm	698	
Walking routes to school	1,220	
S106 Portland Drive	14,397	
TRO - Co-op, Bollington	2,482	
Programme Management	106,952	
Growth and Regeneration		
Corporate Landlord - Operational	70,000	The cost of works at Delamere House is being split 50/50 between Corporate Landlord - Operational budget and the Digital Programme budget
Rural and Cultural Economy		
Tatton Inv Ph 2 - Stable yard	1,819	Carry forward of the residue from Tatton Vision after the balance of the overspend on EPOS has been removed to place the monies into Tatton vision Phase 2. This will fund the electrical circuit construction in the Stable yard as part of the Stableyard project being planned for 18/19.
Tatton EPOS	618	
Total Capital Budget Virements Approved	1,236,391	
Total Supplementary Capital Estimates and Virements	1,617,391	

Table 7 - Request for Supplementary Capital Estimates above £500,000 and Virements above £1,000,000

Capital Scheme	Amount Requested £	Reason and Funding Source
Cabinet are asked to approve the Supplementary Capital Estimates and Virements		
Supplementary Capital Estimates above £500,000 up to and including £1,000,000		
Education and 14-19 Skills		
Special Provision Fund Capital Grant	593,690	The Department for Education are providing capital funding, over a three year period, to support local authorities to invest in provision for children and young people with SEN and disabilities aged 0-25 to improve the quality and range of provision available to the local authority.
Infrastructure and Highways (inc Car Parking)		
Highway Investment Programme	538,896	To increase the budget so that the additional Department for Transport 17/18 Pothole Action Fund is included.
Total Supplementary Capital Estimates Requested	1,132,586	
Capital Budget Virements above £1,000,000 up to and including £5,000,000		
Education and 14-19 Skills		
Nantwich Planning Area (Secondary Schools - 300 Places)	2,250,000	To increase the number of Secondary Schools places within the Nantwich Planning Area. This scheme is being split into two; the first at Malbank High School (£1.2K); decisions are still in progress for the remaining (£2.25m).
Total Capital Budget Virements Requested	2,250,000	
Total Supplementary Capital Estimates and Virements	3,382,586	

Table 8 - Request for Supplementary Capital Estimates above £1,000,000 and Virements above £5,000,000

Capital Scheme	Amount Requested £	Reason and Funding Source
Cabinet are asked to request Council to approve the Capital Virements and SCEs		
Supplementary Capital Estimates over £1,000,000		
ICT		
Best4Business	3,099,349	To increase the budget to encompass the contribution received from Cheshire West and Chester for this joint venture.
Total Supplementary Capital Estimates Requested	3,099,349	
Capital Budget Virements over £5,000,000		
Total Capital Budget Virements Requested	-	
Total Supplementary Capital Estimates and Virements		
	3,099,349	

Table 9 - Capital Budget Reductions

Capital Scheme	Approved Budget £	Revised Approval £	Reduction Reason and Funding Source £
Cabinet are asked to note the reductions in Approved Budgets			
Infrastructure and Highways (inc Car Parking)			
S278s			
Havannah St, Congleton	3,500	2,598	(902) No further expenditure on this project - can now be closed
S278 Flowers Lane, Crewe	15,000	60	(14,940)
S278 Barrows Green, Crewe	20,000	-	(20,000)
Smithy Lane, Crewe	20,000	15,849	(4,151)
These projects will no longer go ahead as they will now become part of the North West Crewe Major.			
S106 Audlem Rd, Audlem	10,000	-	(10,000) This project is no longer expected to go ahead.
S106 Minshull New Rd Lay-By	200,000	95,164	(104,836) The scheme at Minshull New Rd is complete with costs lower than predicted.
Client Commissioning - Environmental			
Refurbishment at Bollington Arts Centre	14,024	14,004	(20) No further expenditure on this project - can now be closed
Y.P.U. Victoria Road, Macclesfield	34,994	34,888	(106) No further expenditure on this project - can now be closed
Total Capital Budget Reductions	317,518	162,563	(154,955)

COUNCIL MEETING – 26th July 2018**A500 DUALLING SCHEME**

Cabinet recommends that Council approve a Supplementary Capital Estimate of £0.4m to increase the current budget of £4.1m to £4.5m to enable the scheme to progress whilst awaiting the outcome of the DfT funding and Planning Application decisions.

Extract from the Minutes of the Cabinet meeting on 12th June 2018

8 A500 DUALLING SCHEME

Cabinet considered a report seeking authority to undertake all necessary preparatory works in advance of the final funding decision in relation to the A500 Dualling Scheme.

RESOLVED

That Cabinet

- 1. recommends that Council approve a Supplementary Capital Estimate of £0.4m to increase the current budget of £4.1m to £4.5m to enable the scheme to progress whilst awaiting the outcome of the DfT funding and Planning Application decisions; and**
2. authorises the Executive Director of Place in consultation with the Portfolio Holder for the Environment to exercise powers delegated to the Executive Director of Place to undertake all necessary and prudent preparatory works in advance of the final funding decision, at risk, in order to ensure that the Council is positioned to deliver the Scheme if a favourable funding decision is received.

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Cabinet

Date of Meeting: 12 June 2018

Report Title: A500 Dualling Scheme

Portfolio Holder: Cllr Don Stockton - Environment

Senior Officer: Frank Jordan – Executive Director of Place

1. Report Summary

1.1. The purpose of this report is to;

1.1.1. Seek a recommendation that Council approves a Supplementary Capital Estimate of £0.4m to increase the current budget of £4.1m to £4.5m. This will enable the scheme to progress whilst awaiting the outcome of the DfT funding and Planning Application decisions.

1.1.2. Authorise the Executive Director of Place to undertake all necessary and prudent preparatory works in advance of the final funding decision in order to ensure the Council is positioned to deliver the Scheme once the final funding decision has been made.

