

# Corporate Policy Committee

## Agenda

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**Date:** Thursday, 2nd December, 2021  
**Time:** 10.30 am  
**Venue:** Committee Suite 1, 2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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**PLEASE NOTE – This meeting is open to the public and anyone attending this meeting will need to wear a face covering upon entering and leaving the venue. This may only be removed when seated.**

**The importance of undertaking a lateral flow test in advance of attending any committee meeting.** Lateral Flow Testing: Towards the end of May, test kits were sent to all Members; the purpose being to ensure that Members had a ready supply of kits to facilitate self-testing prior to formal face to face meetings. Anyone attending is asked to undertake a lateral flow test on the day of any meeting before embarking upon the journey to the venue. Please note that it can take up to 30 minutes for the true result to show on a lateral flow test. If your test shows a positive result, then you must not attend the meeting, and must follow the advice which can be found here:  
[https://www.cheshireeast.gov.uk/council\\_and\\_democracy/council\\_information/coronavirus/testing-for-covid-19.aspx](https://www.cheshireeast.gov.uk/council_and_democracy/council_information/coronavirus/testing-for-covid-19.aspx)

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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**

To note any apologies for absence from Members.

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary

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and non-pecuniary interests in any item on the agenda.

3. **Public Speaking/Open Session**

In accordance with paragraph 2.24 of the Committee Procedure Rules and Appendix on Public Speaking, set out in the [Constitution](#), a total period of 15 minutes is allocated for members of the public to put questions to the Committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes to speak; the Chair will have discretion to vary this where they consider it appropriate.

Members of the public wishing to speak are required to provide notice of this at least three clear working days in advance of the meeting.

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

To approve as a correct record the minutes of the meeting held on 4<sup>th</sup> November 2021.

5. **Notice of Motion: Fire and Re-hire** (Pages 13 - 24)

To receive a report in response to the notice of motion referred by Council.

6. **Covid-19 Update** (Pages 25 - 42)

To receive a Covid-19 update report.

7. **2021/22 Financial Year Review** (Pages 43 - 174)

To receive an update on the financial forecasts for 2021/22 and note any actions associated with the position reported; and to note or approve virements and supplementary estimates as required.

8. **Mid-Year Review of the Corporate Plan and Performance Reporting Update** (Pages 175 - 220)

To consider a review of the Corporate Plan at the mid-point of 2021/22 as part of the Council's performance management accountability framework.

9. **Cheshire East - Digital Strategy** (Pages 221 - 262)

To approve the Council's draft Digital Strategy for consultation.

10. **Council Tax Support Scheme 2022/23** (Pages 263 - 284)

To consult on and recommend the Local Council Tax Support Scheme for approval by Council.

11. **Domestic Taxbase 2022/23 Report** (Pages 285 - 292)

To recommend the Council Tax Base for 2022/23 for approval by Council.

12. **Apprenticeship Programme Update** (Pages 293 - 306)

To consider an update on apprenticeships and approve the action plan.

13. **Work Programme** (Pages 307 - 310)

To consider the Work Programme and determine any required amendments.

14. **Reporting of Urgent Decisions**

To note any urgent decisions taken on behalf of the Committee.

15. **Insurance Contracts Procurement** (Pages 311 - 322)

To consider a report which seeks approval for the approach to the re-procurement of the Council's insurance portfolio for contracts expiring in March 2022.

The Committee will be asked to consider the report as an urgent item of business.

The Appendix to the report contains exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It may therefore be necessary for the Committee to exclude the press and public in order to consider the Appendix.

**Membership:** Councillors C Browne, J Clowes, S Corcoran (Chair), J P Findlow, K Flavell, R Fletcher, S Gardiner, N Mannion, A Martin, K Parkinson, J Rhodes, A Stott (Vice-Chair) and M Warren

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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Corporate Policy Committee**  
held on Thursday, 4th November, 2021 in the Committee Suite 1,2 & 3,  
Westfields, Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor S Corcoran (Chair)  
Councillor A Stott (Vice-Chair)

Councillors Q Abel (for Cllr Warren), C Browne, J Clowes, JP Findlow,  
K Flavell, R Fletcher, S Gardiner, P Groves (for Cllr Martin), N Mannion,  
K Parkinson and J Rhodes

**Other Members Present**

Councillors R Bailey and J Saunders

**Officers**

Lorraine O'Donnell, Chief Executive  
Jane Burns, Executive Director Corporate Services  
Helen Charlesworth-May, Executive Director of Adults, Health and Integration  
David Brown, Director of Governance and Compliance  
Andrew Ross, Director of Infrastructure and Highways  
Jill Broomhall, Director of Adult Social Care  
Sara Barker, Head of HR  
Helen Gerrard, Head of Customer Services  
Sandra Murphy, Head of Adult Safeguarding  
Richard Christopherson, Locality Manager - Community Safety  
Paul Mountford, Democratic Services

**Apologies**

Councillors A Martin and M Warren

**32 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**33 PUBLIC SPEAKING/OPEN SESSION**

Sue Helliwell sought guidance regarding the confidentiality of complaints made under the member code of conduct. She also asked what measures the Council could take to ensure that the complaints process was not open to allegations of political bias. Finally, she asked how a complainant could ensure that they received a letter of apology from a member who was found to have breached the code of conduct.

The Chair indicated that the questioner would receive a written response. He added that the code of conduct process was currently under review. He also referred to a petition on the Parliament website asking for legislation

to be amended to enable councillors to be disqualified or suspended for poor conduct.

#### 34 MINUTES OF PREVIOUS MEETING

##### RESOLVED

That the minutes of the meeting held on 7<sup>th</sup> September 2021 be approved as a correct record subject to the following amendment:

The sentence:

‘The Chair reported that the Council was also providing temporary accommodation for around 20-30 refugee families in the Borough.’

be replaced with:

‘The Chair reported that, in addition to the permanent resettlement of five refugee families in the Borough, temporary accommodation was also being provided for a further 20-30 refugee families.’”

#### 35 INTERIM REVIEW OF THE COMMITTEE SYSTEM

The Committee considered a Committee Review report to full Council.

The report set out the current operational data available from two rounds of the committee system, encapsulated feedback from service areas, set out further recommendations and identified the future project delivery methodology that had been adopted. The report included the current constitutional updates recommended by the Constitution Working Group. A consolidated updated text of the constitution had been provided.

The Director of Governance and Compliance reported a number of additional required changes to the constitution which had been identified since the report was written. Most of these were of a minor or technical nature to correct inaccuracies and provide clarification. However, the Constitution Working Group had also proposed that the following amendment be made to the definition of a Group Lead Member in the Glossary at Chapter 6 of the constitution:

*Page 310 Group Lead Member - A Group Lead Member is a position that is held by members of each of the political groups on the Council in relation to each Committee. Group Lead Members will be expected to work with the Committee Chair to facilitate the efficient and timely conduct of the committee business, and to inform, discuss and where appropriate agree with the Chair an approach to contentious issues which support the principles of openness, timely, efficient decision making which meets the needs of the residents of Cheshire East.*

Additional work was to be undertaken by the Constitution Working Group in relation to the following matters:

- Question time at Council
- Rules of debate
- Notice of Motion
- Terms of Reference of the Finance Sub-Committee/ Corporate Policy Committee (ASDVs)
- Provisions on public speaking
- Reporting of sub-committee minutes to parent committees

In response to the report, the following comments were made by various members of the Committee:

- The definition of a Group Lead Member needed more detail to define the role adequately.
- The report to Council should identify clearly any additional costs arising from the implementation of the new committee system.
- The scheme of delegation should be amended to provide that where an officer had delegated authority to take a decision in consultation with the chair and vice-chair of a committee, this should also include consultation with the lead opposition members. The Director of Governance and Compliance undertook to raise the matter with the Constitution Working Group.
- Public questions should relate to any matter within a committee's terms of reference and not just to items on the agenda.
- There was currently little opportunity for members to make political comments and this needed to be debated at full Council.
- A member briefing session was scheduled for 12<sup>th</sup> November and the Chair advised that he, as Leader of the Council, and the Deputy Leader were considering the possibility of a separate question and answer session for members and members of the public.

At the invitation of the Chair, Councillor R Bailey spoke on this matter as a visiting member.

### **RESOLVED**

That the Committee Review Report as set out in Appendix 1 to the report, and the additional changes to the constitution reported at the meeting, be recommended to full Council.

### **36 HS2 UPDATE**

The Committee considered an update on the HS2 programme.

The report outlined recent structural changes to the local and national economic outlook arising from the pandemic and the impact this had had on existing plans and priorities for the HS2 programme. To reflect the changed circumstances, whilst ensuring that ambitions for Crewe continued, it would be necessary to revoke the following linked decisions:

- The Cabinet decision on the preferred route 'Crewe Southern Link Road Bridge' in November 2019; and
- The Cabinet decision to consult on the draft Crewe Hub Area Action Plan (CHAAP) in March 2020.

Work would progress on a revised transport strategy and bids into the Levelling Up Fund and Great British Railways HQ opportunity.

Councillor S Gardiner stated for the record that he was the Vice-Chair of the Strategic Planning Board which would consider any future planning applications in relation to this matter.

In response to the report, the following comments were made by various members of the Committee:

- There was a risk in unsafeguarding land that might be needed at a future date.
- The Council's partners should be made aware of the changes.
- This could provide a less costly and time-effective way of achieving the regeneration of Crewe.
- It would be necessary to consider the impact of any future scheme on air quality and the environment.
- By making the changes recommended in the report, the Council would improve its chance of securing funding for future schemes.
- The Chair as Leader undertook to work cross-party to try to secure Levelling Up funding.

At the invitation of the Chair, Councillor R Bailey spoke on this matter as a visiting member.

## **RESOLVED**

That the Committee

1. notes the recent structural changes to the local and national economic outlook arising from the pandemic and the impact this has had on existing plans and priorities for the HS2 programme;
2. revokes the decision of Cabinet in March 2020 to consult on the draft Crewe Hub Area Action Plan (CHAAP);
3. approves the formal withdrawal of the CHAAP;
4. notes that the Environment and Communities Committee, as part of its work programme, will consider revised planning policy options for Crewe;
5. revokes the Crewe Southern Link Road Bridge Preferred Route Decision of Cabinet in November 2019 and all associated safeguarding of land; and

6. notes that the Highways and Transport Committee, as part of its work programme, will develop a revised Transport Strategy for Crewe to support the transport priorities for the town and enable transport orientated funding bids linked to current Government investment priorities.

