

## Cabinet Agenda

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**Date:** Tuesday, 12th June, 2018  
**Time:** 2.00 pm  
**Venue:** Committee Suite 1, 2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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

It should be noted that Part 1 items of 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. **Apologies for Absence**
2. **Declarations of Interest**

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

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

In accordance with paragraph 3.33 of the Cabinet Procedure Rules, a period of 10 minutes is allocated for members of the public to address the meeting on any matter relevant to the work of the Cabinet. Individual members of the public may speak for up to 5 minutes but the Chairman or person presiding will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers. Members of the public are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

Members of the public wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given.

4. **Questions to Cabinet Members**

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

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

5. **Minutes of Previous Meeting** (Pages 5 - 12)

To approve the minutes of the meeting held on 8<sup>th</sup> May 2018.

6. **Improved Better Care Fund (iBCF) 2018 to 2020** (Pages 13 - 22)

To consider a report on the areas of activity and proposed expenditure for the grant money received by Cheshire East Council in 2018/19 through the Improved Better Care Fund monies for 2018 to 2020.

7. **New Homes Bonus Community Fund** (Pages 23 - 44)

To consider a report on the scheme to be implemented during 2018/19.

8. **2017/18 Financial Outturn and Review of Performance** (Pages 45 - 138)

To consider a report on how the Council managed its resources to achieve positive outcomes and value for money in the delivery of services during the 2017/18 Financial Year.

9. **A500 Dualling Scheme** (Pages 139 - 152)

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

10. **Middlewich Eastern Bypass - Planning and Delivery Update** (Pages 153 - 166)

To consider a report seeking approval for the Executive Director of Place to undertake all necessary and prudent preparatory works in advance of the final funding decision.

11. **Congleton Link Road - Award of Construction Contract and Submission of Final Business Case** (Pages 167 - 176)

To consider 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 report will also set out the estimated cost of the scheme and the funding contributions, and seek confirmation of the Council's commitment to underwrite any funding shortfall that may emerge.

12. **Highway Services Contract Procurement - Award of Contract** (Pages 177 - 184)

To consider a report seeking approval to appoint a preferred bidder as the next service provider for the Council's Highway Services Contract.

13. **Exclusion of the Press and Public**

The reports or parts thereof relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded.

The Cabinet may decide that the press and public be excluded from the meeting during consideration of the items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

**PART 2 – MATTERS TO BE CONSIDERED WITHOUT THE PUBLIC AND PRESS PRESENT**

14. **Congleton Link Road - Award of Construction Contract and Submission of Final Business Case** (Pages 185 - 262)

To consider the appendices to the report.

15. **Highway Services Contract Procurement - Award of Contract** (Pages 263 - 292)

To consider the appendices to the report.

16. **Disposal of Shares in Manchester Science Partnerships** (Pages 293 - 298)

To consider a report on the disposal of shares in Manchester Science Partnerships.

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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Cabinet**  
held on Tuesday, 8th May, 2018 at Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor Rachel Bailey (Chairman)  
Councillor L Wardlaw (Vice-Chairman)

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

**Members in Attendance**

Councillors C Andrew, Rhoda Bailey, G Baxendale, S Corcoran, L Durham,  
S Edgar, R Fletcher, S Gardiner, S Hogben, B Moran and G Williams

**Officers in Attendance**

Kath O'Dwyer, Frank Jordan, Mark Palethorpe, Jan Willis, Dan Dickinson,  
Sara Barker and Paul Mountford

145      **DECLARATIONS OF INTEREST**

Councillor P Bates declared a non-pecuniary interest in Item 9 (South Macclesfield Development Area) as he had business dealings with one of the landowners on the site in question.

146      **PUBLIC SPEAKING TIME/OPEN SESSION**

Dr Gill Appleton of Churches Together in Nantwich spoke in support of the proposal by volunteers in Nantwich to offer a home to a refugee family through the Home Office Community Support Scheme. Dr Appleton outlined the work that had been done to date in securing a suitable property in Nantwich and the necessary support services within the local community.

Revd Helen Byrne of Refugees Welcome supported the initiative by Churches Together in Nantwich and would work closely with them, bringing them under the wing of Refugees Welcome to provide consistency of approach across the Borough. She hoped that the Council would support the application by Churches Together to the Home Office to become a Community Sponsor which was to be considered later in the meeting.

The Leader thanked both speakers for the comprehensive and detailed summary of the work undertaken to date.

Rob Vernon referred to an incident in the Upton Priory Estate, Macclesfield, on Sunday evening in which a man had been fatally stabbed. He asked what support the Council would give to the Police and to the local community. The Leader responded that the Council had been informed about the incident by the Police. Whilst incidents of this kind were thankfully rare in Cheshire East, her thoughts went out to those affected by the tragic incident. The Council would offer support where it was able to do so.

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## **QUESTIONS TO CABINET MEMBERS**

Councillor Rhoda Bailey asked how the extra funding the Council had received for road repairs would be spent and whether a programme of the roads to be repaired would be made available. The Portfolio Holder for Environment responded that the Council was prioritising repairs on the basis of an evidence-led asset management approach and that individual roads would be prioritised accordingly, taking into account the extra funding available.

Councillor Bailey also asked if the Council would be making a bid for part of the £6M funding available to provide support for the children of alcoholics. The Portfolio Holder for Health responded that the Cabinet was aware of the funding and was awaiting further clarification of the bidding criteria with a view to making a bid.

Councillor S Corcoran asked by what amount developer contributions for planning applications that had already been granted could be reduced when the Community Infrastructure Levy was introduced in Cheshire East, and what the Council was doing to mitigate this risk. The Portfolio Holder for Housing, Planning and Regeneration undertook to give a written reply.

Councillor Corcoran also asked why a £45,000 payment had been made in 2013 to an officer who had been recommended for dismissal. At the invitation of the Leader, the Acting Director of Legal Services advised that the matter touched upon confidential staffing matters and there would be a limit to what information could be provided. He undertook to consider the matter further, with the relevant Cabinet members, and to respond accordingly.

Councillor S Hogben referred to a survey that had been sent to all local authority building control teams last November in connection with the Hackitt Review of building regulations and fire safety. He asked if the Council had responded to the survey and if so what answers had been given. He undertook to provide the questions in writing if necessary. The Portfolio Holder for Housing, Planning and Regeneration asked Councillor Hogben to provide the questions in writing so that a written response could be given.

Councillor S Gardiner, in light of Councillor Hogben's question, made a declaration that he was a Director of Civicance, the arms-length company with responsibility for the Council's building control service.

Councillor R Fletcher referred to a developer contribution of £50,000 from the Coppice development in Alsager to provide a pedestrian crossing on the main road in the vicinity of Cranberry Lane. He had been informed by an officer that this amount may no longer be sufficient to fund the provision of the crossing because of increased costs. He therefore asked if additional funding could be made available. The Portfolio Holder for Housing, Planning and Regeneration undertook to look into the matter and provide a written reply.

148      **MINUTES OF PREVIOUS MEETING**

**RESOLVED**

That the minutes of the meeting held on 10<sup>th</sup> April 2018 be approved as a correct record

149      **NOTICE OF MOTION - HIGHWAY FUNDING**

Cabinet considered the following motion which had been moved by Councillor I Faseyi and seconded by Councillor N Mannion at the Council meeting on 22<sup>nd</sup> February 2018 and referred to Cabinet for consideration:

*"This Council notes concerns in respect of a managed decline of our road network and supports the LGA's call for the government to deal with the disparity in funding between national roads (Motorways & Major trunk Roads) and local roads.*

*Whilst the building of new roads and by-passes funded via Central government capital grants is welcome, it merely highlights the increasingly dilapidated state of a large proportion of the rest of the Cheshire East's road and footpath network.*

*The hard winter, combined with a lack of any meaningful programme of preventative road maintenance on all but the main trunk roads in Cheshire East in recent years, has resulted in many local & estate roads now rapidly deteriorating to the verge of becoming a danger to road users and pedestrians in places.*

*The ongoing reliance on merely filling potholes with "blobs" of tarmac rather than a programme of proper structural repairs is both only a temporary, and also an inefficient use of the shrinking available resources-a case of "penny wise, pound foolish"?  
Reference: See page 4 of FIRST Magazine, February."*

Councillors Faseyi and Mannion had been unable to attend the meeting. Councillor S Corcoran spoke on the motion in their absence.

The report before Cabinet addressed the issues raised in the motion.

**RESOLVED**

That Cabinet

1. continues to endorse the evidence-led asset management principles utilising more preventative methods of works for the management and maintenance of the Borough's highway network;
2. endorses the proposals to undertake an extensive patching programme of structural maintenance across the Council's local highway network this financial year to reduce reactive pothole repairs; and
3. will continue to review annually the funding allocations required to maintain the Council's local highway network.

150      **VULNERABLE PERSONS RESETTLEMENT SCHEME AND  
COMMUNITY SPONSORSHIP**

Cabinet considered an update on the current position with the Government's Vulnerable Persons Resettlement Scheme and also considered the support of Community Sponsorship within Cheshire East following an approach by Churches Together in Nantwich and a group in Sandbach.

Before presenting the report, the Portfolio Holder for Health took the opportunity to thank Dr Appleton and Revd Byrne for attending the Cabinet meeting and for the detailed preparation they had undertaken in support of their application for community sponsorship.

**RESOLVED**

That Cabinet

1. following consideration of the report, agrees to accept further refugee families, in addition to those under the Council's original pledge of 5 families, this to be in compliance with the Vulnerable People's Resettlement Scheme and the Cabinet decision on 10<sup>th</sup> October 2017 (Support for Syrian Refugees and Asylum Seekers);
2. agrees to operate under the Community Sponsorship Programme within the Cheshire East area;
3. agrees in principle to support the application by Refugees Welcome in Nantwich to the Home Office to become a Community Sponsor and apply for a refugee family to be housed in the south of the Borough and delegates authority to the Executive Director of People to provide

written consent on behalf of the Council upon being satisfied that Refugees Welcome in Nantwich meet the requirements; and

4. delegates authority to the Executive Director of People to make decisions about supporting any future requests to become a community sponsor and (if so determined) to provide consent from the local authority for any such future community sponsorship requests.

151      **POST 16 TRAVEL POLICY STATEMENT FOR 2018/19**

Cabinet considered a report on the outcome of consultation on the Post 16 Travel Policy Statement for 2018/19, together with the Council's response to the issues raised and proposals for policy variations as a result of the feedback.

**RESOLVED**

That Cabinet

1. notes the outcomes of the consultation in respect of the updated Post 16 travel policy statement for 2018/19;
2. agrees that the revised travel policy statement be published by 31<sup>st</sup> May 2018; and
3. agrees that the revised travel policy statement be implemented with effect from 1<sup>st</sup> September 2018.

152      **SOUTH MACCLESFIELD DEVELOPMENT AREA**

Cabinet considered a report seeking approval to expedite the development scheme at South Macclesfield Development Area, which aimed to deliver 1,000 new homes, employment land, a new link road connecting Congleton Road to London Road, and open space.

Councillor S Corcoran reported the comments of Councillor L Jeuda, a local ward member, who had been unable to attend the meeting.

**RESOLVED**

That Cabinet

1. delegates authority to the Executive Director of Place to agree the terms and conditions of a new Funding Agreement between Cheshire East Council and the other principal landowner TG Ltd, in consultation with the S151 Officer and the Director of Legal Services, and authorises the Executive Director of Place to take all appropriate action to enter into said Funding Agreement; and subject to this:

2. delegates authority to the Executive Director of Place, in consultation with the Portfolio Holder for Housing, Planning and Regeneration and the Director of Legal Services, to take all necessary actions to secure the acquisition of land and/or new rights to enable the construction of the Link Road and the delivery of all other planning objectives sought from the development of the SMDA site including, where required, by use of a Compulsory Purchase Order (CPO);
3. delegates authority to the Executive Director of Place to agree the Terms and Conditions of the Grant offer from Homes England, in consultation with the S151 Officer and the Director of Legal Services, and authorises the Executive Director of Place to take all necessary actions to enter into an appropriate agreement;
4. delegates authority to the Executive Director of Place to take all actions necessary to procure the required highways infrastructure, utilities and ground stabilisation works as set out in the Grant offer from Homes England and summarised in the report;
5. authorises the Executive Director of Place, in consultation with the S151 Officer and Director of Legal Services, to enter into a contract with the winning tenderer for the construction of the Link Road at the appropriate time and within the approved budget;
6. delegates authority to the Executive Director of Place to take all actions necessary to dispose of Council-owned land in order to bring forward a first phase of housing-led development; and
7. delegates authority to the Executive Director of Place, in consultation with the Portfolio Holder for Housing, Regeneration and Planning and the S151 Officer, to take action to increase the quantum of affordable housing across the site back towards the planning policy requirement of 30%, if commercially viable in line with the Funding Agreement/contract with TG Ltd.

153      **ALLIANCE ENVIRONMENTAL SERVICES LTD - PHASE 2**

Cabinet considered a report seeking approval to implement the second phase of the joint venture, whereby Ansa, via Alliance Environmental Services Ltd, would deliver waste collection and associated waste fleet management for Staffordshire Moorlands District Council, with a planned commencement date of 1<sup>st</sup> July 2018.

**RESOLVED**

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

1. notes the findings of the due diligence work undertaken by Retearn and Cheshire East Council legal services on the detailed business plan for implementing Phase 2;
2. approves the expansion of Alliance Environmental Services to include the delivery of waste collection and fleet management services on behalf of Staffordshire Moorlands District Council; and
3. authorises the Executive Director, Place in consultation with the Portfolio Holder for the Environment to finalise the financial, legal and technical details of Phase 2.

154      **EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED**

That the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

155      **ALLIANCE ENVIRONMENTAL SERVICES LTD - PHASE 2**

Cabinet considered the confidential Appendices to the report in Part 1 of the agenda.

**RESOLVED**

That having considered the Appendices to the report, Cabinet reaffirms its decision on this matter.

The meeting commenced at 2.00 pm and concluded at 3.24 pm

Councillor Rachel Bailey (Chairman)

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## Cabinet

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**Date of Meeting:** 12 June 2018

**Report Title:** Improved Better Care Fund (iBCF) 2018 to 2020

**Portfolio Holder:** Cllr. Janet Clowes (Adults Social Care and Integration)

**Senior Officer:** Linda Couchman, Interim Director of Adult Social Care and Health

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### 1. Report Summary

- 1.1. This report describes the areas of activity and the proposed expenditure for the grant money being received directly by Cheshire East Council in 2018/19 through the Improved Better Care Fund (iBCF) monies for 2018 to 2020.
- 1.2. It identifies a number of schemes and presents the rationale of how they meet the needs and demands of the local care and health economy.
- 1.3. iBCF monies can be used to support existing adult social care services, as well as investing in new services. These proposals include investment in a combination of new and existing services essential in managing demand, maintaining Care Act compliance, protecting existing key services, maintaining the adult care statutory duties whilst also enhancing NHS community and primary care services to facilitate hospital discharges. These proposed schemes will help to promote the sustainability of adult social care and other care services within the care economy as a whole.
- 1.4. The grant can be spent on three care purposes:
  - Meeting adult social care needs
  - Reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready
  - Ensuring that the local social care provider market is supported
- 1.5. With particular reference to ensuring the local social care provider market is supported, these proposals will stabilise the market. Councils have the ability to decide if they spend part or all of the funding on this purpose.
- 1.6. These schemes will support the outcomes of the joint strategic needs assessment JSNA Cheshire and Merseyside Sustainability and Transformation Plan (STP).

## **2. Recommendation**

- 2.1. That Cabinet endorses the iBCF schemes (1-9) and associated expenditure outlined in paragraphs 5.4-5.20.

## **3. Reason for Recommendation**

- 3.1. These proposed schemes contribute towards avoiding unnecessary admission to hospital and care homes, reducing Delayed Transfers of Care to meet the 3,5% target and support the implementation of the High Impact Change Model.

## **4. Other Options Considered**

- 4.1. Do Nothing- This is clearly not an option as Social Care is under constant pressure to meet the needs of our communities both in transition and older people.
- 4.2. Use the money to mitigate growth- this has not been done. The money is to be used to transform services whilst at the same time dealing with current demand/pressure and support system resilience across Cheshire East.

## **5. Background**

- 5.1. At the 2017-18 Government budget a total of £2.021 billion was announced as supplementary funding to the improved Better Care Fund (iBCF). This is to be distributed as £1.01 billion in 2017-18, £674 million in 2018-19 and £337 million in 2019-20 and will be given to councils in England over the next 3 years for adult social care.
- 5.2. The Grant allocation for Cheshire East Council for 2017/18 totals £4.7m in 2017/18. This is to be paid directly to the council under section 31 of the Local Government Act 2003 for adult social care.
- 5.3. The Government has made it clear that part of this funding is intended to enable local authorities to quickly provide stability and extra capacity in the local care systems. Local Authorities are therefore able to spend the money, commission care subject to the grant conditions set out in the determination. The Council can undertake this as soon as plans for spending the grant have been locally agreed with Clinical Commissioning Groups involved in agreeing the Improved Better Care Fund plan.

- 5.4. **Scheme 1** - 7 day retainer (£0. 100m) National Metric 4: Grant Condition Criteria 1/2/3/4 – Cheshire East Council have an agreement with extra care housing schemes and domiciliary care providers to pay a retainer to the care provider in order to keep the care provision open whilst the individual is absent for a period of time, for example in hospital. The retainer ensures that the individual's existing care provider is kept available for a period of up to 7 days to resume the existing care package when the person is fit or ready to return home. If the person is in hospital this should facilitate a timelier and appropriate discharge.
- 5.5. **Scheme 2** - Increased weekend capacity for social workers (£0. 159m) National Metric 2/3/4: Grant Condition Criteria 1/3/4: - Increased capacity in the Social Work Team over Bank Holidays and weekends. This is to ensure patient flow and assisting in reducing the pressure on the NHS can be maintained over a seven day period. Cheshire East will provide 2 social workers and 2 care arrangers (split between the 2 hospitals) that cover the weekends and bank holidays. Working on a 62 week year (to cover holidays etc.) that would be 124 days for the weekends and another 8 days for bank holidays giving 132 days each per year at a cost of £159k per year.
- 5.6. **Scheme 3** - Care Sourcing team- moving to 8-8 model (£0. 215m) National Metric 2/3/4: Grant Condition Criteria 1/3/4: The scheme sees the continuation of funding for the Care Sourcing Team following on from a successful 12 month pilot; the service provides a consistent approach to applying the brokerage cycle and in turn, makes best use of social worker time. The Care sourcing team undertake all aspects of the Brokerage cycle: enquiry, contact assessment, support planning, creation of support plan, brokering, putting the plan into action as well as monitor and review of the support. The service operates 8am till 2pm / 2pm till 8pm, Monday to Sunday. The Care Sourcing Team comprises of a range of employees including: team and deputy manager, admin, care sourcing officers as well as a social care assessor. This funding is to enable an 8 till 8 operation.
- 5.7. The model is fully compliant with the Care Act 2014 as it provides information and advice, prevention, assessment, review, safeguarding, carers, market management and shaping, charging, support planning, personalisation and arranging care and support.
- 5.8. **Scheme 4** - Live well (£0.106m) National Metric 1/2: Grant Condition Criteria 1/2/3 - The use of 'Live Well' Online information and advice resource: National Metric 1/2: Grant Condition Criteria 1/2/3. Cheshire East Council embarked on a programme to deliver a new online resource to the public:

Live Well Cheshire East. It is designed to give citizens greater choice and control by providing information and advice about care and support services in the region and beyond. This new digital channel went live in June, initially offering information and advice and a directory of local services in one place covering Adult, Children, Community and Public Health services. Both Clinical Commissioning Groups have expressed a desire to utilise this platform and expand the offer to create a community infrastructure that maps all existing assets for use of professional staff alongside members of the public. This will be a project under the Better Care Fund. Cheshire East will continue to maintain and update the platform at an approximate cost of approximately £106k per year.

5.9. **Scheme 5** - Funding for additional social care staff to support Discharge to Assess initiatives (iBCF) (£0.290m) National Metric 1/2/3/4: Grant condition 1/2/3 - Funding of additional staff to support the local transformation programmes Caring Together and Connecting Care in implementing a 'Discharge to assess' model. This builds on the existing initiative with Eastern Cheshire where funding is being targeted at continuing to provide a team manager, social worker and occupational therapist, plus the roll out across mid Cheshire at an approximate cost of £290k per year.

5.10. **Scheme 6** - Innovation and Transformation Fund (£0.500m) National Metric 1/2/3/4: Grant Condition Criteria 1/3/4 - In order to support the 'Caring Together' and 'Connecting Care' transformation plans. Cheshire East Council will create a fund that the NHS and partners can access to support initiatives that promote the move towards integrated working (community teams) to achieve better outcomes for the residents of Cheshire East.

5.11. This forms part of the work to implement assessment and care outside of hospital as appropriate. There is the need for a range of options and discharge destinations to ensure that wherever possible people are supported to remain at, or return to, their usual place of residence –

5.12. Home First'. iBCF funded Home First Winter Plan Services delivering these aims:

5.13. NHS Eastern Cheshire CCG Schemes

- Rapid Return Home (Overnight) Service
- Care Home Support
- Flexible non-acute bed capacity/Discharge to Assess Beds
- Increased support for community Matrons case-managing High Risk patients.

5.14. NHS South Cheshire CCG Schemes

- Increased Rapid Care Support
- Clinical Support to care Homes
- Dedicated Support for D2A Implementation

5.15. **Scheme 7** - Sustain the capacity, capability and quality within the social care market place (£4,224m) National Metric 2/3/4: Grant Condition Criteria 1/2/3/4: Cheshire East Council has a duty under Section 5 of the Care Act to promote the efficient and effective operation and sustainability of a market in services for meeting the care and support needs of individuals. There are increasing financial pressures on the social care market, for example National Living Wage, recruitment and retention issues which is resulting in a rise in care costs. Cheshire East Council is undertaking a review of fees to ensure capacity and capability in the marketplace.

5.16. The demand for care services will be significant over the next few years, and as a result of this and the need to ensure the transfers of care are undertaken in a timely manner to meet NHSE targets of 3.5%; therefore will be a requirement for investment into community resources and increases in care packages, in order to sustain and stabilise both the domiciliary care markets and care home markets. This means transforming the care and support offer to ensure Cheshire East has greater capacity and an improved range of services. It is intended that the CCGs together with Cheshire East Council jointly commission the new offer and include: discharge to assess beds, step up/step down beds, more specialist provision for complex needs and care at home services that promote quality of care under the system beds programme.

5.17. The joining up of commissioning and contracting will provide partners with an opportunity to promote and champion a single and shared view of high-quality care and support. With our partners we need to ensure that health and social care services provide people with safe, effective, compassionate, high quality care and that as partners we encourage care services to improve, this may include quality payment premiums to providers.

5.18. Funding to support stabilise the social care market includes fee uplifts for both Care at Home and Accommodation with care. As part of the commissioning process for Care at Home, bidders have been invited to submit bids between £14 to £18 per hour for each geographical patch of the Borough they opt to bid for. This approach allows for cost variations between urban and rural/hard to serve areas of the Borough to be taken into account alongside the differing business models of provider organisations. As part of

the commissioning process for Accommodation with care, a 6% increase to contract rate has been proposed.

5.19. **Scheme 8** - Electronic Call Monitoring (ECM) (£0.389m) – Care at Home (domiciliary care) is one of the largest contracted service areas that the Council commissions in the external market, with the Council currently spending in excess of £13.5 million per annum on generic Care at home services commissioned via the Council. In order to support the effective operation of the care at home this scheme will see the purchase of an ECM solution. The ECM solution will bring greater transparency to the delivery of care at home. Typical benefits realised from the implementation of ECM include increased quality within care at home services as well as increased safeguarding.

5.20. **Scheme 9** - Care home assessments at the weekend (iBCF) (0.017m) - Work has been undertaken with the care home sector to ensure that any individual who is fit for discharge over the weekend period can be assessed and returned to their care home. This will form part of our contracts with care homes. This meets the requirements of the 'High Impact Change Model' for managing Transfers of Care in particular seven day working and reducing the pressure on the NHS.

## 6. Implications of the Recommendations

### 6.1. Legal Implications

6.1.1. This is in line with the Care Act 2014, and The Better Care Fund Policy Guidance and the Local Government Act 2003 for adult social care.

6.1.2. Under Section 75 of the National Health Service Act 2006, NHS bodies may enter into arrangements with local authorities in relation to NHS functions and the health functions of local authorities.

6.1.3. S141 of the Care Act 2014 provides for the Better Care Fund Pooled Funds to be held under and governed by an overarching s75 National Health Service Act 2006 Partnership Agreement.

6.1.4. On 13 March 2018 Cabinet:

6.1.5. Approved the Council entering into agreements with NHS Eastern Cheshire Clinical Commissioning Group and NHS South Cheshire Clinical Commissioning Group for the period of one year (2018-2019);

6.1.6. Delegated authority to the Executive Director of People to decide to extend for a further period of one year (subject to there being a continuing national requirement to operate the Better Care Fund and the Improved Better Care Fund as a s75 pooled budgets agreement for that period); and

6.1.7. Delegated to the Executive Director of People to make decisions and agreements on behalf of the Council in relation to the commissioning of schemes funded by the Better Care Fund.

6.1.8. The Better Care Fund Governance Group continue oversight and responsibility for reviewing the delivery of the agreement.

## 6.2. Finance Implications

6.2.1. The allocation for 2017/18 for the Cheshire East Council is £4.69 million; however this is subject to performance over the next two years. In 2018/19 the Improved Better Care Fund allocation is £6.0m.

6.2.2. The Council takes responsibility for the collation and consolidation of standardised financial and reporting information for the Cheshire East Health and Wellbeing board.

6.2.3. Planned expenditure on the schemes is as follows:

Scheme	Scheme name	Amount
Scheme 1	7 day retainer	100,000
Scheme 2	Increased weekend capacity for social workers	159,000
Scheme 3	Care Sourcing team- moving to 8-8 model	215,000
Scheme 4	Live well	106,000
Scheme 5	DTOC additional staff	290,000
Scheme 6	Transformation	500,000
Scheme 7	Sustainability of market	4,224,000
Scheme 8	Electronic call monitoring	389,000
Scheme 9	Care home assessments at the weekend (iBCF)	17,000
	Total	6,000,000

## 6.3. Policy Implications

6.4. The ageing population in Cheshire East and associated pressures on the home care market is central to the planning behind the iBCF schemes.

## 6.5. Equality Implications

6.6. As the leaders for our local health and social care economy, all BCF partners in Cheshire East are conversant and compliant with the Equality Act 2010.

## 6.7. Human Resources Implications

6.7.1. Any impact for Cheshire East employees will be as a result of the need for greater integration in care delivery and commissioning in terms of restructures or changes to job roles. These will be dealt in accordance with the Councils policy and procedures. This could be due to a number



of factors- seven day working policy, change in terms and conditions, geographical location of staff. Any identified implication will have a full impact assessment completed and assurance that all employment legislation is adhered to.

#### **6.8. Risk Management Implications**

6.8.1. Increased pressures and demands across both the health and social care economy creating instability in the system.

6.8.2. Risk of not reducing the delayed transfers of care.

6.8.3. Risk of market failure and/or disruption due to increasing care costs.

6.8.4. Risk that all funded proposals are not approved within the NHS England framework.

6.8.5. That the strategic priorities of all partners are not met.

6.8.6. Risk that the schemes lead to an increase in the number of admissions to residential and care homes.

6.8.7. Manage the risk to the clinical commissioning groups of sustaining services where the hospital trusts face significant financial pressures.

6.8.8. There is a risk in the ability to achieve integration in the current provider landscape and there will need to be careful market management and ensuring capacity in the whole system.

6.8.9. Risk of the consequence of failing to achieve proposed changes in activity levels and a plan to mitigate these.

#### **6.9. Rural Communities Implications**

6.10. A risk identified for the rural communities is in maintaining and incentivising care and support agencies to pick up packages of care. Care agencies are reporting difficulty in the recruitment and retention of care workers specifically in the rural areas.

#### **6.11. Implications for Children & Young People**

6.11.1. There are no direct implications for children and young people. Some children and young people are classed as carers, and it is



important that these individuals are recognised and supported through the existing better care fund.

#### **6.12. Public Health Implications**

- 6.12.1. Reducing the demand for health and care services, by enabling people to enjoy a healthy and active life within their communities, is a key priority for the NHS and social care system
- 6.12.2. The Better Care Fund has been created to improve the lives of some of the most vulnerable people in our society, placing them at the centre of their care and support, and providing them integrated health and social care services, resulting in an improved experience and better quality of life.
- 6.12.3. Health and care that supports better health and wellbeing for all, and a closing of health inequalities.

#### **7. Ward Members Affected**

- 7.1. The proposal will affect all wards.

#### **8. Consultation & Engagement**

- 8.1. Consultation and engagement with CCG partners through the BCF Governance Group has taken place and will continue to take place.

#### **9. Access to Information**

- 1.1. 2017-19 Integration and Better Care Fund Policy Framework (DoH, DCLG 2017)
- 1.2. NHS Five Year Forward View (2014)
- 1.3. Next Steps on the NHS Five Year Forward View (NHS 2017)
- 1.4. Care Act (DoH 2014)
- 1.5. High impact Change Model – Managing transfers of care between hospital and home (LGA 2017).