1.2. The work required to maintain progress would include the preparation of draft Orders, preparation to procure a design and build contractor and statutory undertaker design costs. To meet the demands of the programme for High Speed 2 (HS2) construction, it is essential that work is continued whilst awaiting decisions from Government.

1.3. Alongside work on the business case, a public consultation exercise has been undertaken and the outcome of this is reported in the Pre-Planning Consultation Report at Appendix A to this report.

1.4. As part of the Outline Business Case preparation, the outturn Scheme Cost Estimate has been updated to a current total cost of £55m, including an allowance for risk and inflation. The business case has demonstrated that the proposed scheme fulfils the strategic objectives of the scheme, and that it can reasonably be considered to be affordable, achievable and represents good value-for-money at this stage of project development. The Outline Business Case was submitted to DfT on 4 June 2018.

1.5. Following the funding decision, which is expected between November 2018 and March 2019, the total scheme costs and funding strategy will be reported to Full Council for the necessary approval.

2. Recommendations

That Cabinet

- 2.1. Recommend that Council approves a Supplementary Capital Estimate of £0.4m to increase the current budget of £4.1m to £4.5m. This will enable the scheme to progress whilst awaiting the outcome of the DfT funding and Planning Application decisions.
- 2.2. Authorise the Executive Director of Place in consultation with the Portfolio Holder for the Environment to exercise powers delegated to the Executive Director of Place to undertake all necessary and prudent preparatory works in advance of the final funding decision, at risk, in order to ensure the Council is positioned to deliver the Scheme if a favourable funding decision is received.

3. Reasons for Recommendations

- 3.1. The A500 Dualling scheme is a key part of the Local Plan. The A500 is a key strategic route in Cheshire which provides the main route from the south of Crewe, the future (HS2) Crewe Hub station and Nantwich to the M6 (Junction 16). The area currently suffers from congestion issues and the implementation of the scheme is vital to ensure that future growth aspirations can be met.
- 3.2. Should the scheme not be completed, the A500 will continue to be a congestion constraint for traffic travelling between the south of Crewe and the M6 and the wider Cheshire East, Stoke and Staffordshire region. On completion, the scheme would facilitate future growth for the area and contribute to the delivery of the Constellation Partnership's plans for jobs and housing growth as well as being consistent with the transport strategies of both the the Local Enterprise Partnership and Transport for the North. The link is also a part of Transport for the North's newly defined Major Road Network
- 3.3. The future HS2 line will include a hub station in Crewe which is scheduled to open in 2027. During their construction it is expected that a significant number of heavy goods vehicles will use the A500 to travel between the M6 and the HS2 construction access point. This additional traffic is expected to exacerbate the existing congestion issues experienced along the link, increasing delay. This would be alleviated by the scheme which would provide a dual carriageway along this section of the A500, allowing cars and other vehicles to safely overtake construction traffic.
- 3.4. The Outline Business Case has been prepared in line with DfT Technical Guidance and sets out the Strategic, Economic, Financial, Commercial

and Management cases for the scheme. The Business Case demonstrates that the proposed scheme fulfils the strategic objectives of the widening, and that it can reasonably be considered to be affordable, achievable and good value-for-money at this stage of project development.

- 3.5. The majority of the land required for the scheme is in the ownership of the Duchy of Lancaster, which is Crown Land. Crown land cannot be subject to a compulsory purchase order (CPO), and must therefore be acquired by agreement.
- 3.6. There is other land that is required for the scheme that can be acquired compulsorily if necessary but as CPO is a last resort, the acquiring authority must, endeavour to acquire land by agreement where possible. However, if a CPO is required, and the Council makes a resolution to exercise its powers of compulsory purchase then those powers cannot be exercised until such time as an agreement is in place with the Duchy of Lancaster in respect of the use of its land, because the Council's case in support of the making of a CPO must demonstrate that, if the CPO is confirmed, that there are no other impediments to the scheme.
- 3.7. These land negotiations are therefore recommended to begin at an early stage to allow sufficient time to reach agreement in respect of the use of Duchy land and the acquiring of all other interests in this and non Crown Land necessary for the Scheme. The CPO is intended to be made in February 2019, subject to planning approval and confirmation of funding from DfT. Confirmation of the CPO may be subject to a public inquiry to deal with objections before it can be confirmed enabling compulsory acquisition of land and interests.
- 3.8. The scheme will require the acquisition of full title to 24.2 hectares of land. The rights affected will include agricultural Tenants of the Duchy of Lancaster on agricultural land. Crown land should only be included where the acquiring authority has obtained (or is, at least, seeking) agreement from the appropriate authority. The confirming authority will have no power to authorise compulsory acquisition of the relevant interests without such agreement.
- 3.9. The land over which full title is to be acquired is predominantly agricultural land; it does not require the acquisition of land in any of the categories where land has to be provided in exchange, such as common land or public open space. The acquisition of a small area of residential property is required at one location.
- 3.10. The land proposed to be acquired is the minimum considered to be reasonably required to achieve the selected design option. Discussions are

proceeding with the Statutory Undertakers and these may disclose additional requirements for service diversions for which land or rights may require to be obtained under the CPO.