**37 INTEGRATED CARE SYSTEM GOVERNANCE: THE CHESHIRE CLINICAL COMMISSIONING GROUP CHESHIRE EAST PLACE COMMITTEE INTERIM ARRANGEMENTS - PROPOSALS AND MEMBERSHIP AND JOINT SCRUTINY COMMITTEE PROTOCOL**

The Committee considered proposals from the CCG to establish an interim Cheshire Clinical Commissioning Group Place Committee (Cheshire East) in preparation for the abolition of the Cheshire CCG and the transfer of its functions, assets and liabilities to the Cheshire and Merseyside Integrated Care Board on 1<sup>st</sup> April 2022. The terms of reference for the new Committee included a proposed membership of at least three nominated representatives from Cheshire East Council. The Committee would have decision-making powers.

It was recommended that the following members be nominated as the Council's representatives on the new Committee:

Councillor S Corcoran, Chair of the Health and Wellbeing Committee  
Councillor K Flavell, Chair of the Children and Families Committee  
Councillor J Rhodes, Chair of the Adults and Health Committee

It was noted that Councillor J Clowes had been a non-voting member of the Health and Wellbeing Board and that it would be helpful if the CCG would agree to Councillor Clowes becoming a non-voting member of the new body. The Chair said that he would raise the matter with the CCG.

It was also considered timely for the Committee to reaffirm a commitment to the Joint Scrutiny Committee Protocol previously adopted in May 2014.

At the invitation of the Chair, Councillor J Saunders spoke on this matter as a visiting member.

**RESOLVED**

That the Committee

1. nominates the following councillors as its representatives on the NHS Cheshire CCG Place Committee (Cheshire East) for the period November 2021 to March 2022:

Councillor S Corcoran, Chair of the Health and Wellbeing Committee  
Councillor K Flavell, Chair of the Children and Families Committee  
Councillor J Rhodes, Chair of the Adults and Health Committee

2. affirms the adoption of the joint scrutiny committee protocol of 2014; and
3. notes scrutiny committees' terms of reference in the Health and Social Care Act 2006 and delegates the appointment of members to external scrutiny functions to the Scrutiny Committee, which may invite any member with the appropriate knowledge of health and social care, having regard to political proportionality.

### **38 WORKFORCE STRATEGY**

The Committee considered a report on an updated Workforce Strategy.

The Workforce Strategy 2021-2025 set out how the Council would develop the capacity and capability of its workforce to support the priorities identified within the Corporate Plan and deliver the Medium-Term Financial Strategy (MTFS).

The way in which the Council's workforce had adapted effectively to the challenges of the Covid-19 pandemic had presented an opportunity to re-shape the way in which the Council's staff worked in future, building in more agility and flexibility to respond to new circumstances. This was reflected in the updated Strategy.

#### **RESOLVED**

That

1. the Workforce Strategy at Appendix 1 to the report be adopted; and
2. the Corporate Policy Committee receive regular progress updates.

### **39 MODERN SLAVERY ACT TRANSPARENCY STATEMENT**

The Committee considered a report seeking approval of the 2021/22 Modern Slavery Act Transparency Statement in the context of the Modern Day Slavery Charter. The Statement outlined the approach the Council was taking to ensure that modern slavery or human trafficking was not taking place within its business or supply chains.

In response to a question about the checking of low cost tenders received by the Council, the Chief Executive advised that a due diligence exercise would be undertaken by the procurement team working closely with the safeguarding team.

#### **RESOLVED**

That the Committee

1. approves the adoption and publication of the Cheshire East Modern Day Slavery Transparency Statement 2021-22 to meet the Council's statutory obligations under the Modern Slavery Act 2015 ("MSA");
2. delegates to the Director of Adult Social Care, authority to adopt and update the Modern Day Slavery Statement each year on behalf of Cheshire East Council; and
3. approves the adoption of the Cooperative Party's Charter against Modern Day Slavery to demonstrate the Council's commitment to ensuring that its practices do not support slavery.

**40 REVIEW OF TEST AND TRACE SUPPORT PAYMENTS DISCRETIONARY SCHEME**

The Committee considered a report on the Test and Trace Support Payments Discretionary Scheme which provided financial support to people on low income, who were unable to work from home if told to self-isolate and would lose income as a result. The scheme was funded by the Government and administered by the Council and was currently due to end on 31 March 2022.

There was funding to deliver a discretionary scheme and the report recommended a change to the policy for the discretionary payments, with the levels used for the benefits cap being used to define low income.

**RESOLVED**

That the Committee

1. approves a change the test and trace support payments discretionary policy to set the levels of low income to the amounts used for the Benefits cap:

Household	Weekly income level	Annual income level
Single person	£257.69	£13,400
Lone parent	£384.62	£20,000
Couple	£384.62	£20,000

2. agrees that awards may be made in exceptional circumstances if income is higher; and
3. delegates further changes to the policy, in line with national guidance, to the Director of Finance and Customer Services in consultation with the Chair and Vice-Chair of the Committee to be responsive to demands and changes to guidance received with short deadlines.

**41 WORK PROGRAMME**

The Committee considered an updated work programme.

The Executive Director of Corporate Services informed the Committee that since the work programme had been circulated with the agenda, an item on the Apprenticeship Programme had been added to the Committee's meeting on 2<sup>nd</sup> December 2021.

**RESOLVED**

That the work programme be noted.

**42 MINUTES OF SUB-COMMITTEES**

**RESOLVED**

That the minutes of the following sub-committee meetings be received:

Finance Sub-Committee – 1<sup>st</sup> September 2021  
Finance Sub-Committee – 22<sup>nd</sup> September 2021  
General Appeals Sub-Committee – 25<sup>th</sup> August 2021  
General Appeals Sub-Committee – 14<sup>th</sup> September 2021

**43 REPORTING OF URGENT DECISIONS**

There were no urgent decisions to report.

The meeting commenced at 10.30 am and concluded at 1.00 pm

Councillor S Corcoran (Chair)



*Working for a brighter future together*

## **Corporate Policy Committee**

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<b>Date of Meeting:</b>	2 December 2021
<b>Report Title:</b>	Notice of Motion "Fire and Re-hire"
<b>Report of:</b>	Jane Burns Executive Director of Corporate Services
<b>Report Reference No:</b>	CP/58/21-22
<b>Ward(s) Affected:</b>	All Wards

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### **1. Executive Summary**

1.1 On 20 October 2021, a Notice of Motion was submitted to Council regarding the practice known as "Fire and Re-hire". The Motion was proposed by Cllr Laura Smith and seconded by Cllr Conor Naismith. This notice included a request that the Council support four actions as noted in the motion. Council referred these matters to the Corporate Policy Committee for consideration. This report provides further information on these issues and includes details of Council's current employment practices.

1.2 The Notice of Motion requests that consideration is given by the Council to a number of employment-related issues, namely:

- To seek to ensure local residents are protected against the use of 'fire and re-hire' and to protect their employment terms and conditions.
- That Cheshire East Council does not use fire and rehire itself as an employer and to prevent its use by council contractors.
- To promote the increasing number of progressive local employers prioritising their employees' standard of living and wellbeing and best practice.
- To support the TUC campaign for a 'New Deal for Working People' (see Appendix 1).

1.3 The Council's stated priority within the Corporate Plan 2021-25 continues to support and develop our workforce to be confident,

motivated, innovative, resilient, and empowered and for Cheshire East Council to be seen as an employer of choice.

- 1.4 The Corporate Policy Committee on 4 November 2021 unanimously supported the refreshed Workforce Strategy. This is built around 4 themes: delivering our future; living our values and delivering our employee deal; inclusive workforce; and empowering our workforce. The Strategy states that Cheshire East Council wants to be the 'employer of choice', where people want to work. We will continue to value partnership working with our trade union colleagues to maintain positive employee relations.
- 1.5 Section 5 of this report sets out matters relevant to the Notice of Motion for the Committee to consider.

## **2. Recommendations**

- 2.1 To decide whether the Leader of the Council should write to the Prime Minister in support of the principles set out in the Private Members Bill Employment and Trade Union Rights (Dismissal Re-engagement).
- 2.2 To note that the Council does not and would not use wholesale fire and re-hire practices to the detriment of staff terms and conditions.
- 2.3 To note that the Council as an employer, already attains all the standards recommended by the TUC campaign for a "New Deal for Working People".
- 2.4 To consider what steps the Council might wish to take to promote the TUC campaign and best practice employment in the borough.

## **3. Reasons for Recommendations**

- 3.1 In line with the procedure in the Constitution, the Corporate Policy Committee is asked to consider the Notice of Motion referred to it by Council on 20 October 2021.
- 3.2 To inform the Committee that Cheshire East Council as an employer, already attains all the standards recommended by the TUC campaign. The charter is aimed at those employers who aspire to improve their practices in line with the themes contained in the charter.

## **4. Other Options Considered**

- 4.1 Not applicable.

## **5. Background**

Proposed by Councillor L Smith and Seconded by Councillor C Naismith

*This Council notes;*

- 1 *1 in 10 workers have experienced ‘fire and rehire’ - told to reapply for their jobs on worse pay, terms and conditions or face the sack, with BME workers facing this at twice the rate of white workers, since March 2020 (TUC research, January 2021). A quarter of all workers have experienced a worsening of their terms and conditions – including a cut in their pay - since the pandemic began.*
- 2 *That while the prime minister has called the practice “unacceptable” he has continually refused to take action to outlaw the practice, raising concerns that he will not intervene in this race to the bottom as an escalating number of employers across all sectors using our weak employment protections employers as they force their staff to accept worse terms and conditions, leaving many having to work longer hours and for lower pay, with what can be devastating consequences for workers and their families.*
- 3 *Even before the pandemic, 1 in 9 workers – 3.8 million people – were already ‘insecure’, meaning they did not have access to basic rights at work and could be dismissed at will; including those on zero-hour contracts and agency workers.*

*This Council therefore resolves to:*

- Seek to ensure local residents are protected against such employers and agrees to ask the Leader of the Council to write to the Prime Minister demanding he outlaw fire and rehire and act now to keep his promise to local residents to protect their employment terms and conditions.*
- Not use fire and rehire itself as an employer and to prevent its use by council contractors, and to ensure the Council has a procurement practice that ensures we are working with contractors that have good employment, trade union, equality and environmental records.*
- Promote the increasing number of progressive local employers prioritising their employees’ standard of living and their wellbeing, work with our anchor institutions and key partners to bring forward plans to ensure all have best practice employment and to work with recognised trade unions on this.*
- Support the TUC campaign for a ‘New Deal for Working People’.*

## **Issues for consideration by the Committee**

### **Council as an Employer of choice**

- 5.1 In recognition of the challenges faced by our workforce who have worked tirelessly throughout the pandemic, our priority continues to be supporting and developing our staff to be confident, motivated, innovative, resilient and empowered. This builds upon the positive attitudes, delivery and successes of all of our staff during the unique challenges presented by the pandemic. The pandemic has changed the way in which our staff work, in line with the Covid restrictions and requirements from March 2020, those staff who are able to work from home have been encouraged to do so.
- 5.2 Our recently approved Workforce Strategy which has been developed and informed by the experience of working through the Pandemic now provides the Council with an opportunity to shape the way we work

differently in future. As a good employer the strategy clearly sets out our priorities for the future and reflects our workforce ambitions.