#### **10. Contact Information**

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

Name: Alex Jones

Job Title: BCF Programme manager

Email: [Alex.t.jones@cheshireeast.gov.uk](mailto:Alex.t.jones@cheshireeast.gov.uk)

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## Cabinet

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**Date of Meeting:** 12 June 2018

**Report Title:** New Homes Bonus Community Fund

**Portfolio Holder:** Cllr Paul Bates - Finance and Communication

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

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### 1. Report Summary

- 1.1. When setting the Budget on 22<sup>nd</sup> February 2018 Full Council agreed the establishment of a 'New Homes Bonus - Community Fund' to be set up at a value of £2m to cover the period 2018/19 and 2019/20 subject to development of an appropriate governance framework.
- 1.2. This report sets out the scheme that will be implemented during 2018/19. To ensure consistency with other schemes, any grants awards provided from the 'New Homes Bonus – Community Fund' will be based on the Corporate Grants protocol which is due to be considered for approval by Cabinet in July 2018.

### 2. Recommendations

- 2.1. Cabinet is asked to:
  - 2.1.1. Approve the Scheme Design (**Appendix 1**) and Allocations by Fund Area (**Annex 2 – NHB Policy**)
  - 2.1.2. Delegate to the Section 151 Officer authority to amend (from time to time) the Scheme Design (**Appendix 1**) and the Allocations by fund Area (**Annex 2 – NHB Policy**).
  - 2.1.3. Notes the membership of the Award Groups (**Annex 1 – NHB Policy**) which shall operate as advisory panels to the Portfolio Holder for Finance & Communication and whose membership may be amended by the same from time to time to achieve appropriate geographic representational alignment.

- 2.1.4. Delegate to the Section 151 Officer (in consultation with the Monitoring Officer) authority to establish (and amend from time to time) standard conditions to be applied to schemes awarded funding to ensure that the schemes operate effectively within a financially and legally complaint framework.

### **3. Reasons for Recommendations**

- 3.1. To implement the New Homes Bonus Community Fund scheme in line with the approval of the funding at full Council on 22<sup>nd</sup> February 2018.
- 3.2. Standard Conditions will be required for each successful scheme to ensure financial and legal compliance. Conditions may include, but will not be limited to: monitoring arrangements; health and safety; data protection; equality and diversity. Conditions will be in line with the Corporate Grants Protocol (due for Cabinet approval in July 2018).

### **4. Other Options Considered**

- 4.1. None.

### **5. Background**

- 5.1. On 22<sup>nd</sup> February 2018 the Council set aside a fund of £2m (£1m in each of 2018/19 and 2019/20), as part of the Medium Term Financial Strategy, to allow local people to engage with how services are delivered at a local level. As new homes can impact on the services required in an area, the allocation of funding reflects where new houses have been built.
- 5.2. New Homes Bonus (NHB) has been paid to Cheshire East Council to reflect the net increase in properties since 2010. The bonus is a government policy and is intended to be a permanent feature of the Local Authority Finance Settlement.
- 5.3. This new scheme provides a fund of £2m, to be split across the Borough based on the location of housing developments that have contributed to the New Homes Bonus allocated to Cheshire East Council since NHB was introduced in 2011. The scheme provides an opportunity for funds to be allocated based on locally agreed priorities, through a process overseen by local ward members and representatives from Town & Parish Councils who will act as advisory panels to the Portfolio Holder for Finance and Communications. Members will be supported and advised by Officers of Cheshire East Council.

- 5.4. Member led priority activities, once agreed, will then be delivered by the most appropriate provider which may include commissioning Cheshire East Council departments, Town and Parish Councils, or by bids from local community organisations. Cheshire East Council Officers will give advice on appropriate service providers.

### **Scheme Policy**

- 5.5. Spending of the New Homes Bonus Community Fund will be determined in two distinct phases:

Phase One: **Allocation** of Funding to geographical areas by the Council

Phase Two: **Determination** of the priority activities, by the Local Awards Groups. Delivery of priority activities will be achieved via the most appropriate service provider. Applications may be invited from the Community for some activities with an Awards process to determine successful schemes.

- 5.6. **Appendix 1** sets out the details of the Scheme Policy.

## **6. Implications of the Recommendations**

### **6.1. Legal Implications**

6.1.1. The New Homes Bonus is paid as a grant through section 31 of the Local Government Act 2003. It is not ring-fenced and can be spent in accordance with local priorities. There are no restrictions on how a receiving council spends its New Homes Bonus allocations but there is an expectation that the council will consult with the communities who are taking housing growth as to how the money could be spent in order to provide services for those communities.

6.1.2. The guidance provided by the Government states that:

“Local Authorities will be able to decide how to spend the funding in line with local community wishes. The Government expects local councillors to work closely with their communities – and in particular the neighbourhoods most affected by housing growth – to understand their priorities for investment and to communicate how the money will be spent and the benefits it will bring. This may relate specifically to the new development or more widely to the local community.”

6.1.3. In order to consider any such proposals from its communities; the Council needs to adopt clear and transparent protocol and criteria through which it will determine any applications made.

6.1.4. In exercising its powers the Council must satisfy its public law duties. In essence this means that in making the decision the Council must act fairly in the exercise of its powers and have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably. A competitive grants process is an open, transparent and fair means to afford all eligible applicants the opportunity to compete for and obtain grant funding from the Council. It is a means to distribute limited resources. A clear statement of the criteria that the Council is applying is essential if the Council is to defend any challenge to its decision making process.

6.1.5. The decision making process is delegated to the Portfolio Holder in order to ensure that decisions can be made expeditiously and at the appropriate level.

## **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.

6.2.2. The creation and implementation of this fund is designed to support local projects to achieve those outcomes. Funding allocations are limited to the £2m overall fund approved by Council, and are split in a way that increases support to the areas that have seen the highest levels of house building across the borough.

6.2.3. The set up and administration of the scheme will result in increased resource requirements within the Finance and Partnerships teams, which will be funded from the Transforming Services Earmarked Reserve. Costs incurred by Cheshire East Council in relation to specific projects delivered under this scheme, including feasibility studies and project management, will be charged to the scheme at a rate based on full cost recovery.

## **6.3. Policy Implications**

6.3.1. The scheme will help support the Council's priority outcomes at a local ward and parish level.

**6.4. Equality Implications**

6.4.1. Any equality implications that arise from activities funded by the community allocations will be dealt with within the individual reports to Members or Officer Decision Records that relate.

**6.5. Human Resources Implications**

6.5.1. Any HR implications that arise from activities funded by the community allocations will be dealt with within the individual reports to Members or Officer Decision Records that relate.

**6.6. Risk Management Implications**

6.6.1. The Council will work with Parish Councils and Community Organisations, or individuals to ensure the capacity to effectively spend these sums of money is appropriate, and that grants are utilised to the maximum benefit of communities.

6.6.2. Although innovative, locally determined budgets contain risks that need to be managed in order to ensure the Fund provides an appropriate impact in the community. The key risks are:

- Low engagement levels – this will be mitigated through stakeholder/communication plans that will be developed to ensure as wide an audience as possible are aware of how to engage with the scheme.
- Insufficient transparency – this will be mitigated by ensuring that all proposals will be published and business cases will ensure implications are clear.
- Decisions are not legal or properly governed – scheme rules have been written to highlight any restrictions on the spending of the fund. This will be necessary as the scheme is still utilising Local Authority finances

**6.7. Rural Communities Implications**

6.7.1. Allocations will be split across the whole Borough.

**6.8. Implications for Children & Young People**

6.8.1. No specific implications.

## **6.9. Public Health Implications**

6.9.1. Any equality implications that arise from activities funded by the community allocations will be dealt with 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 Consultation 2018-21 provided an opportunity for interested parties to review and comment on the Council's Budget proposals, including the New Homes Bonus Community Fund proposal (ref 97, page 110).

## **9. Access to Information**

9.1. The following are links to key background documents:

[Pre Budget Consultation 2018-21](#)

[Medium Term Financial Strategy 2018-21](#)

## **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](mailto:jan.willis@cheshireeast.gov.uk)



## Appendix 1

# POLICY FOR THE NEW HOMES BONUS COMMUNITY FUND SCHEME

2018/19

May 2018

## 1. BACKGROUND

- 1.1. On 22nd February 2018 the Council set aside £2m (£1m in each of 2018/19 and 2019/20), as part of the Medium Term Financial Strategy, for a New Homes Bonus Community Fund.
- 1.2. New Homes Bonus (NHB) is a Government grant that has been paid to Cheshire East Council since 2011 based on the net annual increase in local homes. The bonus is a permanent feature of the Local Authority Finance Settlement, created through top-slicing Revenue Support Grant.
- 1.3. The New Homes Bonus Community Fund will be split across the Borough based on the location of housing developments that have contributed to the New Homes Bonus funding allocated to Cheshire East Council. The scheme provides communities with an opportunity to engage directly in how this funding should be spent, in accordance with locally agreed priorities.

## 2. LEGAL AND BUDGETARY FRAMEWORK

- 2.1. The Finance and Communication Portfolio Holder will be responsible for the administration of the New Homes Bonus Community Fund Scheme and has delegated authority to approve funding applications.
- 2.2. All decisions about use of this funding will be made in accordance with the guidance and principles set out in this Policy.
- 2.3. In approving funding applications the Portfolio Holder will be advised by Award Groups comprising local ward members and representatives from Town & Parish Councils who will, in the first instance, engage with their individual communities to determine local priorities. Membership of each Award Group comprises the local ward members for each Fund Area plus representatives from the Town and Parish Councils as set out at **Annex 1**.
- 2.4. The New Homes Bonus Community Fund budget is fixed at £2m over the financial years 2018/19 and 2019/20.
- 2.5. At the discretion of the Portfolio Holder for Finance and Communication flexibility may be allowed to carry forward funding allocations beyond the 2019/20 financial year.

## 3. SCHEME DESIGN

- 3.1. Spending of the New Homes Bonus Community Fund will be determined in two distinct phases:

Phase One: **Allocation** of Funding to areas by the Cabinet.

Phase Two: **Determination** of the priority activities, by the Local Awards Groups and identification of the most appropriate commissioning route. Applications may be invited from the Community for some activities with a formal grants awards process to determine successful schemes.

## Phase One: Allocating of funding to areas

- 3.2. Allocations will be made on the basis of Fund Areas that mirror the seven Cheshire East Council Highways Groups.
- 3.3. The allocation for each Fund Area will be based on two elements: a fixed allocation; and a variable allocation based on the net increase in homes, within each Fund Area, using data for the period October 2010 to October 2017.
- 3.4. The annual Fixed Allocation is £350,000. This to be split evenly between the seven Fund Areas providing individual allocations of £50,000.
- 3.5. The annual Variable Allocation is £650,000. This to be split between each fund area based on net housing completions between 2011 and 2017.
- 3.6. Annual Fund Area allocations are set out at **Annex 2**.

## Phase 2: Determination of Local Priority Activities and Approval of Applications

- 3.7. The process for identifying priority activities and the appropriate commissioning route and for assessing and approving applications is set out in **Annex 3**.
- 3.8. In the first instance local Awards Groups will engage with their local communities to determine the priority activities to be funded from the allocated funds. Council officers will provide information and support to the Awards Groups where necessary.
- 3.9. In considering potential uses of the NHB Community Fund the local Awards Groups will have regard to the following key principles:
  - Spending should support the Outcomes within the Council Corporate Plan as set out in **Annex 4**.
  - Activities funded through the NHB Community Fund must demonstrate how they will enhance service delivery and provide tangible additional benefits for the local community.
  - Appropriate governance arrangements must be in place before any spending takes place.
  - There is an expectation that projects will make a visible impact in the local community. For this reason the minimum allocation per project is £10,000.
  - Funding must not be used to pay for administrative expenses that would normally fall to town and parish councils.
  - Proposals may include new services or the amendment or retention of existing services, unless this is in direct contradiction of Council Policies.
  - Funding may only be used for activities which the Council has powers to undertake and must not be used to pay for parties, items that only benefit individuals, fundraising, political or religious activities.
  - Proposals must be self-sufficient and not generate unfunded commitments beyond the 2019/20 financial year.
  - Funding should not be used for projects which have already been completed or are substantially complete (i.e. funding cannot be applied retrospectively).
  - Funds must be committed by the end of the 2019/20 financial year. Any unspent funds may be clawed back and reallocated by the Awards Groups for other projects within the relevant funding area.
  - Funding cannot be used as a substitute for existing s106 funding.
  - Allocations may be pooled in whole or in part with neighbouring areas.

- Activities must demonstrate value for money.
  - Activities should not result in duplication of service provision.
- 3.10. Example bids are set out at **Annex 5**. These are purely illustrative and other uses of scheme funding that satisfy the criteria set out above may be considered.
- 3.11. Once the priority activities have been agreed, the Award Groups will identify the appropriate commissioning route for each.
- 3.12. The three main commissioning routes are: commissioning services from Cheshire East Council; commissioning services from community groups and organisations; and commissioning services from town and parish councils.
- 3.13. Where services are to be commissioned from the Council or town and parish councils officers with the appropriate technical expertise will assist the Award Groups in preparing schemes.
- 3.14. Applications from community groups and organisations will be assessed in accordance with the guidance set out at **Annex 6**. This will be amended to ensure consistency with the Corporate Grants Protocol which will be considered by Cabinet in July.

### Approval of Applications

- 3.15. There will be a single application round for New Homes Bonus Community Fund for the financial years 2018/19 & 2019/20.
- 3.16. Council Officers will 'score' applications based on the guidance set out in **Annex 7**.
- 3.17. Once all applications are scored the results will be considered by the relevant Award Group and a decision report prepared for approval by the Portfolio Holder. Notice of this decision will be circulated to all elected members who must make any comments within 5 days (the "Call-in Period").
- 3.18. Should any comments/objections be made during the 5 day Call-in Period a further meeting will be held for the Portfolio Holder to consider them and make a final decision.
- 3.19. Special Conditions may be included in the recommendations report if considered necessary to ensure that the purpose of the grant funding is achieved. For example, if the successful delivery of a scheme is dependent on factors such as securing match funding or obtaining planning permission a Conditional Offer may be made subject to these conditions being met.
- 3.20. If there are no objections the Portfolio Holder decisions will be treated as final and applicants notified of the outcome as soon as possible after the Call-in Period has ended and a conditional acceptance letter issued.

## Annex 1 - Members per Awards Groups and Terms of Reference

Congleton	Councillor Geoff Baggott
	Councillor Rhoda Bailey
	Councillor Paul Bates
	Councillor Gordon Baxendale
	Councillor David Brown
	Councillor Sam Corcoran
	Councillor Martin Deakin
	Councillor Rod Fletcher
	Councillor Les Gilbert
	Councillor George Hayes
	Councillor Derek Hough
	Councillor Andrew Kolker
	Councillor Simon McGrory
	Councillor Gill Merry
	Councillor Barry Moran
	Councillor Michael Parsons
	Councillor Gail Wait
	Councillor Bernice Walmsley
	Councillor Liz Wardlaw
	Councillor Glen Williams
	Councillor John Wray
	Town and Parish Council Representative
	Cheshire East Officer (advice only)
Crewe	Councillor Damian Bailey
	Councillor Joy Bratherton
	Councillor Suzanne Brookfield
	Councillor Clair Chapman
	Councillor Steven Edgar
	Councillor Irene Faseyi
	Councillor Dorothy Flude
	Councillor Mo Grant
	Councillor John Hammond
	Councillor Steven Hogben
	Councillor David Marren
	Councillor Sarah Pochin
	Councillor Jill Rhodes
	Councillor Brian Roberts
	Councillor Margaret Simon
	Councillor Jacqueline Weatherill
	Town and Parish Council Representative
	Cheshire East Officer (advice only)

Knutsford	Councillor Tony Dean
	Councillor Stewart Gardiner
	Councillor Olivia Hunter
	Councillor Jamie Macrae
	Councillor George Walton
	Councillor Hayley Wells-Bradshaw
	Town and Parish Council Representative
	Cheshire East Officer (advice only)

Macclesfield	Councillor Chris Andrew
	Councillor Ainsley Arnold
	Councillor Stephen Carter
	Councillor Beverley Dooley
	Councillor Liz Durham
	Councillor Hilda Gaddum
	Councillor Sam Gardner
	Councillor Martin Hardy
	Councillor Alift Harewood
	Councillor Janet Jackson
	Councillor Laura Jeuda
	Councillor Nick Mannion
	Councillor James Nicholas
	Councillor Lesley Smetham
	Councillor Amanda Stott
	Councillor Mick Warren
	Town and Parish Council Representative
	Cheshire East Officer (advice only)

Nantwich	Councillor Rachel Bailey
	Councillor Derek Bebbington
	Councillor Penny Butterill
	Councillor Janet Clowes
	Councillor Stan Davies
	Councillor Chris Green
	Councillor Peter Groves
	Councillor Andrew Martin
	Councillor Arthur Moran
	Town and Parish Council Representative
	Cheshire East Officer (advice only)

Poynton	Councillor Michael Beanland
	Councillor Harold Davenport
	Councillor Paul Findlow
	Councillor Howard Murray
	Councillor Jos Saunders
	Councillor Mike Sewart
	Town and Parish Council Representative

## **Terms of Reference for New Homes Bonus Local Awards Groups**

### **Purpose**

- To engage local communities in determining priorities for the use of NHB funding within their area.
- To consider and prioritise local schemes to utilise the individual New Homes Bonus Community Fund allocation in accordance with those priorities.
- To identify the most appropriate commissioning route for each approved proposal.
- To make recommendations to the Portfolio Holder for Finance and Communication for the approval of community grant applications.
- To monitor the delivery of local outcomes from use of the New Homes Bonus Community Fund.

### **Membership**

- Officer representation from CEC (advisory role only)
- Cheshire East Ward Members in the Area
- One representative from each Town and Parish Council in the area

Only Cheshire East Ward Members have voting rights.

If agreement cannot be reached by the Awards Group on the use of the funds, the decision will be referred to the Portfolio Holder for Finance and Communication for decision.

### **Frequency of Meetings**

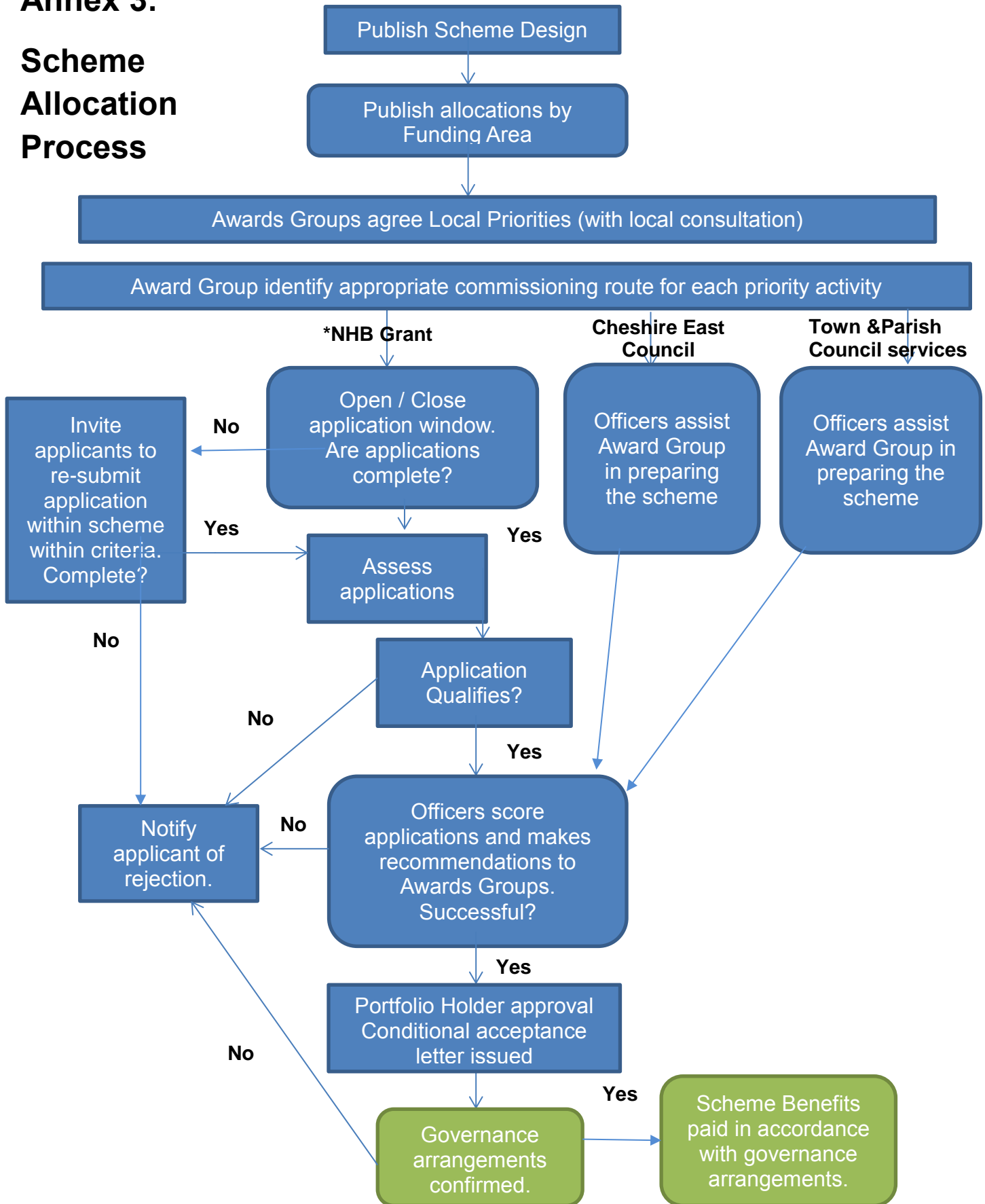
Maximum of 4 meetings per annum.

## Annex 2 - Allocations by Fund Area

Fund Area	Fixed Allocation	Variable Allocation	Total Allocation
Congleton	£50,000	£278,973	£328,973
Crewe	£50,000	£120,985	£170,985
Knutsford	£50,000	£11,790	£61,790
Macclesfield	£50,000	£71,739	£121,739
Nantwich	£50,000	£112,006	£162,006
Poynton	£50,000	£17,776	£67,776
Wilmslow	£50,000	£36,731	£86,731
<b>Total</b>	<b>£350,000</b>	<b>£650,000</b>	<b>£1,000,000</b>



# Annex 3: Scheme Allocation Process



## Annex 4 – Corporate Priorities



Outcome 1	Active, Resilient and Connected Communities where people want to live	Communities where you are Safe, and feel Safe			
Outcome 2	Culture, Heritage and Tourism	Jobs and Skills	Business Growth and Inward Investment	Infrastructure	
Outcome 3	Securing the Best Start in Life	Highest Achievement for All Learners	Inclusion		
Outcome 4	Sustainable Development	Waste Management	Environment	Affordable Energy Growing Energy Businesses Independent Energy	
Outcome 5	Empowering people to live independent, healthier and more fulfilled lives	Information, Advice and Guidance, Prevention and Early Intervention	Accessible high quality services, Information & Advice	Public Protection, Health Protection and Safeguarding	
Outcome 6	Best Use of Assets	Effective Processes	Engaging Our Staff	Enhance Leadership and Governance	Strong Financial Management

## **Annex 5 – Example Projects**

Community sport schemes

Community transport schemes

Enhanced community library provision

Community allotments or orchards

Community energy schemes

Youth schemes

Small scale flood protection schemes

Homelessness prevention projects

Small parks improvements

Road safety improvements

## **Annex 6 – New Homes Bonus Community Fund Grant Application Process**

### **1. HOW TO APPLY**

- 1.1. Applications to the Fund must be made using the Council's current New Homes Bonus Community Fund application form and associated guidance notes that are available online on the Council's website and as a paper version on request.
- 1.2. The application form must be completed in full. Incomplete application forms will not be considered and will be returned, which could cause a delay or deferral of an application. A copy of your up-to-date signed Governing Document and Safeguarding Policies must be sent with the application form. If this is not received the application may be declined. Supporting documentation (listed under section 12 of the application form) may also be requested prior to the application being fully considered. Failure to supply all required documentation will result in the application being treated as incomplete.
- 1.3. The closing date for receipt and acceptance of complete applications will be determined and subsequently published by the Portfolio Holder for Finance & Communication.
- 1.4. Grants cannot be paid retrospectively therefore any work commenced prior to acceptance of the grant offer will not be eligible for funding.
- 1.5. All successful applicants will be required to complete a post grant monitoring report as per section 5.0 of this Policy.

### **2. WHO CAN APPLY**

2.1 To qualify for a grant Organisations must meet the criteria listed below:

- Operate within the Cheshire East area
- Provide value for money
- Be a voluntary or community organisation, registered charity or other not for profit organisation
- Have a set of audited accounts, or as a minimum an Organisation bank statement, and be able to provide such information as the Council reasonably requires in order to satisfy the Council as to the Organisations financial position and its need for the assistance requested
- Have a management committee with an up-to-date Governing Document which must be signed by at least two members of the committee
- Have appropriate safeguarding policies relevant to their Organisation, which must include a requirement that staff / volunteers are cleared with the Disclosure and Barring Service where appropriate
- Have a bank or building society account in the name of the organisation applying with at least two signatories who are unrelated to each other

- Complete the current application form in full, providing all required information
- Have not already received a community grant for the same purposes within the current financial year.

### **3. CRITERIA FOR FUNDING**

3.1 Priority will be given to projects that build community resilience, such as:

- Community-led and managed activities;
- Increasing volunteering;
- Helping people to help themselves and support each other;
- Reducing reliance and demand on mainstream services;
- Improving the mental health and wellbeing of residents;
- Engaging local people through community groups and their social networks;

3.2 Priority will also be given to organisations which are based in Cheshire East, have funding contributions from their own funds and/or funding support from other bodies. Organisations applying for the first time will be given additional priority, as long as all other conditions are satisfied.

### **4. GENERAL GRANT CONDITIONS**

4.1 Grants are classed as one-off and should not be seen as repeat funding.

4.2 If an Organisation's financial position means that they are unable to begin the project without payment of the grant first they may be entitled to request payment prior to the project commencing. Monitoring information will still need to be submitted 12 months after the date of the offer letter.

4.3 Given the fixed amount of funding available, the Council cannot guarantee to fund the maximum amount applied for via grants. Where there is a funding shortfall the Council will not pay a grant unless the Organisation can demonstrate that the balance of the funding is available from other sources.

4.4 Grants must be spent delivered by the 31st March 2020. Any funds not spent by this date may be clawed back and reallocated for other purposes.

4.5 Failure to achieve agreed milestones or to deliver the agreed outcomes may result in grant funding being reduced or terminated and funds already paid may be subject to clawback either in whole or in part.

4.6 Organisations in receipt of other funding from the Council may apply to this grant scheme if the grant is required for a one-off project which is considered additional to the service already funded.

- 4.7 Any profits from projects or events must be used to further develop the Organisation or for any future events and not used to support other Organisations.
- 4.8 If the project involves work on land or a building, including refurbishment, the applicant must own the freehold of the land or building, or hold a lease that cannot be brought to an end by the landlord for at least 5 years.
- 4.9 If planning permission is required this must be in place before the grant application is made. The Council may ask for confirmation that planning permission is not required, or that it is required and has been granted. Grant applications without planning permission in place will only be considered if the application is for a feasibility study or architects fees in order to establish the viability of the project.
- 4.10 Organisations must be committed to and have policies on equalities and inclusion and in delivering the services or activity the Organisation must not unlawfully discriminate, directly or indirectly against any of the nine protected characteristics which are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation. The Organisation can direct some or all of its activities at specific groups where the intention is to address discrimination or disadvantage.
- 4.11 Organisations will be required to participate in a monitoring process and provide monitoring information to evidence how the grant money has been spent, the outcomes and value for money delivered and adherence to the conditions of the grant. This must include receipts or invoices and a written report of the project, activity or event, plus photographs if possible, on completion.
- 4.12 Organisations must acknowledge the support of Cheshire East Council in press releases, publicity and advertising etc. Electronic copies of the Council's logo will be sent with grant offers.
- 4.13 The Organisation will allow Cheshire East Council to use details of the grant award, together with any relevant photographs supplied, in media releases and on the Council's website.
- 4.14 Where expenditure is incurred on the project, activity or event prior to the grant decision being confirmed this shall be at the Organisations risk. In these circumstances the Council reserves the right to withdraw any conditional grant offer made.
- 4.15 Organisations must notify the Council of any material changes in circumstances which affect their financial position or governance throughout the period in which the grant monies are being used.
- 4.16 The grant must only be used for the purposes specifically stated in the application form, Should it be spent in any other way, without written approval from the Council, the Organisation may be asked to return some or all of the monies paid.
- 4.17 If the project, event or activity is cancelled or only partially achieved, or if the Organisation is wound up, any unused grant money must be returned to the Council.
- 4.18 All conditions, under which the grant has been awarded, including any Special Conditions, must be met. Failure to do so could result in the Organisation being asked to repay the grant monies to the Council.

### 5. MONITORING AND RECORD KEEPING

- 5.1 Following a successful application and in order to ensure that monies are used in an appropriate manner, as set out in this Policy, a monitoring report will be required following project completion. This report shall include, but shall not be limited to, how many people benefitted from the project, if a profit was made and how it was used, how the grant money was used and what difference the project made to the Organisation and/or local people.
- 5.2 Invoices or receipts dated prior to the date of the offer letter will not be accepted or reimbursed.
- 5.3 The Council reserves the right to monitor the use of the fund and ask for evidence to support an application.
- 5.4 Any Organisation commissioned under this or in receipt of a grant must allow reasonable access to premises/accounts upon request from the Council.
- 5.5 Any Organisations commissioned under this or in receipt of a grant must retain records relating to the grant for an appropriate period (to be advised depending on the grant).
- 5.6 If Organisations commissioned under this or in receipt of a grant do not supply satisfactory monitoring reports and supporting information in full and within the set time scale they may be asked to repay the funding to the Council. Failure to comply with conditions of this may be taken into account when considering any further applications for Council funding made by the same Organisation in the future.