- 3.11. A side roads order (SRO) will be required as existing accesses directly onto the A500 will be stopped up on safety grounds. Alternative means of access will be provided, Where existing public rights of way cross the A500, the path will be diverted to maintain connectivity. Some lengths of paths will be stopped up.
- 3.12. It is the intention that proposed developments in the local area that will benefit from the scheme will provide a financial contribution to the overall cost of the scheme. The South Cheshire Growth Village, which is on Duchy of Lancaster land, is a strategic development which has been allocated in the Council's recently adopted Local Plan Strategy. The Local Plan Strategy contains a policy for the development to contribute to the improvement of the A500. It is therefore expected that a contribution will be made to this scheme if that development gets planning permission.
- 3.13. The Duchy, as a major owner of the land required for the scheme has a mutual interest, along with the Council, in the scheme gaining approval. This should therefore mean that the process of acquiring the land outside a CPO process is more straightforward.
- 3.14. It is being assumed that a funding decision will be made by DfT by the end of 2018, but it could be as late as March 2019. Whilst awaiting the outcome, funding is required for the project team to respond to any issues that arise from the Planning Application submission, the preparation of draft Orders, preparation to procure a design and build contractor and statutory undertaker design costs. This will mean that the project team will be in a position to publish the CPO and SRO and procure a contractor soon after if there is a positive outcome from the planning approval and the DfT funding decision.
- 3.15. If the scheme is not intended to be independently viable, or that the details cannot be finalised until there is certainty that the necessary land will be required, the acquiring authority should provide an indication of how any potential shortfalls are intended to be met.
- 3.16. One of the objectives for the scheme is to support the delivery of key national infrastructure, i.e. HS2 and the Crewe Hub Station. There is therefore programme pressure on this scheme for the road to be opened before the construction of HS2 starts, so that it can accommodate the high volume of construction traffic that is expected to use this route. The

preparation of the CPO and SRO in advance of the planning approval and funding decision is therefore an opportunity to achieve that programme.

- 3.17. Any delay to the scheme could mean that construction of this scheme happens at the same time as HS2 construction, which has the potential to cause disruption to the road network.

4. Other Options Considered

- 4.1. The negotiations with land interests and developers, and the preparation of the CPO and SRO documents, could all be delayed until after a decision is made on the Planning approval and DfT funding. After this time there would be more certainty about whether the scheme is likely to proceed or not, and so the on-going funding of the scheme would be less at risk.
- 4.2. However, it is considered that delivering the scheme to programme is a key priority, with the aim of having the road widening opened before the construction of HS2 and the Crewe Hub Station begins. Any delay to the scheme delivery could result in significant disruption to the road network.

5. Background

- 5.1. The A500 is a former national trunk road and a key route which connects Crewe and Nantwich to the M6 at Junction 16; and also to Stoke and Staffordshire. It was transferred from central to local government responsibility in 2003. The section of the A500 between Junction 16 and the junction with the A531 and B5472 at Meremoor Moss Roundabout is single carriageway and is the only section of the A500 corridor that is not built to dual carriageway standard.
- 5.2. Dualling this section of road will improve connectivity, traffic flow and road safety and will support the delivery of key development and housing sites.
- 5.3. Furthermore, it is a key infrastructure component in supporting the emerging ambitions of the Constellation Partnership for the High Speed 2 (HS2) Hub Station at Crewe. The scheme will also be able to accommodate the significant construction traffic which is anticipated for the construction of HS2.
- 5.4. The link forms a part of Transport for the North's Major Road Network as identified in their Initial Major Roads Report in 2017. It is also identified as a key corridor in the Department for Transport's consultation on the creation of a National Major Roads Network.
- 5.5. The Council was successful in securing £1.8m from the Department for Transport's (DfT) Large Local Major scheme fund to develop the scheme to

Outline Business Case (OBC) stage. This needed to be submitted to the Department for Transport in June 2018. It was one of only 12 schemes nationally that was successful in this round of bidding.

- 5.6. Preparation of the planning application and submission of the Outline Business Case was authorised by Cabinet at its May 2017 meeting.
- 5.7. The A500 between M6 J16 and Meremoor Moss Roundabout was constructed in the mid-1980s but developments in eastern Crewe and the construction of the A500 Hough Shavington Bypass immediately to the west (opened to traffic in 2003) have generated a significant increase in traffic flows, causing congestion. The planned growth included in the Local Plan Strategy and expected as a result of the new HS2 hub station will generate more traffic and exacerbate problems on the link.
- 5.8. A study was undertaken in 2014, 'A500 Dualling and Widening – Preliminary Cost Study Report', which considered three design options and provided a cost estimate for each. The design options were to add a new carriageway to the north to create a dual carriageway; to add a new carriageway to the south to create a new dual carriageway; and to add a third lane to the existing single carriageway.
- 5.9. In April 2016, a Scheme Assessment Report was issued and concluded that all three options were viable and deliverable from an engineering perspective. In March 2017 it was updated to include a summary of the consultations undertaken with selected stakeholders on the options. As described in the section above, the report concluded that 'Option 2 – Widening to the South' was the preferred option.
- 5.10. In July 2016 an application was made to the Department for Transport for Scheme Development Costs, for preparation of a planning application and business case. In November 2016, it was announced that the bid was successful.
- 5.11. The development of the preferred option has been underway since early 2017, and has included geotechnical, environmental, topographical and traffic surveys on the road and surrounding area. These have all informed the design of the scheme, so that it has been developed in sufficient detail for the purposes of the OBC and the Planning Application, including the preparation of an Environmental Statement.
- 5.12. A public consultation on the developing scheme design was held during September and October 2017, which included a two day exhibition at Barthomley Village Hall. The results of the consultation can be found in a report on the A500 Dualling scheme website.

5.13. The Planning Application and Outline Business Case are scheduled to be submitted shortly. Subject to planning approval and a positive funding decision, and completion of the statutory processes the intended programme is for construction to begin in Spring 2020, and the widened road to be opened by the end of 2021.