- 5.3 The Workforce Strategy is built around 4 themes: delivering our future; living our values and delivering our employee deal; inclusive workforce; and empowering our workforce. The Strategy states that Cheshire East Council wants to be the 'employer of choice', where people want to work. We will continue to value partnership working with our trade union colleagues to maintain positive employee relations.

#### **“Fire and Re-hire Practices”**

- 5.4 *The Council's current HR practice for making changes to employees' terms and conditions of service takes place through consultation and negotiation with the recognised trade unions, with the objective of reaching agreement. This is in line with good practice and current employment law requirements. Recent negotiations and consultation on changes to both NJC and JNC pay structures have led to collective agreements with the trade unions which have enabled the Council to implement changes.*
- 5.5 *Dismissal and re-engagement is a recognised and accepted industrial relations practice to implement change where it is not possible to reach an agreement with the trade unions or workforce, provided extensive consultation has taken place to try and reach agreement. Any decision taken to dismiss and re-engage staff would be seen as a last resort.*
- 5.6 There have been some recent examples of organisations dismissing large numbers of staff and re-engaging them on inferior terms and conditions and pay. The Chartered Institute of Personnel and Development (CIPD) reported this month that a survey of 2,000 employers found that more than 1 in 10 employers who made changes to employee's contracts of employment did so using "fire and re-hire practices". "Whilst the majority 86% did so through negotiation, consultation and voluntary agreement 14% did so through dismissing and rehiring the staff on new terms." As a result, the CIPD has released new guidance for employers.

#### **Current Procurement practices**

- 5.7 The Council's current procurement procedures include questions for suppliers relating to employment practices and equalities when tendering for contracts. The Council uses Crown Commercial Service (CCS) guidance to inform Supplier Qualification Questionnaires (SQQ's) when tendering is used by the Council. Generally, local authorities must not deviate from these questions. Please note however, that the Council is reliant on information it receives from third party contractors and has no control over the accuracy of such information. The Council is also limited in the information it may legally request from the contractors and so may not be in possession of all potentially relevant data. The Council

has a Social Value Policy which means that social good is considered when undertaking public procurements.

### **Cheshire East Council as an Employer**

5.8 The Council as a major employer in Cheshire East maintains high standards in relation to employment practices with regard to its policies, procedures and track record as a good employer. Our Workforce Strategy clearly outlines the strategic aims as an employer of choice within the community.

### **TUC “Charter for a New Deal for Working People”**

5.9 The Charter was introduced by the TUC and seeks to improve workers’ rights in the 21<sup>st</sup> century. A copy of the Charter is attached at Appendix 1 for reference.

It has 6 themes as follows:

1. Stronger voice at work
2. Better pay, fairer pay
3. Control over when you work
4. Safe, satisfying, and dignified work
5. Public services to be proud of
6. Fair deal for workers around the world.

5.10 Whilst the themes are wide and varied, in general Cheshire East Borough Council consider their policies, processes and practices comply with the themes in the Charter. Local Government also has nationally negotiated terms and conditions as well as those that are determined locally, and trade union engagement and recognition have always been part of the employee relations landscape in Local Government.

5.11 Informal discussions with other councils in the North West would indicate that they have not yet been approached to sign up to the Charter.

### **Council as an Employer when compared to TUC Charter themes**

5.12 In relation to each of the six themes above and their application in Cheshire East Council it can be seen that:

1. Trade unions are recognised and fully engaged with the Council. Employees are free to join a recognised trade union and be represented if required. Nationally negotiated pay and terms and conditions are applied. Any locally determined terms and conditions are agreed with the trade unions. There are many mechanisms available to staff to provide feedback which ensures that employees

feel listened to and this is a key strategic objective in the workforce strategy.

2. “Fair pay for a fair day’s work” The Council offers pay enhancements and flexible working arrangements to its employees. The minimum salary for local government staff exceeds the National Living/National Minimum Wage. Equality monitoring is undertaken, and Gender Pay Gap is reported each year with actions agreed to reduce the gap. The Council provides employees with access to the Cheshire Pension Scheme. The Council has fair employment policies and procedures including maternity, parental leave, and flexible working.
3. The Council already offers a wide range of contractual arrangements for its workforce to suit individual needs. From permanent, full time, part time, term time casual, fixed term and agency etc. Council policy is not to use zero hours contracts. Shift patterns are planned, and enhanced rates of pay apply as appropriate. Flexible working options are available for current and prospective employees.
4. The Council has high standards of health and safety practices and risk assessments are in place to protect and support its workforce. This is supported by annual training and development reviews, it also has policies in relation to bullying, victimisation and harassment.
5. The Council is proud of its workforce and the high-quality services it delivers to our community with most services delivered in house.
6. The Council does not have a track record of abusing workers’ rights.

It will be a matter for the Committee to decide whether supporting this campaign will help the Council in any way to improve our employment practices as an employer. On balance the Council meets all 6 themes already. Signing up to the Charter may not have a direct impact on our policies and practices. However, it would be a public statement of support, if the Committee decides that is appropriate.

### **Supporting the private member’s bill “Employment and Trade Union Rights (Dismissal Re-engagement)”**

- 5.13 The Private Members Bill submitted by Barry Gardiner MP, has not progressed beyond its second reading stage on 22 October 2021 as the Government is awaiting further guidance from ACAS.
- 5.14 ACAS have now published their guidance on changing employment contracts, see link below. <https://www.acas.org.uk/changing-an-employment-contract/employer-responsibilities/acas-support-for-employers>
- 5.15 ACAS advises that fire and rehire is an extreme step that can damage staff morale, trust, productivity and working relations. Tensions can arise if employees feel that they have not had the opportunity to inform decisions around proposals or do not support the changes. If changes are not managed well, employers may lose valued staff or find it difficult to attract new employees due to ensuing reputational damage. There is

also the risk of legal claims or industrial action where there is a recognised trade union.

5.16 ACAS advises that employers should fully consult with the workforce and make every effort to reach agreement on any contract changes. Effective consultation helps build trust as it allows staff to understand the reasons behind the proposed changes and give their views. If both sides are struggling to reach an agreement, the ACAS advice includes tips on how to:

- Keep discussions constructive.
- Explore alternative options to reach a compromise.
- Stay focused on trying to reach consensus.

## **6. Consultation and Engagement**

6.1 Recent examples of major changes to staff pay structures and terms and conditions are referred to in paragraph 5.4 of this report. The examples involved extensive and detailed consultation and negotiation with trade unions and staff which led to agreements being reached.

6.2 If the Committee decide to approach other partners or local employers over promoting good employment practices, considered would need to be given as to what form this could take and by whom.

## **7. Implications**

### **7.1 Legal**

7.1.1 Employers who wish to make detrimental changes to employees' terms and conditions can, in the absence of employees agreeing to those changes, dismiss them and offer to re-engage them on the detrimental terms.

7.1.2 On 8 June 2021, responding to a report published by the conciliation and advisory service ACAS, the government stated that it would not yet legislate to prevent this practice but had requested that ACAS prepare more detailed guidance on how and when dismissal and re-engagement should be used.

7.1.3 Barry Gardiner MP is sponsoring a Private Members Bill, the Employment and Trade Union Rights (Dismissal and Re-engagement) Bill which would discourage the use of fire and rehire practices and grant additional protection to those affected by it. The government opposed the Bill at its second reading on 22 October 2021. The government intends to await the ACAS guidance. That guidance has now been produced and is referred to in paragraphs 5.13-5.16.

7.1.4 In circumstances where agreement cannot be reached on changes to terms and conditions of employment, employers may dismiss and offer re-engagement on the revised terms. This is known as 'dismissal and re-engagement'. Such dismissals will

count as a dismissal in law but can be fair if the employer can show that it had a fair business case for the changes, consent was sought, and that dismissal was a last resort. Employees with less than two years' service have limited protection currently from such action as they would not meet the two years' service requirement for unfair dismissal claims.

7.1.5 The Council has a consultation process it must adhere to with the recognised trade unions as referred to in paragraph 5.4 to seek to negotiate and agree any proposed changes to terms and conditions of employment with the trade unions. Dismissal and re-engagement is a legal option for the Council in circumstances where the consultation process had been exhausted but no agreement reached.

## **7.2 Finance**

7.2.1 There are no financial implications in this report

## **7.3 Policy**

7.3.1 Our priority within the Corporate Plan 2021-25 continues to support and develop our workforce to be confident, motivated, innovative, resilient, and empowered and for Cheshire East Council to be seen as an employer of choice. The Corporate Policy Committee on 4 November 2021 unanimously supported the refreshed Workforce Strategy

## **7.4 Equality**

7.4.1 There are no equality implications arising from this report.

## **7.5 Human Resources**

7.5.1 The "TUC Charter for a New Deal for Working People" is attached at Appendix 1 to this report.

7.5.2 The implications will depend on the approach the Committee wishes to take.

## **7.6 Risk Management**

7.6.1 There are no risks identified in this report

## **7.7 Rural Communities**

7.7.1 There are no implications for rural communities

## **7.8 Children and Young People/Cared for Children**

7.8.1 There are no implications for Children and young/cared for people.

## **7.9 Public Health**

7.9.1 There are no implications for public health

**7.10 Climate Change**

7.10.1 There are no implications for climate change

<b>Access to Information</b>	
Contact Officer:	Sara Barker Head of HR Sara. barker @cheshireeast.gov.uk 01270 686328
Appendices:	Appendix 1 TUC Charter for a new deal for working people
Background Papers:	None

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Trade unions were founded in the heat of the industrial revolution to fight for the rights of every worker. Today, workers face a new wave of technological change, pressure to work longer for less, and attacks on our welfare and public services. That's why we're needed more than ever.

We know that unions are winning for workers across the country every day. But we need a government that will deliver for workers too. Here's what we're fighting for...