## Annex 7 - Guidance for comparing applications

Criteria	Score	Definition – A high comparative score indicates that the application:
<b>Ability of the Application to achieve outcomes</b>	Up to 25pts	<ul style="list-style-type: none"> <li>- clearly defines the outcomes it will achieve</li> <li>- aligns the projects outcomes to the Council's outcomes</li> <li>- provides evidence to support the application</li> <li>- includes commitments from the projects participants</li> <li>- provides a legacy of benefits to the community</li> </ul>
<b>Value for Money</b>	Up to 20pts	<ul style="list-style-type: none"> <li>- project is collaborative with other areas / organisations</li> <li>- supplemented by additional funding sources</li> <li>- provides evidence to support the application</li> <li>- presents a cost effective alternative use of funding</li> </ul>
<b>Strong governance</b>	Up to 15pts	<ul style="list-style-type: none"> <li>- has clear decision making and control arrangements</li> <li>- has experienced individuals leading the project</li> <li>- has suitable contingency strategies</li> <li>- is protected by risk and insurance arrangements</li> <li>- has sufficient capacity to deliver project in full</li> </ul>
<b>Community engagement</b>	Up to 20pts	<ul style="list-style-type: none"> <li>- has high levels of volunteer commitments</li> <li>- is both inclusive and representative of the local community</li> <li>- addresses a need specific to the area served by the project</li> <li>- includes commitments from the projects participants</li> </ul>
<b>Deliverability and Risk Assessment</b>	Up to 20pts	<ul style="list-style-type: none"> <li>- land and property issues have been properly considered</li> <li>- necessary planning and regulatory consents are in place</li> <li>- full risk assessment indicates that the outcomes are deliverable within the proposed budget and timescale</li> </ul>
<b>Additional Scoring</b>		
<b>Linked to the impact of housing growth</b>	Up to 25pts	<ul style="list-style-type: none"> <li>- mitigates impact of housing growth in specific wards/parishes</li> </ul>



## Cabinet

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**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)

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### 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 31<sup>st</sup> 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 1<sup>st</sup> April 2017 to 31<sup>st</sup> 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 31<sup>st</sup> May 2018, with final accounts due for approval by 31<sup>st</sup> 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](mailto:jan.willis@cheshireeast.gov.uk)



## Appendix 1 - Narrative Report

### An introduction to Cheshire East, the place

Cheshire East Council is an all-purpose 'unitary' local authority providing key public services to over 370,000 local residents in Northwest England. The borders include the towns of Macclesfield, Congleton and Crewe. The area lies within the historic County of Cheshire between the urban areas of Manchester to the North and Stoke-on-Trent to the South.

Cheshire East covers a largely rural area of approximately 117,000 hectares, this makes the Council one of the largest local authorities in England; maintaining the area as a green and sustainable place is one of the Council's planned outcomes.

The Council operates a commissioning model which matches the best fit provider in terms of quality and cost to meet the needs of residents. The Group now consists of the Council and its wholly owned companies and associate. The accounts for all these organisations, where significant, are combined with the Council's accounts to produce the Cheshire East Group accounts.

The Group is focused on achieving outcomes, in line with the Corporate Plan 2017 to 2020, by providing quality local services, within a commercially focused ethos that maximises value for money for local taxpayers.

Cheshire East Council is a multifunctional and complex organisation; its policies are developed by elected Councillors and implemented by professional officers.

The vast majority of services delivered by the Group focus on local residents and businesses.

During 2017/18 one company, partially owned by the Council, – Cheshire and Warrington Local Enterprise Partnership Ltd - also provided services to residents of Cheshire West and Chester and Warrington and are jointly owned with those Councils.

The most significant services provided by the Group are:

- Social Care
- Education
- Planning
- Highways
- Waste Management
- Economic Regeneration

### Cheshire East, the people

**Population:** Office for National Statistics Mid-Year Estimates for 2016 shows an estimated population of 377,100. Cheshire East has a relatively older population than average, with 28.3% of the population aged 60+. This figure is much higher than the national average of 23.4% and is reflected in the Council's targeted outcome to support people to live well and for longer.

**Economy:** Having a strong local economy is key to the Council's ambition to build economic growth; as is developing life skills to help people thrive and reach their potential. Economic data tells us:

- Cheshire East's current unemployment rate is significantly below the regional and national averages. In 2017, 5,600 of Cheshire East residents were unemployed (not in work, but available and actively looking for work). This equates to 3.1% of the economically active population aged 16 and above and compares to 4.4% for the North West and also 4.4% for

Great Britain, for the same time period. It is also lower than in Cheshire West & Chester (3.8%).

- Claim rates are also relatively low, with 3,440 of Cheshire East's residents claiming out-of-work benefits as at March 2018 which equates to only 1.5% of the Borough's working-age (16-64 year-olds) population. This is significantly lower than the levels for Cheshire West & Chester, the North West and the UK (1.9%, 2.7% and 2.1% respectively). For the Borough's 18-24 year-olds, the claimant rate is 2.4%. This is higher than for other age groups (0.2% for 16-17 year-olds, 1.6% for 25-49s and 1.2% for 50-64s), but is below the current rates for Cheshire West & Chester (3.0%), the North West (3.8%) and the UK (3.0%).
- Cheshire East's median household income was estimated to be £35,800, or 16.2% above the UK median (£30,800) and 31.7% higher than the North West (£27,200). At settlement level, income is below the UK median in two of the Borough's 24 main towns and settlements: Crewe (£26,300, or 14.7% below the UK and 26.6% below the Cheshire East median) and Handforth (£30,300, or 1.8% less than the UK and 15.5% short of the Cheshire East median). At the other end of the spectrum, median household income exceeds £55,000 in three of these 24 towns and settlements: Prestbury (£65,100), Alderley Edge (£59,000) and Goostrey (£56,200).

Government changes to business rate retention and council tax support schemes directly affect the financial health of the Group, and local economic results show how increased commercial development and reduced unemployment help put the Group in a strong position.

### The Political Structure of the Council

As a politically led organisation Cheshire East has 82 elected members selected from 52 wards. The electorate in Cheshire East is one of the largest in the UK with almost 300,000 registered voters. Council Elections take place every four years.

Elections last took place in May 2015 and are due again in 2019. The Council is led by a Conservative overall majority.

	2017/18
Conservative	51
Labour	16
Liberal Democrat	2
Independent or Other	13

The Council operates a Leader and Cabinet model as its political management structure arising from the Local Government and Public Involvement in Health Act 2007. The requirements of the Act are such that the Leader of the Council has responsibility for the appointment of Members of the Cabinet, the allocation of portfolios and the delegation of executive functions.

Councillor Rachel Bailey is the Leader of the Council and heads a Cabinet which consists of seven portfolio holders. The Council also has an annually appointed Mayor for civic functions; the Mayor for the period up to 31<sup>st</sup> March 2018 was Councillor Arthur Moran.

## The Cheshire East Council Group Structure

Cheshire East Borough Council is by far the largest service provider of the Group. It is important to recognise that the Council is a Local Authority whereas the other members of the Group are limited companies which are either wholly or partially owned by the Council. The Council must produce a balanced annual budget and aims to spend within that total. The private companies on the other hand are able to focus on providing a profit. Residents of Cheshire East benefit from this approach as any profit shares retained by the subsidiaries are also retained by the Group and can increase overall value for money.

Cheshire East Residents First Ltd (CERF) is the largest shareholder for Ansa Environmental Services Limited, Transport Service Solutions Limited, Engine of the North Limited, Orbitas Bereavement Services Limited, Civicance Limited and The Skills and Growth Company. CERF owns an 80% shareholding in these companies with the remaining 20% being retained by Cheshire East Council. CERF is wholly owned by Cheshire East Council and acts as a holding company for the council owned companies.

## The Group Management Structure (2017/18)

The 2017/18 management structure is based on a commissioning model. The Council owns the companies within the Group either wholly or in part, but each company is a single entity with its own governance arrangements which then reports in to the Council's governance arrangements.

Supporting the work of elected Members is the organisational structure of the Council headed by the Executive Leadership Team (ELT). This is made up of the Council's most senior officers and ensures that the key Statutory Officers are represented at the most senior level of the Council.

Company	Role	Name
<b>Cheshire East Council</b> (Gross Revenue Spend £605m; Capital Spend £88m)	<b>Acting Chief Executive</b> (Head of Paid Service)	<b>Kathryn O'Dwyer</b>
	<b>Executive Directors:</b>	
	• <b>People</b> (Acting)	<b>Mark Palethorpe</b>
	• <b>Place</b> (and Acting Deputy Chief Executive)	<b>Frank Jordan</b>
	• <b>Corporate</b> (Interim)	<b>Jan Willis</b>
	• <b>Acting Director of Legal Services and Monitoring Officer</b>	<b>Dan Dickinson</b>
<b>Wholly Owned Subsidiaries: 2017/18 position</b>		
<b>Cheshire East Residents First (CERF)</b>	<b>Chairman</b>	<b>Cllr David Brown</b>
<b>Ansa Environment Services Limited</b> (Turnover £34.5m)	<b>Chairman</b> <b>Managing Director</b>	<b>Cllr John Hammond</b> <b>Kevin Melling</b>
<b>Transport Service Solutions Limited</b> (Turnover £16.4m)	<b>Chairman</b> <b>Managing Director</b>	<b>Cllr Gail Wait</b> <b>Kevin Melling</b>
<b>Engine of the North Limited</b> (Turnover £1.4m)	<b>Chairman</b> <b>Managing Director</b>	<b>Cllr Jamie Macrae</b> <b>Mark Thompson</b>
<b>Orbitas Bereavement Services Limited</b>	<b>Chairman</b> <b>Managing Director</b>	<b>Cllr David Marren</b> <b>Kevin Melling</b>

Company	Role	Name
(Turnover £1.8m)		
<b>Civance Limited</b> (Turnover £1.8)	<b>Chairman</b>	<b>Cllr Andrew Kolker</b>
<b>The Skills and Growth Company</b> (Turnover £2.2m)	<b>Managing Director</b>	<b>Ian Bunn</b>
<b>Tatton Park Enterprise Limited<sup>1</sup></b> (Turnover £1.1m)	<b>Chairman</b>	<b>Cllr George Hayes</b>
	<b>Managing Director</b>	<b>Julian Cobley</b>
	<b>Chair</b>	<b>Cllr Jamie Macrae</b>
	<b>Directors</b>	<b>Cllr George Walton</b>
		<b>Brendan Flanagan</b>
<b>Associate:</b>		
<b>Cheshire &amp; Warrington Local Enterprise Partnership Limited<sup>1</sup></b>	<b>Chair</b>	<b>Christine Gaskell, MBE, DL</b>
	<b>Chief Executive</b>	<b>Philip Cox</b>

*Note 1: Accounts for TPE & C&WLEP are not consolidated in 2017/18 on the grounds of materiality.*

With effect from 25<sup>th</sup> May 2017 the Executive Leadership Team consisted of Kath O'Dwyer (Acting CEO), Frank Jordan (ED for Place and acting Deputy CEO), Peter Bates (COO), Mark Palethorpe (Acting ED for People) and Jan Willis (Director of Finance & Procurement and CFO). Dan Dickinson is also Acting Director of Legal Services and Monitoring Officer. With effect from 4<sup>th</sup> December 2017 Jan Willis was temporarily appointed as Interim Executive Director of Corporate Services following the suspension of the Chief Operating Officer.

The subsidiary companies are led by management boards. These consist of a Managing Director, a Chairman and Directors. The Chairman and two directors are appointed from the elected representatives of the Council. The subsidiary Companies report regularly to the CERF board which holds public meetings at least twice a year.

For a more complete list of appointments and further details on each organisation within the Cheshire East Group please refer to the following websites:

Cheshire East Borough Council	<a href="http://www.cheshireeast.gov.uk">www.cheshireeast.gov.uk</a>
Ansa Environmental Services Ltd	<a href="http://www.ansa.co.uk">www.ansa.co.uk</a>
Engine of the North Ltd	<a href="http://www.EngineoftheNorth.co.uk">www.Engine of the North.co.uk</a>
Civance Ltd	<a href="http://www.civance.co.uk">www.civance.co.uk</a>
The Skills and Growth Company	<a href="http://www.skillsandgrowth.co.uk">www.skillsandgrowth.co.uk</a>
Cheshire & Warrington Enterprise Partnership Ltd	<a href="http://Cheshire&amp;WarringtonLEP">Cheshire &amp; Warrington LEP</a>

Accounts for Tatton Park Enterprise Ltd will be published on the Tatton Park website: [www.tattonpark.org.uk](http://www.tattonpark.org.uk)

Everybody Sport and Leisure Trust (ESAR) was established in 2014/15 through a formation of a trust that took over the leisure service functions previously provided by the Council. ESAR, with its trust status, is not a subsidiary of the Council and has been excluded from the group. For more information please refer to the following website: [www.everybody.org.uk/](http://www.everybody.org.uk/)

Accounts for each of the private companies within the Cheshire East Group will also be provided to Companies House as required.

(website: <https://www.gov.uk/government/organisations/companies-house>)

The Group has appropriate governance and control arrangements in place to support the proper management of resources. Each year the Council provides an Annual Governance Statement that

highlights how effective the processes and controls are during the year. The Audit and Governance Committee receive the Statement and consider any actions put in place in response to any issues being highlighted. It is important to read this Statement, which can be found on the Council's [website](#) alongside the Group Statement of Accounts to appreciate the proportionate level of control being exercised over the resources of the Group.

## Group Employees

The Group employs a total of 4,100 people (excluding school based employees).

	No.*	%
Cheshire East Council	3,588	87.5
Ansa	349	8.5
TSS	62	1.5
Civica	42	1.0
Orbitas	33	0.8
Skills & Growth	26	0.7
<b>Total</b>	<b>4,100</b>	<b>100.0</b>

\*No. represents an average workforce for the year

Engine of the North does not directly employ staff; its human resources including management are provided by Cheshire East Borough Council and by commissioning the services of development surveyors and other professionals from the external market.

## The Corporate Plan

The Corporate Plan 2017-2020 sets out five clear residents focused outcomes, underpinned by a sixth outcome based on delivering a responsible and efficient way of working.

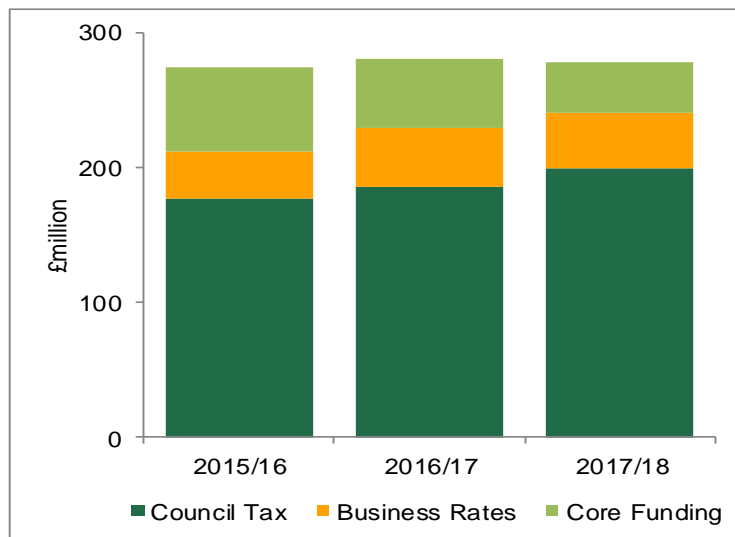


The corporate plan was approved by Council, in February 2017. Measurable achievements within each outcome are reported to members and published on a quarterly basis. Quarterly reports were provided to Cabinet and can be found on the Council's website: [www.cheshireeast.gov.uk](http://www.cheshireeast.gov.uk)

## Financial Overview

In common with the rest of local government, the Council has seen a steady reduction in its core funding from Central Government, however compared to most other English authorities, Cheshire East is less reliant on government revenue grant as local businesses and residents provide a high proportion of the overall funding.

**Chart A:** Most of the Council's funding comes from local tax payers

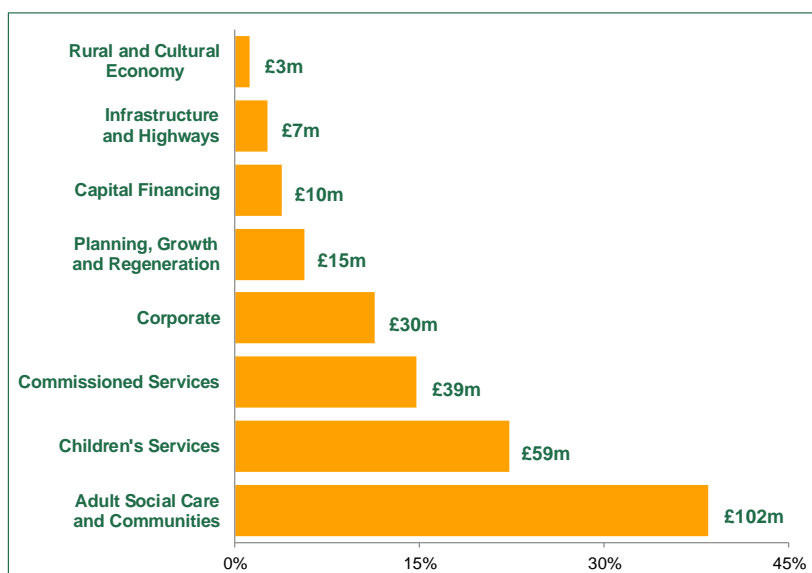


## Most of the Council's £265m Net Budget is allocated to Social Care

The Council invests in a wide range of service providers. Most of the money is spent on achieving social care and community outcomes. The difficult decisions to prioritise and allocate resources to commissioned services mainly rests with elected Members.

The significant majority of education funding however, is passed directly to maintained schools and payment of welfare benefits, although administered by the Council, are claimed back from the government. At present public health expenditure is also ring-fenced for spending on public health services.

**Chart B:** Services for Children and Adults make up over 60% of the Council's expenditure





## Revenue Outturn position

The Group's strong financial position as at 31<sup>st</sup> March 2018 reflects its innovative delivery arrangements and effective stewardship of public money. Controlled spending during the year provided the flexibility to create earmarked reserves and fund additional capital investment.

The overall financial outturn includes:

- A net nil variance against budget by commissioning and enabling services of Cheshire East Council. This is an improved position of £0.1m against the forecast published at the Third Quarter, which informed the budget setting for 2017/18; and
- a net profit of £0.833m from the wholly owned subsidiary companies of the Cheshire East Group. This shows a consolidated strong performance from the Council's wholly owned companies, with most companies recording profits and increasing the strength of their respective balance sheets.

Overall revenue reserves of the Group have decreased from £64.6m to £62.4m. This is made up primarily from:

- General reserves for Cheshire East Council of £10.3m, which remain at the same position as reported at 31<sup>st</sup> March 2017.
- Earmarked reserves for Cheshire East Council of £47.0m.
- Schools reserves and balances of £4.4m.

The overall value of reserves is at a level that is sufficient to continue to protect the Group against its assessed financial risks and also to provide opportunities for future investment.

In 2017/18 the Council opted to utilise flexibility in the use of Capital Receipts to support the revenue position. A number of transformational projects were funded from receipts including the reconfiguration of the commissioning and operations staffing teams in Adults Services and the setting up of a Joint Venture (Alliance) which has been created in partnership with Ansa, High Peak Borough Council and Staffordshire Moorlands District Council. Associated set up costs of Alliance will be paid back on a commercial basis over the duration of the contract.

Each of the single entities of the Group will be separately audited by Grant Thornton LLP Ltd. Any findings will be reported to the relevant board or the Audit and Governance committee and reported on the website of each part of the Group.

The Council produces an Outturn Report for the year that reflects the Council's financial and non-financial performance. The report which includes the narrative to the Statement of Accounts, alongside additional information, reported to Cabinet on 12<sup>th</sup> June 2018 can be found on the Council's website: [www.cheshireeast.gov.uk](http://www.cheshireeast.gov.uk)

Summary details of the relative management accounts for each entity within the Group are as follows:

**Cheshire East Council reported a final outturn position of £265.2m.**

2017/18 FINAL OUTTURN (Gross Revenue Budget £605.2m)	Revised Budget (net) £m	Final Outturn Position £m	Over / (Under) spend £m
<b>Service Directorates</b>			
Adult Social Care	95.6	100.0	4.4
Children's Services	56.4	58.6	2.2
Public Health Communities	2.7	2.4	(0.3)
<b>People</b>	<b>154.7</b>	<b>161.0</b>	<b>6.3</b>
Growth and Regeneration	14.3	14.5	0.2
Infrastructure and Highways (incl. Car Parking)	7.5	6.7	(0.8)
Planning and Sustainable Development	0.5	0.4	(0.1)
Rural and Cultural Economy	2.6	3.1	0.5
Place Commissioning	8.8	9.0	0.2
<b>Place</b>	<b>33.7</b>	<b>33.7</b>	<b>0.0</b>
Corporate and Central Services	31.4	31.3	(0.1)
Corporate Commissioning	29.9	30.5	0.6
<b>Corporate</b>	<b>61.3</b>	<b>61.8</b>	<b>0.5</b>
<b>Total Services Net Budget</b>	<b>249.7</b>	<b>256.5</b>	<b>6.8</b>
<b>Central Budgets</b>			
Capital Financing	14.0	9.9	(4.1)
Transfer to Earmarked Reserves	(0.1)	1.3	1.4
Transfer from Earmarked Reserves (to balances)	0	(3.1)	(3.1)
Corporate Contributions / Central Budgets	1.2	0.6	(0.6)
<b>Total Central Budgets</b>	<b>15.1</b>	<b>8.7</b>	<b>(6.4)</b>
<b>TOTAL NET BUDGET</b>	<b>264.8</b>	<b>265.2</b>	<b>0.4</b>
<b>Central Budgets</b>			
Business Rates	(41.0)	(41.0)	0
Revenue Support Grant	(13.4)	(13.4)	0
Specific Grants	(18.0)	(18.4)	(0.4)
Council Tax	(191.1)	(191.1)	0
Sourced from Collection Fund	(1.3)	(1.3)	0
<b>Total Central Budgets Funding</b>	<b>(264.8)</b>	<b>265.2</b>	<b>(0.4)</b>
<b>NET POSITION</b>	<b>0</b>	<b>0</b>	<b>0</b>

The wholly owned subsidiaries reported an overall profit.

Company	Turnover £000	Costs £000	Operating Profit/(Loss) £000	Interest Payable & Taxation £000	Net Profit /(Loss) £000	Retained Share Accruals* £000	Shareholder Profit/ (Loss) £000
ANSA	34,518	34,094	424	155	269	96	173
TSS	16,389	16,361	28	15	13	0	13
SAGC	2,230	2,098	132	5	127	81	46
Orbitas	1,814	1,725	89	21	68	50	18
Civcance	1,841	1,471	370	(1)	371	272	99
EOTN	1,481	1,496	(15)	0	(15)	0	(15)
<b>Total</b>	<b>58,273</b>	<b>57,245</b>	<b>1,028</b>	<b>195</b>	<b>833</b>	<b>499</b>	<b>334</b>

\*Note: The Retained Share Accruals are in accordance with contractual obligations and the funds are allocated to the Council's Trading Earmarked Reserve.




## Performance Overview

The Council's outcomes, as described in the Corporate Plan, are achieved through a combination of commissioners and providers meeting and exceeding performance ambition. Some of the key issues that have affected the level of service expenditure and performance against outcomes during the year are summarised below.

### People

Notable successes this year include:

	<p>In 2017/18 88 organisations received £155,913 of funding contributing to £1,134,963 worth of community projects</p>
<p>A high proportion of parents/carers were given their first choice of school for their child in September. For primary applications this is a slight increase on last year's figure, with a total of 92% receiving their first choice. Secondary school first choice applications were also up on last year's figure to 94% (compared to a 2017 national average of 83.5%)</p>	<p>The North West Quarterly Performance Report on adult social care showed Cheshire East performing above the North West average for adults with a learning disability in paid employment (5.9% for Cheshire East and 3.3% for the North West) and above the NW average for service users self-directed support (92.2% for CE and 84.9% for the NW)</p>
<p>A revised Health and Wellbeing Strategy was consulted on, informing a final draft for presentation to the Health and Wellbeing Board</p>	

The People Directorate net expenditure outturn of £161.0m is £6.3m higher than budget.

The Adult Social Care (Operations and Commissioning) and Public Health and Communities budgets remains under continued pressure across the country. The pressure here in Cheshire East comes from a combination of factors, which have been building over a number of years, and relate to meeting the needs of our most vulnerable residents. This accounts for the most significant variance with an overspend against budget of £4.4m. Adult Social Care Commissioning is responding to this challenge by commissioning the care at home and care with accommodation market to ensure there is a better offer to service users and more certainly for providers. In addition to this the Adult Social Care Commissioners are also looking to introduce an Early Help Framework to support better outcomes in the Voluntary, Community and Faith sectors.

The number of cared for children stood at 473 at 31<sup>st</sup> March 2018, having stayed at broadly that level since July 2017 which is positive. This is compared to 387 in March 2016 and 422 in March 2017. This continues to place strain on existing budgets and has resulted in an overspend in this area of £3.2m. There are various smaller underspends in the Children's budget to mitigate this total down to £2.2m.

## Place Directorate

Notable successes this year include:



During the year 2,270 home adaptations were made, and the team won the 'Home Adaptations Service of the Year' award at the annual Home Improvement Agency awards organised by Foundations, a national body funded by the Department for Communities and Local Government

A new report placed Cheshire East as the top performing area in the North West for 'economic wellbeing'. The 'Vibrant Economy Index', developed by Grant Thornton, measures economic wellbeing based on national statistics broken down into categories of: prosperity; dynamism and opportunity; inclusion and equality; health, wellbeing and happiness; resilience and sustainability; and community, trust and belonging

Latest data on the Visitor Economy in Cheshire East showed an increase since 2009 of 65% to £895m per annum. Figures also showed there were almost 16 million visitors to Cheshire East in 2016; a 36% increase since 2009



613 additional affordable homes were delivered in 2017/18, exceeding our annual target of 400. The Council's overall three-year target of achieving 1,050 affordable homes was significantly outperformed with 1,371 delivered

The Place Directorate net expenditure outturn of £33.7m was on budget.

However, within the department there have been some variances; the trading position for Tatton Park outturned with pressures of £0.4m; costs of appeals within Planning have continued to rise and are now £0.4m above budget; TSSL are reporting pressures relating to local bus services of £0.2m; and income from the investment portfolio has not been realised, creating an income shortfall of £0.3m.

Productivity and contract savings in 2017/18 totalled £2.8m for Place. £1.5m of savings against this target have been found to date and a further £1m has been covered by the use of earmarked reserves in year.

These pressures have been offset by holding staffing vacancies and reducing non essential contract spend across the directorate. Income levels have also increased particularly in Highways and Regulatory Services, to further alleviate the position.

## Corporate Directorate

Notable successes this year include:



The Council achieved more awards wins and short listings than ever before in 2017/18, with 46 awards entries, 27 of which had been confirmed as shortlisted by the year-end

The Council successfully undertook the first major review of its Constitution since the Council was formed, and also reviewed all Schemes of Financial Delegation

Considerable progress was made to support the Council's Equality and Diversity Strategy, including training of 47 Equality Champions



2017/18 was a record year for marriages in the Borough, with civil marriages/partnerships at over 2,000 for the first time in Cheshire East history

The Corporate directorate net expenditure budget of £61.3m was overspent by £0.5m.

Corporate Commissioning reported an over spend of £0.6m. £0.5m of Ansa's identified contract savings of £0.9m have been delivered, but savings, linked to the move from landfill to waste to energy, as our main waste disposal route, have been deferred to 2018/19.

There was a shortfall in market income of £0.2m due to the Crewe Town Centre Regeneration plans, and a small overspend of £0.1m within Customer Operations.

There were net underspends within Strategic Human Resources; Finance & Performance; ICT and Legal and Democratic that mitigated this position in part.

Notable Corporate Commissioning successes this year include:



Once again there was an increase in time dedicated to the crucial role of support to local sports clubs and events with 6,995 volunteer hours being given in 2017/18 against the target of 6,742 hours

Attendances at Council leisure facilities rose by 11.7% to over 3.3 million



Our annual recycling rate for 2016/17 was confirmed at 55.2%, placing us in the top 10% of all authorities in England



## Changes in Pension Estimates

Due to the scale of the pension assets (£1.3bn) and liabilities (£1.6bn) detailed in the Accounts, even small percentage changes in assumptions regarding their value can have a noticeable impact on the reported position.

In 2017/18 the net pension liability (deficit) reported in the Accounts has decreased by £56.7m.

Detailed actuarial valuations are carried out every three years and the formal valuations for English and Welsh LGPS Funds were concluded as at 31<sup>st</sup> March 2016. The balance sheet position and charge to Profit and Loss for 2017/18 are based on the 2016 formal valuation. To avoid potentially significant annual impacts on the levels of Council Tax, the Council continues to manage pension liabilities by agreeing longer term changes in the employer contribution rates as part of the planning for the Medium Term Financial Strategy. Three year contributions were also pre-paid in 2017 to reduce overall costs.

## Council Tax

Cheshire East collects Council Tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils in addition to its own requirement. The total budgeted collectable amount for 2017/18 was £232.2m. The carried forward surplus on the Council Tax Collection Fund at the end of 2017/18 is £2.2m.