5.14. The key scheduled programme dates are:

Event	Date
Outcome of Planning Application	November 2018
Confirmation of DfT Funding	December 2018
Publication of draft Orders	February 2019
Public Inquiry (if required)	July 2019
Secretary of State Approval of Orders	November 2019
Start Construction	April 2020
Road Opening	December 2021

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. In resolving to make a Compulsory Purchase Order and a Side Roads Order Side for the A500 Dualling Scheme the Council would be proceeding under its powers under the Highways Act 1980 for the compulsory purchase of land and the rights required, and to improve or stop up existing highway, construct new lengths of highway and stop up and provide replacement private means of access as required
- 6.1.2. The confirming authority will have no power to authorise compulsory acquisition of the relevant interests of the Crown without agreement.
- 6.1.3. A compulsory purchase order should only be made where there is a compelling case in the public interest which is covered in the body of the report with supporting documents and the land proposed to be acquired must be the minimum considered to be reasonably required to achieve the selected design option.

- 6.1.4. The acquiring authority should provide substantive information as to the sources of funding available for both acquiring the land and implementing the scheme for which the land is required.
- 6.1.5. The acquiring authority will also need to be able to show that the scheme is unlikely to be blocked by any physical or legal impediments to implementation including any need for planning permission or other consent or licence.

6.2. Finance Implications

- 6.2.1. The A500 Dualling scheme will be delivered through a combination of DfT grant and local contributions, including third-party developer contributions secured by the Council. The viability and affordability of any scheme is a fundamental part of the Outline Business Case process.
- 6.2.2. An updated detailed cost estimate, subject to further price inflation and risk, has been prepared to inform the Outline Business Case using specialist engineering and property cost consultants. The following table summarises the main cost elements for the scheme, including prior expenditure to end of March 2018:

6.3. Policy Implications

- 6.3.1. The need for the scheme is clearly established in the Cheshire East Local Plan Strategy, identifying from the outset the need to improve transport connections to deliver the Plan, including the proposed scheme on the A500.
- 6.3.2. By providing additional highway capacity to cater for additional traffic from development, the scheme would support the Local Plan Strategy and the objectives of the Constellation Partnership. The scheme is thus considered to be in line with local policy and essential for the delivery of the future economic growth plans of Cheshire East.

Scheme Element	Estimated Outturn Costs(2018 Q1 prices)
Construction incl. Preliminary works	£37.80m
Site supervision costs	£2.11m
Land acquisition & Part 1 Claims	£8.45m
Statutory utilities	£0.45m
Design fees	£1.70m
Inflation allowance	£4.07m
Risk Allowance	£3.35m
Total	£54.79m

- 6.3.3. The funding strategy for this project is reliant on a successful bid to the DfT's Large Local Major Schemes programme. The strategy is for funding to be provided through a blend of the DfT grant and Local Contributions. Following the funding decision, which is expected between November 2018 and March 2019, the total scheme costs and funding strategy will be reported to Full Council for the necessary approval. The funding mix included in the OBC is proposed as follows:

Funding Source	Value £ (2018 Q1 prices)
DfT Grant	£43.8m
Local Contributions	£11.0m
Total Scheme Costs	£54.8m

- 6.3.4. Contributions are expected from future development opportunities flowing through Planning Obligations entered into under section 106 of the Planning Act 1990. Over time, the proportion of third party funding is likely to change in response to development activity within the local area.
- 6.3.5. The Council will pursue a strategy of maximising contributions to the scheme through s106 agreements with developers to the full local contribution level. However, it should be noted that once DfT contribution has been secured, any funding gap arising from a shortfall in the s106 contribution estimate would result in the Council making up funds.
- 6.3.6. Also, as the timing of the s106 contributions will depend on the rate of development, the Council is likely to be required to forward fund the local contribution so that a contract can be awarded.
- 6.3.7. The Outline Business Case submitted to Government must include a statement by the Council's Section 151 officer confirming the funding strategy for the project, especially the local funding contributions necessary to match a DfT grant award.
- 6.3.8. Preparatory work to date on the project has been funded through a blend of Council and DfT resources. The purpose of the DfT grant was for the development of the scheme to Outline Business Case (OBC) and Planning Application submission by June 2018. £3.0m has been spent to the end of March 2018 from an available budget of £4.1m.
- 6.3.9. This paper is seeking approval of funding from the Council of £0.4m in addition to the current approved budget of £4.1m to continue progressing the scheme whilst awaiting the outcome of the DfT funding and Planning Application decisions.

6.4. Equality Implications

- 6.4.1. All public sector acquiring authorities are bound by the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010. In exercising their compulsory purchase and related powers (e.g. powers of entry) these acquiring authorities must have regard to the effect of any differential impacts on groups with protected characteristics.
- 6.4.2. The Scheme Assessment Report has considered impacts on all types of traveller, and on private and community assets. The business case submission has also expanded on the scheme's impact on equality.

- 6.4.3. In progressing the Orders and carrying out consultations the Council will take into account the needs of persons with protected characteristics as set out in equalities legislation.

6.5. Human Rights Implications

- 6.5.1. In deciding whether to proceed with a Compulsory Purchase Order (CPO) and a Side Roads Order (SRO), Members will need to consider the Human Rights Act 1998 and Article 1 of the First Protocol and Article 8 to the European Convention on Human Rights. There is a small area of the front garden of a property directly affected within the proposed CPO land.
- 6.5.2. Article 1 protects the rights of everyone to the peaceful enjoyment of their possessions. No person can be deprived of their possessions except in the public interest and subject to national and international law.
- 6.5.3. Article 8 protects private and family life, the home and correspondence. No public authority can interfere with this interest except if it is in accordance with the law and is necessary in the interests of national security, public safety or the economic well-being of the country.
- 6.5.4. Members will need to balance whether the exercise of these powers are compatible with the European Convention on Human Rights. In weighing up the issues it is considered that the acquisition of land which will bring benefits to the residents and businesses that could not be achieved by agreement and this outweighs the loss that will be suffered by existing landowners. The CPO and SRO will follow existing legislative procedures.
- 6.5.5. All parties have the right to object to the CPO and attend a public inquiry arranged by the Secretary of State. Parties not included in the CPO may be afforded that right if the inquiry inspector agrees.
- 6.5.6. The decision of the Secretary of State can be challenged in the High Court, an independent tribunal, for legal defects. Those whose land is acquired will receive compensation based on the Land Compensation Code and should the quantum of compensation be in dispute the matter can be referred to the Upper Tribunal (Lands Chamber) for independent and impartial adjudication.
- 6.5.7. The Courts have held that this framework complies with the Convention on Human Rights. Accordingly, a decision to proceed with the recommendation on the basis that there is a compelling case in

the public interest would be compatible with the Human Rights Act 1998.