**CHARTER FOR  
A NEW DEAL  
FOR WORKING  
PEOPLE**



**1. A STRONGER VOICE  
AT WORK**

Everyone deserves to be paid and treated fairly at work. But in many workplaces the balance of power has shifted too far in favour of employers. When workers join together, we win better wages, safer workplaces, and a more powerful voice at work.

We're calling for:

- › new rights so that workers can be protected by a union in every workplace, and when we use social media, so that nobody has to face their employer alone
- › new rights for workers to bargain through our unions for fair pay and conditions across industries, ending the race to the bottom
- › an end to the unfair and undemocratic trade union legislation that weakens workers' power and, when faced with a boss who just won't listen or compromise, our right to strike
- › stronger rights for all our elected workplace reps to have paid time-off to be trained and to represent members.

Find out more about our call for a stronger voice at work at [tuc.org.uk/xxxxxxx](http://tuc.org.uk/xxxxxxx)



**2. BETTER PAY, FAIRER PAY**

Everyone should be paid enough to live a decent life and be able to work the hours they need so they can spend time with loved ones.

We're calling for:

- › the rate for the job and fair pay for everyone
- › a £10-an-hour national minimum wage and an end to discrimination against young workers

- › workers to be elected onto remuneration committees to help curb greed at the top
- › universal credit to be stopped, scrapped, and replaced with a decent social security system
- › legal requirements on employers to report on and act to close race, gender and disability pay gaps
- › high-quality, properly funded, affordable, wraparound childcare to stop the motherhood pay penalty
- › decently paid maternity and parental leave, including leave that's just for dads and partners
- › employers to fund decent pensions for everyone.

Find out more about our call for better and fairer pay at [tuc.org.uk/xxxxxxx](http://tuc.org.uk/xxxxxxx)

**3. CONTROL OVER WHEN  
YOU WORK**

We need reliable jobs that pay enough to keep up with the cost of living and leave us with enough time to see loved ones. But millions are stuck in low-paid, insecure work that makes planning their life a nightmare.

Too often shifts are cancelled or changed with no notice and workers are powerless to do anything about it.

Work is getting more intense, with workers being asked to do more and more for less and less pay. And old-fashioned management practices hold too many people back. Carers, parents, older workers and disabled people (including those with mental health conditions), need more flexibility at work.

We're calling for:

- › support for the genuinely self-employed while calling for a ban on zero-hours contracts and false self-employment
- › a right to reasonable notice of your shifts, and payment if your shifts are cancelled
- › a move to a shorter working time with no loss of pay, starting with four new bank holidays a year, and setting an ambition for a four-day week
- › a right to positive flexible working from day one of your job, with employers required to advertise all jobs on that basis
- › a decent floor of rights for all workers and the return of protection from unfair dismissal to millions of working people.

Find out more about our call for more flexibility at work at [tuc.org.uk/xxxxxxx](http://tuc.org.uk/xxxxxxx)

Trade unions had to fight for the rights we enjoy at work today – a weekend and paid holidays, protections against discrimination, the right to a safe working environment, and a minimum wage for all. Together we can fight for and win the new deal we need in the twenty-first century.



#### 4. SAFE, SATISFYING AND DIGNIFIED WORK

Trade unions have fought to make workplaces safer and fairer. But too many workers still face harassment, unreasonable workloads, and increasingly intrusive surveillance.

We're calling for:

- › workplaces where risks to safety and health are removed or properly managed to protect workers from harm
- › employers to have a new duty to prevent sexual harassment and all forms of bullying and victimisation at work
- › new restrictions on surveillance of workers
- › a right to develop the skills you need to progress at work and to make the best of new technologies
- › tougher laws and penalties to stamp out blacklisting once and for all
- › stronger laws to ensure workers are protected and trade unions are consulted when companies go bust.

Find out more about our call for safe and dignified work at [tuc.org.uk/xxxxxxx](http://tuc.org.uk/xxxxxxx)



#### 5. PUBLIC SERVICES TO BE PROUD OF

After a decade of austerity and years of privatisation and outsourcing, the public services we rely on are struggling, with too many public sector workers underpaid and overworked.

We're calling for:

- › an end to austerity
- › new investment so our schools, hospitals councils and civil service can deliver the services we need
- › an improvement to working conditions in local services, with services brought back in-house, and councils making sure the services they pay for provide decent working conditions
- › fully funded real pay increases for public service workers
- › key industries and services to be brought back into public hands, including rail, mail and water.

Find out more about our call for public services to be proud of at [tuc.org.uk/xxxxxxx](http://tuc.org.uk/xxxxxxx)



#### 6. A FAIR DEAL FOR WORKERS AROUND THE WORLD

Trade union solidarity also means standing by workers worldwide – too many face exploitation, including by companies based in the UK. We'll always stand up for workers who are oppressed by businesses or governments, and we need the UK government to take action too.

We're calling for:

- › government to ensure that countries they deal with respect the right to join a trade union, through our trade, foreign and investment policy
- › companies based in the UK that abuse workers' rights to be held to account – wherever those abuses take place



- › government to commit to decent work and fair international rules for all workers – and support the International Labour Organization to enforce them.

Find out more about our call for fair work around the world at [tuc.org.uk/xxxxxxx](http://tuc.org.uk/xxxxxxx)



*Working for a brighter future together*

## **Corporate Policy Committee**

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<b>Date of Meeting:</b>	2 December 2021
<b>Report Title:</b>	Covid-19 Update
<b>Report of:</b>	Jane Burns, Executive Director of Corporate Services
<b>Report Reference No.</b>	CP/55/21-22
<b>Ward(s) Affected</b>	All

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### **1. Executive Summary**

- 1.1** COVID-19 is an enduring national and international public health emergency. Members have been kept informed through regular reports and briefings on how the Council, working with its partners, continues to respond to the COVID-19 pandemic and plan for the recovery from it. This report summarises recent developments on an exception basis.
- 1.2** At the time of writing, whilst the legal restrictions that the Government imposed through the pandemic were lifted in July, the pandemic is not over. The responsibility has passed to organisations and individuals to take steps to reduce the risk of Covid. Council and its partners have continued to encourage caution and restraint whilst managing the implications. The implications for council activities are summarised in section 5.
- 1.3** The response to and recovery from the pandemic contributes to the strategic aims and objectives in the Council's Corporate Plan 2021-25

### **2.0 Recommendation**

- 2.1** To note the ongoing implications of Covid-19 and Cheshire East Council's response.

### 3. Reason for Recommendation

3.1 This report is part of the Council's commitment to being open and transparent.

### 4. Other Options Considered

4.1 Not appropriate.

### 5. Background

#### Update and by exception reporting on Council actions

5.1 Cheshire East Council continues to respond to the Coronavirus pandemic. At the same time the Council has continued to strive to:

- deliver essential local services
- protect our most vulnerable people
- support our communities and local businesses.

5.2 A summary of the key changes since September is provided below.

5.3 **COVID infection rates** – COVID Infection rates vary across the UK with some areas experiencing increasing numbers of new cases that appear to be related to the Delta and Delta Plus variant predominantly. In Cheshire East the infection rate doubled between September and mid-October. Following this, the rate started to fall again.

Whilst Cheshire East rates had been the lowest rate in the Cheshire and Merseyside sub region consistently, in the last 2 months the infection rate in Cheshire East has been consistently higher than the North West and England rates. In areas with particularly high case rates, surge testing and targeted vaccination programmes have been introduced. However, since 16 October, Cheshire East has seen a reduction in infection rates from 705 cases per 100,000 population (as of 16 October 2021) down to 436 cases per 100,000 (1,684 cases in the last couple of weeks as of 29 October 2021) over a 7 day period. Nevertheless, it remains a priority to emphasise the need for the local population to follow COVID safety guidance and get fully vaccinated (including boosters where appropriate).

There are fewer COVID-related admissions in our local hospitals than in previous waves, however non-COVID occupancy is higher and overall pressures on Emergency Departments remain very high.

As of 3 November 2021, there were 294,818 eligible registered patients over the age of 12 with Cheshire GP Practices who have received their first dose (83.8%) and 278,821 (79.0%) who have received their second dose.

The rate of full vaccination within electoral wards ranges from 54.9% to 86.3% and boosters from 8.8% to 30.7%. One explanation for this variation is that some wards have a significantly younger age profile and therefore only became eligible for vaccination later in the schedule. Targeted efforts are in place to ensure everyone in our communities is able to be vaccinated, with additional support to those with greater need, where possible.

**5.4 Test Trace Contain Enable/Swab squad** - As of 26 July 2021, Cheshire East is no longer classed as an Enhanced Response Area (ERA) as the Delta variant is now the prevalent variant across England. As such, Cheshire East no longer has access to the same level of national support for test and trace. The national rollout of step 4 of the lockdown roadmap has had a significant impact on the Test Trace Contain Enable Programme as a number of national testing initiatives and almost all COVID-19 measures are no longer mandatory. As such, there has been a significant rise, and subsequent fall, of COVID-19 cases locally. There have been a number of operational issues caused by the Department of Health and Social Care (DHSC) in respect of both test and trace, and the lack of a national strategy is still a major cause for concern. This involves being both proactive in local outbreak management, whilst also being reactive and responding to the many changes brought by DHSC, often with little or no notice. The focus of testing throughout autumn and winter will be more targeted on under-served and disproportionately impacted groups, as informed by extensive data and behavioural insights work undertaken by the team. During autumn and winter, the contact tracing team will hope to achieve a fully localised contact tracing (Local-4) system once again, as this was deactivated when Cheshire East became an ERA. The Microsoft Dynamics 365 case management system will be further developed during autumn and winter to provide a smarter way of working, with the aim that this can continue long-term to support a 'business as usual' model, once developed, in 2022.

## **5.5 Developments since September 2021**

**5.5.1** Key protections have remained in place, including testing, self-isolation and the roll-out of vaccinations. Individuals and businesses and those who are Clinically Extremely Vulnerable have been encouraged to adopt risk-based approaches.

**5.5.2** Cheshire East Council has continued to work to ensure that people can still feel safe, despite the easing of restrictions and greater freedoms that many will welcome. Council services directly affected by changes include:

**5.5.3 Education** – The DfE have released their [absence statistics](#) covering Autumn 2020 and Spring 2021 terms. Cheshire East primary, secondary and special sectors have a lower unauthorised absence rate and a lower persistent absence rate compared to national and the North West region. Cheshire East primary and secondary sectors also have a lower rate of sessions lost due to Covid-19 circumstances compared to national and the North West region.