The Council Tax in-year collection rate for 2017/18 is 98.24%, maintaining the previous year's performance. The strong economy in Cheshire East also contributed to an increase in the overall tax base of 1.4% (from 142,186.60 to 144,201.51).

## Business Rates

Cheshire East collects Business Rates for the whole area and the income is split 49% to Cheshire East, 50% to the Ministry of Housing, Communities and Local Government (MHCLG) and 1% to the Cheshire Fire Authority. The total budgeted collectable amount for 2017/18 was £131.6m as per the NNDR1 return. The carried forward surplus on the Business Rates Collection Fund at the end of 2017/18 is £1.6m.

Cheshire East Council is in a pooling arrangement with the Greater Manchester (GM) Authorities (also includes Cheshire West and Chester from 2016/17) to maximise business rate retention locally and support the economic regeneration of Greater Manchester and Cheshire Councils. Pool members are entitled to retain the levy charge on growth that would normally be paid over to Central Government. Cheshire East retained 50% of this levy charge locally (£0.5m) before paying the remaining half over to the pool.

The Cheshire and GM Pool are also taking part in a pilot scheme where the pool is now able to retain locally the 50% of "additional growth" in business rates which in the usual Business Rates Retention Scheme would be paid directly to MHCLG. Cheshire East are due to receive £0.1m for this growth and this will be set aside in the Collection Fund Management Reserve.

The Business Rates in-year collection rate for 2017/18 is 98.32% which is an increase of 0.65% compared to the same period in 2016/17.

## Financial Overview - Capital Programme

Capital expenditure represents money spent by the Group on purchasing, upgrading and improving assets that will be of benefit to the community over many years.

Total capital expenditure in 2017/18 was £88.2m compared to the budget of £120.4m. A further £12.9m was spent on the Council's contribution to the South East Manchester Multi Modal Strategy, with matched grant funding from the Greater Manchester Combined Authority. The new relief road straddles Stockport MBC and Manchester City Council boundaries as well as Cheshire East: [www.semmms.info/](http://www.semmms.info/)

The forecast for planned spend is updated throughout the year and published in the Quarterly Reviews of Performance. During 2017/18 a number of major projects have either completed or got under way including the Best4Business Programme (£3.5m), Schools Improvement Programme (£8.5m), Connecting Cheshire Phase 2 (£1.2m) and the Highways Investment Programme (£10m).

Since the start of 2017/18 slippage on the capital programme has been measured on schemes that are classed as committed as these schemes were forecast to incur expenditure during 2017/18. Slippage has totalled £27.0m, with the main areas being within the ICT projects (£6.7m), Highways and Infrastructure (£7.7m), Growth and Regeneration (£7.3m), Corporate Environment Commissioning Projects (£2.8m) and Schools programme (£1.0m).

Capital receipts in year amounted to £6.8m from the sale of surplus assets, including Redsands (£3.5m), Wilmslow Cemetery Lodge (£0.4m), various land sales (£0.6m) and former housing right to buy and VAT shelter receipts (£1.5m).

The Council has been very successful by attracting £37.5m of grant funding and external contributions for capital improvements. This minimises the impact of reducing the funding available for other services such as social care.

## The Council has an ambitious capital programme with the highest spending in Infrastructure and Highways

	Outturn	Three Year Plan (as per MTFS)			Total
	2017/18	2018/19	2019/20	2020/21	
	£m	£m	£m	£m	£m
<b>Expenditure</b>					
Children and Families	9.6	30.9	2.2	2.2	35.3
Adults, Public Health & Communities	0.1	0.0	0.0	0.0	0.0
Infrastructure and Highways	42.8	52.3	85.7	59.3	197.3
Growth and Regeneration	9.0	10.3	15.1	15.6	41.0
Rural and Cultural Economy	1.9	1.8	1.2	0.1	3.1
Client Commissioning	11.3	15.8	14.0	0.0	29.8
ICT Services	11.4	13.0	3.6	0.0	16.6
Corporate	2.1	3.0	0.0	0.0	3.0
<b>Total Expenditure</b>	<b>88.2</b>	<b>127.1</b>	<b>121.8</b>	<b>77.2</b>	<b>326.1</b>
<b>Funding</b>					
Grants and Other Contributions	37.5	67.5	103.3	51.5	222.3
Capital Receipts and Reserves	0.7	4.3	4.2	10.0	18.5
Borrowing	50.0	55.3	14.3	15.7	85.3
<b>Total Funding</b>	<b>88.2</b>	<b>127.1</b>	<b>121.8</b>	<b>77.2</b>	<b>326.1</b>

## Protecting Against Risks

The Council has a risk management framework with hierarchical risk registers forming part of the process which operate at strategic, operational and project levels. Emerging significant risks are escalated to senior members and/or officers, as appropriate, in line with the potential likelihood and impact of the risk upon objectives. Formal reports with regard to the risk management process are made throughout the year to senior officers and members.

During the year the corporate risk register has been reviewed and maintained to ensure that the corporate risks remain relevant and that risk interdependencies are understood. Operational risk registers have also been developed and included in team plans and risk management refresher training has been undertaken with officers and members as and when required.

The Council's key corporate risks recognise potential threats from increasing demand for services and overstretched resources and the Council's financial resilience. The corporate risk register includes measures for countering fraud and corruption, and risks that may arise as a result of partnership working. The risks recognise that austerity and economic conditions affecting the Council's key partners may potentially give rise to events that could have a negative impact upon the Council's ability to achieve its objectives.

## Narrative Report – Expenditure and Income Commentary

### Explanation of the financial statements

The Accounts and Audit (England) Regulations 2015 require the Council to produce a Statement of Accounts for each financial year. These Statements are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom ('the Code'), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The group accounts have been prepared in accordance with IFRS which require that the financial statements of the reporting authority (Cheshire East Council) and its subsidiaries and associates shall be prepared as of the same date.

Subsidiaries have been consolidated into the Group Accounts on a line by line basis incorporating their income and expenditure fully in the relevant service revenue accounts. Note 30 provides further details of the various companies in which the Council has an interest. Tatton Park Enterprises Ltd and Cheshire & Warrington Enterprise Partnership Ltd have been excluded from Cheshire East Council group accounts on the grounds of materiality.

The statements contain a number of elements which are explained below.

### The Group Financial Statements

**Movement in Reserves Statement** - this shows the movement in the year on the different reserves held by the Group, analysed into 'usable reserves' (those that can be applied to fund expenditure or reduce local taxation) and other reserves. Usable reserves include the Capital Grants Unapplied Account which are grants received but not yet utilised.

The 'Surplus or (Deficit) on the provision of services' line shows the true economic cost of providing the Group's services, which is shown in more detail in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes.

The 'Net Increase / Decrease before Transfers to Earmarked Reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

The Group's long term strategy is to hold appropriate levels of general reserves to provide funds for investment and to protect the Group against financial risks.

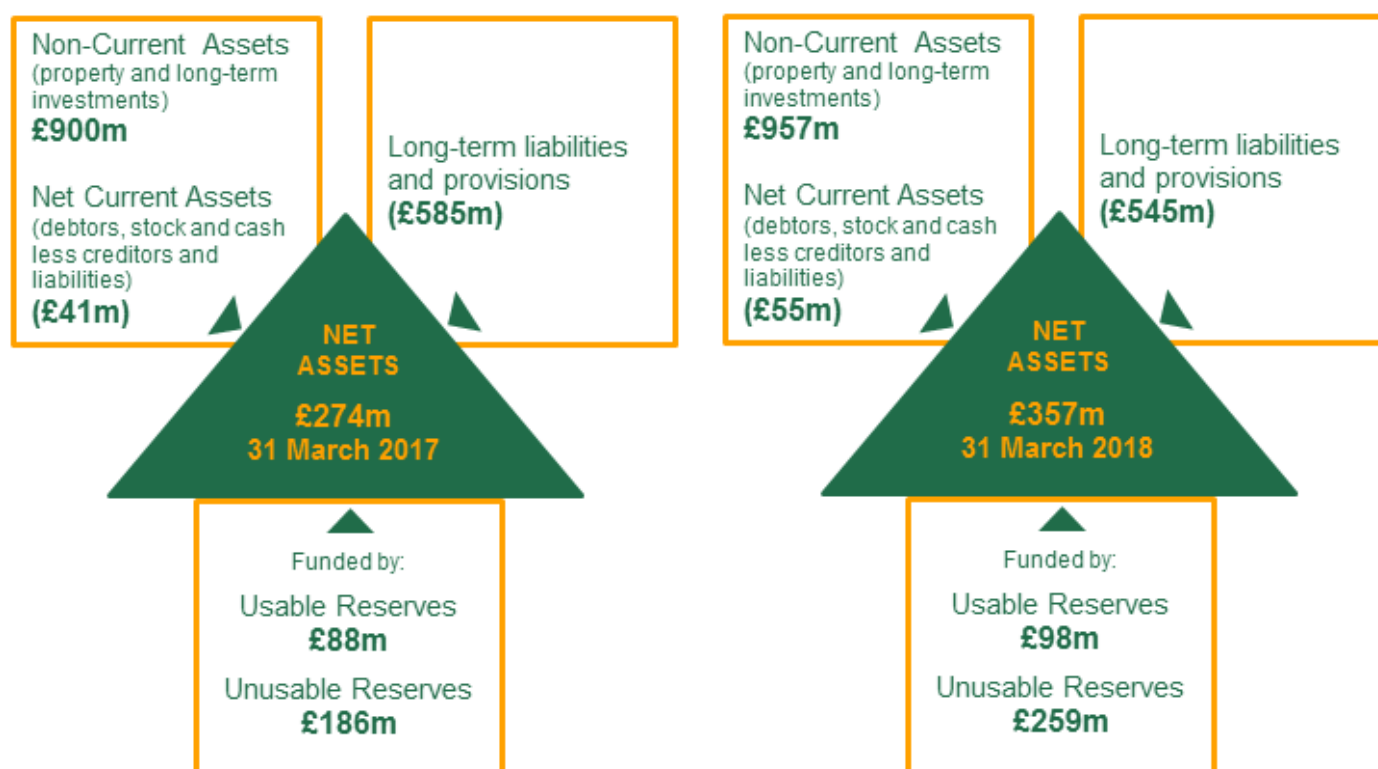
General (£10.3m) and Earmarked reserves (£51.5m including Schools) have decreased in 2017/18 to £62.4m. The overall level of reserves is adequate to continue to protect the Group against financial risks and to provide opportunities for investment in the medium term. The impact of rising demand for services, the economic climate, emerging Government policies (particularly in relation to business rates), and pressure on public services to reduce overall expenditure are relevant, and these present the potential for significant emerging risk. The minimum target level of reserves is quantified by a detailed risk assessment. This approach allows the Council to take account of local circumstances and the impact of economic forecasts.

**Comprehensive Income and Expenditure Statement** – this statement reflects the sum of all income, expenditure, gains and losses incurred by the Group in the last 12 months and explains how the Balance Sheet position has changed between the two financial years. This statement shows the financial position in accordance with accounting practice which means that the costs include notional charges for items such as depreciation, impairment, capital grants and capital charges.

In 2017/18 there is a surplus on the provision of services of £12.8m.

**Balance Sheet** – this shows the value of the Group's asset and liabilities at the balance sheet date. These are matched by reserves which are split into two categories: usable and unusable reserves. Usable reserves (e.g. General Fund and earmarked reserves) can be used to support services or to reduce local taxation. Unusable reserves arise out of the interaction of legislation and proper accounting practice, either to store revaluation gains or as adjustment accounts to reconcile accounting requirements driven by reporting standards to statutory requirements. These reserves are not resource-backed and cannot be used for any other purpose.

**Chart C:** The Council maintains a strong balance sheet despite the financial challenges.



**Collection Fund** – this is an agent's statement that reflects the statutory obligation for Cheshire East Council, in its capacity as a billing authority, to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection of council tax and non-domestic rates from taxpayers and the distribution to local authorities and the Government.

**Statement of Responsibilities** - this sets out the respective responsibilities of the Authority and the Interim Executive Director of Corporate Services.

**Independent Auditor's Report** – gives the auditor's opinion of the financial statements and of the authority's arrangements for securing economy, efficiency and effectiveness in the use of resources.



## Narrative Report - Future Opportunities and Challenges

### Medium Term Financial Strategy 2018/19 – 2021/22

Like most local authorities the Council had significant budget deficits to tackle over the medium term, caused by major grant reductions in local government funding. This is Central Government's clear strategy to try to deal with the scale of the national deficit. Our local response to these pressures continues to focus on innovation and creativity with a clear emphasis on improving efficiency, productivity and establishing more effective local service delivery arrangements.

The Council approved a [Corporate Plan](#) for the period 2017 to 2020 in February 2017. This has formed the basis for developing proposals within the Medium Term Financial Strategy. Progress against the Corporate Plan is monitored through quarterly reporting to Cabinet and Overview and Scrutiny Committees. The quarterly reports identify up to date financial and operational performance of the Council and show how the latest priorities are being managed to achieve the best outcomes for local residents.

Strong economic performance, backed with high growth in housing, has helped attract government funding for infrastructure, and continues to push the local authority in to a position where the cost of local authority services could be funded by local people and businesses. Reforms to business rates, which are currently being considered by government, could in fact make this position a reality in the medium term.

The Council's domestic and non-domestic tax bases are forecast to continue to grow in line with the Local Plan. The government continues to consult on the technical details for a possible move towards local government retaining 100% of the business rates collected, as opposed to the current split whereby HM Treasury retains 50% of the yield. The Provisional Local Government Finance Settlement in December 2017 announced that Local Authorities will start to retain 75% of their rates from 2020/21. The Council continues to be engaged in this consultation process, but recognises that the net impact on the local government finance sector is expected to be nil, as new responsibilities may well be transferred from other parts of the public sector if the overall funding package looks likely to increase.

In addition to changing the way some services are designed and delivered to mitigate rising costs, the Council is continuing to forecast increases in Council Tax each year over the medium term including 2018/19 (5.99%). This includes 3% ring-fenced specifically to help fund the rising costs of Adult Social Care. These increases reflect the change in national government policy that assumes Council Tax will be increased each year to 2020 as part of the medium term financial settlement for Local Government. The Council is not considering proposals that would trigger a referendum. Arranging service delivery in this climate is a challenge but the Council continues to work hard and engage residents and businesses on how services can be designed in a more affordable way to improve value for money.

The Council continues to challenge the way all services are commissioned. This relies on a strong approach to collaboration with partners, and one of the risks to the medium term provision of local services is therefore the financial stability of all parts of the public sector. Reform is essential to improve the productivity, efficiency and affordability of the overall public service offer. The Group will continue to explore opportunities for joining up public sector services, whether for the purpose of receiving more effective vital services or simply better value for money for the local tax payer.

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# Appendix 2 Overview of Performance

## ACHIEVING THE COUNCIL'S SIX OUTCOMES

**Cheshire East Council provides in the region of 500 services, supporting over 370,000 residents, and over 18,500 businesses.**

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

- Six Connected Communities centres have been opened during 2017/18
- In 2017/18 overall 88 organisations received £155,913 of funding contributing to £1,134,963 worth of community projects
- The CCTV team responded to 13,000 incidents during 2017/18
- The Macclesfield Community Cohesion Group was launched in March 2018

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

- During 2017/18 the Highways Service received 45,045 enquiries, of which 18,914 were during quarter four and yet still achieved 92% 'resolved' status during the last quarter
- Further progress has been made on the Crewe Hub Station with government responding favourably in its consultation exercise around the future of the Station

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

- 98.5% of parents/carers have been given a preference school for their child in September
- The percentage of A level entries gaining grades A\* to E were 0.7 percentage points higher than the national results
- Cheshire East became the local authority with the third-lowest level of young people not in education, employment or training in the UK
- Cheshire East Lifelong Learning Team achieved the highest overall achievement rates across the Cheshire and Warrington areas.

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

- Over 6,000 applications were determined by the planning department. 92% of major planning applications were determined within the required timescale
- Our recycling rate for 2016/17 was confirmed during 2017/18 at 55.2%, placing us in the top 10% of all authorities in England
- The three-year target of achieving 1,050 affordable homes was significantly outperformed with 1,371 delivered

### 5 ~ People live well and for longer

- 2,270 home adaptations were made for residents, and the Council won the 'Home Adaptations Service of the Year' award at the annual Home Improvement Agency Awards
- Attendances at Council leisure facilities rose by 11.7% to over 3.3million
- The revised Health and Wellbeing Strategy has been consulted on, informing a final draft for adoption
- We launched 'Live Well Cheshire East' to great success
- The Adult Safeguarding Improvement Plan was produced
- We launched the Cheshire East Carers & Young Carers Hub

### 6 ~ A Responsible, Effective and Efficient Organisation

- The Council achieved more awards wins and short listings than ever before in 2017/18
- 2017/18 proved to be a record year for marriages in the Borough, with fee income of £1.3m
- A new apprenticeship scheme was launched
- The Council initiated its Brighter Future Transformation Programme

# 1. Our local communities are strong and supportive

## Active, Resilient and Connected Communities where people want to live

1. Another 10 volunteer community connectors were recently recruited so we now have 20 volunteers who represent a range of ages, backgrounds, experience, cultures and languages to act as a link between the Council and local communities. Community connectors support various community projects including putting on conversational English classes for parents at a local school, acting as peer mentors to young people, appearing in and helping with translation of new family information packs designed to help families new to the country and area settle in to life in Cheshire East, and supporting campaigns around public health and environmental issues. Community connectors also help people to access local services by being a trusted source of information, acting as advocates where necessary and translating. All community connectors undergo a six week training programme covering subjects such as culture, health services, safeguarding, hate crime, engagement and social media with ongoing support provided by the Communities team.



2. Six Connected Communities centres have been opened during 2017/18 in Audlem, Bollington, Crewe, Knutsford, Macclesfield and Poynton. The Connected Communities centres are a key part of the Connected Communities Strategy which seeks to deliver the right services, in the right places, at the right time. The Council plans to have over 30 centres by the end of 2018. To date, seven new services are being delivered from the centres – dance for health, Citizens' Advice Bureau, Job Centre Plus, lunch club, diabetes service, youth group and a community choir. In addition, centres are actively supporting the development and implementation of digital initiatives such as Live Well Cheshire East by providing tablets to help people get online. The centres are a key part of helping local people access services, overcoming issues around rural isolation and transport and also play a key role in the Council's commissioning approach to services and are referenced in contract tenders and funding applications, notably:
  - The new commissioning carers' hub tender
  - New Leaf funding for sessions to improve health and wellbeing linked to unemployment; Safer Cheshire East Partnership funding for hardware equipment to help deliver community safety awareness and training sessions
  - NHS England bid for mental health crisis support
  - British Heart Foundation bid to provide 'know your numbers' sessions to the community
  - £15,000 secured from Cheshire Community Fund for a youth worker to sustain the youth group project in Knutsford

3. Effectiveness of community work is increased when there is a neighbourhood partnership that brings people together to address the needs of local people and work collaboratively. The community development team facilitate or are active partners in 17 neighbourhood partnerships across the Borough. Each neighbourhood partnership works to an action plan of priorities identified by local people. Examples of action over 2017/18 include:

- Community tidy up in Bright Street, Valley Park and the former Crewe pool area
- Mental health first aid training delivered to local organisations in Macclesfield
- Community choir established to tackle social isolation amongst the elderly
- Opening of the 'Green in the Corner' community café on the Hurdsfield estate in Macclesfield (soon to be recognised as a Connected Communities centre)
- Befriending group started at Barnies Connected Communities centre in Crewe giving friendship and support to anyone in need in the local community. The group receives referrals from the adult learning service and others.
- Six IT and chat sessions held in Congleton to help people get online and increase confidence to use digital services
- Working with South Cheshire Clinical Commissioning Group to deliver self care training to volunteers and professionals, and community awareness sessions

4. In the last quarter, 25 community grant applications were awarded to organisations across the Borough, totalling £42,200, and contributing to £458,797 of project costs. Examples of awards during the quarter include:

- The Wingate Special Children's Trust which was awarded £1,800 to replace some disability gym equipment which was approaching 20 years of use and was no longer fit for purpose. The specialist equipment enabled the

organisation to continue to safely carry out a range of activities for young people who are unable to use mainstream sports centres

- Indigo recovery café CIC is a new organisation that offers weekly drop-in sessions for those experiencing mental health problems. The group were awarded £1,000 to increase the amount of sessions offered

5. In 2017/18 overall 88 organisations received £155,913 of funding contributing to £1,134,963 worth of community projects, all designed to improve quality of life for Cheshire East residents. All of the projects that the Council supports get the maximum value from the grants received to benefit the local community. Nearly 2,000 unpaid volunteers have worked to enable over 160,000 people to benefit from the work and events that have been able to take place as a result of receiving funding.

### **Communities where you are Safe, and feel Safe**

6. Cheshire East Council in partnership with Cheshire Police have a duty to protect residents from crime and anti-social behaviour. The Council's anti-social behaviour team carry out enforcement, education and engagement activity as follows:

- Worked with a number of young people following complaints of anti-social behaviour and given them advice (and involved parents/guardians where necessary), warnings, referral to offender services preventing the need to issue an Acceptable Behaviour Order (ABO) in over 97% of cases referred to us, thereby seeking not to criminalise young people and also reduce the impact of anti-social behaviour on the community
- However, where offenders persist, we will take action and have issued four Community Behaviour Orders (CBOs) to prolific offenders causing distress to local communities



over the past year. Breach of a CBO has resulted in a prison sentence for one individual

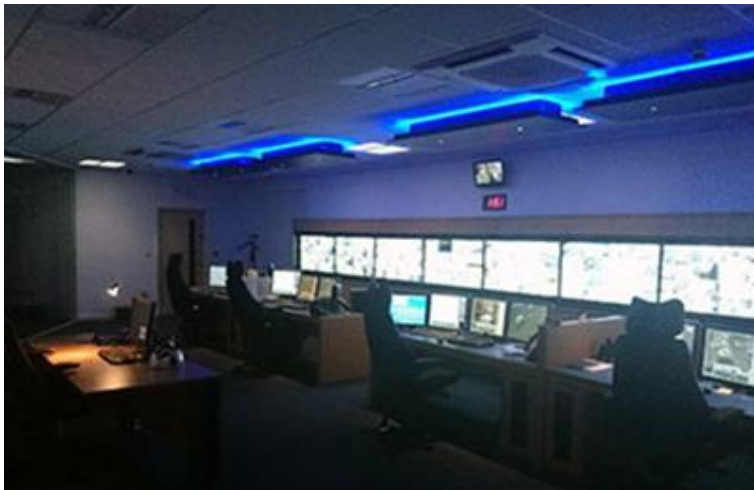
7. Following consultation with local residents and the majority in support (94% in favour from 1,400 responses), the Council introduced a Public Spaces Protection Order (PSPO) across the Borough to tackle dog fouling and control in November 2017. In March 2018, signage and further publicity was done to promote the new PSPO as spring approached to ensure with increased visitors and numbers of people using our parks, nature reserves and open spaces, people were aware of new regulations and fines around dog fouling and control. Public engagement and enforcement was done in collaboration across several teams including community enforcement, countryside rangers and with partners including Police and Kingdom, our authorised enforcement contractors. Articles appeared in all local newspapers and social media posts reached thousands of residents.
8. The Council secured its first PSPO in May 2017 in the village of Poynton to support members of a local sports club who had been experiencing numerous incidents of anti-social behaviour. The implementation of the PSPO was promoted throughout the community which would result in Fixed Penalty Notices being issued of £100 by those breaching the order. In the period since the order came into force the incidents of anti-social behaviour have significantly reduced and to date no Fixed Penalty Notices have been issued. The Police continue to manage the order which was approved by Cheshire East Council following full support by local residents following the consultation process.
9. Multi-Agency Action Group (MAAG) has representation from key frontline Council services as well as partner agencies including Police, Housing Registered Social Landlord's (RSL), Cheshire Fire and Rescue, and the NHS/ambulance services.

The focus and purpose of the group is to safely and securely share information across all agencies to ensure that a multi-agency approach to all aspects of crime prevention and protecting residents of Cheshire East to feel safe in their communities. Monthly MAAG meetings are held in the north and south of the Borough. Referrals are made by partners each month requiring a multi-agency response to specific locations or to support individuals at risk of offending behaviour. MAAG is able to use the information sharing process to identify key priorities around risks, threats and harm and develop action plans or themed sub-groups to deliver solutions to the wide range of issues raised. The group has achieved numerous successful outcomes to many difficult issues. Recently, MAAG has co-ordinated the approach in identifying and dealing with issues in Crewe town centre such as rough sleepers, anti-social behaviour amongst young people, fly-tipping, littering and other environmental concerns such as trade waste. This work is vital to support the community and ensure that the town is able to benefit from the Council heavily investing in Crewe's economy through HS2 and town centre redevelopment.

10. The Council's Communities team has created and developed the Serious and Organised Crime Group (SOC) designed to bring partner agencies together to tackle the issues relating to organised criminal gangs operation across the Borough. Regular meetings of the group focus on delivery of the national strategy of SOC through the 4 P's approach (Pursue, Prevent, Protect and Prepare). Using data sharing protocols the group securely shares information on individuals at risk of involvement in serious and organised crime. In March arrests were made in Crewe which has virtually ended the activity of one particular organised crime gang which will significantly improve life for those living in local communities. SOC has also been approached by Cheshire West and Chester Council

who are keen to learn the successes of the CE model and establish a similar group within their Borough.

11. Community training sessions and publicity were undertaken during January 2018 to raise awareness of loan sharks operating in the area and to give people information as to alternatives and debt support. This work supported national publicity campaigns by the national illegal money lending unit and received good coverage in local and social media. This builds on previous community engagement sessions in summer 2017 to work to prevent vulnerable people from being targeted by loan sharks. The team also worked with the national illegal money lending unit on a case in Wilmslow to achieve a warrant and an arrest in relation illegal loan shark activities.



12. Cheshire East Council's CCTV network is operational 24/7 365 days a year with skilled and experienced operators monitoring any suspicious activity in accordance with strict guidelines on surveillance. During 2017/18, the team responded to 13,000 incidents. A recent example of the contribution of CCTV to prevention of crime was an incident

where CCTV operators noticed a suspicious vehicle in Crewe which was later linked to an attempted shoplifting incident before leaving the Crewe area. Later that day, an armed robbery incident took place in Knutsford. CCTV operators identified people believed to be responsible and noted that they resembled those individuals and the vehicle from the incident at Crewe. This information was given to the Police who later arrested and charged those involved. The CCTV team have received several official thank yous from Cheshire and neighbouring Police forces for their support and contribution to solving crime and prevention of crime.

13. The trading standards team ensures that local people and honest businesses are protected and safe through intelligence-led enforcement and engagement services. In 2017/18, the team:
  - Undertook 247 investigations
  - Issued four formal warnings and two formal cautions
  - Seized 24kg and nearly 32,000 cigarettes/cigars
  - Seized 3,012 counterfeit items with a value of £61,000
  - Prevented residents and business from handing £434,000 to criminals due to intervening before transactions took place (e.g. rapid response, refunds secured, intervention and prevention)
  - Successful court action with offenders given in total eight years, four months and four weeks imprisonment, two years of suspended sentences, six months of supervision orders and a total of 140 hours of community service.
  - Made 24 visits to vulnerable people who were victims of crime (e.g. scams, rogue traders, fraud) and put in place safeguarding measures
14. The Macclesfield Community Cohesion Group was launched in March 2018 and Cheshire East Adult Safeguarding team were invited to join the new Community Cohesion Group. One of the areas of focus for this group is to look at how the

Police have tackled local incidents of Hate Crime, including Disability Hate Crime.

15. **Harmful Practices Strategy 2018- 2020** – A PAN Cheshire Group have produced a Strategy to raise awareness of

Honour Based Violence, Female Genital Mutilation and Forced Marriage across Cheshire East. This has been adopted by the Cheshire East Adult Safeguarding Board.



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

### Culture, Heritage and Tourism

16. Earlier in the year, the Council reported the latest data available on the value of the Visitor Economy in Cheshire East, which showed an increase since 2009 of 65% to £895m per annum. Figures also showed there were almost 16 million visitors to Cheshire East in 2016; a 36% increase since 2009.
17. Finalised 2017 figures will be available in September and will be reported in 2018/19. As part of its visitor economy strategy, Cheshire East Council has a long-standing aspiration to help create a visitor economy worth £1bn by 2020.

### Jobs and Skills

18. The Council has increased inward investment and business growth through its Skills and Growth Company (SAGC) which has led to businesses accessing capital funding and grants to create 450 new high value jobs in the local economy.
19. The company have also continued to support young people, through regular support at local Careers Events, meetings with businesses to secure partnership opportunities for schools. There are now 22 out of the 26 secondary schools and colleges in Cheshire East engaged in the Enterprise Advisor network, with 15 actively participating to access support offered by some 29 Ambassadors from Cheshire East businesses.