6.6. Risk Management Implications

- 6.6.1. Key risks to the Council continue to relate to the affordability of the scheme and this will be addressed through the continued development of the funding strategy.
- 6.6.2. The Council will be required to accept all responsibility for cost increases beyond the cost envelope stated in any business case that is approved for funding by DfT.
- 6.6.3. A risk register has been produced in the preceding stages of the project development and this will be reviewed and updated. Capital cost risks are informed by a comprehensive Quantitative Risk Assessment, with a risk allowance of £3.35 million included in the scheme costs. For appraisal purposes, a level of Optimism Bias is applied to uplift estimated costs by 15%, in accordance with DfT guidance, to ensure that the value-for-money of the scheme is not overstated.
- 6.6.4. Only when the Department for Transport make a decision based on the Outline Business Case will there be a high degree of certainty about the majority (80%) of the scheme funding. Until the point at which DfT make their final investment decision based on the final business case, any council funding of scheme development is at risk, although this risk decreases significantly once the DfT decision on the Outline Business Case is positive.
- 6.6.5. Achievement of the programme is a risk. There are significant benefits of opening the road widening before construction of the proposed HS2 Hub Station in Crewe begins, because HS2 construction traffic will use the A500 as an access route. HS2 construction is currently programmed to begin in 2021. However, if there is a delay in the A500 scheme, then construction of the road widening could take place at the same time as construction traffic is accessing the HS2 site.
- 6.6.6. The majority of land that would be required to widen the A500 is owned by the Duchy of Lancaster. The land cannot be subject to a Compulsory Purchase Order, and would therefore have to be acquired via agreement. The Duchy has however submitted a letter of support for the scheme and has said that they will be an active and supportive partner as the plans take shape.

- 6.6.7. There are some significant services that cross the scheme, such as a Mainline Fuels oil pipeline, and high pressure gas mains. A conservative estimate of the costs associated with their diversion or protection has been included in the overall Scheme Cost Estimate, but further work is required to confirm those estimates, and to understand the requirements of the utility companies as Statutory Undertakers
- 6.6.8. By progressing before the DfT funding is secured there is a risk that it does not succeed and expended funding will be wasted. There is also a risk that the level of contributions from development will not be achieved or even if secured through s106. Planning obligations are not guaranteed.

6.7. Rural Communities Implications

- 6.7.1. As the scheme is a widening of an existing road, it will not introduce any new severance of existing farms or communities. There are some existing field gates that access directly on to the A500, and these will have to be closed once the road becomes a dual carriageway on safety grounds. However, the farm tenants have said that they already no longer use the gates because of the high volume of traffic on the A500. Appropriate alternative accesses will be provided, as required, as part of the scheme.
- 6.7.2. Similarly, there are crossing points for public rights of way that will be closed. The scheme includes diversions for these footpaths to maintain connectivity, and the stopping of up of paths where they lead directly to the road.
- 6.7.3. There may be some impact during the construction phase, because the two bridges over the A500 will need to be demolished and replaced. Consideration will be given to how connectivity can be maintained during construction.
- 6.7.4. The planning application will provide a comprehensive Environmental Assessment which will take into account the effect on the rural community. This assessment will include impacts such as noise, air quality, visual impact plus the schemes effects of Public Rights of Way and non-motorised users i.e. pedestrians, cyclists and equestrians.

6.8. Implications for Children & Young People

- 6.8.1. There are no direct implications for children and young people distinct from the wider community.

6.9. Public Health Implications

- 6.9.1. The Environmental Statement includes an assessment of the impacts on air quality and noise levels as a result of the scheme.
- 6.9.2. There is a number of existing at-grade uncontrolled pedestrian crossings over the A500. It would be unacceptable to leave this type of crossing over a dual carriageway, on safety grounds, and so they will be removed. The scheme design includes new footpaths that will maintain the network.

7. Ward Members Affected

- 7.1.1. The strategic nature of the scheme will mean that journeys from multiple wards will be affected.
- 7.1.2. The scheme itself is situated in Haslington Ward. The local ward members for Haslington are Cllr John Hammond and Cllr David Marren.

8. Consultation & Engagement

- 8.1.1. The Pre-Planning Application Consultation Report on the scheme is attached as Appendix A.

9. Access to Information

- 9.1.1. The background papers relating to this report are available in electronic format on the Council's web site (Cabinet agenda page) and will be available for inspection in hard copy at the meeting. They are :
- Appendix A – Pre-Planning Application Consultation Report

10. Contact Information

- 10.1. Any questions relating to this report should be directed to the following officer:

Name: Chris Hindle

Job Title: Head of Strategic Infrastructure

Email: chris.hindle@cheshireeast.gov

COUNCIL MEETING – 26th July 2018**CONGLETON LINK ROAD - AWARD OF CONSTRUCTION CONTRACT AND SUBMISSION OF FINAL BUSINESS CASE**

Cabinet recommends that Council approve the additional contribution from Council resources to the scheme of £1.8M to increase the total contribution to £23.8M.