Across Cheshire East, the rate of Covid-19 cases amongst children and young people is significantly higher than the rate in our general population, although very few become very ill or need hospitalisation. Due to the high number of Covid-19 cases in schools, Cheshire East has advised that as a temporary measure, where one individual in a household tests positive, children and young people from that household who attend school or college should:

- Limit their social contacts.
- Arrange for a PCR test and they should not attend school or college for a minimum of 5 days.
- If the test result is positive the person should self-isolate as required by law.

We have also introduced temporary enhanced measures in schools which will be applied on an individual school basis depending on infection rates. These enhanced measures include wearing face masks in communal areas and classrooms, and reducing mixing in assemblies and other indoor activities across classes/ year groups. We have also encouraged additional testing in schools where there are outbreaks.

£500 has been allocated to each secondary school, special school and college to set up increased testing for pupils age 11 and above in line with the recent DfE advice. Schools were asked to encourage pupils to continue testing over the October half term break and to complete a test before returning.

The vaccination programme for 12-15 year olds, led by the School Nursing Service, continues to support schools. So far over 2,500 vaccines have been given. The team will be in schools each day until mid November to complete this programme. Vaccination should help to reduce the need for pupils to have time off school and reduce the risk of spreading Covid-19 within schools.

School staff who were identified as being eligible for a priority vaccine in January/ February this year are now entitled to a booster vaccine. Booster vaccines are currently limited to those who meet the criteria for very close working with vulnerable and at risk pupils. Schools are currently identifying those who meet the criteria so they can be invite for their vaccine.

Significant work continues to be planned and delivered for curriculum recovery and supporting all learners. Following successful staff training events for curriculum planning in core subjects, this work is now widening to include science, humanities and practical subjects to ensure our school subject leaders are fully confident to plan workschemes that address gaps in knowledge but maintain the focus on progression of learning through the year groups.

Ofsted inspections have now been reinstated which can result in a change of judgement and successful briefings have taken place to share the learning from those schools who have been inspected so far this term. Concerns are strongly felt by school leaders as to the position being taken by Inspectors regarding the significant impact of COVID on the ability of schools to strategically plan and embed curriculum reforms. The pressures on managing the day to day COVID responses in terms of staff shortages etc and for some schools, to keep the school open to all year groups, results in very limited time for staff and school leaders to strategically plan.

Work has commenced on preparing schools for national assessment arrangements for summer 2022; we await further national guidance on this especially relating to primary assessment arrangements.

**5.5.4 Children's Social Care** –There continue to be significant pressures nationally on the number of placements available for cared for children and young people as a result of the pandemic. As a result we are continuing to experience significant challenges in finding the right homes for a small number of our cared for children and young people, and this is also impacting on the cost of placements. Demand to Children's Social Care overall has also increased.

From 27 October – 4 November Ofsted undertook a focused visit of Child in Need and Child Protection Services. The findings are embargoed until the final report is published which is expected to be on 8 December. However, inspectors asked us to extend their thanks to all staff who were involved in the inspection, as their

openness and engagement allowed them to gain a good understanding of practice in Cheshire East.

**Early Help and Prevention – Household Support Fund** - Cheshire East Council with the help of a wide range of local partners, is distributing vouchers worth £2.2 million on behalf of the Department of Work and Pensions, to support the most vulnerable households across the borough with food, utilities, housing costs, and other essentials over the winter period. The money is our share of the government's £500 million Household Support Fund which will run from 6 October 2021 until 31 March 2022. The fund is available to support both adults (without dependent children) and families with children and will be made available to vulnerable households who need additional financial support.

Support for children via the grant will be delivered in line with the previous COVID Support Grant. This includes children eligible for free school meals, care leavers between 18-25, young people aged 16-18 who are not in education, employment or training, young carers, children open to social care and early help and prevention services, and children who are known to domestic abuse services. Vulnerable children who do not receive support via these channels are eligible for referral from professionals.

Adults will be referred for support from the Benefits Service, Citizen's Advice Bureau, Age UK, the Winter Wellbeing Group, Housing Associations and other multi-agency professionals. This will include individuals at immediate risk of eviction or who are facing notable winter poverty with regards to food or utilities.

**Holiday Activities and Food Programme** - The government's Holiday Activities and Food Programme has been extended to cover the winter holidays. The scheme provides enjoyable activities and nutritious meals for primary and secondary school aged children who are eligible for benefits-related free school meals during the school holidays. It is also an important source of support for children and families during the holiday period. Providers have been invited to express their interest in being part of the programme.

**5.5.5 Adult social care** – There continue to be significant pressures on the Care at Home market caused by a combination of increased demand for domiciliary care, recruitment and retention challenges, and staff having to self isolate. This has resulted in an increase in care packages being handed back to the Council by providers, particularly in areas where recruitment is historically challenging and

a number of providers indicating that they are unable to cover care calls at short notice due to staff sickness.

An on call rota has been set up to manage any challenges that arise at weekends, and commissioners are in the process of identifying a bank of staff who are trained to deliver care in emergency situations.

Funding has been identified from the Contain Outbreak Management Fund to support the care market with recruitment to alleviate the pressures on hospitals and encourage care staff be vaccinated against Covid-19 and flu.

Staffing shortages are not confined to the Care at Home market and care home providers are reporting difficulties recruiting and retaining staff and increased costs for agency staff. Staffing shortages have been cited as the main reason for the recent announcement of the closure of a care home in Sandbach.

**5.5.6** Covid-19 vaccinations become mandatory for care home staff on 11 November 2021. Currently 96% of staff working in Cheshire East care homes have received the first dose of the vaccination and 92% have had the second vaccination. Of those staff that have not yet been vaccinated, 43 are medically exempt and a further 64 have refused the vaccination despite support offered by the Public Health team and NHS to encourage staff to have the vaccine. The Government consultation on extending the mandatory vaccination to other front line health and social care staff closed on 22 October and the outcome is awaited.

**5.5.7 Registration services and bereavement services (Orbitas) –** Legal restrictions on the numbers of people allowed to attend funerals, wakes and weddings were lifted earlier in the year. Venues for such events are asked to ensure that a Covid safe environment is in place.

The Registration Service is extremely busy delivering ceremonies that were originally cancelled during periods of lockdown or when the numbers permitted to attend ceremonies were limited. Significantly more mid-week ceremonies are being delivered than is normal during the autumn and winter, this is due to venues having little or no weekend availability. An increased demand for mid-week ceremonies has created staffing pressures for the Service as this is when births and deaths are registered. At the start of the pandemic in March 2020 central Government, using emergency legislation, changed the national Regulations permitting deaths to be

registered over the telephone. This has proved to be very successful and has been appreciated by those needing to register deaths. The Registrar General has indicated that this facility is likely to end in March 2022 when the relevant emergency legislation expires.

**5.5.8 Tatton Park** – All facilities are now open. Visit the website for information: [www.tattonpark.org.uk/home.aspx](http://www.tattonpark.org.uk/home.aspx)

**5.5.9 Support for businesses** – The council's economic development and regulatory services teams are continuing to provide advice and guidance to hospitality, events and tourism businesses to support the many changes in those sectors following the release of restrictions on 19 July:

- The [‘Say Hi to the High Street’ campaign](#) continues to be positively received, and the Council will continue to work with Town & Parish Council's over the coming months to identify promotion and marketing opportunities to support Town Centres utilising the Government's 'Welcome Back Fund'.
- The Regulatory Services team continues to support and advise businesses to follow working safely during coronavirus guidance. Most of the Council's powers to ensure compliance with the Coronavirus Regulations have been revoked. However, the amended regulations grant Councils powers, until 27 September 2021, to make directions in response to a serious and imminent threat to public health that limit the spread of Covid-19 in an individual premise, event, or public outdoor place. This could, for example, include requirements to wear face masks and limit social contact in an individual premise. Any direction must be necessary and proportionate in order to manage the transmission of coronavirus in the local authority's area.

**5.5.10 Waste and recycling collections** – There continues to be pressure on the waste collections system. There has been an increase in the tonnage of waste collected since the first lockdown when more people started to work from home, and this has not yet reduced to pre-lockdown levels, although recycling levels remain encouragingly high. Throughout the pandemic, ANSA Environmental Services, the Council's wholly owned company, have continued to empty all three waste streams whilst many local authorities have ceased one or more of their collections. However, there continues to be disruption to individual rounds on

a daily basis due to staff absences due to sickness of self-isolation and the shortage of agency staff to provide cover, particularly qualified HGV drivers, has added to this pressure. ANSA have introduced a number of measures to help manage these challenges, including suitably qualified managers and supervisors joining collection crews when necessary. When rounds are missed ANSA will try to return to missed collections within 5 working days.

- 5.5.11 Planning** – There are also pressures within the Planning service at present with a significant increase in caseload due to a combination of increased volumes of applications, particularly smaller householder applications, and reduced officer capacity. This has resulted in lengthy delays in determining applications and a significant increase in the number of live applications to 2,876 at the end of September, more than double the normal level. A number of measures to help manage officer caseload and manage customer expectations have been introduced and an external provider has been procured to provide additional resources to help address the backlog of applications over the next 9-12 months. We continue to recruit to fill staff vacancies on a permanent basis. To help develop greater resilience and improve service standards in the longer term, a deep dive review of the service is being undertaken. A Members Advisory Panel has been established to support and advise the review.

## **5.6 Business Grants Update**

- 5.6.1** The Council was allocated in August, a further £3.4million of the Government's Additional Restrictions Grant funding – created to help organisations recover from the impacts of the pandemic. Deadline for expenditure is 31<sup>st</sup> March 2022. The Council launched 3 Grant schemes in September.

**5.6.2** Extended Restrictions Grant (applications now closed)

To support businesses affected by the extension of restrictions from 21 June 2021 to and including 18 July 2021.

Total grants of £426,500 have been paid to 185 businesses

**5.6.3** Business Interruption Fund – Open until 17 December 2021

This is a discretionary grant scheme to support those businesses who have had their business operations affected by coronavirus (COVID-19). The grant will be made available to

those businesses who are able to demonstrate that after 19 July 2021 the business continued to be affected by the pandemic.

The circumstances in which a grant will be awarded are exceptional and COVID related. One of the following must apply:

- Business is operating at a reduced capacity due to staff shortages as a result of isolation requirements.
- Business has had to close for operational issues due to COVID-19 outbreak or isolation requirements
- The business cashflow has been disrupted as a result of a COVID-19 In addition the business must be able to evidence the cost of the interruption to business operations.