### Business Growth and Inward Investment

20. In the final quarter of 2017/18 the Shop Front Grants Scheme for Macclesfield had an increase in take-up by businesses with applications now up to 28. 15 schemes have been approved and 9 have been completed.
21. The refurbishment and expansion of the Grosvenor Centre has progressed with new units due to be completed by June. Also in Macclesfield, steady progress has been made on the detailed design stage of a public realm scheme for Castle Street. The Heritage Asset Regeneration Plan produced for Macclesfield Town Centre has now been completed and a consultation exercise on the future strategy for regeneration of the town centre has been completed.
22. In addition significant steps have been taken to advance the regeneration of Crewe town centre, to ensure it is well placed to support the town's anticipated growth aligned to investment in the High Speed 2 (HS2) hub station.
23. Cabinet approval was given in September 2017 to allow officers to move forward in negotiating the final terms of the proposed development agreement with Peveril Securities for the Royal Arcade Scheme. At its heart will lie a new leisure-led, mixed use development, incorporating a new cinema, restaurants, bus station, multi-storey car park and public realm improvements.
24. The Council has also advanced on another key component of its regeneration plans - the remodelling of Crewe's historic

Grade II Listed Market Hall. Following a consultation with Market Hall traders, detailed plans were developed for the physical redevelopment, incorporating a temporary arrangement and financial support for current traders. A planning application has been submitted and a lead contractor has been selected; subject to planning, works are expected to commence in summer 2018 and be completed summer 2019.

25. Alongside this, a new public realm strategy for Crewe town centre has been developed, with the input of key stakeholders. A range of shorter term improvements and initiatives have also been implemented over the past year to support the town centre's regeneration, many of which have significant involvement of other Council services and other key partners such as Crewe Town Council and South Cheshire Chamber of Commerce. Supplementary to this, the Council has been in close dialogue with other parties with the prospect of securing further commitments to the town's renaissance.
26. The Authority has also led the Constellation Partnership (CP), a ground breaking collaboration of seven local authorities and the Stoke-on-Trent and Staffordshire and Cheshire and Warrington LEPs. The partnership is working across local authority boundaries to maximise the potential benefits to our communities from HS2. Following submission of a draft HS2 Growth Strategy to Government last November, the partnership has been working with Government officials to develop a 10-year delivery plan.

### Highways and Infrastructure

27. The procurement of the next Highway Services Contract has been progressed in line with the approved programme. The

procurement has now entered the assurance phase before progressing to Cabinet for award of contract.



28. During quarter four, the Highways Service received 18,914 enquiries of which 17,481 have been resolved. The number of enquiries received in quarter four was higher than those received in the same period last year (12,995). The top five Highways enquiries were 9,708 'Potholes' enquiries, 1,485 'Light Out' enquiries, 1,182 'Carriageway' enquiries, 950 'Gully / Drainage' enquiries, and 570 'Winter Maintenance' enquiries.
29. The Environment Agency approved the Council's Preliminary Flood Risk Assessment and two main flood alleviation projects are progressing well.
30. In relation to Street Lighting, the target for the year was to upgrade 9,000 street lighting columns with LEDs. This target was met and in addition a further 363 defunct and/or defectively aged columns were converted to LED units.
31. In the Bridges and Structures team, the final quarter of 2017/18 saw the completion of the planned Structures

Programme, including finishing of Phase 1 of Congleton Station (re-waterproofing), the A500 Geotechnical Investigation, A535 Chelford Road Parapet Repair was completed, as was Windmill Lane retaining wall, Chantry Road Retaining Wall, Wheelock Farm and Tanyard Culvert Replacement. In addition to this we completed 11 Road Traffic Collision (RTC) repairs 6 of which were rechargeable. Feasibility & Design also took place to enable schemes to start in the first quarter of 2018/19.

32. The **Green Claims** Team has been working to maximise the return from incidents and events that fall under the green claims banner. From contract commencement to date (6<sup>th</sup> October 2011) to 27<sup>th</sup> April 2018 the team have invoiced a total of £2,571,070 (to responsible third parties) for incidents that have occurred on the highway network resulting in damage to the highway infrastructure. Figures for the Green Claims Team are reported annually (January to December) and 2017 saw the highest invoiced value since the contract commencement, which equated to £719,246. In the first four months of 2018 the team have already invoiced to the value of £647,256.
33. **Crewe Green** is a five-arm signalised roundabout, forming a major confluence of roads to the east of Crewe. Peak period congestion is severe and traffic modelling showed the recent opening of Crewe Green Link Road (South) was predicted to add approximately 15% more traffic to the junction. The development involves the extension of the existing roundabout to the north-west, to allow connection to Sydney Road and Hungerford Road, through the creation of an extra arm to the roundabout. Work on site commenced in January 2018 with completion planned for November 2018. Extensive public engagement has been carried out with a Meet The Contractor event held in January before works commenced.



34. The **Sydney Road Replacement Bridge** project, comprising the replacement of the highway bridge where Sydney Road in Crewe crosses over the West Coast main line railway, has progressed to commencement of site works. An agreement for Network Rail to implement the works was signed in March 2018 and site works will commence in April 2018.
35. **Congleton Link Road** – The Government confirmed the Compulsory Purchase Orders for the scheme in March 2018. The procurement process has been completed and a contractor to deliver the scheme will shortly be selected. The final Business Case to release the Government funding for the project will be submitted in Summer 2018, leading to an anticipated start on site in late 2018 / early 2019.
36. **Poynton Relief Road** – Following the granting of Planning Permission for the road in June 2017 the Council has now made Compulsory Purchase Orders to acquire the necessary land to deliver the scheme. A public Inquiry into the Orders will be held in Autumn 2018. Work has also progressed to enable the relocation of a Golf Course affected by the line of the new road.



37. A large package of highway works to support housing growth planned for **North West Crewe** is currently under development. A new spine road is planned to support the development of Leighton West and provide increased capacity to meet the additional demands on the highway network. The overall scheme includes a north–south spine road, the realignment of Smithy Lane and new access to Leighton Hospital, an east-west link road and a series of junction improvements. The preferred highway alignments have been the subject of a public engagement exercise in March. Reports on the Funding Strategy, Procurement Strategy, Land Assembly & Compulsory Purchase Orders have been approved by Cabinet.

38. **Middlewich Eastern Bypass** will provide a new road to relieve traffic congestion in Middlewich town centre and enable access to the Midpoint 18 strategic employment site. Work has continued to progress the design towards a planning application in Summer 2018 and on the land acquisition processes.

39. **A500 Dualling** – Work has continued to progress the design towards a planning application in June 2018 and submission of the Outline Business Case to the Department for Transport to apply for inclusion in their Large Local Major Schemes programme and funding. The report of the public consultation exercise, held last autumn, has been published on the Council's website.



40. The Council undertook a consultation on the Crewe **HS2** Masterplan Vision running between November 2017 and January 2018. The consultation south views on the strategic long term vision for Crewe. On 9<sup>th</sup> March 2018 the Department for Transport published its response to the Crewe Hub consultation, which closed in October 2017. This showed there was strong support for stopping more HS2 services at Crewe and a new northern junction. The Secretary of State also noted his support towards the Council's vision for a Crewe Hub station. The Council continues to work collaboratively with Government and Network Rail to develop a preferred concept for an enhanced Crewe HS2 Hub station.

41. The Council has been carrying out the Supported **Bus Service Review** with a series of changes made to bus services from 1<sup>st</sup> April 2018. Following the consultation last year, a number of changes have been made to the proposals which have seen new bus services introduced such as the 70, 317 and 318. These changes retain daytime bus coverage to 99% of the Borough but have required the Council to increase the proposed budget for next year by £500,000. The changes have also retained evening services on a number of routes including the 6E, 37 and 38. The Review will save the Council

over £1.1m a year. Changes to the Council's Little Bus service have been delayed with a further announcement on changes expected to be made later in 2018. Details of the new services can be found at

[www.cheshireeast.gov.uk/bustimetables](http://www.cheshireeast.gov.uk/bustimetables) and maps of the bus routes in the Borough can be found at [www.cheshireeast.gov.uk/busmaps](http://www.cheshireeast.gov.uk/busmaps)

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

## Securing the Best Start in Life



42. **School Admissions** – A high proportion of parents/carers have been given their first choice of school for their child in September. For primary applications this is a slight increase on last year's figure, with a total of 92% receiving their first choice and 98.5% being offered a place at a primary school of their choice for September 2018, up 0.6 per cent on last year. Secondary school first choice applications are up more than 0.5 per cent up on last year's figure at 94% (10.86% better than the 2017 national average of 83.5%). A total of 98.5% of Cheshire East residents were offered a place at a secondary school of their choice for September 2018 (last year, the figure was 97.73%). The Council has a continual programme of reviewing school capacity across the Borough to take account of housing developments and the increasing demand for places in some areas.

43. The Council is the commissioner of three-day care settings in Crewe. Following a recent re-tender, two nursery providers were appointed and are now operating these nurseries, working alongside Council services to maximise outcomes for the children attending these settings. Both are high quality providers, with a commitment to meet the needs of our most vulnerable children in their early years.
44. Cheshire East secured more than £745,000 of additional capital government funding in April 2017 to boost the provision of free nursery places across the Borough. Five early years childcare providers in CE benefitted to support the delivery of 30 hours' free childcare for working parents of three and four-year-olds.
45. 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 is one of the highest in the country (in the spring term, there were 2,836 children in a 30 hours place).

## Highest Achievement for All Learners

46. School performance continued to be good in 2017/18. All reported subjects at key stages 1 and 2 had higher results for attainment at the expected standard or better than last year. The percentage achieving English and Maths GCSEs (grade 5 to 9) were above national and second in the North West.

The percentage of A level entries gaining grades A\* to E were 0.7 ppts higher than the national results of 98.1%.

47. In October 2017 Cheshire East became the local authority with the third-lowest level of young people not in education, employment or training (NEET) in the UK, sitting only behind Harrow London Borough Council and the Council of the Isles of Scilly, which, in comparison, have a very small sample of people to monitor. 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.
48. **Free School Announcement** – The Council, in partnership with the Department for Education (DfE), recently launched a search to find a high quality organisation to run a new special free school in the Borough. East Cheshire Youth Achievement Free School Trust, which runs Fermain Academy in Macclesfield, has now been approved to open a 40-place special free school for children aged 4-16 with social, emotional and mental health needs in Crewe. The new school, called the Axis Academy, will be built on the former Lodgefields School site in Crewe and will support pupil development across all key stages. It will also aim for all students to gain relevant qualifications that will help them as they move to higher education or take their first steps into employment. This new free school will help to meet the additional needs of pupils locally.
49. We are pleased to announce Cheshire East Lifelong Learning (CELL) has once again achieved the standard required for continued Matrix accreditation. The Matrix Standard is a unique quality standard for organisations to assess and measure their advice and support services (IAG), which ultimately supports individuals in their choice of career, learning, work and life goals. CELL’s IAG processes contribute to the learning successes demonstrated by our

excellent retention, achievement and success rates. Our team embed corporate values and share the common goal of helping Cheshire East residents to enter or improve their employment and career prospects.

50. Following the Department for Education’s (DfE) announcement of grant allocations for 2018/19, the Council opened up a capital bidding round for eligible establishments. Bids were invited from schools to support projects that address premises-related issues under the criteria of suitability, health and safety/safeguarding and accessibility. It is expected that establishments will be informed of the outcome of their bids by mid June 2018, following the Council’s internal approval processes. Schools were also invited to bid for additional funding in relation to a Healthy Pupils Capital Funding grant. This fund is intended to improve children and young people’s physical and mental health by enhancing access to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions. These facilities include kitchens, dining facilities, changing rooms, playgrounds and sports facilities. In addition, 7 capital schemes have been approved and four were completed in 2017/18.
51. Cheshire East has been successful in two applications in Round 2 (2017/18) to the Strategic School Improvement Fund, totalling over £1.2m and targeted to improve outcomes in Cheshire East and Cheshire West and Chester schools.
52. Cheshire East Lifelong Learning Team has achieved the highest overall achievement rates across the Cheshire and Warrington areas. The Cheshire East rate of 94% compares very strongly to the regional average of 78% and a national average of 84%, based on data published in July 2017.

53. Our Enterprise Advisor Network, established in 2017/18, now has 21 of our secondary schools signed up for one to one working with employers to support career development.

### **Inclusion**

54. Following successful bids to the Strategic School Improvement Fund (SSIF), work was underway in quarter four to implement the programme of work around disadvantaged pupils and closing identified gaps to address Maths underperformance. The funding agreement is now finalised and all schools have attended a launch event and are commencing specific programmes of work. These include linking each school with a highly skilled sector lead to provide the support and challenge to improve outcomes for disadvantaged learners. In addition, school leaders and maths leads are attending events to identify key programmes of work linked to the roll-out of the maths initiative targeting the mathematical skills of both staff and learners in the transition from key stage 2 into key stage 3. The required first return to this national programme has been submitted by the identified date.
55. A programme of work around supporting pupils with English as an Additional Language (EAL) commenced in quarter four. This is based upon three key themes centred around eight schools within the Crewe area where EAL has a higher impact on learning. These themes include developing additional in-school classes for targeted learners to support their literacy skills, undertaking similar support for parents and appointing community coordinators to work within the local communities in providing the vital links with local schools and ensure resources and support are being targeted both efficiently and effectively.
56. Between 12<sup>th</sup> -16<sup>th</sup> March 2018, Ofsted and the Care Quality Commission (CQC) carried out an Inspection of Cheshire East's multi-agency effectiveness in identifying and meeting the needs of children and young people who have special educational needs or disabilities (SEND). Inspectors spent time in a wide variety of professional focus groups each looking at SEND Provision. 60 focus group meetings were held, involving over 220 staff. They also held three parent/carer workshops, which attracted 140 participants. Inspectors also reviewed a number of children's case files. A letter from Inspectors setting out the local area's strengths and areas for development will be published in early May.
57. Two young people from Crewe and Poynton have been elected to represent Cheshire East for the UK Youth Parliament. More than 4,000 young people across Cheshire East voted for the two candidates to represent their views, taking responsibility for organising events and campaigns, meeting MPs, lobbying for change and appearing in the media. Young people in Cheshire East have been participating in UK Youth Parliament over the past 10 years, with successful candidates taking topical and local issues to the House of Commons alongside other national representatives. Prior to the event the eight semi-finalists had been campaigning in schools, colleges and youth provisions across Cheshire East, covering topics such as Lesbian, Gay, Bisexual and Transgender (LGBT) awareness, mental health, curriculum for life and safer communities.
58. Our Critical Incident Response Team (CIRT) won team of the year for its advice and psychological support to schools, settings and services. Following a number of incidents, including the Manchester bombing, which affected so many schools, the service has been highly praised by head teachers and governors for its work in providing sensitive help and support to both staff and students.



# 4. Cheshire East is a green and sustainable place

## Sustainable Development

59. It was a successful year for turnaround of planning applications, with 92% of major applications being determined within target timescales (ahead of an 85% target) and 90% of non-major planning applications determined within target timescales (on target). Over 6,000 applications were determined by the department, including the second highest number of major residential planning applications in the country. 993 Planning Enforcement cases were resolved, including complex cases involving the restoration of built heritage.
60. Earlier in 2017/18 the Council's Design Guide was adopted, which is directly enhancing the quality of place by improving design standards for new housing development.
61. 2017/18 was also the year that the Council reached the significant milestone of formal adoption of the Cheshire East Local Plan Strategy providing a sound basis for future planned development across the Borough.
62. 613 additional affordable homes were delivered in 2017/18, exceeding our annual target of 400. The Council's overall three-year target of achieving 1,050 affordable homes was significantly outperformed with 1,371 delivered.

## Waste Management

63. **Waste & Landfill** – The Environmental Hub is now fully open and as a result we have ended landfilling waste as the

primary means of disposal, a key waste strategy objective. Cheshire East black bin and household waste centre waste is now diverted to more sustainable Waste to Energy plants, outside the Borough. A no guaranteed tonnage, landfill contract has been maintained as a reserve in case of breakdown of the energy plants and for disposal of out of hours waste or waste unsuitable for waste to energy.

64. **Reuse and Recycling** - During this quarter we anticipate collecting around 18,000 tonnes of waste for recycling through the silver and green bin schemes and from our Household Waste Recycling Centres. Around 350 tonnes of the material is reused through charitable partnerships and the Recycling Centres.
65. Our annual recycling rate for 2016/17 (released by the Department for Environment, Food & Rural Affairs in December 2017) has been confirmed at 55.2%, which places us in the top 10% of all authorities in England. When compared with fellow unitary authorities we are 6 out of 91. This is a similar level to last year and is testament to the hard work of residents and the continued efforts of Ansa and our partners in waste education to reduce, reuse and recycle.
66. **Composting Plant** – the Council has completed its contract with Biowise to design build and operate a facility at Leighton Grange Farm to allow food waste recycling in the garden waste bin by mid-2019. A planning application is likely to be determined in early 2018/19.

67. **Waste, Recycling Reuse Figures (Quarter 4 indicative draft tonnages)**

Residual		
Landfill	Waste to Energy	
13,000	9,000	
Recycling		
Household	HWRC	Reuse
10,000	3,650	350
Green Garden		
Household	HWRC	
3,000	750	

68. The Communities team provided 'on the ground' support for the Council's 'No Rubbish Excuses' campaign to tackle environmental crime, particularly fly-tipping, littering and dog fouling. This work included:

- Community enforcement officers conducting over 1,000 surveys with local residents to ensure community views were fed into campaign development and key messages
- Community development officers restarting neighbourhood action meetings in key areas of Crewe to inform and engage local people to work with the Council to tackle key environmental issues
- Community development officers taking the campaign into local primary schools to educate children and get them to take messages home to their parents about recycling and responsibilities for managing household waste
- Community enforcement officers together with Kingdom (authorised contractor) increasing patrols across the Borough to give visibility of enforcement activity taking place and to act as a deterrent
- Community development officers engaging with local environmental activist groups to involve them in campaign development and supporting the campaign with their own

initiatives and activities such as information leaflets for households and community clean up days



69. New criminal procedure and evidential standards were introduced during 2017/18 to ensure any formal action is robust and meets public interest tests. This significantly increases the chance of successful prosecutions for environmental crimes such as fly-tipping, littering and dog fouling. Court prosecutions and fixed penalty notices (FPNs) undertaken between 1<sup>st</sup> October 2016 and 23<sup>rd</sup> March 2018 include:
- 4,594 incidents responded to including fly-tipping, littering, side waste, dog fouling, anti-social behaviour and abandoned vehicles
  - 100% of fly-tipping reports attended
  - 1,410 bags or items of rubbish sifted and searched through
  - Since the Kingdom contract began (Autumn 2016) to the end of March 2018, 10,116 Fixed Penalty Notices (FPNs)

- issued (cigarette litter, food items, dog fouling, other items such as a pram, bags of waste, papers)
- 75% payment rate for FPN's which is above average
- 1,037 successful prosecutions at Crewe Magistrates Court for non payment of an FPN
- 13 FPNs for fly-tipping (bags of waste, large amounts) and 194 FPNs issued in conjunction with fly-tipping (larger amounts of litter, litter where fly-tipping has been identified, side waste for example)
- 10 FPNs for abandoned vehicles

## Environment

70. **Municipal Parks Strategy** – Progress is being made towards the delivery of the key objectives of this strategy. Works include:
- The procurement of a new data management system to ensure that all areas are carefully monitored and reported on
  - A new Heritage Park project is being developed for West Park, the museum there and Macclesfield cemetery to undertake significant enhancements of these heritage assets

71. Cheshire East, in partnership with Ansa Environmental Services, has completed 22 open spaces and play area projects recently. We continue to work in partnership with local members and local community groups (Friends of Parks) to deliver schemes across the Borough.
72. Our **Bereavement Services** are undertaken by the Council's wholly owned company, Orbitas, who have had a good final quarter operating within the management fee and exceeding expectations on income.

## Affordable Energy, Growing Energy Businesses, Independent Energy

73. The Council's programme to support low carbon investment, through European Local Energy Assistance, is gaining momentum with a series of feasibility studies underway or completed, including heat networks in Alderley Park, Crewe, Hurdsfield, and two feasibilities into smart grids (or ground mounted solar PV (photovoltaic) schemes with battery energy storage connected via private wire to an offtaker).

# 5. People live well and for longer

**Empowering people to live independent, healthier and more fulfilled lives**



74. During the year 2,270 home adaptations were made for older and/or disabled residents, an increase from 1,904 in 2016/17 and ahead of our target of 1,950. This included 499 Major adaptations, 1,509 Minor adaptations, and 262 Preventions. In many cases, home adaptations enable our residents to retain an independent lifestyle by continuing to live in their own homes for longer. Earlier in the year the Council picked up the 'Home Adaptations Service of the Year' award at the annual Home Improvement Agency awards organised by Foundations, a national body funded by the Department for Communities and Local Government. The service received the award for its innovative work in prevention and early

intervention and its holistic approach to supporting disabled people to live independently at home.

75. The project to upgrade **Congleton Leisure Centre** including the design and building of a replacement swimming pool continues with Cabinet approval being given to appoint a preferred "development partner". The next stage will be to develop the design proposals prior to submitting of a full planning application.
76. In addition to its capital build programme for Congleton Leisure Centre the Council continues to work with the Leisure Trust (ESAR) to invest in improving the quality of facilities for users. Most recently this has included the Trust investing in state of the art "Speedflex" gym equipment at Wilmslow Leisure Centre (value £150,000) and a further £155,000 investment in gym equipment at Knutsford Leisure Centre.
77. The Trust continue to achieve and stretch targets set for them by the Council and the latest available data shows an 11.7% increase in attendances at the Council's leisure facilities in 2017/18 to 3,363,810 (against a target of 3,107,357). This figure further increases to 3,474,264 when attendances at the new Holmes Chapel Community Centre are also taken into account.
78. Performance on the Bikeability indicator remained strong during 2017/18 with 6,020 young people being trained on bike proficiency against a target of 4,889; an increase of 23% from 2016/17. In addition with the increased interest in cycling for health new adult 'learn to ride' schemes have recently commenced in Macclesfield and Crewe.

79. Once again there has also been an increase in the time dedicated to the crucial role of supporting local sports clubs and events with 6,995 volunteer hours being given in 2017/18 against the target of 6,742 hours.
80. The revised Health and Wellbeing Strategy has been consulted upon, with an online survey and two events taking place to inform the final draft. This is to be presented to the Health and Wellbeing Board in May 2018 for adoption. The 2017 Public Health Annual Report is also to be presented to the Health and Wellbeing Board along with a report of the Health and Wellbeing Board's work in 2017/18.
81. The Director of Public Health has been appointed as the Senior Responsible Officer for the newly formed Prevention workstream of the South and Eastern Cheshire Partnership – the newly formed health and care transformation programme, created through the merger of Caring Together and Connecting Care. This will focus upon early intervention and prevention and empowering people to take control of their own health and wellbeing. It is focusing on the three priorities of alcohol, hypertension and antimicrobial resistance.
82. The Winter Wellbeing Group membership consists of Cheshire East officers and partner agencies coming together to share information and identify issues. One focal point of the group recently has been around tackling problems faced by members of the community who are homeless and, in some circumstances, living on the streets. Excellent connections have been made with local organisations that support homelessness and discussions have been held to determine how the Winter Wellbeing Group may offer support. Resources to aid individuals/organisations were purchased and have been distributed.
83. On a wider scale, we have provided resources via services to support people struggling to heat their homes in cold weather and stay warm. This support may prevent an individual succumbing to illness, requiring medical intervention and admission to hospital.
84. Following periods of consultation the Housing Strategy 2018-2023 and the new Homelessness Strategy were approved by Cabinet in April 2018. The Cheshire East Common Allocation Policy has also been updated and will go to Cabinet in July 2018.
85. The No Second Night Out Service has been retendered and awarded to the YMCA; the service has an increase of beds from four to six. Additional temporary accommodation has also been brought into use in Crewe – the five bedroom property has been refurbished and is now accessible to families.
86. A 'Hard to House' panel, which is a multi-agency group that includes members such as probation, police, DWP, social care, housing providers, support providers, voluntary organisations and housing staff, has been set up to look at cases where there are issues in housing some people. There will be two monthly meetings – one in Crewe and one in Macclesfield to oversee cases that are referred in.
87. The Housing and Health Link Worker project prevents homelessness amongst people being discharged from mental health services, and the project has been shortlisted for the Northern Housing Awards in the category of Best Initiative for Tackling Homelessness. The awards promote and celebrate innovative affordable housing providers, projects and services in the North that are helping to create sustainable communities where people want to live. There has been a good response to the awards in their inaugural year, with



almost 200 entries being generated. The ultimate winners will be announced at the awards ceremony in Manchester in May.

88. All projects funded by the Council in the first phase of the Housing Innovation Fund have now been completed. The projects have brought about the delivery of an additional 10 affordable homes on sites in Macclesfield town centre, Bollington and a sheltered scheme in Congleton. This latter scheme has also had a new scooter store developed to make it more practical.
89. Online access to the support residents need from their local authority is probably considered by many to be an expectation but as was reported recently in LocalGov, the opposite is true. In a recent survey of all 152 websites for councils that have responsibility for providing social care services, unfortunately most were left found wanting. Through a lot of hard work, careful planning and relationship-building at Cheshire East, we are making sure that we do not fall within that number.
90. We launched 'Live Well Cheshire East' in May last year and it has been met with great success. It is an easy-to-use directory with more than 3,000 services and activities that has one straightforward ambition: to provide residents of the Borough with access to the things they need to enable them to live longer and healthier lives independently. 'Live Well Cheshire East' has been the vehicle for the change but the positive reaction to its launch has been about more than simply providing a location for information. One of the biggest steps towards being more customer-focused in our approach has been led by our adult and social care team.

## Information, Advice & Guidance, Prevention and Early Intervention



91. Cheshire East Council is responsible for commissioning the NHS Health Check programme which is a health-based screening for residents aged 40-74 aimed at reducing the prevalence of cardiovascular disease (such as heart disease and strokes) amongst the population through lifestyle advice and treatment (including referral to One You Cheshire East services). Performance dipped slightly in quarter three in relation to the number of Health Checks carried out, with this totalling 2,454. However, the invite rate continued to be strong at 6,959. Latest quarter four data suggests that this was a short term blip in relation to this area. Quarter four saw the end of the current five year health check cycle, with a new cycle beginning from April 2018.
92. The Public Health Improvement team at Cheshire East Council has continued to lead on suicide prevention in the Cheshire East area. Identified as a key component of the Cheshire and Merseyside No More Suicide Strategy (2015-2020) and a requirement of the national strategy Preventing Suicide in England (2012), the team has delivered the Suicide

Prevention Training to over 330 targeted staff of frontline services in the area in the last 12 months. The training endorses prevention and early intervention so that those in distress do not seek suicide as a solution to their problems.

93. The team have also been working in partnership with the Emotionally Healthy Schools team at Cheshire and Wirral Partnership NHS to deliver the Suicide Prevention training to all of the secondary schools in the area. This was in part a response to research commissioned by Papyrus amongst teaching professionals in 2017 which suggested that a significant proportion of school staff were not trained in suicide prevention and lacked confidence and knowledge on the subject matter.
94. The team are also leading work in partnership with agencies across Cheshire East to promote the importance of mental health and wellbeing for Mental Health Awareness Week (in June).
95. In addition, the team are working to roll out a physical activity programme in schools that are not already participating in schemes to ensure children walk/run a mile a day. 50% of schools in Cheshire East are already delivering such programmes, and the team are working to support the others.
96. The number of cared for children stood at 473 at 31<sup>st</sup> March 2018, having stayed at broadly that level since July 2017, which is positive. This is compared to 387 in March 2016 and 422 in March 2017. It continues to place strain on existing budgets. Most children enter care due to neglect and abuse, with increasing numbers of children being made the subject of applications to the Family Courts to secure their welfare. In the period 2017 to March 2018, 200 children and young people entered care and 149 left care as a result of Special Guardianship, adoption, returning home or moving to

independent living. The Council increased funding for cared for children in 2017/18 by £2.1m to meet the demand levels at that time and to ensure our cared for children and care leavers achieve the best possible outcomes. However, both demand and costs have continued to rise as a result of providers increasing their costs, especially for residential care. As the number of children entering care has increased, more children are now placed in higher cost independent fostering placements. Several children have entered care with very complex needs and challenging behaviour, which has necessitated them being placed in secure children's homes at an unavoidably very high cost.

97. The Service continues to take steps to manage these cost pressures, which could have reached £4.3m, through increased scrutiny and regular reviews. At year end this made a difference and a final outturn of £3.2m overspend has been achieved – taking into account underspending through delays in roll out of a new residential contract. Despite the increase in cared for children, we continue to be towards the lower end of our statistical neighbour group and nationally for rate of cared for children (per 10,000), in particular lower than Cheshire West and Chester and Warrington Councils. A number of initiatives are being taken forward to reduce the pressures such as commissioning residential children's homes, providing intensive support to children in need, joining a regional adoption agency, and setting up our shared fostering marketing and recruitment hub with Cheshire West, Warrington and Halton councils. The other key pressure for the service is the inter-agency adoption placements budget which will be re-aligned in the 2018/19 budget to match a reduced level of activity. The 2018/19 Budget provides additional funding to address the pressures from additional children in care and the reduction in inter-agency income.

98. Across Children's Social Care, Education and Prevention Services various pressures are being mitigated by vacancy management and the utilisation of any underspends across the services. This means Children's Services are forecasting a £2.2m overspend overall for 2017/18, compared to budget. This represents an improvement of £0.6m since third quarter.

99. Cheshire East, Cheshire West & Chester, Warrington and Halton Councils agreed in March 2017 to work towards sharing their fostering services, in particular, to collaborate in the marketing and recruitment of foster carers, with the aim of increasing the number of foster carers for each council and to reduce the reliance on external placements so more of our cared for children live with our foster carers, locally. The collaboration will also reduce the expenditure on higher cost independent foster agency placements. In the last quarter, the development of the fostering collaboration has seen preparation being made for the establishment of a marketing and recruitment hub, to go live in April 2018.