Extract from the Minutes of the Cabinet meeting on 12th June 2018

10 CONGLETON LINK ROAD - AWARD OF CONSTRUCTION CONTRACT AND SUBMISSION OF FINAL BUSINESS CASE

Cabinet considered a report seeking approval to submit the final funding application to the Department of Transport, and to award the preferred bidder a contract to deliver the scheme.

The Appendices to the report contained exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information) and would be considered in Part 2 of the agenda.

Councillor G Baxendale, as Chairman of the Audit and Governance Committee, expressed the view that the report, and the other Highways-related reports on the agenda, represented good governance on the part of the Council.

RESOLVED

That, subject to consideration of the Appendices to the report in Part 2 of the agenda, Cabinet

1. approves the submission of the Scheme Final Business Case to the DfT seeking a contribution of £45M towards the total Scheme cost;
2. approves the selection and award of the contract to deliver the Scheme to Bidder X as the Preferred Bidder;
3. **recommends that Council approve the additional contribution from Council resources to the scheme of £1.8M to increase the total contribution to £23.8M;**
4. approves the underwriting of the developer contributions to the Scheme of up to £20.8M in the event that the anticipated developer contributions are not realised; and

5. authorises the Executive Director of Place in consultation with the Portfolio Holder for the Environment to exercise powers delegated to the Executive Director of Place to undertake all necessary and prudent preparatory works in advance of the final funding decision, at risk, in order to ensure the Council is positioned to deliver the Scheme if a favourable funding decision is received.

(Note – All Members have previously been given the opportunity to view the Part 2 papers relating to this item).

Cabinet Report

Date of Meeting: 12 June 2018

Report Title: Congleton Link Road – Award of Construction Contract and Submission of Final Business Case

Portfolio Holder: Cllr Don Stockton, Environment Portfolio Holder

Senior Officer: Frank Jordan, Executive Director of Place

1. Report Summary

1.1. The purpose of this report is to:

- 1.1.1 Seek approval to submit the final funding application to the Department of Transport (“DfT”) to release funding towards the construction of the Congleton Link Road scheme (the “Scheme”).
- 1.1.2 To seek approval to award the Preferred Bidder a contract to deliver the Scheme (“the Contract”).
- 1.1.3 To set out the final estimated cost of the Scheme, the breakdown of funding contributions and the proposed delivery programme.
- 1.1.4 To confirm the Council’s previous commitment to underwrite any shortfall in funding that may emerge.
- 1.1.5 To authorise the Executive Director of Place to undertake all necessary and prudent preparatory works in advance of the final funding decision in order to ensure the Council is positioned to deliver the Scheme once the final funding decision has been made.

1.2. Note: the Appendices to this report contain exempt information and will be considered in Part 2 of the agenda.

2. Recommendations

2.1. That Cabinet :

- 2.1.1 Approves the submission of the Scheme Final Business Case to the DfT seeking a contribution of £45M towards the total Scheme cost.
- 2.1.2 Approves the selection and award of the contract to deliver the Scheme to Bidder X as the Preferred Bidder.

- 2.1.3 Recommend to Council to approve the additional contribution from council resources to the scheme of £1.8M to increase the total contribution to £23.8M.
- 2.1.4 Approves the underwriting of the developer contributions to the Scheme of up to £20.8M in the event that the anticipated developer contributions are not realised.
- 2.1.5 Authorise the Executive Director of Place in consultation with the Portfolio Holder for the Environment to exercise powers delegated to the Executive Director of Place to undertake all necessary and prudent preparatory works in advance of the final funding decision, at risk, in order to ensure the Council is positioned to deliver the Scheme if a favourable funding decision is received.

3. Reasons for Recommendations

- 3.1. The process of determining a Preferred Bidder for the Scheme has followed the Council's Contract Procedure Rules.
- 3.2. On 8th November 2016 Cabinet approved the use of the Restricted Procedure for the procurement of the contractor.
- 3.3. The top five scoring candidates were taken forward and invited to submit a final tender. Three candidates submitted final tenders for the Scheme.
- 3.4. In completing the evaluations, tenders were moderated and scored on their Quality and Price submissions in accordance with the published award criteria. To determine the most economically advantageous tender the Quality / Price ratio for the evaluations was 70% / 30%.
- 3.5. On concluding the final tender moderation the following scores were awarded:
 - Contractor X scored 93.1%
 - Contractor Y scored 82.2%
 - Contractor Z scored 81.0%.
- 3.6. The most economically advantageous tender was submitted by Bidder X
- 3.7. The developers' contribution part of the funding package is a key risk. However, in order to submit the Final Business case for the Scheme, the Council must be able to demonstrate that it has the means to deliver the Scheme; hence the requirement to underwrite any funding shortfall.

- 3.8. Utility diversions required as a result of the scheme often have extended lead in times and are a chief reason for contract overruns and cost escalation. In certain key locations it may prove prudent to ensure the early delivery of diversion works.
- 3.9. The works required to be undertaken by the Preferred Bidder, in advance of any Final Funding decision, are necessary to ensure that an efficient construction programme can be maintained. If these advance works were not undertaken it is estimated that seasonal ecological constraints could add up to 6 months to the construction programme. The Contract documentation has been structured in such a way to allow this, with the main obligations under the Contract not becoming effective until the Council has received an unconditional offer of funding from the DfT.
- 3.10. If there is a delay in the approval process from the DfT, it may prove necessary to gain access to third party land for time-critical ecology mitigation activities. In such a case it may be necessary to exercise the Council's CPO powers in advance of a final funding decision if access cannot be negotiated by agreement.
- 3.11. The total scheme estimate has been reviewed following the tender evaluation process. Although the projected total scheme cost has fallen since the March 2016 Cabinet paper, a more conservative position on projected developer income has been taken, resulting in a projected increase in the share of the Council's final capital contribution to the scheme of £c1.8M.