#### **5.6.4 Recovery and Growth Grant – Open until 17 December 2021**

This Recovery and Growth Grant Programme is to support economic recovery and assist businesses that are seeking to grow, adapt, diversify, and expand their current operation to support long-term sustainability. The grant will be made available for businesses seeking to invest in their premises, facilities or equipment that will enable them to re-open quickly, bring staff and customers safely back to work or to capitalise on new opportunities. The grant is paid retrospectively.

Only the following expenditure will be eligible for a grant:

- furniture, fittings and equipment to create outside business spaces or to adapt internal workspaces
- improved building ventilation/ air exchange or low carbon heating and green energy solutions
- specialist electric vehicles and associated charging points for business uses
- digital hardware and software to enable the adoption of new digital business practices including setting up a new e-commerce or e-POS systems, payment systems or to enable flexible/ remote working etc
- purchase of equipment or machinery to capitalise on new and emerging business opportunities
- access improvements / amendments (i.e. motion sensor doors, queueing adaptations, one-way set-ups, improvised waiting areas etc)

- internal adaptations (i.e. relocation of existing fixtures / fittings / services etc. potentially to support revised utilisation of space to ensure social distancing or diversified uses of premises).

## **5.7 Future Workplace and engagement**

**5.7.1** Throughout the pandemic, we have provided frequent briefings to staff through a variety of methods. This includes written briefings, Conversation With/Question and Answer sessions, team meetings, TLC calls and wellbeing support. As referenced in the report to the July meeting of the Corporate Policy Committee, the Pulse Survey of staff reported positive feedback on how informed staff have felt. We are continuing to prioritise communication and engagement over the coming months.

**5.7.2** Member decision-making meetings have been held face-to-face since the remote meeting regulations expired. Appropriate health and safety and risk assessments have been undertaken to protect participants. The Government is conducting a consultation on future arrangements. More information will be provided in due course.

**5.7.3** Covid-19 and new ways of working have been a catalyst for a refresh of the Workplace Strategy which was approved at the Corporate Policy Committee In November 2021. We are taking a phased and pragmatic approach, engaging with and listening to staff about new ways of working which meet customer, service and individual needs. The revised agile working policy has been launched alongside a future workplace guide and conversation toolkit. All staff are being actively encouraged to discuss future ways of working and how this best meets future requirements. These discussions will also inform future workplace design.

## **5.8 Recovery planning**

**5.8.1** At the sub-regional level, the strategic command for the response to the pandemic has been transferred to a strategic recovery co-ordinating group. This is a multi-agency group that brings together key partners including local government, health, police, the local enterprise partnership and enables feedback to central government.

**5.8.2** This group is chaired by the Chief Executive of Cheshire East Council and oversees a sub-regional approach to the ongoing management of the pandemic, managing the easing of restrictions and planning for longer term recovery.

**5.8.3** The council has therefore developed a recovery plan to support this sub-regional approach as well as ensuring the Borough continues to manage the pandemic effectively as well as recovery arrangements.

**5.8.4** In particular the recovery plan anticipates and is preparing the Council to manage the longer-term impacts of the COVID-19 pandemic in the Borough and on our council services. For example, it is anticipated that there will be significant long-term impacts on communities and business in Cheshire East.

**5.8.5** The key issues, risks and plans that have been developed at this stage cover:

- The ongoing management of COVID-19 including test, trace, contain and enable
- Supporting children and young people including ensuring an effective education recovery, managing increased demand on social care and supporting mental health
- Meeting the increased demands on adult social care, health and community services
- Putting effective arrangements in place to provide guidance and support to local businesses to ensure they operate safely and in line with the regulations
- Leading an effective economic recovery
- Winter planning and table top exercise on adult social care.

## **6. Consultation and Engagement**

**6.1** Consultations have resumed, although they are predominantly through digital or remote means.

## **7. Implications**

### **7.1 Legal Implications**

**7.1.1** The UK Government has made hundreds of laws in response to the Coronavirus pandemic. Restrictions were imposed relating to movements, gatherings and high street business operations. The Government revoked England's lockdown laws on 19 July 2021. This means there are no longer any lockdown laws in force in England, although other types of coronavirus restrictions are still in force (notably self-isolation and international quarantine restrictions). As of the 7 November 2021, the remaining 7 countries were removed from the 'Red list' of international travel.

**7.1.2** The Health Protection (Coronavirus Regulations) (Steps) (England) Regulations (“the Roadmap Regulations”) were initially published on 12 February 2021) as part of the Spring 2021 response to Covid-19. On 19 July, the Government moved to step 4 of the roadmap. Whilst many of the legal restrictions have been lifted, cautious guidance will remain, making clear that it is not yet a ‘return to normal’. Such guidance includes the wearing of face coverings in crowded areas such as public transport, minimising the number, proximity and duration of social contact and encouraging businesses and large events to use the NHS Covid Pass in high risk settings so as to help limit the risk of infection. On 16 August the rules on self-isolating as a contact changed for people who are fully vaccinated and for under 18s. Those not fully vaccinated will still need to isolate if they are contacts, and everyone will still have to isolate if they test positive, to protect themselves and others.

**7.1.3** Mandatory vaccinations for staff working in care home settings applies from the 11 November 2021 to all staff undertaking personal or nursing care in a regulated care home setting in England.

<https://www.legislation.gov.uk/ukxi/2021/891/contents/made>.

The regulations do not apply to the NHS and are subject to a review in one year.

**7.1.4** The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 have expired. The High Court determined that primary legislation would be necessary to allow remote meetings to continue. There was no reference to such legislation in the Queen’s Speech on 12 May. Essential meetings including planning and licensing committees, are taking place in person with appropriate COVID-19 measures such as ensuring adequate ventilation, separation distances and the requirement for attendees to wear face masks unless sat during the meeting.

## **7.2 Financial Implications**

**7.2.1** The financial implications of the Covid-19 pandemic on the Council relate to the need to incur additional expenditure to meet the needs of our community and to continue to provide services; losses in income from sales, fees and charges; and reductions in council tax and business rates income. The effect on the Council’s budget and its Medium Term Financial Strategy are influenced by the Government’s approach to funding. Government policies and strategies in this regard have evolved over time, since March

2020; but essentially financial support to the Council and for our Borough has been provided in the following forms:

- Unringfenced grant
- Sales, fees and charges compensation scheme
- Tax income guarantee
- Specific grants
- Deferment of financial impacts on Capital Programme and Collection Fund

### 7.2.2 2021/22

The latest position for the current financial year will be formally reported as part of the in-year Finance Review, to Finance Sub Committee on 1 December 2021. The Committee may wish to note the following with regard to latest estimates, which show that current year Covid-related pressures on Service budgets may be covered by Covid-related unringfenced grants, the compensation receivable for income losses, and capitalisation of some expenditure:

#### Service expenditure and income losses

	<b>Expenditure</b>	<b>Income</b>	<b>Net</b>
	£000	£000	£000
<b>Service costs/ losses above Budget</b>	5,636	4,377	<b>10,013</b>
<b>Financed by:</b>			
<b>Use of unringfenced grant held in reserve from 2020/21</b>			(513)
<b>Unringfenced grant – 2021/22</b>			(8,500)
<b>Sales, fees &amp; charges compensation – 2021/22</b>			(800)
<b>Capitalisation of expenditure</b>			(200)
<b>Total – Financing</b>			<b>(10,013)</b>
<b>Potential Surplus/ Deficit in 2021/22</b>			<b>-</b>

7.2.3 Included in the above forecast is a provision of £400,000, being the latest estimate of the potential support required by Everybody Sport & Recreation to help cover the shortfall in their budgets as a consequence of income losses in the year. As per the precedent set in 2020/21, the Council will continue to provide further support in this regard; and any relating payment this year will be made in

accordance with the Constitution and covered by use of the unringfenced Covid grant, as shown above.

**7.2.4** Implications for council tax and business rates will continue to be managed within the Collection Fund, over the medium term, and are not expected to have an immediate effect on the Council's revenue budget in 2021/22. Latest estimates for this year show losses in receipts of £2.5m on council tax, and £8.6m on business rates.

**7.2.5** The Council has also been allocated some £70m for 2021/22 in specific grants, to date, to continue to support outbreak management, infection control in care homes, and to provide businesses with support and restart grants, along with other grants to support residents. Further specific grants may become payable and require local administration in response to the emerging status of the pandemic.

#### **7.2.6 Reporting to Government**

Reporting of the Council's position continues to be submitted frequently to DLUHC as required, in the specified format; and those returns are published on the Cheshire East website:

[Open data and transparency \(cheshireeast.gov.uk\)](https://cheshireeast.gov.uk)

[Search for 'covid' | Insight Cheshire East \(arcgis.com\)](https://arcgis.com)

The Council will continue to support lobbying by the LGA and CCN in their aim to ensure fair settlement of the financial pressures facing local authorities.

### **7.3 Policy Implications**

**7.3.1** COVID-19 is having a wide-ranging impact on many policies. Any significant implications for the Council's policies are outlined in this report.

### **7.4 Equality Implications**

**7.4.1** Work has continued to improve accessibility of the vaccine, particularly for those who are vaccine hesitant or less able to travel to vaccination centres. The rate of full vaccination within electoral wards ranges from 54% to 86.3% and boosters from 8.8% to 30.7%. One explanation for this variation is that some wards have a significantly younger age profile and therefore only become eligible for vaccination later in the schedule. Targeted efforts are in place to ensure everyone in our communities are

able to be vaccinated, with additional support to those with greater need, where possible.

- 7.4.2** We carried out individual risk assessments for staff with protected characteristics, particularly in relation to BAME colleagues and staff with a disability and have issued regular reminders to keep these under review as circumstances may change. Further work is being done to support staff who may be vaccine hesitant, including BAME staff.

## **7.5 Human Resources Implications**

- 7.5.1** The latest data on staff absences on 1 November 2021 are 7 (21 in October) staff self-isolating and working from home, 4 (1 in October) member of staff self-isolating and not working from home (role does not allow), 39 (18 in October) Covid-related sickness absences, and 128 (150 in October) non-Covid-related sickness absences.

- 7.5.2** Staff vaccinations: as at 1 November 2021 1900 staff are eligible for vaccinations due to their role. Of these, 94% have had a first vaccination and 91% have had their second vaccination.

- 7.5.3** The pandemic has exposed capacity pressures and skills shortages, for example, public health professionals, enforcement officers, care workers and school support staff. In addition, the challenging financial context and re-prioritisation of work has meant that vacant posts in some service areas have not been automatically filled. Work continues to provide short and longer term resourcing solutions.