100. In January this year we welcomed the visit of Mark Riddell MBE, the National Implementation Adviser for Care Leavers. Mark was until recently the leaving care manager in Trafford, the first local authority to receive an outstanding Ofsted judgement for its leaving care service. Mark met with officers, members and care leavers to understand the experience of care leavers, the quality of our 'local offer' and to see how we were progressing with the new duties for care leavers up to the age of 25. Mark concluded that our operational model was very strong and that the needs of care leavers was well understood and that good progress had been made from the last inspection with increasing numbers of care leavers in education, employment and training. Mark, in his role as national adviser, challenged the Council and partners to do everything possible for our care leavers as they can be particularly vulnerable to poorer outcomes.

### Accessible high quality services, Information & Advice

101. The Cheshire East Commissioning function has recently been reviewed and restructured to ensure that we improve outcomes for local people by breaking down the barriers and moving away from commissioning in isolation and silos. The Integrated Commissioning Team in Cheshire East Council is now one integrated team across Adults and Public Health, with the next phase resulting in full integration to also including Children's and Communities.

102. The new director and improved leadership within the Cheshire East Integrated Commissioning team has resulted in the core values and principles of outcomes-based commissioning being embedded in all contracts and commissioning intentions. These values include: Person Centred; Coproduction; Well Led; Whole System Approach; Evidence Based; Quality, Diverse Sustainable Market; Joint Commissioning (other LAs and CCGs); Workforce Development, Strong Commissioner and Provider Relationships; and Value for Money. This has underpinned the development of our Commissioning Framework, Tools and Guidance, Workforce Development Plan and our **Commissioning Plan** which is aligned to 'People Live Well for Longer', achieving a robust and evidenced-based platform on which we will build.

103. **Integrated All Age Carers Hub** – The Cheshire East Carers and Young Carers Hub is a new information and support service designed to help carers of all ages fulfil their caring responsibilities and still enjoy a healthy life outside of their caring role. Jointly funded by the Clinical Commissioning groups and the Council, the new Hub will give carers a **single point of access**, meaning that carers need only tell their story once and the Hub team will provide information, advice and guidance tailored to their individual needs. The Hub will



support carers who live in Cheshire East, along with those who live outside the area who care for a Cheshire East resident. Carers can choose to register with the Hub directly to access the support they need or they can be referred by a professional or an organisation.

104. A key priority of the Champs Public Health Collaborative is the health and wellbeing of Children and Young People. Consequently the Public Health Improvement team has played a significant role in the development of a pilot programme called Youth Connect 5, which was created for families and carers to gain the understanding, knowledge, skills and tools to support and promote resilience and wellbeing for their children. In turn it is hoped that children and young people will be empowered and confident to talk about emotional wellbeing, and know how to access information, support and services. In Cheshire East alone there have been 14 programmes and 112 parents/carers trained to date since March 2017. This innovative programme has now entered its evaluation stage, and Liverpool John Moores University will be releasing a report on their findings imminently.

105. The 0-19 service continues to promote the parenting journey, working with the children's centres to refine the programme and involve maternity services. Steps have been taken with the maternity services to improve information sharing of antenatal data to improve timely access and improve the uptake of the antenatal services offer to more women.

106. An online booking system has been introduced for appointments for Sexual Health services including contraception provided in the community and genitourinary medicine. The system is accessible via the sexual health website [www.gosexualhealth.co.uk](http://www.gosexualhealth.co.uk)

107. The Pharmaceutical Needs Assessment (PNA) consultation was completed and this informed the final draft of the Cheshire East PNA. This went to the Cheshire East Health and Wellbeing Board in March and was adopted.



108. One You Cheshire East aims to improve the life expectancy and long term health of residents by offering a number of programmes aimed at transforming people's lifestyle behaviours such as healthy eating, weight management and physical activity services. Falls prevention and physical activity have been the best performing programmes statistically but were just short of meeting their annual target on the number of participants. Weight management and healthy eating were disappointing in their take up, but the measures around quality and delivery of all the programmes by ESAR have met the KPI's. It is encouraging to note that the quarter four performance relating to the number of participants across all programmes was higher than any of the previous quarters and in some instances more than double the attendance.

109. Peaks & Plains as the Provider Plus, market the programmes and ESAR deliver the services/programmes. ESAR generally have been responsible for around two thirds of the referrals

into the programmes. During the next 6 months this contract will be reviewed with a view to recommissioning in 2019.

110. The North West Quarterly Performance Report on adult social care for quarter three shows that Cheshire East Council performs above the North West (NW) average for adults with a learning disability in paid employment (5.9% for Cheshire East and 3.3% for the NW) and above the NW average for service users self-directed support (92.2% for CE and 84.9% for the NW). Support for adults with a learning disability in settled accommodation is slightly below the NW average (85.7% for CE and 87.6% for the NW). Plans to improve on performance across learning disability services include the creation of a specialist learning disability team which will provide a single point of contact for the children's disability team to improve transition for young people with disabilities and enable the Council to work more collaboratively with the specialist health Community Team for Learning disability within Cheshire and Wirral Partnership.
111. A new commissioning framework is to be introduced from October which will encourage the market to provide a wider choice of community alternatives and to support the Transforming Care agenda. Transforming Care aims to return to Cheshire people who are currently in high cost hospital placements out of area. The Transforming Care partnership includes the five Care Commissioning Groups for Cheshire and Wirral and the three respective local authorities of Wirral, Cheshire West and Chester and Cheshire East.
112. The success of the South Locality pilot project to implement an Adult Contact Team, which aims to reduce delays and prevent needs and promote independence, has led to this being rolled out to the east of the authority. The use of a conversational approach to assessing needs and crises supports individuals to identify their strengths and link in with

their communities to meet their outcomes. The result is that fewer people are being drawn into services but are receiving information and support when they need it and in the most appropriate way.

113. The Occupational Therapy Service in Adult Social Care has integrated with the Adult Social Care Teams, which are aligned with the GP surgeries and the health community teams. This promotes a holistic approach which is flexible and seamless in meeting people's needs and identified outcomes. The specialist skills and knowledge of the Occupational Therapists complement and enhance the Social Worker service in the teams and provide real benefit to the people of Cheshire East.
114. Adult Social Care recently recognised eleven social workers who have successfully completed their Assessed and Supported Year in Employment (ASYE). The standard of evidence submitted was high and reflects the commitment to this programme by the individual social workers, practice managers, professional leads, and the Senior Leadership Team. A new cohort commenced their ASYE in January and it is hoped that they will continue the success of their predecessors.

### **Public Protection, Health Protection & Safeguarding**

115. Signs of Safety, a strengths-based approach to working with families in Cheshire East, was officially launched in 2017/18. By the end of the year we have trained 285 people, including key partners and Senior Managers.
116. Cheshire East was shortlisted for a number of national awards in 2017/18, including for our emotionally healthy schools initiative, neglect strategy and campaign and our

arrangements for supporting care leavers with their future housing options.

117. Cheshire East is part of the second area in the country to establish a Regional Adoption Agency (RAA) in 2017/18. In partnership with Manchester, Salford, Trafford and Stockport councils, 'Adoption Counts' was formed three years ahead of the 2020 target set by government.
118. Targets for reducing '**delayed transfers of care**' (DToCs) were introduced this year by the Department of Health and Department for Communities and Local Government to encourage the NHS and local government to work better together to reduce the number of people remaining in hospital because of health-related delays or social-care related delays. Each month, local authorities receive their ranking regarding health and social care partner working together to reduce DToCs. Cheshire East hospital patients are among the least likely in to be delayed being allowed home, according to national figures and we remain in the top quartile. This highlights how health staff and our care teams are working effectively together to improve outcomes for in-patients and freeing up vital beds for those awaiting hospital care.
119. The experiences and voices of our own service users have been heard at two events in the last quarter. In January Annette Lomas, the Professional Lead in Adults Safeguarding, attended a national event in London to share how Cheshire East Adult Safeguarding Board have engaged and empowered service users to share their own personal stories and outcomes regarding adult abuse. Then in March, Annette plus some of our service users, attended an event at Stoke Football Stadium to celebrate World Social Work Day. The Spoken Word video clip was shown at both events, and

continues to have a powerful impact, not only in Cheshire East, but further afield.

120. During the last quarter Adult Safeguarding, Operational and Quality Assurance officers, have worked together with three care home providers in the Crewe area to start a Care Concern Pilot. The aim is to empower care homes to manage low level care concern incidents themselves, and to refer complex safeguarding incidents to qualified professionals. This will clarify thresholds for reporting and ensure a consistency in reporting adult abuse. It is hoped that this will be rolled out to the whole of Cheshire East during the next 6-12 months.
121. In February 2018, Adult Safeguarding Officers joined staff from Communities in delivering training to RBS Bank in Macclesfield. This raised awareness about financial abuse, doorstep crime and fraud. In March 2018, Adult Safeguarding Staff and Domestic Abuse Staff delivered two bespoke training sessions to students at Macclesfield College.
122. In January 2018 the Local Government Association published 'Modern Slavery – A Council Guide'. A multi-agency event was held in Manchester to promote work being undertaken to tackle modern slavery in the region. In addition, Cheshire Police held a multi-agency table top exercise at Police headquarters in Winsford, to identify work to date and gaps in service provision. Cheshire East was very well represented at this event, including representatives from Housing, Emergency Planning, Adult Safeguarding, Trading Standards and Community Partnerships.
123. The Adult Safeguarding Improvement Plan was produced following the Peer Review in May 2017. The plan was further enhanced following LSAB (Local Safeguarding Adults Board) Development Day, enabling partners and stakeholders to

have input into the future direction of the service. Working with ADASS (Association of Directors of Adult Social Services in England) and embedding the recommendations of national policy and process has achieved a sound grasp on 'what good looks like' together with the processes required to move towards excellence. Our safeguarding teams and the Board have achieved the following results during the year:

- The appointment of an interim Independent Chair of the Board
- Improvement in the process of Deprivation of Liberty Safeguarding assessments and reviews by the introduction of a legal gateway forum, leading to a reduction in court of protection applications and better outcomes for individuals
- Improved joint working with internal and external partners working towards Operation Dovetail, the process where the Local Authority take on board the responsibility for the Channel processes
- The Head of Adult Safeguarding was appointed in September 2017
- Stronger links with the Children's Board, and sharing of strategic goals
- SAB meetings now include the confidential partner agenda item to enable statutory partners to review cases and individuals, leading to a better understanding of the

challenges and improved joint working. The LGA have referenced the voices of the Adult Safeguarding Service User Subgroup to the Board both in writing and at the NW ADASS conference in October 2017

- Dr Adi Cooper has referenced our service users' experiences of Safeguarding in her book Making Safeguarding Personal - published in September 2017
- Service user outcomes are measured via quarterly Making Safeguarding Personal audits; this has ensured a consistent process across all social care
- Staff receiving feedback on their input into investigations; the new Independent Chair has sent two letters of recognition to staff to note their excellent safeguarding work, and how they empowered service users to become active participants in the process
- In October and November 2017 Cheshire East facilitated two workshops for Care Providers to help them to understand how to preserve evidence. This was co-presented with the Police and CQC and attended by over 150 people
- In November 2017 Cheshire East and six other partner agencies delivered Adult Safeguarding training to GPs, to help them to understand their Safeguarding responsibilities under the Care Act.



# 6. A Responsible, Effective and Efficient Organisation



124. The Council achieved more awards wins and short listings than ever before in 2017/18, with 46 awards entries, 27 of which had been confirmed as shortlisted by the end of the year. Awards received during the year included Best Tourism Marketing Project at the Marketing Cheshire Awards (for the Tour of Britain 2016); the Community Benefit award at the 2017 RICS Awards (NW) for Crewe Lifestyle Centre and the Transforming Through People silver award at iESE (Public Sector Transformation Partner) Awards 2017 for our 'SEEDS' programme to improve Information Governance.
125. The Asset Management service has generated £4.979m in capital receipts in 2017/18 through the disposal of three farms, 9 land or property assets, two lease variations and one covenant variation. Disposal of assets generates revenue savings as costs on holding or managing the assets are removed. The value of completed or handed-over construction projects across Council's assets, managed by

the service, was £60.1m, with a further £23.9m worth of projects currently under construction or at the feasibility or pre-construction phase.

126. In 2017 the Council undertook a survey of residents to learn what information residents want to receive about the Council and its services and how they want to engage. Direct communication with the Council about its services was clearly important to residents. Our social media following has continued to grow, and we launched a new magazine for residents to inform them about Council services and how to access them. Our proactive campaigning has also seen much success, with recognition for our 'Neglect' campaign and an award for Best Tourism Marketing project.
127. As reported at quarter three, during the year the Council successfully undertook the first major review of its Constitution since the Council was formed in 2009. The Constitution ensures that the Council complies with all relevant statutory requirements, and in reducing 500 pages to less than 300, the revised version has been written with an eye on retaining statutory detail whilst being more succinct and user friendly.
128. During the year, the Council also reviewed all Schemes of Financial Delegation and developed a new template and guidance to ensure compliance with the Constitution.
129. 2017/18 proved to be a record year for marriages in the Borough, with income targets exceeded, and fee income of £1.3m. Civil marriages / partnerships stood at over 2,000 for the first time in Cheshire East history, increasing from 1,919

the previous year to 2,035. Almost 70% of couples came from outside the Borough.

130. The Council met on 22<sup>nd</sup> February 2018 and agreed the Medium Term Financial Strategy Report for 2018/19 to 2020/21, following a consultation which ran from November 2017 to 12<sup>th</sup> January 2018. The process engaged more residents and stakeholders than ever before, with around 600 general or specific responses to proposals listed in the Budget Consultation. The final budget report was informed by the consultation, reflecting the Council's ongoing commitment to transparency and engagement.
131. During 2017/18 the Council procured and awarded 241 contracts, achieving £1.483m worth of contract efficiency savings.
132. During 2017/18, as part of wider government reforms to apprenticeships under the Finance Act (2016), the Council had a new target for 96 new apprenticeships starts. In response to this a new apprenticeship scheme was launched, with 79 new apprenticeship starts during the year. This is an achievement rate of 82% compared to an average of 66% for local authorities. Areas for development and improvement in 2018/19 have been identified, with work focusing on apprenticeship take up across maintained schools and the development of a strategy to transfer levy funds to other employers, in line with further government reforms introduced from April 2018.



133. The Council's Equality and Diversity Strategy was approved by Cabinet in February 2017, and during 2017/18 considerable progress was made with the following key achievements:
- Recruitment of 47 Equality Champions
  - Delivery of a robust and detailed training prospectus for officers which has now been extended into 2018
  - Refreshing our Equality Impact Assessment templates and guidance
  - Undertaking a staff census of protected characteristic information held within our Oracle system
  - Holding the Council's first International Women's Day Conference
  - Agreement to hold the Council's first Pride in the park event, to be held in September 2018 at Tatton Park
  - Supporting LGBT History Month in February 2018 by flying the rainbow flag for the full month at the Council's three main sites
  - Developing a transgender toolkit for schools
  - Initiating an audit of changing places provision across the Borough
  - Training 26 Mental Health First Aiders for the Council

134. Culture and workplace wellbeing has been an area of significant focus over the last 12 months. To support this work, the Leader of the Council, Councillor Rachel Bailey and Acting Chief Executive, Kath O'Dwyer invited the Local Government Association to undertake an independent review into organisational culture. The Council received a full report following the review which it published in January 2018, recognising that the Council is taking positive action to minimise inappropriate behaviour, but there is still work to do. The Council is absolutely committed to addressing areas for improvement by continuing to actively engage with our workforce throughout 2018/19 to develop and deliver a vision for our workplace culture.
135. Building from the findings and recommendations of the independent culture review the 'Brighter Future Transformation Programme' was launched in quarter four, providing Council staff with an opportunity to work together to co-create and build the positive, supportive culture we need to be successful. The programme focuses on defining the vision for the Council's workplace culture and behaviours, aligned to the Council's FIRST values. This will allow the Council to build on strengths and the behaviours role modelled by staff and members that will be reflected in an Employee Deal. To help shape the cultural transformation programme activity, a 'Brighter Future Together Team' has been formed comprising a range of staff from across the organisation, who will provide a conduit for the views of all staff, act as a 'critical friend' on the future vision for our workplace culture and as associated enablers of change.
136. In addition a Wellbeing in Work programme was initiated in the autumn of 2017 to further support and strengthen wellbeing within the workplace. This programme has conducted a review of the Council's comprehensive range of wellbeing policies, practices and initiatives and from this published monthly Wellbeing in Work newsletters, established a Staff Forum and a Wellbeing Contributors group which brings colleagues together from different professional areas to identify, connect and promote a wide range of initiatives that support this important agenda. Plans are currently being developed to further progress this programme during 2018/19.
137. During 2017/18 the Council reviewed the Flexible Use of Capital Receipts guidance and identified expenditure that met the eligibility criteria, in that on-going revenue savings would be generated through reducing costs of service delivery. Activities that have been funded by this method are detailed in following paragraphs.
138. The Best4Business programme is a joint arrangement with Cheshire West and Chester Council to replace the Councils Oracle ERP (finance system) with the Unit4 Business World solution. This joint capital programme was approved by the Councils Cabinets in July 2017, with the programme starting in September 2017, build being completed in March 2018 and the new solution scheduled to go live in September 2018.
139. CEC undertook a commissioning, procurement and contract management review which was informed by best practise models from the National Audit Office, NHS world class commissioning standard and the LGA. The model followed the commissioning cycle and took a whole system review of the commissioning process. High standards in commissioning, procurement and contract management are a prerequisite for the delivery of effective service outcomes and value for money in the use of Council resources. This project will facilitate the delivery of commissioning, procurement and contract management efficiency savings, process improvements and service outcomes.

140. The Council commissioned a “Cheshire East Cemeteries Strategy”, to support the Stronger Communities element of the Cheshire East Local Plan considering the supply of burial space in relation to the anticipated future demand and in relation to current estimates of population growth. The draft strategy will go to Cabinet in July 2018 for approval for public consultation. The cost of producing the strategy has been funded from flexible capital receipts.

141. A Joint Venture (JV) Trading Company, Alliance has been created in partnership with Ansa, High Peak Borough Council and Staffordshire Moorlands District Council, as agreed at Cabinet in June 2017. Phase 1 covered the establishment of the JV and the delivery of waste collection activities within High Peak and the associated set up costs have been funded initially from flexible capital receipts, whilst being paid back on a commercial basis over the duration of the contract.

142. The Children and Families service have undertaken a number of reviews to evaluate / improve processes and service delivery methods to make savings that can be reinvested in better services. These include:

- the service working closely with the Council’s transport provider (TSS Ltd) to deliver the improvements identified through a business process review exercise; and deliver the savings identified in the 2017/18 budget through achieving greater efficiency and through review and implementation of updated policies

- a business process review within Special Educational Needs being undertaken and work is underway to implement an improvement plan supported by the Partnership Board

The costs of project staff to undertake these reviews and take forward the change programmes of £51,000 in 2017/18 has been capitalised under additional flexibilities provided by the Government.

143. In 2017/18 £1m of costs in the adults service were offset by funding from the capital receipts reserve. £240,000 of consultancy services provided by CIFPA were funded to develop a sustainable operating model for Care4ce. The remaining £760,000 relates to the voluntary redundancy and actuarial costs incurred following a reconfiguration of the commissioning and operations staffing teams. The new structure will lead to new models of working and service delivery, designed to deliver value for money, the best outcomes for stakeholders, and also aligning services with our Health partners.

144. Flexible capital receipts have been used to fund various projects in Place during 2017-18. These include a review of ASDVs and costs relating to the installation of new pay and display machines for Parking. These will lead to new ways of working which will create savings in Council budgets. Also the costs of implementing the bus service review (**para 41**) have been funded by flexible capital receipts.



# Appendix 3 Grants

## Government Grant Funding of Local Expenditure

1. Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2017/18 was £281.3m.
2. In 2017/18 Cheshire East Council's specific use grants held within the services was budgeted to be £251.0m based on Government announcements to February 2017. This figure was revised up to £255.0m by the end of the third quarter.
3. The last quarter has seen a further decrease in grant of £1.0m. This is mainly due to the final Housing Benefit Subsidy grant being less than forecast.
4. Spending in relation to specific use grants must be in line with the purpose for which it is provided.
5. General purpose grants were budgeted to be £30.3m, but further in-year grant announcements have increased this figure to £38.3m.
6. Where additional non ring-fenced grant funding is received, services wishing to increase their expenditure budgets are required by Finance Procedure Rules to seek approval to use this additional funding. Additional general purpose grants totalling £775,571 were received during the final quarter of 2017/18. Services are seeking approval to use £705,614 of this additional funding (**Table 1**), and this has been transferred to an earmarked reserve.
7. These grants were received too late in 2017/18 to seek approval to spend in-year and therefore this report seeks approval to service requests to incur expenditure of £705,614 in 2018/19, fully funded by the additional grants.
8. There is also a service request relating to 2018/19 for Adult Social Care Support Grant which was included in the Medium Term Financial Strategy with in the central budget reserves. This request is to increase the budget expenditure in Adult Social Care by £906,648, reducing the budget in reserves.
9. Business Rates Tax Loss Compensation grants of £6.0m have also been received during 2017/18 to reimburse billing authorities for the extra discounts offered to businesses as announced in the Autumn Statements. This includes the doubling of Small Business Rate Relief (SBRR) for a further year and the SBRR Threshold Change Grant. These grants have been transferred to the Collection Fund Management earmarked reserve.
10. Services general purpose grant was originally budgeted at £30.3m. Net additional grant of £8.1m has been received during the year. £1.7m of additional grant has been allocated to services during the year. After allowing for the transfer of £6.7m to earmarked reserves, the net outturn variance is a £0.3m underspend against budget.
11. **Table 2** below provides a summary of the updated budget position for grants in 2017/18 by type and service. Further details of grants are shown in **Table 3** Corporate Grants Register.

**Table 1 – Requests for Allocation of Additional Grant Funding**

Service	Type of Grant	£000	Details
People	Controlled Migration Fund – Unaccompanied Asylum Seeking Children Grant  (General Purpose)	94	The Unaccompanied Asylum Seeking Children costs experienced by the Council exceed the grant that can be claimed towards their costs. This is intended to help reduce the costs. Without the funding the service will continue to overspend.
People	30 Hours Free Childcare Delivery Support Fund  (General Purpose)	90	The 30 hours delivery support fund will provide support to 147 local authorities for work that will directly benefit 30 hours delivery and will create (directly or indirectly) new 30 hours places for the 2018 summer term. Some of these local authorities will receive additional support outside of the delivery support fund bid round for a range of projects, including to develop their IT systems.
People	Controlled Migration Fund – Crewe Community Cohesion Grant  (General Purpose)	27	Funding has been granted to provide new English for speakers of other languages (ESOL) classes in 4 primary schools for migrant parents, recruitment of 5 part time bi-lingual Community liaison officers to work within schools and help the local community access services, establish home work clubs in 4 primary schools to help mitigate poor performance, and for 1,000 Information Packs to be printed and disseminated to the schools in Crewe as a resource for parents.
People	Tobacco Products Directive and Age of Sale  (General Purpose)	5	The introduction of the new regulations in May 2017 added new restrictions on the sale of tobacco products. The funding is being provided to support the implementation of the new restrictions.

Service	Type of Grant	£000	Details
People	Adult Skills (Lifelong Learning)  (General Purpose)	131	This grant is used for the provision and development of learning opportunities for adults aged 19+ within the community of Cheshire East. The disbursement of these funds is subject to performance management monitoring processes implemented by Cheshire East Lifelong Learning (CELL) and to confirmation by the Skills Funding Agency (SFA). Any underspend is clawed back by SFA in the following year and cannot be used for other purposes outside of the SFA Funding Rules.
Place	Neighbourhood Planning Grant  (General Purpose)	140	The conditions of grant mean that this funding could be used across the wider Spatial Planning area. This level of funding would be intended to support a number of Community Neighbourhood Plans across the borough.
Place	Brownfield Register and Payments In Principle Grant  (General Purpose)	6	New legislation requires local planning authorities to prepare and maintain registers of previously developed land suitable for housing (brownfield land registers) and allow for the granting of permission in principle for sites allocated for housing-led development. Local planning authorities are receiving new burdens grant payments to fulfil the new requirements.
Place	Custom Build Land Duty  (General Purpose)	30	The funding relates to new responsibilities imposed by the Self-build and Custom Housebuilding Act 2015. The Act requires authorities to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in the authority's area and, unless exempt, to grant sufficient development permissions to meet the demand for self-build and custom housebuilding. The Regulations also mean that by 2019, local authorities in England are responsible for granting planning permission for sufficient shovel ready plots to meet the demand gathered by the Right to Build Registers.

Service	Type of Grant	£000	Details
Place	Letting Agents Transparency and Redress Schemes  (General Purpose)	1	This grant is to fund additional monitoring responsibilities within Strategic Housing in respect of letting agents.
Place	Property Searches New Burdens  (General Purpose)	67	Land charges payment being made by the Government towards the ongoing claims made against each LA re the Tinkler and APPS claims.
Corporate	Local Government Transparency Code  (General Purpose)	13	New burdens in relation to the Council's obligation to publish information in line with the Government's Transparency Code 2014. The spend will be on staffing and systems development to implement compliance with Transparency Code.
Corporate	Funding the transition to Individual Electoral Registration  (General Purpose)	102	The funding is to be used on activities associated with the Individual Electoral Registration (IER) service within the Elections area.
<b>Total Allocation (2017/18)</b>		<b>706</b>	
People - 2018/19	Adult Social Care Support Grant	907	This funding is to support sustainable local care markets. Budget transfer to Adult Social Care required as currently budgeted in central reserves.
<b>Total Transfer (2018/19)</b>		<b>907</b>	

**Table 2 - Summary of Grants**

	Original Budget	Revised Forecast TQR	Final Outturn	Change
	2017/18 £m	2017/18 £m	2017/18 £m	2017/18 £m
SPECIFIC USE				
Held within Services	251.0	255.0	254.0	-1.0
GENERAL PURPOSE				
Revenue Support Grant	13.4	13.4	13.4	0.0
<u>Service Funding</u>				
People - Childrens & Families	0.9	1.6	1.9	0.3
People - Adult Social Care & Independent Living	2.4	2.7	2.7	0.0
Place	0.0	0.2	0.4	0.2
Corporate - Customer Operations	1.7	1.7	1.8	0.1
Corporate - Chief Operating Officer	11.9	12.4	18.1	5.7
Total Service Funding	16.9	18.6	24.9	6.3
TOTAL GENERAL PURPOSE	<b>30.3</b>	<b>32.0</b>	<b>38.3</b>	<b>6.3</b>
<b>TOTAL GRANT FUNDING</b>	<b>281.3</b>	<b>287.0</b>	<b>292.3</b>	<b>5.3</b>

**Table 3 – Corporate Grants Register**

Corporate Grants Register 2017/18		Original Budget	Revised Forecast	Final Outturn	Change from	SRE / Balances
		2017/18	2017/18	2017/18	2017/18	(Note 2)
		£000	£000	£000	£000	
Note						
<b>SPECIFIC USE (Held within Services)</b>						
<b>PEOPLE</b>						
Schools	1	156,113	150,121	150,116	-5	
Children & Families		0	514	741	227	
Adult Social Care		0	9,022	9,022	0	
Public Health		16,833	16,833	16,833	0	
<b>Total</b>		<b>172,946</b>	<b>176,490</b>	<b>176,712</b>	<b>222</b>	
<b>PLACE</b>						
Growth and Regeneration		0	1,157	1,157	0	
Planning and Sustainable Development		0	121	121	0	
Directorate		0	787	787	0	
<b>Total</b>		<b>0</b>	<b>2,065</b>	<b>2,065</b>	<b>0</b>	
<b>CORPORATE</b>						
Customer Operations		78,068	76,425	75,165	-1,260	
<b>Total</b>		<b>78,068</b>	<b>76,425</b>	<b>75,165</b>	<b>-1,260</b>	
<b>TOTAL SPECIFIC USE</b>		<b>251,014</b>	<b>254,980</b>	<b>253,942</b>	<b>-1,038</b>	
<b>GENERAL PURPOSE (Held Corporately)</b>						
<b>Central Funding</b>						
Revenue Support Grant		13,415	13,415	13,415	0	
<b>Total Central Funding</b>		<b>13,415</b>	<b>13,415</b>	<b>13,415</b>	<b>0</b>	

Corporate Grants Register 2017/18		Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	SRE / Balances (Note 2)
	Note	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000	
<b>People - Children &amp; Families</b>						
Tackling Troubled Families	{	110	654	654	0	SRE
Troubled Families - Co-ordinator		85	0	0	0	
Staying Put Implementation Grant		0	113	113	0	SRE
Remand Funding		0	7	7	0	SRE
Adult Skills (Lifelong Learning)		706	706	837	131	SRE
Extended Rights to Free Transport (Home to School Transport)		0	123	124	1	Balances
Controlled Migration Fund - Unaccompanied Asylum Seeking Children		0	0	94	94	SRE
30 Hours Free Childcare Delivery Support Fund		0	0	90	90	SRE
<b>People - Adult Social Care &amp; Independent Living</b>						
Independent Living Fund		917	917	917	0	
Local Reform and Community Voices		0	201	201	0	SRE / Balances
Social Care in Prisons		0	77	77	0	SRE / Balances
War Pension Scheme Disregard		0	64	64	0	SRE
Adult Social Care Support Grant		1,457	1,457	1,457	0	
Controlled Migration Fund - Crewe Community Cohesion		0	0	27	27	SRE
Tobacco Products Directive and Age of Sale Grant - New Burdens		0	0	5	5	SRE
<b>Place</b>						
Brownfield Register & Payments In Principle		0	0	6	6	SRE
Lead Local Flood Authorities		14	14	14	0	
Neighbourhood Planning Grant for Local Planning Authorities		0	60	200	140	SRE
Letting Agents Transparency and Redress Schemes		0	0	1	1	SRE
Homelessness Reduction Act - new burdens		0	49	49	0	SRE
Property Searches New Burdens		0	0	67	67	SRE
Local Authority Custom Build Grant		0	0	30	30	SRE