4. Other Options Considered

- 4.1. The Council could stop the scheme. The implications of this are that £c8.9M of sunk costs to date would have to be met by the Council's Revenue budget. This would also place a risk on the delivery of the Local Plan and five year housing supply since c1000 houses are directly dependent on the delivery of the link road.
- 4.2. The full range of procurement options were explored in the November 2016 Cabinet paper and a preferred procurement option was selected at that stage.
- 4.3. The rules on DfT funding bids are set and inquiries have established that there is no opportunity for the DfT to increase its contribution to the Scheme.

5. Background

- 5.1. Congleton Link Road is the single largest infrastructure project the Council has undertaken to date. It is essential to the successful delivery of the Council's Local Plan, five year housing land supply and to resolve long-standing economic and environmental impacts arising from congestion in the town. The link will also improve connectivity across the Borough, particularly for Macclesfield to the M6. The road will be a new principal highway between the A534 Sandbach Road close to its junction with Sandy Lane and the A536 Macclesfield Road to the South of the village of Eaton.
- 5.2. Following approval of the Procurement Strategy, officers have prepared the procurement documents, published them and evaluated bids for the Contract. The activities have followed the Council's timeline including the following stages:

Event	Dates
Selection Questionnaire (SQ)	
OJEU Contract Notice	13-July 2017
Deadline for Evaluation of SQ responses	18 September 2017
SQ feedback to applicants	October 2017
Final Tender Stage	
Issue Invitation to Submit Tender	02 October 2017
Deadline for return of Tenders	23 February 2018
Review, Evaluation and Moderation	03 May 2018

- 5.3. The Tender Assessment Report is contained in Appendix A and a summary of the Tender prices received is contained in Appendix F.
- 5.4. The Contract has been structured to allow the immediate delivery of time critical activities, with the main construction obligations only becoming operative upon the Council receiving an unconditional offer of funding from the DfT.
- 5.5. The Contract has been structured to allow the early delivery of a small section of the Scheme along Back Lane in advance of the main works. This is to help accelerate the delivery of linked housing developments and to ensure access to developer funding contributions.

5.6. The key programme dates are:

Event	Dates
End of High Court Challenge period to CPO decision	18 May 2018
Issue Notification of Award Letter & Unsuccessful Letters following Cabinet decision	21 June 2018
Submit Final Business Case to the DfT and provide to the LEP (Information only)	25 June 2018
Mandatory standstill period ends	03 July 2018
Start Date of Contract (Initial works only)	16 July 2018
Assumed Date of DfT Final Business Case Award	14 September 2018
Issue Notice to exercise CPO Powers	17 September 2018
Site Access Date	17 December 2018
Opening of Back Lane (East) - Target	17 May 2019
Opening of whole scheme	September 2020

6. Implications of the Recommendations

6.1. Legal Implications

Procurement

- The value of the proposed Contract with the Preferred Bidder is above the applicable EU threshold and the award of the contract is therefore subject to the Public Contracts Regulations 2015 ("PCRs"). The PCRs require the Council to treat all economic operators equally and without discrimination. In addition, the Council must act in a transparent and proportionate manner.
- The Council has followed the Restricted Procedure, which is a compliant procedure under the PCRs. In addition, the Council has fully complied with its own Contract Procedure rules during this project. The Restricted Procedure has been used as the Council was able to adequately specify its needs. It has allowed the Council to test the market and only invite those candidates meeting the Council's selection criteria to submit a final tender. No negotiation with the Preferred Bidder is permitted, just clarification of its final tender and finalisation of the Contract.
- From the inception of this project, the Council has engaged external legal and highway procurement industry experts to act as specialist advisors. In particular, Geldard's were appointed as the Council's legal advisors

and have supported the Council in preparing the procurement documentation and the Contract. The use of external experts to supplement the Council's internal departments has ensured that a robust and compliant procurement process has been followed throughout.

- The Contract is a NEC3 Option A Priced Contract with Activity Schedule with Contractor Design (Design and Build contract). Aside from some limited early works (intended to accelerate the delivery programme), the main works under the Contract are conditional upon the approval of the DfT Final Funding award and will be triggered when the Council receives an unconditional offer of funding from the DfT that full funding is in place. As the early works will be undertaken in advance of the DfT Final Funding award they will be at the Council's risk.

Funding

- The main legal implications insofar as the funding strategy is concerned are set out in the body of the Financial Implications section and relate to the accuracy of the predicted developer contribution over a longer period of time. In essence, planning legislation and policy is a moveable feast and will impact on assumptions made in the level of developer contributions that can be ultimately achieved.
- Precisely what those impacts will be can only be ascertained once the timing and detail of any such change is known and properly understood, relative to the receipt, determination and/or implementation of development anticipated on any related development site.
- Notwithstanding those variables, and whilst it is anticipated that a developer contribution in the region of that identified will ultimately be recouped, if there is to be sufficient certainty as to the Council's ability to fund the scheme, in order that the Final Business Case can be submitted, the Council needs to be prepared to commit to covering any remaining funding gap.

6.2. Finance Implications

Contractor Assessment

- The Accounts of all of the tenderers were received as part of the Assessment process. A financial health check (Dunn and Bradstreet) on the Preferred Bidder has been undertaken and no concerns have been identified.

Scheme Costs

- The Estimated outturn cost of the scheme is £89.6M. This figure includes all sunk costs to date in developing the scheme, the estimated costs to purchase the land, an allowance for compensation costs for properties depreciated by the Scheme (known as Part 1 Claims), the tendered cost of the scheme, future fees, utility diversions and finally an allowance for future risks. A breakdown of the scheme cost is contained in Appendix B.
- A full estimate of the likely cost of compensation claims for existing properties has been undertaken. Given the fact that new developments are emerging in the locality of the new road an assessment of likely claims for houses not yet built has also been included. This is based on assumptions on the rate of build of these new developments and the type / value of houses built.
- The financial analysis of the tenderers submissions has been undertaken in line with the Tender documentation and independently validated.
- The cost of the initial works to be done at the Council's risk by the Preferred Bidder before Final Funding Approval is set out in Appendix C.