- 7.5.4** There continues to be regular communication with staff and good co-operation with the Trade Unions.

## **7.6 Risk Management Implications**

- 7.6.1** The risk environment around COVID-19 remains dynamic. Risk registers have been maintained as part of the Council's response to date and the plans for recovery. Business Continuity Plans are being kept under review.

## **7.7 Rural Communities Implications**

- 7.7.1** COVID-19 is having an impact across all communities, including rural communities. The support for small businesses will support rural business.

**7.8 Implications for Children & Young People/Cared for Children**

**7.8.1** There are implications for schools, early help and prevention and children’s social care which are summarised in the report.

**7.9 Public Health Implications**

**7.9.1** COVID-19 is a global pandemic and public health emergency. There are implications for Cheshire East which are summarised in the report.

**7.10 Climate Change Implications**

**7.10.1** There have been positive benefits of fewer cars on the road during the first 12 months of the pandemic, although traffic levels are now exceeding pre-pandemic levels. Those staff who have been able to work from home have done so and business mileage has also reduced. There has also been lower demand for heating/lighting offices. The emerging Future Workplace Strategy will carefully consider how to embed carbon reduction.

**8 Ward Members Affected**

**8.1** All members.

<b>Access to Information</b>	
HM Government website contains comprehensive information.	
Roadmap <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/963491/COVID-19_Response_-_Spring_2021.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/963491/COVID-19_Response_-_Spring_2021.pdf</a>	
Contact Officer:	Jane Burns, Executive Director of Corporate Services  Jane.burns@cheshireeast.gov.uk  01270 686013
Appendices:	None
Background Papers:	Government Guidance COVID-19 Response – Spring 2021(Roadmap)

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## **Corporate Policy Committee**

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<b>Date of Meeting:</b>	2 December 2021
<b>Report Title:</b>	2021/22 Financial Year Review
<b>Report of:</b>	Alex Thompson, Director of Finance and Customer Services (Section 151 Officer)
<b>Report Reference No:</b>	CP/20/21-22
<b>Ward(s) Affected:</b>	Not Applicable

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### **1. Recommendations**

- 1.1. Corporate Policy Committee to note the report of the Finance Sub-Committee ([Agenda for Finance Sub-Committee on Wednesday, 1st December, 2021, 2.00 pm | Cheshire East Council](#)), specifically the recommendations of that committee.
  - 1.1.1. Finance Sub-Committee recommend Service Committees to:
    - 1.1.1.1. note the financial update and forecast outturn relevant to their terms of reference.
    - 1.1.1.2. note that officers will seek to improve the financial outturn across all Committees to mitigate the overall forecast overspend of the Council.
- 1.2. Corporate Policy Committee to note the Annex to this report.
- 1.3. Corporate Policy Committee to note Appendix 2 and the following sections specific to this Committee:
  - Changes to Revenue budget 2021/22
  - Policy Proposals Update
  - Corporate Grants Register
  - Debt Management
  - Capital Strategy
  - Reserves Strategy

## 2. Reasons for Recommendations

- 2.1. Committees are responsible for discharging the Council's functions within the Budget and Policy Framework provided by Council. The Budget will be aligned with Committee and Head of Service responsibilities as far as possible.
- 2.2. Budget holders are expected to manage within the budgets provided by full Council. Committee and Sub-Committees are responsible for monitoring financial control and making decisions as required by these rules.

Access to Information	
Contact Officer:	Alex Thompson Director of Finance and Customer Services (Section 151 Officer) <a href="mailto:alex.thompson@cheshireeast.gov.uk">alex.thompson@cheshireeast.gov.uk</a>
Appendices:	<b>Finance Sub Committee – 2021/22 Financial Year Review</b> which includes: <b>Covering Report</b> <b>Annex 1:</b> <b>Appendix 1</b> Finance Sub-Committee. <b>Appendix 2</b> Corporate Policy Committee. <b>Appendix 3</b> Adults and Health Committee. <b>Appendix 4</b> Children and Families Committee. <b>Appendix 5</b> Highways and Transport Committee. <b>Appendix 6</b> Economy and Growth. <b>Appendix 7</b> Environment and Communities Committee. <b>Appendix 8</b> Treasury Management Strategy. <b>Appendix 9</b> Investment Strategy.
Background Papers:	<a href="#">Medium Term Financial Strategy 2021-25</a>



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## **Finance Sub-Committee**

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<b>Date of Meeting:</b>	01 December 2021
<b>Report Title:</b>	2021/22 Financial Year Review
<b>Report of:</b>	Alex Thompson, Director of Finance and Customer Services (Section 151 Officer)
<b>Report Reference No:</b>	FSC/08/21-22
<b>Ward(s) Affected:</b>	Not Applicable

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### **1. Executive Summary**

- 1.1.** This report outlines how the Council is managing resources to provide value for money services during the 2021/22 financial year. The report highlights financial activity that supports the achievement of outcomes contained within the Corporate Plan.
- 1.2.** The Council operates a financial cycle of planning, monitoring and reporting. This review is part of the monitoring cycle but reflects on the impact of reporting last year's performance and on planning for next year's budget. This report supports the Council priority of being an open and enabling organisation, ensuring that there is transparency in all aspects of council decision making (Source: CEC Corporate Plan Feb 2021).
- 1.3.** Local Authority budgets across the UK are being managed against the backdrop of the Covid-19 pandemic as well as inflation rises and increasing demand for services. The Council's budget has been affected in an unprecedented way due the response required to protect both the health and economic wellbeing of local people and businesses during the Covid-19 Pandemic. However, the statutory duties of the Council must still be delivered within the relevant parameters and the associated inspection frameworks.
- 1.4.** The report sets out the financial performance of the Council with and without the impact of Covid-19. This is helpful due to the separate

approaches to funding the impact of Covid-19 which was not factored into the original 2021/22 Budget.

- 1.5.** The headline findings of the review are:
  - 1.5.1.** Placement costs within Children's Social Care are exceeding budget by £2.8m, which reflects the ongoing pressure articulated in the outturn reporting of the 2020/21 budget.
  - 1.5.2.** Other pressures within Children's Social Services (£1.8m) including costs relating to an increase in the number of children being fostered and an increase in rates paid to foster carers.
  - 1.5.3.** Care Cost budgets remain under pressure and are supported by significant amounts of temporary funding streams in 2021/22 forecasts (net pressure £0.7m).
  - 1.5.4.** Car parking income is forecast to under-achieve the estimates within the current budget by £0.5m (further amounts relating to Covid-19 are included within 1.5.6 below).
  - 1.5.5.** There are vacancies in several service areas, where recruitment is challenging given the prevailing labour market or where activities are delayed due to Covid-19 response work. This is creating underspending of £3.6m overall, most significantly in Care4CE, Prevention, Planning and Corporate Services.
  - 1.5.6.** Covid-19 related expenditure, and losses in income, of £9.8m are not forecast to exceed funding set-aside within the approved budget.
- 1.6.** The position, excluding Covid-19, presents a forecast overspend of £2.2m (0.7% variance to budget).
- 1.7.** There is a further risk linked to the nationally negotiated Local Government pay award which is exceeding forecasts within the Council's Medium Term Financial Strategy and remains uncertain due to the national position of a pay dispute lodged by the Trade Unions. Further analysis is required and the pressure will be managed by use of the Medium Term Financial Strategy reserve if necessary.
- 1.8.** The year-end forecasts that, subject to further changes in demand or mitigating activity may be subject to change. With robust action it is expected that the outturn position will return in line with budget by the end of the year. Any remaining variation to budget at year-end will be managed through the Council's Medium Term Financial Strategy Earmarked Reserve.
- 1.9.** Members should recognise that spending on Children's Social Care Placements, the pay award and losses on car parking income are items that are expected to significantly impact development of the MTFs as they are likely to require recurring increases in budget. Underspending on vacancies is not expected to recur as service levels are returned to meeting existing un-met demand.

- 1.10. Forecast expenditure in the year on the capital programme is £143.7m.
- 1.11. The attached report, **Annex 1**, sets out details of how the Council is performing in 2021/22. It is structured into:
  - 1.11.1. **Section 1 Financial Stability** - provides an update on the Council's overall financial position.
  - 1.11.2. **Appendices** to the annex demonstrate how spending in 2021/22 has been funded, including the service budgets, policy proposals, grants, debt management, capital strategy and reserves by Committee. Updates are provided on the Treasury Management Strategy and Investment Strategy.

## 2. Recommendations

- 2.1. Finance Sub-Committee is asked to note the contents of the report and each appendix.
- 2.2. Finance Sub-Committee is asked to approve:
  - 2.2.1. supplementary revenue estimates for general purpose grants coded centrally up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 1, Section 3 Corporate Grants Register, Table 1**.
  - 2.2.2. capital virements up to and including £5,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 1, Section 5 Capital Strategy, Table 5**.
- 2.3. Recommend to Council to approve:
  - 2.3.1. fully funded supplementary revenue estimates for general purpose grants coded centrally over £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 1, Section 3 Corporate Grants Register, Table 1**.
  - 2.3.2. fully funded supplementary revenue estimates for specific grants coded directly to services over £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 1, Section 3 Corporate Grants Register, Table 2**.
  - 2.3.3. supplementary capital estimates over £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 1, Section 5 Capital Strategy, Table 6**.
- 2.4. Recommend to Service Committees to:
  - 2.4.1. note the financial update and forecast outturn relevant to their terms of reference.
  - 2.4.2. note that officers will seek to improve the financial outturn across all Committees to mitigate the overall forecast overspend of the Council.

- 2.4.3.** approve supplementary revenue estimates for specific grants coded directly to services up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 2-7, Section 3 Corporate Grants Register, Table 2.**

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

- 3.1.** The Finance Sub-Committee has a function to “co-ordinate the management and oversight of the Council’s finances”. This function is facilitated through receiving a regular cycle of published reports as part of the financial cycle or planning, monitoring and reporting.
- 3.2.** The review reflects financial and operational performance and provides the opportunity for members to note, approve or recommend changes in line with the Council’s Financial Procedure Rules.
- 3.3.** The overall process for managing the Council’s resources focus 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 approvals are now required, and the relevant justification.
- 3.4.** The recommendations continue to highlight compliance with the CIPFA Financial Management Code, whilst also meeting the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services and the Prudential Code for Capital Finance in Local Authorities.

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

- 4.1.** Not applicable.