Corporate Grants Register 2017/18		Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	SRE / Balances (Note 2)
	Note	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000	
<b>Corporate - Customer Operations</b>						
Housing Benefit and Council Tax Administration		1,209	1,209	1,209	0	
NNDR Administration Grant		506	506	564	58	Balances
Universal Support Grant		0	62	59	-3	Balances
Business Rates Relief Schemes: Payment of New Burdens 2017/18		0	12	12	0	SRE
Council Tax Discount for Family Annexes		0	0	14	14	Balances
<b>Corporate - Chief Operating Officer</b>						
New Homes Bonus		8,254	8,254	8,254	0	
New Homes Bonus: Returned Funding Grant 2017/18		0	96	96	0	Balances
Education Services Grant		678	641	641	0	Balances
Transitional Funding		2,974	2,974	2,974	0	
Transition to Individual Electoral Registration 2017/18		0	64	64	0	SRE
Transition to Individual Electoral Registration 2017/18 - Additional		0	0	102	102	SRE
Local Government Transparency Code - New Burdens		0	0	13	13	SRE
Business Rates 2017/18 Tax Loss Compensation Payment		0	378	5,957	5,579	Collection Fund Reserve
<b>Total Service Funding</b>		<b>16,910</b>	<b>18,638</b>	<b>24,993</b>	<b>6,355</b>	
<b>TOTAL GENERAL PURPOSE</b>		<b>30,325</b>	<b>32,053</b>	<b>38,408</b>	<b>6,355</b>	
<b>TOTAL GRANT FUNDING</b>		<b>281,339</b>	<b>287,033</b>	<b>292,350</b>	<b>5,317</b>	

#### Notes

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

# Appendix 4 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)
<b>Total Committed Schemes</b>	<b>97.5</b>	<b>99.9</b>	<b>72.9</b>	<b>(27.0)</b>

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
<b>People Directorate</b>							
<b>Adults, Public Health and Communities</b>							
Committed Schemes - In Progress	111	-	-	111	108	836	-
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>Children's Social Care (Incl. Directorate)</b>							
Committed Schemes - In Progress	109	-	-	109	-	385	-
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>Education and 14-19 Skills</b>							
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
<b>Prevention and Support</b>							
Committed Schemes - In Progress	250	-	-	250	169	347	-
New Schemes and Option Developments	1,375	-	-	1,375	1,117	709	-
<b>Total People Directorate</b>	<b>11,960</b>	<b>-</b>	<b>(84)</b>	<b>11,876</b>	<b>9,734</b>	<b>32,986</b>	<b>2,163</b>

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
<b>Place Directorate</b>							
<b>Infrastructure and Highways (inc Car Parking)</b>							
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
<b>Growth and Regeneration</b>							
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
<b>Rural and Cultural Economy</b>							
Committed Schemes - In Progress	2,536	-	-	2,536	1,926	2,218	1,274
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>Total Place Directorate</b>	<b>70,933</b>	<b>630</b>	<b>503</b>	<b>72,066</b>	<b>53,757</b>	<b>75,428</b>	<b>178,293</b>

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
<b>Corporate Directorate</b>							
<b>Customer Operations</b>							
Committed Schemes - In Progress	2,918	-	(70)	2,848	2,103	1,275	-
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>Finance and Performance</b>							
Committed Schemes - In Progress	2,883	(2,000)	-	883	6	877	-
New Schemes and Option Developments	-	-	-	-	-	-	-
<b>ICT</b>							
Committed Schemes - In Progress	14,101	-	3,099	17,200	11,353	17,867	3,564
New Schemes and Option Developments	-	15	-	15	15	-	-
<b>Client Commissioning - Environmental</b>							
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
<b>Corporate Directorate</b>							
<b>Client Commissioning - Leisure</b>							
Committed Schemes - In Progress	1,149	-	-	1,149	384	3,288	5,403
New Schemes and Option Developments	720	-	2	722	353	369	-
<b>Total Corporate Directorate</b>	<b>35,264</b>	<b>(1,837)</b>	<b>3,031</b>	<b>36,458</b>	<b>24,733</b>	<b>30,335</b>	<b>18,517</b>
<b>Committed Schemes - In Progress</b>	<b>97,653</b>	<b>(1,225)</b>	<b>3,448</b>	<b>99,876</b>	<b>72,849</b>	<b>90,579</b>	<b>158,905</b>
<b>New Schemes and Option Developments</b>	<b>20,504</b>	<b>18</b>	<b>2</b>	<b>20,524</b>	<b>15,375</b>	<b>48,170</b>	<b>40,068</b>
<b>Total Net Position</b>	<b>118,157</b>	<b>(1,207)</b>	<b>3,450</b>	<b>120,400</b>	<b>88,224</b>	<b>138,749</b>	<b>198,973</b>

Funding Sources	2017/18 £000	2018/19 £000	2019/20 and Future Years £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
<b>Total</b>	<b>88,224</b>	<b>138,749</b>	<b>198,973</b>



**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
<b>Budgets Transferred from the Addendum to the Main Capital Programme</b>					
<b>Education and 14-19 Skills</b>					
To Expand 'in borough' SEN placement Capacity (Feasibility)	(600,000)				Element moved to main programme to undertaken an expansion of Springfield Special School.
<b>Prevention and Support</b>					
Development of Hurdsfield Family Centre		(700,000)			Approved for transfer to main programme
<b>Infrastructure and Highways (inc Car Parking)</b>					
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
<b>Growth and Regeneration</b>					
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
<b>Total Budgets Transferred to Main Capital Programme</b>	<b>(3,851,436)</b>	<b>(26,859,064)</b>	<b>(1,875,600)</b>	<b>(20,233,796)</b>	

Capital Scheme	Amount Transferred Q1 £	Amount Transferred Q2 £	Amount Transferred Q3 £	Amount Transferred Q4 £	Reason / Comment
<b>Capital Budget removed from the Addendum</b>					
<b>Education and 14-19 Skills</b>					
Education - Community Hub (formerly Knutsford Achievement)			(9,400,000)		Removed following third quarter review of capital programme.
<b>Rural and Cultural Economy</b>					
Playing Fields Strategy	-	(1,000,000)			Removed following mid year review of capital programme.
<b>Growth and Regeneration</b>					
Supplier Park			(40,000)		Removed following Place Capital Challenge
<b>ICT</b>					
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
<b>Total Capital Budget Removed from the Addendum</b>	<b>-</b>	<b>(1,000,000)</b>	<b>(12,278,000)</b>	<b>-</b>	

Capital Scheme	Amount Transferred Q1 £	Amount Transferred Q2 £	Amount Transferred Q3 £	Amount Transferred Q4 £	Reason / Comment
<b>Capital Budgets transferred from the Main capital Programme to the Addendum</b>					
<b>Infrastructure and Highways (inc Car Parking)</b>					
Alderley Road, Wilmslow – A34 Junction and pedestrian access improvements			1,162		Moved to Addendum from main programme following Third Quarter Review of capital programme.
<b>Growth and Regeneration</b>					
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			
<b>Total Capital Budget Transferred to the Addendum</b>	<b>-</b>	<b>7,272,446</b>	<b>1,162</b>	<b>-</b>	
<b>Capital Budgets transferred from one Directorate's Addendum to another.</b>					
<b>Infrastructure and Highways (inc Car Parking)</b>					
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.
<b>Growth and Regeneration</b>					
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.
<b>Total Capital Budget Transferred between Directorates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Change to the Addendum</b>	<b>(3,851,436)</b>	<b>(20,586,618)</b>	<b>(14,152,438)</b>	<b>(20,233,796)</b>	

**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
<b>Summary of Supplementary Capital Estimates and Capital Virements</b>		
<b>Supplementary Capital Estimates that have been made up to £500,000</b>		
<b>Client Commissioning - Environmental</b>		
Park Development Fund	9,000	Increase in budget due to £9,000 contribution from Friends of Stanley Park
<b>Client Commissioning - Leisure</b>		
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.
<b>Total Supplementary Capital Estimates Requested</b>	<b>381,000</b>	

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Summary of Supplementary Capital Estimates and Capital Virements</b>		
<b>Capital Budget Virements that have been made up to £1,000,000</b>		
<b>Education and 14-19 Skills</b>		
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 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 .
Wilmslow High School	13,563	
The Quinta Primary School	650,000	

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Summary of Supplementary Capital Estimates and Capital Virements</b>		
<b>Capital Budget Virements that have been made up to £1,000,000</b>		
<b>Infrastructure and Highways (inc Car Parking)</b>		
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	
<b>Growth and Regeneration</b>		
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
<b>Rural and Cultural Economy</b>		
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	
<b>Total Capital Budget Virements Approved</b>	<b>1,236,391</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>1,617,391</b>	



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

<b>Capital Scheme</b>	<b>Amount Requested £</b>	<b>Reason and Funding Source</b>
<b>Cabinet are asked to approve the Supplementary Capital Estimates and Virements</b>		
<b>Supplementary Capital Estimates above £500,000 up to and including £1,000,000</b>		
<b>Education and 14-19 Skills</b>		
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.
<b>Infrastructure and Highways (inc Car Parking)</b>		
Highway Investment Programme	538,896	To increase the budget so that the additional Department for Transport 17/18 Pothole Action Fund is included.
<b>Total Supplementary Capital Estimates Requested</b>	<b>1,132,586</b>	
<b>Capital Budget Virements above £1,000,000 up to and including £5,000,000</b>		
<b>Education and 14-19 Skills</b>		
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).
<b>Total Capital Budget Virements Requested</b>	<b>2,250,000</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>3,382,586</b>	

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

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

**Table 9 - Capital Budget Reductions**

Capital Scheme	Approved Budget £	Revised Approval £	Reduction Reason and Funding Source £
<b>Cabinet are asked to note the reductions in Approved Budgets</b>			
<b>Infrastructure and Highways (inc Car Parking)</b>			
<b>S278s</b>			
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.
<b>Client Commissioning - Environmental</b>			
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
<b>Total Capital Budget Reductions</b>	<b>317,518</b>	<b>162,563</b>	<b>(154,955)</b>

# Appendix 5 Debt Management

1. The balance of outstanding debt has reduced by £0.8m since third quarter review mainly due to the settlement of invoices raised to Cheshire West & Chester Council for ICT services and Business World licences.
2. Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates).
3. Annually, the Council raises invoices with a total value of over £70m. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including Highways, Property Services, Licensing and Building Control.
4. The Council's standard collection terms require payment within 28 days of the invoice date, however, services receive immediate credit in their accounts for income due. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.
5. The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor). In 2017/18 the team collected £3.2m on behalf of services.
6. After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of March 2018 was £6.2m.
7. The total amount of service debt over six months old is £3.1m; provision of £4.3m has been made to cover doubtful debt in the event that it needs to be written off.

## Debt Summary

	Within 30 trade terms £000	Over 6 months old £000	Debt Provision £000
<b>People</b>			
Adults, Public Health and Communities	3,847	2,305	3,544
Children's Social Care (Incl. Directorate)	98	46	46
Education and 14-19 Skills	112	-	-
Prevention and Support	172	1	1
Schools	123	49	16
<b>Place</b>			
Planning and Sustainable Development	48	24	24
Infrastructure and Highways (inc Car Parking)	1,002	249	249
Growth and Regeneration	501	204	204
Rural and Cultural Economy	29	6	6
<b>Corporate</b>			
Customer Operations	4	3	3
Legal & Democratic Services	9	-	-
Human Resources	8	7	7
Finance and Performance	14	5	5
Professional Services	13	1	1
ICT	43	2	2
Communications	-	-	-
Client Commissioning - Environmental	223	204	204
Client Commissioning - Leisure	-	-	-
	6,246	3,106	4,312

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# Appendix 6 Reserves

## Management of Council Reserves

1. The Council's Reserves Strategy 2017-20 states that the Council will maintain reserves to protect against risk and support investment. The Strategy forecast that the risk assessed level of reserves is currently £10.1m.
2. The opening balance at 1<sup>st</sup> April 2017 in the Council's General Reserves was £10.3m as published in the Council's Audited Statement of Accounts for 2016/17.
3. **Table 1** shows how the overall impact of service budgets, central budgets and Council decisions impacts on the forecast closing balance of general reserves.

**Table 1 – Change in Reserves Position**

	£m
Opening Balance at 1 <sup>st</sup> April 2017	10.3
Impact on Balances at Quarter 4	0.0
<b>Forecast Closing Balance at March 2018</b>	<b>10.3</b>

4. The balance of £10.3m reflects the outturn position and risks associated with budget achievement in 2017/18. The reserve is in line with the level planned in the 2017-18 Reserves

Strategy. Overall the Council remains in a strong financial position given the major challenges across the public sector.

5. The Council also maintains Earmarked Revenue reserves for specific purposes. At 31<sup>st</sup> March 2017 balances on these reserves stood at £48.9m, excluding balances held by Schools.
6. The improvement in the outturn position since the third quarter review meant that the underspend of £1.3m could be used to top up the existing Enabling Transformation reserve for future use.
7. Funds released from the Collection Fund Management Reserve allowed a further increase to the Enabling Transformation reserve of £3.5m and a new reserve for Adult Social Care Transition (£1.7m) was also created.
8. The financing reserve increase by £1.9m as detailed in the mid-year review report. This was due to backdated savings achieved as a result of the change in the Minimum Revenue Provision (MRP) policy to the use of the annuity method.
9. The total earmarked reserves balance available at the end of 2017/18 is £47.0m. A full list of earmarked reserves at 1<sup>st</sup> April 2017 and movement in 2017/18 is contained in **Table 2**.

## Table 2 - Earmarked Reserves

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2017 £000	Movement in 2017/18 £000	Closing Balance 31 <sup>st</sup> March 2018 £000	Notes
<b>People</b>				
<b>Adults, Public Health and Communities</b>				
PFI Equalisation - Extra Care Housing	2,060	165	2,225	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.
Individual Commissioning - Provider Investment & Fees	450	(450)	-	Linked to the S256 contribution towards backdated fees, to be used for provider training.
Public Health	536	(312)	224	Ring-fenced underspend to be invested in areas to improve performance against key targets. Including the creation of an innovation fund to support partners to deliver initiatives that tackle key health issues.
Communities Investment	583	(214)	369	Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.
Fixed Penalty Notice Enforcement (Kingdom)	59	120	179	Surplus Fixed Penalty Notice receipts to be ring-fenced to provide a community fund to address environmental issues .
Adults Transition Reserve	-	1,718	1,718	
Transitional Funding - community cohesion	141	-	141	Community Cohesion Strategy and Action Plan
<b>Children's Services</b>				
Domestic Abuse Partnership	165	(21)	144	To sustain preventative services to vulnerable people as a result of partnership funding.
Early Intervention and Prevention Investment	984	(473)	511	To continue the planned use of the Early Intervention short term funding allocation agreed for two years from 2016/17.
Parenting Journey	60	(60)	-	The Parenting Journey is in conjunction with Wirral Community Trust Health Visiting Service to integrate Health Visiting, Early Years and Early Help assessments.
Adoption Support Fund	-	197	197	
Transitional Funding-Developing the 'Cheshire East Way'	130	(47)	83	Delivering better outcomes for children and young people.
Transitional Funding-Increase in Establishment	386	(241)	145	Child Protection Social Workers
Transitional Funding-Independent Travel Training	150	-	150	Independent Travel Training



Name of Reserve	Opening Balance 1 <sup>st</sup> April 2017 £000	Movement in 2017/18 £000	Closing Balance 31 <sup>st</sup> March 2018 £000	Notes
<b>Place</b>				
Investment (Sustainability)	2,044	(1,173)	871	To support investment that can increase longer term financial independence and stability of the Council.
<b>Planning and Sustainable Development</b>				
Trading Standards and Regulations	75	-	75	Ongoing Trading Standards prosecution case on product safety
Air Quality	80	-	80	Provide funding for a temporary Air Quality Officer post for two years.
Strategic Planning	36	-	36	To meet potential costs within the Planning Service and Investment Service Structure.
Transitional Funding- air quality	79	(32)	47	Air Quality Management
<b>Infrastructure and Highways</b>				
Parking - Pay and Display Machines	100	-	100	Purchase of Pay and Display Machines.
Highways Procurement	276	-	276	To finance the development of the next Highway Service Contract.
Winter Weather	230	-	230	To provide for future adverse winter weather expenditure.
<b>Growth and Regeneration</b>				
Royal Arcade Crewe	500	-	500	To provide for future costs relating to the Royal Arcade including repairs and maintenance.
Legal Proceedings on land and property matters	150	(23)	127	To enable legal proceedings on land and property matters.
Skills & Growth	446	(110)	336	To achieve skills and employment priorities and outcomes.
Transitional Funding-Low Carbon Heat Growth Programme	51	-	51	Low Carbon Heat Growth Programme
Homelessness & Housing Options	200	(26)	174	To prevent homelessness and mitigate against the risk of increased temporary accommodation costs.
<b>Rural &amp; Cultural Economy</b>				
Tatton Park	80	(80)	-	Ring-fenced surplus on Tatton Park trading account.

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2017 £000	Movement in 2017/18 £000	Closing Balance 31 <sup>st</sup> March 2018 £000	Notes
<b>Corporate</b>				
<b>Legal Services</b>				
Insurance (Cheshire East & Cheshire County Funds)	4,039	177	4,216	To settle insurance claims and manage excess costs.
Transitional Funding-Child Protection Social Workers and Childcare Legal Support	225	(225)	-	Childcare Legal Support
<b>Democratic Services</b>				
Elections	123	11	134	To provide funds for Election costs every 4 years.
<b>Finance and Performance</b>				
Collection Fund Management	11,337	(5,927)	5,410	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years.
Financing Reserve	10,750	1,987	12,737	To provide for financing of capital schemes, other projects and initiatives.
Enabling Transformation	2,142	3,682	5,824	Funding for costs associated with service transformation; particularly in relation to staffing related expenditure.
Transitional Funding-External Funding Officer	181	-	181	External Funding Officer

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2017 £000	Movement in 2017/18 £000	Closing Balance 31 <sup>st</sup> March 2018 £000	Notes
<b>Cross Service</b>				
Trading Reserve	1,299	430	1,729	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives.
Service Manager carry forward	3,017	(609)	2,408	Allocations for Cost of Investment or grant funded expenditure.
Revenue Grants - Dedicated Schools Grant	3,364	(1,060)	2,304	Unspent specific use grant carried forward into 2018/19.
Revenue Grants - Other	2,384	715	3,099	Unspent specific use grant carried forward into 2018/19.
<b>TOTAL</b>	<b>48,912</b>	<b>(1,881)</b>	<b>47,031</b>	

**Notes:**

1. Figures exclude Schools balances.

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# Appendix 7 Workforce Development

1. This section sets out the Council's activities and progress in relation to HR, Organisational Development, Health and Safety and Workforce Development plans and changes for the fourth quarter 2017/18.

## Culture and Values

2. Following the Local Government Association's independent culture review and acceptance of the report recommendations, the Brighter Future Transformation Programme has been initiated to transform the Council's culture and work is now underway.
3. The programme focuses on defining the Vision for the Council's workplace culture and behaviours, aligned to the Council's FIRST values. This will allow the Council to build on strengths and the behaviours role modelled by staff and members that will be reflected in the Employee Deal, to ensure that the vision for our workplace culture is realised and embedded for the future.
4. The Brighter Future Transformation Programme is a key part of the Council's overall Organisational Transformation Programme to deliver the Medium Term Financial Strategy and will both inform and influence related programmes and projects. As the journey evolves it will touch every part of the Council as the outcomes are embedded creating our new workplace culture.

5. To help to ensure staff feel valued and recognised the Making a Difference monthly scheme reopened in February with a total of 14 team and individual nominations being received. The nominations for March were slightly lower at 9 nominations. Made my Day instant recognition continues to be popular with 206 being received January to March 2018.
6. To support and inform the Council's commitment to wellbeing in work, the staff wellbeing forum and the wellbeing contributors group have met for a second time. The staff forum has seen individuals taking responsibility for starting local wellbeing initiatives within their own place of work e.g. a book club and a relaxation session. In addition a number of further ideas to support and improve wellbeing are being considered and prioritised. Three editions of the staff wellbeing in work newsletter have been published which in turn has generated several ideas for future editions.

## Building Capability and Capacity

7. The Corporate Training Programme and Continuous Professional Development Portfolios ensure that the Council creates a workforce which is safe, knowledgeable and competent in performing their duties to the highest possible standard, providing the best quality services to the residents and businesses.
8. During 2017/18, 201 courses have been offered to CEC employees. A further five employees successfully secured funding approval via the Continuous Professional Development Panel for role specific development and qualifications in quarter four, seeing over £6,000 investment.

9. Developing management capability at all levels has continued with a cohort of managers being on track to complete the Institute of Learning and Management (ILM) level three and Level five Diploma qualifications. New ILM level three and ILM level five qualifications, funded via the apprenticeship levy, are now being offered organisation wide. A total of 24 members of staff started on the ILM 3 Leadership and Management qualification in November and a cohort of 12 on the ILM level 6. A further cohort of 7 started on a new Chartered Management Degree in January 2018. Leadership and Management development continues with bespoke team manager skills development days taking place in Corporate service team. Ongoing development of leadership and management resource portal and induction programme continues according to the outcomes of the LGA culture review and transformation programme along with a programme of training courses for managers of all levels.
10. The Workforce Development Team continues to maintain close relationships with partner universities and Further Education colleges, supporting work experience placements for career starters and changers, course required workplace placements, graduate schemes and mentoring opportunities for young people. Relationships development is further encouraged through exploring links with universities for staff engagement such as guest lecturing. All employees and apprentices receive up to date training through quality assured processes and methods including internal and external training, e-learning and wider Continuous Professional Development opportunities to ensure they surpass expectations of external verification and examination boards, and feel fully supported throughout all stages of their career.

## **Resourcing and Talent**

11. Six graduates previously undertaking their course placements at Cheshire East Council have secured permanent roles within Children's Social Care and undergraduate placements across social care are ongoing, supported by a growing cohort of internal practice educators. Two Skills for Care Graduate Management candidates are a quarter of the way through their year long placement and three further placement opportunities have been taken up in Community Safety and Best for Business teams in partnership with the University of Chester.
12. The Workforce Development Team has concentrated its efforts this year on launching the new process for the funding of apprenticeships across the Council, ASDVs and maintained schools. Since the funding reforms came into effect from 1st May, there have been 99 new apprenticeship starts (existing staff and new employees) for the organisation.
13. The Council continues to offer opportunities for Graduate and Staff Development. Progression pathways continue to be finalised and developed across the Council, most recently in the Project and Performance team to offer development from entry to management roles, offering a clear career route and tailored opportunities for existing staff, recent graduates and apprentices.

## **Reward and Recognition**

14. To enhance the range of employee benefits an online "Rewards Centre" continues to be well received with more than 1,373 staff (32%) now signed up. The Rewards Centre provides staff with over 6,000 different discounts and offers for well known high street retailers, days out, holidays, etc., including discounts at over 120,000 outlets. Currently the

most popular retailers for staff are Sainsbury's, Tesco, Argos, Boots, M&S, Morrison's, Costa Coffee, Ikea and discounted cinema tickets. Available through telephone, mobile, or website ordering, the Rewards Centre will help staff make their money go further and will support the attraction and retention of employees.

15. The Council's Gender Pay Gap figures were published on the Government's Equalities website on 21<sup>st</sup> March 2018, in order to comply with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 as the Council employs more than 250 employees.
16. In summary, the Council's gap is 14%, 4% below the national average in the public sector. Out of 3,849 employees in our gender pay gap analysis, 76% were female. The gender profile of our workforce is a reflection of the occupational roles within the Council and represent the high number of caring roles, which still tend to be viewed as traditional female occupations. Many authorities outsource this work completely which is why some authorities have lower gender pay gaps. Additionally, other traditionally male roles such as refuse collection are not part of the Council's workforce.
17. As well as reporting the six required metrics on the Government's Equalities website a link is also provided to the

Council's website to the [Gender Pay Gap Report](#) that has been prepared. This outlines the gap figures and also explains the reasons for the gap and actions the Council will take in the future to narrow the gap.

### **Education HR Consultancy**

18. An improved package is being offered to schools and academies for 2018/19 recognising the increasingly competitive market within which the Council is offering the buy-back of Education HR Consultancy Services.

### **Health and Safety**

19. Work continues on refreshing Corporate Health and Safety guidance notes – commencing with Drug & Alcohol, Driving at Work, Violence and Aggression, Personal Emergency Evacuation Plans and Display Screen Equipment.

### **Staffing Changes**

20. As shown in the table below, Cheshire East Council's overall headcount has remained relatively constant during the last quarter of 2017-18, while the number of full-time equivalent (FTE) employees has decreased slightly over the same period.



## Cheshire East Council Employee Headcount & FTE Figures

Directorate / Service	Employee FTE Jan 2018	Employee FTE Mar 2018	Employee Headcount Jan 2018	Employee Headcount Mar 2018
<b>Corporate</b>	<b>768.9</b>	<b>768.8</b>	<b>883</b>	<b>880</b>
Audit	7.3	7.3	9	9
B4B / Business Development	10.2	10.2	12	12
Business Management	18.0	20.0	19	21
Communications & Media	10.9	10.9	11	11
Customer Services	279.1	276.8	350	348
Finance & Performance	99.8	98.1	103	101
Human Resources	39.0	43.0	46	49
ICT	188.2	188.4	196	195
Legal & Democratic Services	98.7	97.6	119	117
Procurement	13.8	13.5	14	14
<b>People</b>	<b>1628.3</b>	<b>1622.0</b>	<b>2179</b>	<b>2177</b>
Adult Social Care and Health	846.4	849.2	1051	1059
Children's Services	780.0	770.8	1126	1115
<b>Place</b>	<b>429.3</b>	<b>431.2</b>	<b>535</b>	<b>534</b>
Growth and Regeneration	150.3	149.1	192	190
Infrastructure & Transport	53.6	54.7	55	57
Planning and Sustainable Development	127.2	125.2	133	132
Rural and Green Infrastructure	95.2	99.2	152	152
<b>Cheshire East Council Total</b>	<b>2828.6</b>	<b>2824.0</b>	<b>3590*</b>	<b>3588*</b>

**\*Note:** The Chief Executive has not been included in any of the Directorate / Service information, but is counted in the overall Cheshire East Council headcount and FTE figures; similarly Executive / Directors and/or "Business Managers" will not appear in the "Service" totals but will appear in the overall "Directorate" figures. Employees with multiple assignments across services will appear in the headcount figures for each service, but will only be counted once in the total CEC headcount figure; where an employee has multiple assignments in the same service they will appear in the overall headcount figure only once for that service.

## Agency workers

21. Agency workers are a valuable component of the Council's workforce, providing short term cover, project work and flexible specialist skills to maintain service delivery in areas such as social services, ICT and other professional services. The table below provides a summary of active agency worker assignments at the end of January and March 2018, together with agency worker assignments as a percentage of all active workforce assignments (excluding casuals) at the end of each specified month.

### Number and percentage of active agency worker assignments:

	Active C.Net Assignments on 31.01.18	Active C.Net Assignments on 31.03.18	% of all Workforce Assignments on 31.01.18	% of all Workforce Assignments on 31.03.18
People	63	69	2.7	2.9
Place	8	10	1.6	1.9
Corporate Services	54	58	5.7	6.1
<b>Cheshire East</b>	<b>125</b>	<b>137</b>	<b>3.3</b>	<b>3.6</b>

22. There was a decrease in agency assignments in the People Directorate between December and January 2018, when the number of active assignments at the end of each month fell from 84 to 63. This is largely attributable to assignments coming to an end within January that provided short term sickness absence cover during the winter period. There has also been a decrease in the number of active assignments in the Corporate Directorate during quarter four of 2017-18; there were 58 active assignments at the end of March 2018 compared to 67 at the end of December 2017.

## Absence

23. At the end of 2017-18 the absence rate for Cheshire East Council is 11.18, which is slightly higher than 2016-17 due to elevated absences during quarter four associated with seasonal illnesses. However, the overall absence rate over the past three financial years has been relatively stable and consistently lower than the previous four financial years (between 2011 and 2015).

### Days lost to sickness absence per FTE employee by full financial year – 2014/15 to present:

Cheshire East Council (excluding Schools)	2014/15	2015/16	2016/17	2017/18
Full Financial Year Absence	11.97	11.14	11.14	11.18

## Voluntary Redundancies

24. The Council's voluntary redundancy scheme continues to support organisational change and the delivery of the planned programme of change in the Council Plan. The effective use of voluntary redundancy in this way enables the Council to achieve its planned savings and efficiencies and also helps to maintain good employee relations within the Authority and minimises the prospect of compulsory redundancy.
25. One person has left the Council under voluntary redundancy terms in quarter four. The total severance cost was £22,846 inclusive of redundancy and actuarial costs. Over the next five years, this reduction is estimated to save the Council over £61,668.

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## Cabinet

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**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

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### 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:

<b>Event</b>	<b>Date</b>
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.