Scheme Funding

- The principle of the funding strategy for the Scheme was established at the March 2016 Cabinet whereby in addition to the Council's own funding contribution it was agreed to underwrite the estimated level of developer contributions to the scheme.
- The Council's Capital Programme has a budget of £90.74M. Approved by full Council on 22nd February 2018.
- The latest position as regards developer funding is set out in Appendix D. A summary of this position is set out below:

Status	Estimated Total Value £m
Signed legal agreements to date with contributions towards or ancillary to the Scheme	4.13
As above, but inclusive of developments that have received Planning Committee Approval	16.32
Estimated realistic 'target' for all developer funding towards the Scheme	20.8
Maximum 'target' for all developer funding towards the Scheme	23.07

- Developer funding is only received by the Council upon meeting certain 'triggers', normally linked to progress in the number of dwellings constructed on a particular site. It is difficult therefore to forecast with any accuracy the timing of payments; though the trajectory set out in the Local Plan assumed all of the developments are fully built out by the end of the Plan period – 2030. For the purposes of making a conservative assessment of budget income only a date of 2038 has been taken.
- However, It is considered that there is confidence that the figure of £20.8M should be used as a figure to underwrite. This would leave the Council with a projected net funding position of £23.8M by 2038; this is an increase of £1.8M as a result of a more conservative assumption on developer income.
- An indicative spend and income profile has been provided in Appendix E. This shows that a significant proportion of the costs of the scheme (linked to compensation) falls within the period 2022 – 2029. It is anticipated that as development funding is received it will help offset these 'tail' costs. It is also likely that the Council will continue to receive income for the Scheme after all capital expenditure has been complete. A summary of the table is set out below:

	Prior Years £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Future years to 2038 £m	Total £m
CEC	8.9		4.2	8.7	1.5	0.5	23.8
DfT		14.4	30.6				45.0
Developers				1.0	1.0	18.8	20.8
Total	8.9	14.4	34.8	9.7	2.5	19.3	89.6

- Notwithstanding the above, there can be no certainty that the receipt of developer contributions will fall in a timely fashion relative to expenditure. Prior to realising Developer contributions it will be necessary for the Council, as a worst case position, to underwrite up to £44.6m towards the cost of the road. It bears repeating that on account of the variables set out above, the Council may not recover against the sums it underwrites the full amount of the developers' contributions that the modelling undertaken to date anticipates will arise.
- The Council's S151 officer will be required to confirm the financial position and underwriting of the scheme on this basis for the Final Business Case submission.

6.3. Equality Implications

- None

6.4. Human Resources Implications

- None

6.5. Risk Management Implications

- A quantified risk register has been developed for this contract and the value is contained in Appendix B.

6.6. Rural Communities Implications

- None

6.7. Implications for Children & Young People

- None

6.8. Public Health Implications

- The Scheme will play an important role regarding public health through delivery of walking and cycling infrastructure, helping to promote the sustainable development of the North Congleton Local Plan Allocation.

7. Ward Members Affected

- 7.1. All Congleton Councillors

8. Consultation & Engagement

- 8.1. The Scheme has demonstrated outstanding levels of local support (c85%) through two large-scale public consultations undertaken in Winter 2014 and Spring 2015

9. Access to Information

- 9.1. The Appendices to this report contain exempt information by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information). The Appendices will be considered in Part 2 of the agenda.

10. Contact Information

- 10.1. Any questions relating to this report should be directed to the following officer:

Name: Paul Griffiths

Job Title: Infrastructure Delivery Manager

Email: paul.griffiths@cheshireeast.gov.uk

COUNCIL – 26 JULY 2018

NOTICES OF MOTION

Submitted to Council in Accordance with paragraph 1.34 of the Council Procedural Rules

**1. Modern Slavery
Proposed by Cllr S Corcoran**

This Council notes

- Though slavery was abolished in the UK in 1833, there are more slaves today than ever before in human history. Figures from the International Labour Organisation (ILO) suggest that there are more than 40 million people in modern slavery across the world, with nearly 25 million held in forced labour.
- There were 3805 victims of modern slavery identified in the UK in 2016. A rising number but still well below the 10,000 and 13,000 potential victims estimated by the Home Office.
- Modern Slavery is happening nationwide. Traffickers and slave masters use whatever means they have at their disposal to coerce, deceive and force individuals into a life of abuse, servitude and inhumane treatment. This can include sexual and criminal exploitation.

This Council believes

- That action needs to be taken to raise awareness of modern slavery and the fact that it is happening all over the UK.
- That the current support for victims is not sufficient and needs to go beyond the 45 days they are currently given by the government.
- That councils have an important role to play in ensuring their contracts and supplies don't contribute to modern day slavery and exploitation.

This Council resolves

To adopt the Co-operative Party's Charter against Modern Slavery to ensure our procurement practices don't support slavery.

Background information:

[Modern slavery briefing](#)

2. **Single Use Plastics**
Proposed by Councillor R Bailey and seconded by Councillor H Davenport

We know how harmful single use plastics are to the environment, indeed in 2017 the NFWI called on the Government and industry to research and develop innovative solutions to stop the accumulation of micro plastic fibres in our oceans.

We urge full council endorsement of this campaign and in so doing seek to eliminate all single use plastic within CEC managed buildings and facilities by 2020 and seek to encourage the elimination of single use plastic within its supply chain by 2025.