<b>Scheme Element</b>	<b>Estimated Outturn Costs(2018 Q1 prices)</b>
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
<b>Total</b>	<b>£54.79m</b>

- 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:

<b>Funding Source</b>	<b>Value £ (2018 Q1 prices)</b>
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](mailto:chris.hindle@cheshireeast.gov)

## **Cabinet**

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**Date of Meeting:** 12 June 2018

**Report Title:** Middlewich Eastern Bypass – Planning and Delivery Update

**Portfolio Holder:** Cllr Don Stockton, Environment Portfolio

**Senior Officer:** Frank Jordan, Executive Director for Place

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### **1. Report Summary**

- 1.1. This report seeks approval for 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.

### **2. Recommendation**

- 2.1. That Cabinet 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 take 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 Recommendation**

- 3.1. The land acquisition process would enable the Council to proceed with the development and delivery of the scheme.
- 3.2. There is considerable local public support for the proposals, as demonstrated by the Middlewich Transport Consultation (September 2016). Through this consultation, 79% of respondents stated that there are severe issues affecting roads in Middlewich. When asked about priorities for improving transport, the top priority for respondents was building a bypass.
- 3.3. The scheme is consistent with the Cheshire & Warrington Strategic Economic Plan and is a key element of the HS2 Growth Strategy for the Constellation Partnership.
- 3.4. It is also embedded in the newly adopted Local Plan for Cheshire East.

#### **4. Other Options Considered**

- 4.1. The various options for the bypass which were assessed informed the recommendation of the preferred option, as approved at Cabinet in September 2017.
- 4.2. Consideration has been given to delaying the submission of a planning application. It is considered that this approach would put key project milestones at risk resulting in delayed opening of the road. Meanwhile, construction cost inflation could expose the Council to further financial risks as the local funding contribution would be expected to meet these additional costs.
- 4.3. The Council has commenced negotiations with affected landowners in accordance with the Department of Communities & Local Government Guidance on Compulsory Purchase dated October 2015. However, voluntary acquisitions may not be concluded with all affected parties and for all land title issues to be dealt with by agreement within the funding window for the scheme. Accordingly, the authorisation of compulsory purchase action is sought at this stage to maintain the project programme and to demonstrate the Council's intent, subject to a resolution to grant planning permission by the Strategic Planning Board, to proceed with the scheme.

#### **5. Background**

- 5.1. The aim of the Middlewich Eastern Bypass scheme is to relieve traffic congestion in Middlewich town centre and enable access to the strategic employment sites.
- 5.2. The scheme will therefore support the economic growth agenda of the Council by facilitating the delivery of 1,950 new houses and 6,500 additional jobs in Middlewich.
- 5.3. At the meeting on 12 September 2017, Cabinet resolved to prepare a planning application for the Preferred Route option. Following the Cabinet resolution in September, the Council has progressed a wide range of technical work to prepare for submission of a planning application, including;
  - Detailed designs for the highway
  - Environmental surveys, impact assessments and proposed mitigation plans
  - Production of a transport assessment
  - Flood risk assessments and development of a drainage strategy
  - Geotechnical and ground condition studies

- Engagement with Network Rail, Environmental Agency and the Canals & Rivers Trust
  - Pre-application discussions with Cheshire East and Cheshire West & Chester Council planning officers
  - Engagement with affected landholders and occupiers
- 5.4. To meet the programme for the scheme the Council will need to undertake early negotiations with affected land owners to secure that land required for the scheme by way of early acquisitions.
- 5.5. Acquiring authorities must demonstrate that every effort should be made to acquire the necessary land interests by agreement with the effected parties and that compulsory acquisition is a last resort. The Council has appointed Sanderson Weatherall (chartered surveyors) to undertake this work. However, voluntary acquisitions of all of the land affected and rights required may not be possible within the funding window for this scheme.
- 5.6. Whilst acquisition by agreement will be pursued, initiating the CPO process over the entire land holding required for the scheme offers greater certainty, should parallel negotiations to acquire the land and rights voluntarily not be successful.
- 5.7. The scheme will require the acquisition of the freehold title to approximately 12 hectares of land (or thereabouts). In addition, a further 30 hectares (approximately) of land is expected to be subject to new rights, licenses or consents as part of the environmental mitigation scheme associated with the proposals. The plans to accompany the CPO are not yet available so a plan of the general alignment of the road and these extent of associated environment measures is included as Appendix A to this report.
- 5.8. Some of the areas over which freehold title is to be acquired may not be required for the permanent works and may be sold back to the current owners at Open Market Value along with the payment of compensation in due course.
- 5.9. The Side Roads Order (SRO) will authorise the stopping-up, diversion and creation of new lengths of highway or reclassification of existing highways and the Compulsory Purchase Order (CPO) will include land that is required to enable the works authorised by the SRO to be carried out.
- 5.10. In addition, the SRO will make provision for the stopping-up of private means of access to premises and agricultural land, as necessary, and the CPO makes provision for the acquisition of land and new rights to enable new, replacement private means of access to be provided as part of the scheme.

5.11. The land proposed to be acquired is the minimum considered to be required to achieve the preferred design option, subject to matters that are currently unresolved pending further design work, as follows. Firstly, the locations for working compounds and attenuation ponds have not yet been confirmed and will be selected for inclusion in the CPO in due course. Secondly, 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. These amendments may be made by the Executive Director of Place in consultation with the Director of Legal Services subject to adoption of the recommendations in this report.

## **6. Implications of the Recommendations**

### **6.1. Legal Implications**

- 6.1.1. In resolving to make a Compulsory Purchase Order and a Street Works Order for the Scheme the Council would be proceeding under its powers under the Highways Act 1980 for the compulsory purchase of land. The rights require together with improvements, stopping up of roads and replacement of private means of access.
- 6.1.2. 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.
- 6.1.3. 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
- 6.1.4. 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 implications of these recommendations will draw down allocated funds within the Council's capital budget. Following consideration by the Portfolio Holder for Finance and Communications at a meeting on 15<sup>th</sup> May 2018, the FY18-19 Budget for Middlewich Eastern Bypass has been approved to release sufficient funds in this financial year to meet forecast expenditure of £2.9 million. This funding is necessary to enable the project to proceed, on programme, during this financial year.



6.2.2. A detailed cost estimate has been prepared using specialist engineering and property consultants. The following table summarises the main cost elements for the scheme (preferred option). No prior expenditure is included in these values, which should be considered cost estimates to completion from 1st April 2017.

<b>Scheme Element</b>	<b>Estimated Outturn Costs (2017 Q1 prices)</b>
Construction incl. Preliminary works	£33.10m
Site supervision costs	£2.03m
Land acquisition & Part 1 Claims	£5.30m
Statutory utilities	£0.75m
Design fees	£5.33m
Inflation allowance	£4.24m
Risk Allowance	£7.73m
<b>Total</b>	<b>£58.48m</b>

6.2.3. The programme maximises reliance on local funding sources, referred to as the Local Contribution, from both Cheshire East Council and third party (developer) sources. To ensure that these funding sources are viable and to avoid adversely impacting on future development, the local funding contribution was set at 20% of total scheme costs. Therefore, the funding mix, as endorsed by Cabinet in April 2017, is as follows;

<b>Funding Source</b>	<b>Value £ (2017 Q1 prices)</b>
DfT Grant	£46.78m
Local Contribution	£11.70m
<b>Total scheme costs</b>	<b>£58.48m</b>

- 6.2.4. At this stage, third party contributions are estimated based upon committed or current S106 developer agreements (or equivalent). Over time, the proportion of third party funding is likely to change in response to development activity within the local area. For this reason, the local funding contribution is presented as a combination of both Council and Third party funding. Any change in either element will have a direct impact on the funding obligation arising from the other source.
- 6.2.5. In September 2017, it was agreed that the Council would continue to seek alternative funding sources including developer contributions, which could be used to replace its contribution whilst ensuring a maximum local contribution of £11.7million. This approach will be retained, ensuring that any call on Council resources is minimised.
- 6.2.6. The project budget includes an estimate for the costs associated with the CPO process including a public inquiry. This estimate allows for the costs of surveyors / lawyers / barristers / land referencing fees but would exclude any references to the Lands Tribunal in respect of compensation. The costs associated with Lands Tribunal for compensation are dependant upon the number and complexity of claims and the project budget includes a contingency for this.

### 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 Middlewich Eastern Bypass.
- 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.

#### **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 (eg powers of entry) these acquiring authorities must have regard to the effect of any differential impacts on groups with protected characteristics.
- 6.4.2. Equality implications have been considered in the options appraisal and are incorporated into the Outline Business Case. An Equalities Impact Assessment will be prepared to accompany the planning application for the scheme.
- 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 compulsory purchase 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.
- 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 there is a compelling case in the public interest for 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 the 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. 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.

6.5.6. 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. Human Resources Implications**

6.6.1. It shall be necessary to ensure that sufficient resource is allocated in Assets, Highways, Legal, and Planning Services to support delivery of the scheme. If additional temporary resources are required these will be met from the project budget.

## **6.7. Risk Management Implications**

6.7.1. 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.

6.7.2. The Council will be required to accept all responsibility for cost increases beyond the cost envelope stated in the Business Case that is approved for funding by DfT. This decision is at the Full Business Case stage, which is currently anticipated in late 2019.

6.7.3. Risk management issues are unchanged from previous Cabinet reports. A risk register has been produced in the preceding stages of the project development and this will be reviewed and updated through the current stage of works. Capital cost risks are informed by a comprehensive Quantitative Risk Assessment, with a risk allowance of £7.7million included in the scheme costs. For appraisal purposes, a level of Optimism Bias is applied to uplift estimated costs by 44%, in accordance with DfT guidance, to ensure that the value-for-money of the scheme is not overstated.

- 6.7.4. This scheme is close to the Cheshire Brine Compensation Board area and as such will need to be subject to additional Ground Investigations works than are typical for a scheme of this nature.
- 6.7.5. Progressing a CPO would be preceded by an offer of voluntary negotiations to acquire by agreement which could continue during the CPO process. Ultimately, however, the making of a CPO could be the only way to resolve the major area of uncertainty that could otherwise delay the projects programme.
- 6.7.6. Entering into the CPO process offers the assurance that the Local Plan site allocations can be delivered.
- 6.7.7. The Council can notify the Secretary of State that it no longer wishes to use its CPO powers in respect of any interest and request the Secretary of State not to confirm the CPO over those interests at any time if negotiations are successful or if the Council considers the financial risk too great.
- 6.7.8. A major risk for any highway scheme is land assembly and any substantive delay to this is likely to adversely impact on the project program to include submission of the planning application and the start of construction. In order to mitigate this risk, it has been identified that external legal support needs to be procured immediately to support the land assembly and Compulsory Purchase strategy.
- 6.7.9. The Council will ensure that there is a budget for costs associated with any early acquisitions, including payment of professional fees incurred by affected land owners, required to meet the program for starting construction. Where possible, the Council shall enter into option agreements to acquire land to mitigate the costs associated with early acquisitions.
- 6.7.10. Robust governance arrangements for the scheme have been operating within the Strategic Infrastructure project management framework and a risk register and issues log are in place, which include monitoring and effective control of identified risks and issues.
- 6.7.11. The assumed funding from Section 106 agreements is not all secured so there remains a funding risk. Mitigation of this risk is underway via close working with the planning team and negotiations with developers to ensure that sufficient contribution will be secured. There is also a risk of contributions not coming forward even though they have been secured in s106 Planning Obligations.

## **6.8. Rural Communities Implications**

6.8.1. 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.

## **6.9. Implications for Children & Young People**

6.9.1. No specific implications have been identified at this stage. Opportunities to engage with local schools will be considered as the scheme progresses. The means by which young people can be encouraged to participate in the consultation process will be considered as part of the Consultation & Engagement Plan.

## **6.10. Public Health Implications**

6.10.1. The recommendations have no immediate impact on public health. Issues associated with noise and air quality will be assessed as part of the programme of works associated with preparing an Environmental Assessment to accompany the planning application.

6.10.2. All on-site ground investigation works will be planned and completed with reference to a comprehensive Risk Assessment and Mitigation Strategy, which will take full account of potential impacts on residents, road users and the general public.

6.10.3. The scheme will have environmental benefits, through reducing traffic congestion, improving travel times and reliability and encouraging multi modal forms of transport such as cycling and walking.

## **7. Ward Members Affected**

7.1. Middlewich and Brereton Rural wards are affected;

- Cllr Simon McGrory
- Cllr Michael Parsons
- Cllr Bernice Walmsley
- Cllr John Wray

7.2 In addition, the project team have provided periodic updates to both Middlewich Town Council and Moston Parish Council during development of the proposals.

## **8. Consultation & Engagement**

8.1. Public consultation on the Preferred Option for the scheme has taken place between 19<sup>th</sup> March and 29<sup>th</sup> April 2018. A comprehensive report on the outcomes of this consultation has been prepared to support both the Planning Application and the Full Business Case to Government.

## **9. Access to Information**

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

## **10. Contact Information**

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

Name: Richard Hibbert

Job Title: Interim Head of Transport

Email: [richard.hibbert@cheshireeast.gov.uk](mailto:richard.hibbert@cheshireeast.gov.uk)



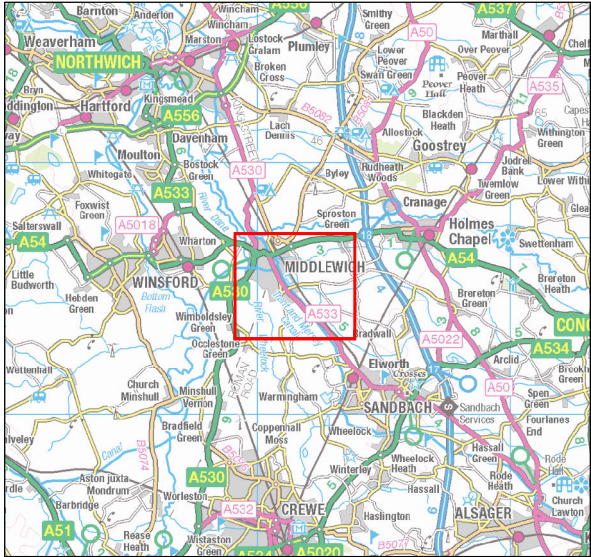
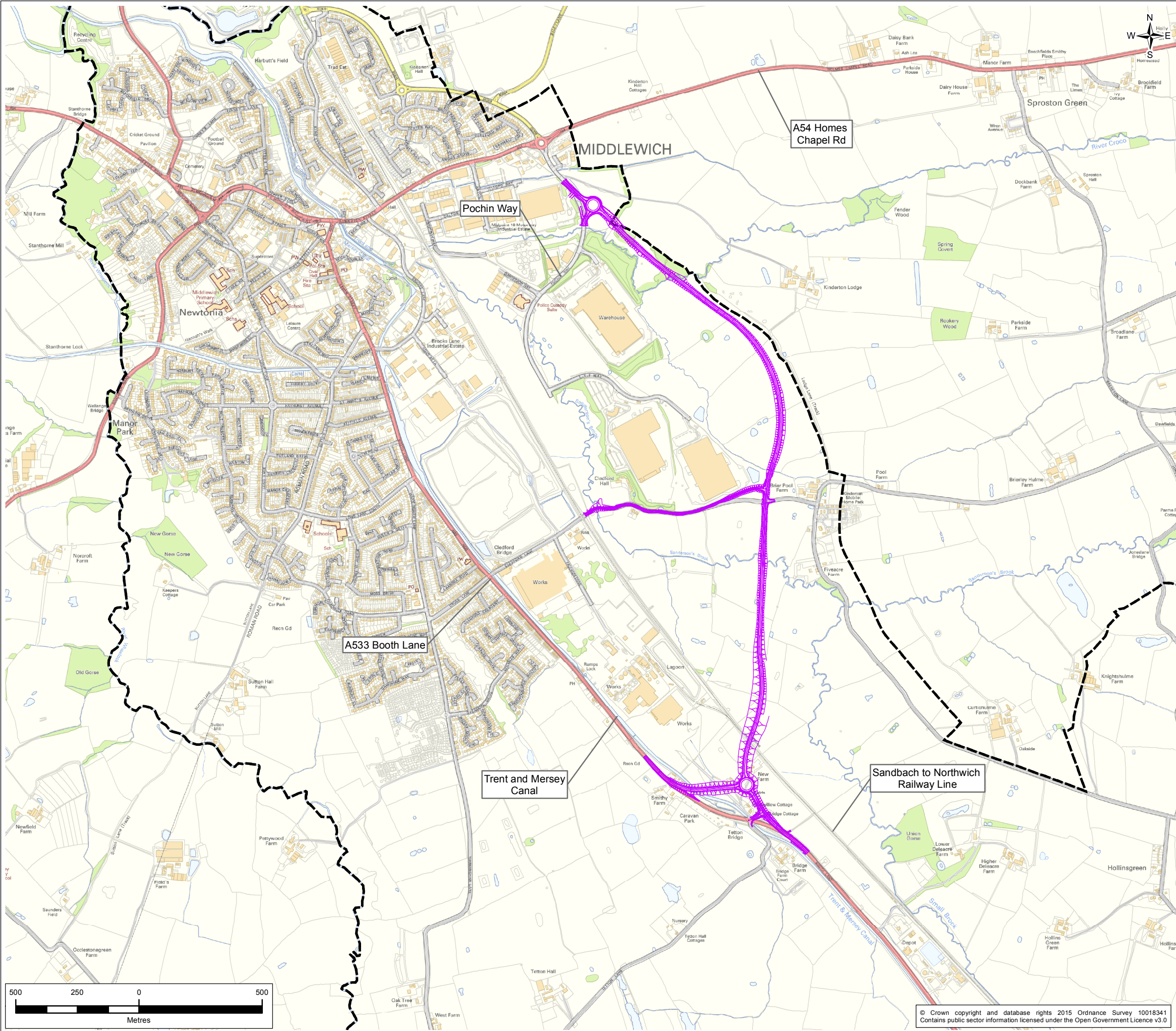
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FIGURE 1.2

Legend

- Middlewich Eastern Bypass
- District Boundary



0	6/02/2018	Initial Issue	RW	RW	RW	SB
Rev.	Date	Purpose of revision	Drawn	Check'd	Rev'd	Appr'd
<div><div><div><div><div>JACOBS</div><div>Number One Buiding, 5 First Street Manchester, M15 4GU, UK. Tel: +44(0)161 235 6000   www.jacobs.com</div></div></div></div></div>						
Client						
<div><div><div><div><div></div><div>Cheshire East Council</div></div></div></div></div>						
Project						
MIDDLEWICH EASTERN BYPASS						
Drawing Title						
PROPOSED SCHEME						
Scale @ A3		1:15,000	DO NOT SCALE			
Jacobs No.		BRJ10403				
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This drawing is not to be used in whole in or part other than for the intended purpose and project as defined on this drawing. Refer to the contract for full terms and conditions.						



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## Cabinet Report

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**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

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### 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 build 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 22<sup>nd</sup> 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	<b>Total £m</b>
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
<b>Total</b>	<b>8.9</b>	<b>14.4</b>	<b>34.8</b>	<b>9.7</b>	<b>2.5</b>	<b>19.3</b>	<b>89.6</b>

- 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

## **Cabinet Report**

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**Date of Meeting:** 12 June 2018

**Report Title:** Highway Services Contract Procurement – Award of Contract

**Portfolio Holder:** Cllr Don Stockton, Environment Portfolio Holder

**Senior Officer:** Frank Jordan, Executive Director of Place

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### **1. Report Summary**

- 1.1. The purpose of this report is to seek Cabinet approval to appoint a Preferred Bidder as the next Service Provider for the Council's Highway Services Contract.
- 1.2. The Project Team have concluded their negotiations, evaluation and moderation processes and this report proposes the Preferred Bidder to deliver the Council's Highway Services Contract. The process of determining the future delivery of highway services has followed the Council's contract procedure rules.

### **2. Recommendations**

- 2.1. Cabinet is recommended to:
  - 2.1.1 Note the findings of the Highway Services Contract Procurement: Final Tender Evaluation Report set out in Appendix A. (Part 2 item)
  - 2.1.2 Approve the selection of Bidder X as the Preferred Bidder.
  - 2.1.3 Note the Preferred Bidder's proposed Premises Strategy as set out in Appendix B. (Part 2 item)
  - 2.1.4 Authorise the Executive Director of Place in consultation with the S151 Officer and the Director of Legal Services to enter into a legally binding Contract with the Preferred Bidder.



### **3. Reasons for Recommendations**

- 3.1. In April 2017 Cabinet approved the procurement strategy for the Highways Service. The project team have since completed the procurement exercise following the Competitive Procedure with Negotiation procedure.
- 3.2. The bidders' submissions have been moderated and scored in accordance with the published award criteria. To determine the most economically advantageous tender the Quality / Price ratio for the evaluations was 70% / 30%.
- 3.3. On completion of the final tender moderation Bidder X received the highest combined Quality / Price score. As a result the Preferred Bidder has been identified as Bidder X.
- 3.4. Each bidder, as part of their submission, was requested to develop a Premises Strategy for the delivery of the Highway Services to meet the Contract requirements, which included Council owned premises. The Premises Strategy developed by the Preferred Bidder is detailed in Appendix B.

### **4. Other Options Considered**

- 4.1. The entire range of highway delivery models open to the Council were assessed and evaluated through the Project Board and Member Panel prior to finalising the Procurement Strategy. The assessment followed the Highway Maintenance Efficiency Programme guidance (*HMEP is the Department for Transport's transformation programme*) and tested all the options against the Council's strategic aims and objectives for the Highway Service.
- 4.2. Following the assessment and evaluation, the chosen highway model approved by Cabinet in April 2017 was an Integrated Services model with a single provider.

### **5. Background**

- 5.1. The current contract will end on 4th October 2018 having previously been granted the two year extension to utilise the maximum 7 year duration.
- 5.2. Following approval of the Procurement Strategy for the next Highway Services Contract, the Project Team in consultation with the Project Board have prepared, tendered and evaluated bids for the Contract. The activities have followed the Council's timeline including the following stages:

Event	Dates
Selection Questionnaire	
OJEU Contract Notice	16 August 2017
Issue Selection Questionnaire	21 August 2017
Return of Selection Questionnaires	20 September 2017
Deadline for Evaluation of SQ responses	4 October 2017
SQ feedback to applicants	9 October 2017
Initial Tender Stage	
Issue Invitation to Submit Initial Tender	13 October 2017
Tour of Employers Premises and ICT discussion	25 October 2017
Deadline for return of Initial Tenders	30 November 2017
Review, Evaluation and Moderation of ISIT	1 – 21 December 2017
Negotiation Stage	
Issue Instruction to Negotiate	3 January 2018
Negotiation Meetings	15/16/17 January 2018
Negotiation feedback and Quality Score issue	18 January 2018
Final Tender Stage	
Issue Invitation to Submit Final Tender	22 January 2018
Deadline for Return of Final Tender	8 February 2018
Review, Evaluation and Moderation of ISFT	9 Feb – 5 Mar 2018

- 5.3. Following the Award of Contract the Council will enter into the mobilisation phase with the Preferred Bidder. The mobilisation will commence on 4<sup>th</sup> July 2018 and run till 04<sup>th</sup> October 2018, a period of 3 months. During this phase regular updates and briefings will be arranged to update officers and members on changes to service.

## **6. Implications of the Recommendations**

### **6.1. Legal Implications**

- 6.1.1 The existing Highway Service Contract will expire on 4<sup>th</sup> October 2018 and a new contract is required.
- 6.1.2 The value of the Highway Services Contract will be 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.

- 6.1.3 The Council has followed the Competitive Procedure with Negotiation, 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 use of the Competitive Procedure with Negotiation has allowed the Council to negotiate with Bidders to improve their final tenders.
- 6.1.4 From the inception of this project, the Council has engaged external legal and highway procurement industry experts to act as specialist advisors. In particular, Bevan Brittan were appointed as the Council's legal advisors and have supported the Council in the choice of procurement route, the procurement documentation and the draft contractual documentation. The use of external experts and the Council's internal departments has ensured that a transparent, robust, fair, and compliant procurement process has been followed throughout.
- 6.1.5 The Contract is based on the Highway Maintenance Efficiency Programme (HMEP) NEC3 Term Service Contract, which has been tailored to meet the Council's needs.

## **6.2. Finance Implications**

- 6.2.1. The Estimated Contract Value for the full 15 year duration is £525-£600m. This is based on an estimated annual spend of between £35m and £40m (split across Revenue and Capital budgets) which is representative of current annual spending levels. This is in line with the Council highway budgets agreed in the Medium Term Financial Strategy (see MTFS – pg. 203 for Revenue and pgs. 170-174 for Capital).
- 6.2.2. The levels of highway budget set in future Medium Term Financial Strategies will determine the annual budget and levels of service to be provided. The new Contract will ensure the successful bidder delivers Value for Money irrespective of the level of highway budget. It should be noted that the bid submission is not a reflection of the 18/19 annual programme.
- 6.2.3. The Council is using the Department for Transport Highway Maintenance Efficiency Programme adaptation of the NEC3 Term Service Contract which allows differing payment options to be selected for each service component. This permits multiple options to be used in combination to best align with the various risk profiles presented by the various service components.

6.2.4. The Options selected are:

- Option: C Target Contract with Price List. This is a cost plus Contract subject to a pain/gain share mechanism by reference to an agreed target cost
- Option: E Cost reimbursable Contract. This is a cost plus Contract

6.2.5. The choice of the appropriate main option depends upon the risks specific to each service component or Task. The pricing of ad-hoc works such as emergency response attendance at road traffic accidents would not be appropriate under Option C as it would be difficult for any Bidder to price the risk without adding a significant premium to the price. This type of service component is best administered under Option E cost reimbursement. However, the use of pain/gain mechanisms in relation to target costs should provide the Council with some degree of cost certainty over the life of the contract.

6.2.6. Each Bidder's tender has been calculated based on the forecast of Defined Cost plus Fee, with supporting calculations to show how the Prices have been derived.

6.2.7. The Bidders were required to submit a total of the prices for a variety of services and schemes that were divided across a wide range of different highway activities. These services and schemes are representative of the type of services and schemes that the Bidder is likely to deliver under the Contract. Bidders are required to ensure their submitted prices are financially robust and resilient and calculated on the basis of forecast of Defined Cost plus Fee using appropriate resources and realistic and sustainable outputs and productivity rates.

6.2.8. The completed pricing information submitted by the Preferred Bidder will be used to set robust and resilient prices on commencement of the Contract. These will then be subject to pain/gain mechanisms.

6.2.9. Some elements of the proposed solution are currently within the Addendum section of the Capital budget. The addendum includes projects that have been added to the programme owing to their strategic importance to the Council. However detailed business cases are not yet in place as the precise details are not yet known given the differing strategies between the bidders. However they will only be commenced once a detailed business case has been completed and approved. At the stage where the business cases are sufficiently developed and they are deemed to be affordable the Portfolio Holder for Finance &

Communications and the Interim Executive Director of Corporate Services will provide the additional approval for these schemes to proceed in line with their delegated powers. Updates on these schemes will be provided to Cabinet through the quarterly reporting process.

- 6.2.10. The investment required for the Preferred Bidders Strategy is wholly deliverable within the allocations detailed in the Medium Term Financial Strategy but will require ongoing monitoring and management to ensure best value for the Council. All bidders submitted differing investment profiles depending on their Premises Strategy.

### **6.3. Equality Implications**

- 6.3.1. An Equality Impact Assessment has been undertaken and continually reviewed by the Project Board on a quarterly basis as the project has progressed. It is available as a background document for review if required.

### **6.4. Human Resources Implications**

- 6.4.1 The TUPE regulations apply to this procurement process. An initial anonymised TUPE staff list has been shared with the Bidders at the tender stage. Any TUPE staff transfer list required will not be finalised until the end of August 2018.
- 6.4.2 The Council's Trade Unions have been briefed and the current provider has commenced consultation with their staff and trade unions. Further briefings and consultation will continue up until contract commencement.

### **6.5. Risk Management Implications**

- 6.5.1. A risk register has been developed for this procurement and is regularly reviewed by the Project Team and Board. All risks have assigned owners who are responsible for mitigating and managing the risks.

### **6.6. Rural Communities Implications**

- 6.6.1. 57% of the Cheshire East highway network is classed as rural serving over half of our population. The quality and availability of the rural network is vital to the local economy and impacts on the Borough's 'quality of place'.

### **6.7. Implications for Children & Young People**

- 6.7.1. The highway service delivers, and assists other Council departments to deliver, improvements and road safety training specifically targeted at our children and young people.

## **6.8. Public Health Implications**

- 6.8.1. The highway service plays an important role regarding public health through promotion of walking and cycling, and the delivery of infrastructure to promote more sustainable travel patterns.

## **7. Ward Members Affected**

- 7.1. All Wards and Ward members are affected as the implications are borough wide.

## **8. Consultation & Engagement**

- 8.1. A Prior Information Notice was issued via the OJEU in February 2017 seeking market feedback on aspects of the new Highway Services Contract.
- 8.2. A pre-procurement advisory cross-party Member Panel was established in February 2017 to assist in the development of the Strategic Aims and Objectives and review each element of the Procurement Strategy.
- 8.3. The market questionnaire results and Member Panel outcomes informed the development of the Procurement Strategy to ensure the Council secured suitable market engagement.
- 8.4. The Procurement Strategy was considered by Corporate Overview and Scrutiny Committee in March 2017 and April 2017 prior to approval by Cabinet in April 2017.

## **9. Access to Information**

- 9.1 The tender information is commercially sensitive.
- 9.2 Appendices A and B to this report contain 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 are therefore not for publication.

## **10. Contact Information**

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

Name: Paul Traynor

Job Title: Head of Highways & Parking

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