### **5. Background**

- 5.1.** Managing performance is essential to the achievement of outcomes. This is especially important in evidencing the achievement of value for money across an organisation the size of Cheshire East Council. The Council is the third largest in the Northwest of England, responsible for over 500 services, supporting over 386,000 local people. Gross annual spending is over £641m, with a revised net revenue budget for 2021/22 of £311.9m.
- 5.2.** The management structure of the Council is organised into four directorates: Adults, Health and Integration; Children’s Services; Place; and Corporate Services. The Council’s 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.** The political structure of the Council is organised into seven Committees, with financial responsibilities aligned to the management structure. Performance against the 2021/22 Budget within each Committee is outlined in Table 1 below.

**5.4. Table 1 – Revenue Outturn Forecast by Committee**

2021/22 (GROSS Revenue Budget £492.7m)	Revised Budget (NET) £m	Forecast Outturn Including Covid £m	Forecast Covid Expenditure £m	Forecast Outturn Excluding Covid £m	Forecast Over / (Underspend) Excluding Covid £m
Committee					
Adults and Health	119.0	120.8	1.6	119.2	0.2
Children and Families	68.8	74.2	1.1	73.1	4.3
Economy and Growth	21.8	22.4	0.4	22.0	0.2
Environment and Communities	42.3	45.5	3.7	41.8	(0.5)
Highways and Transport	11.2	14.0	2.1	11.9	0.7
Corporate Policy	35.5	35.3	0.9	34.4	(1.1)
Finance Sub	(298.6)	(310.0)	(9.8)	(300.2)	(1.6)
<b>TOTAL</b>	<b>-</b>	<b>2.2</b>	<b>-</b>	<b>2.2</b>	<b>2.2</b>

**5.5.** The Council set a balanced net revenue budget of £311.1m at its meeting in February 2021. Current forecasts against the revised budget of £311.9m, when excluding the financial impacts from Covid-19, shows a potential net expenditure of £314.1m. This position reflects the increase in demand led pressures in the Children’s Services Directorate relating to Children in Care, higher costs relating to care in Commissioning and unachievable income targets in Highways and Infrastructure. These pressures are offset by costs that are lower than budgeted, particularly in the Corporate Services Directorate, for example staff vacancies, lower costs of staff training, increased income due to demand of registrar services following the lifting of restrictions and reduced revenue costs due to delays in some capital projects. Past service employer pension contributions are also lower than budgeted and flexible use of capital receipts will fund some revenue costs associated with the B4B project.

**5.6.** The potential financial pressure from Covid-19 remains uncertain. Some additional funding from Covid-19 grants and the compensation scheme linked to income losses from Sales, Fees and Charges has continued into 2021/22. Negotiations between Local Government and Central Government continue which means government funding may increase, reducing the local effect on the Council’s Medium Term Financial Strategy. Contrary to this position the Council must balance the risk of further increases in expenditure or reductions in income based on further outbreaks of Covid-19 or from the Council’s recovery processes.

**5.7.** General Reserve balances are risk assessed and it is clear that a number of risks, particularly associated with demand led service provision and the pandemic, have materialised, but have been managed through the actions detailed in this report.

**6. Consultation and Engagement**

**6.1.** As part of the budget setting process the Pre-Budget Consultation 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.

## **7. Implications**

### **7.1. Legal**

- 7.1.1.** The legal implications surrounding the process of setting the 2021 to 2025 Medium Term Financial Strategy were dealt within the reports relating to that process. The purpose of this paper is to provide a progress report for 2021/22.
- 7.1.2.** Other implications arising directly from this report relate to the internal processes of approving supplementary estimates and virements referred to above which are governed by the Finance Procedure Rules.
- 7.1.3.** 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.

### **7.2. Finance**

- 7.2.1.** Reserve levels are agreed, by Council, in February each year and are based on a risk assessment that considers the financial challenges facing the Council. If spending associated with in-year delivery of services, or the response and recovery to Covid-19, is not contained within original forecasts for such activity it may be necessary to vire funds from reserves. This could require the Council to deliver a greater level of future savings to replenish reserve balances and / or revise the level of risks associated with the development of the Reserves Strategy in future.
- 7.2.2.** As part of the process to produce this report, senior officers review expenditure and income across all services to support the development of mitigation plans that will return the outturn to a balanced position at year-end.
- 7.2.3.** Forecasts contained within this review provide important information in the process of developing the Medium Term Financial Strategy. Analysis of under or over spending during the year will identify whether such performance is likely to continue and this enables more robust estimates to be established.
- 7.2.4.** Any overall shortfall in government funding for local activity linked to Covid-19 will add financial pressure to the Council's Medium Term Financial Strategy. In addition, the Medium Term Financial Strategy will need to take account of any longer impacts relating to income, for

example, longer term impact on the Council's income and/or demand on its services.

**7.3. Policy**

**7.3.1.** This report is a backward look at Council activities and predicts the year-end position.

**7.3.2.** The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2022 to 2026 Medium Term Financial Strategy.

**7.4. Equality**

**7.4.1.** 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 to which they relate.

**7.5. Human Resources**

**7.5.1.** This report is a backward look at Council activities and states the forecast 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 to which they relate.

**7.6. Risk Management**

**7.6.1.** Performance and risk management are part of the management processes of the Authority. Risks are captured at Strategic and Operational levels, 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.

**7.6.2.** Risks identified in this report are used to inform the overall financial control risk contained in the Strategic Risk Register; CR3 Financial Resilience. Updates on the scoring and management of strategic risks are provided to the Council's Audit and Governance Committee, and the ongoing challenges to the Council's funding and financial position has been recognised in the Annual Governance Statement.

**7.6.3.** 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 2020/21 budget and the level of general reserves were factored into the 2021/22 financial scenario, budget and reserves strategy.

**7.7. Rural Communities**

**7.7.1.** The report provides details of service provision across the borough.

## 7.8. Children and Young People/Cared for Children

7.8.1. The report provides details of service provision across the borough.

## 7.9. Public Health

7.9.1. Public health implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

## 7.10. Climate Change

7.10.1. Any climate change 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 to which they relate.

<b>Access to Information</b>	
Contact Officer:	Alex Thompson Director of Finance and Customer Services (Section 151 Officer) <a href="mailto:alex.thompson@cheshireeast.gov.uk">alex.thompson@cheshireeast.gov.uk</a>
Appendices:	Annex 1 – 2021/22 Financial Year Review which includes: <b>Appendix 1</b> Finance Sub-Committee. <b>Appendix 2</b> Corporate Policy Committee. <b>Appendix 3</b> Adults and Health Committee. <b>Appendix 4</b> Children and Families Committee. <b>Appendix 5</b> Highways and Transport Committee. <b>Appendix 6</b> Economy and Growth. <b>Appendix 7</b> Environment and Communities Committee. <b>Appendix 8</b> Treasury Management Strategy. <b>Appendix 9</b> Investment Strategy.
Background Papers:	<a href="#">Medium Term Financial Strategy 2021-25</a>



# 2021/22 Financial Year Review

December 2021

This report receives scrutiny and approval from Members of Cheshire East Council. As a public report, the Council welcomes feedback to the information contained here.

**Anyone wanting to comment is invited to contact the Council at:**

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

# Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 386,000 local people with annual spending of over £641m.

Local government is going through a period of financial challenges, with a combination of the impact of the Coronavirus pandemic, increasing demand for services and rising costs. There is also increasing uncertainty associated with income from business rates and government grants.

Demand for Council services is increasing, with more individuals and families needing support and services than ever before. This reflects an increase in population but also reflects changes in demographics. Excluding the impact of Covid-19 this demand is resulting in revenue pressures of £6.7m, with the most significant impact within the rising complexity of needs in Children's Social Care. Pressures are being temporarily offset by underspends across council services resulting in a forecast outturn of £314.1m against a net revenue budget of £311.9m.

The Council's budget continues to be affected by the pandemic. The Council continues to receive funding related to an array of activities in response to the situation. But current forecasts remain consistent with the Budget, in that the Council is not aiming to use reserves to fund Covid-19 costs in 2021/22.

When the 2021/22 budget was set, in February 2021, it was highlighted that the use of reserves was not sustainable in the medium term. Net spending therefore needs to be contained within the estimates of expenditure that form the budget. This issue, and how Covid-19 affects this is considered as part of the ongoing planning for the Medium Term Financial Strategy. The forecasts at mid-year highlight temporary underspends due to vacant posts and some beneficial underspending on pension costs. Whilst those issues are likely to be temporary in nature, the overspending on

Children's Social Care, pay inflation and car parking will almost certainly affect the medium term finances of the Council. This situation must be addressed as part of the MTFS process for 2022 to 2026.

To support openness and transparency, and provide evidence of strong governance, the report has a main section, to provide background and context, and then nine supporting appendices with detailed information about allocation and management of public money during 2021/22:

**Section 1** provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2021/22 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.

- **Appendix 1** Finance Sub-Committee.
- **Appendix 2** Corporate Policy Committee.
- **Appendix 3** Adults and Health Committee.
- **Appendix 4** Children and Families Committee.
- **Appendix 5** Highways and Transport Committee.
- **Appendix 6** Economy and Growth Committee.
- **Appendix 7** Environment and Communities Committee.
- **Appendix 8** shows updates to the Treasury Management Strategy.
- **Appendix 9** shows updates to the Investment Strategy.

*Alex Thompson*

Director of Finance and Customer Services  
(Section 151 Officer)

Note Section 2 Workforce Development Plan has been removed from the Review and will be reported to Corporate Policy Committee as a separate report.

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## 2021/22 Outturn Forecast - Financial Position

2021/22 (GROSS Revenue Budget £492.7m)	Revised Budget (NET) £m	Forecast Outturn Including Covid £m	Forecast Covid Expenditure £m	Forecast Outturn Excluding Covid £m	Forecast Over / (Underspend) Excluding Covid £m	For further information please see the following sections
<b>SERVICE DIRECTORATES</b>						
Adult, Health and Integration	119.0	120.8	1.6	119.2	0.2	Section 1 - Paragraphs 6-7, 31
Children's Services	68.8	74.2	1.1	73.1	4.3	Section 1 - Paragraphs 8-21, 32
Place	75.3	81.9	6.2	75.7	0.4	Section 1 - Paragraphs 22-25, 33-35
Corporate Services	35.5	35.3	0.9	34.4	(1.1)	Section 1 - Paragraphs 26-30, 36-37
<b>Total Services Net Budget</b>	<b>298.6</b>	<b>312.2</b>	<b>9.8</b>	<b>302.4</b>	<b>3.8</b>	
<b>CENTRAL BUDGETS</b>						
Capital Financing	14.0	14.0	-	14.0	-	Appendix 1 Section 5
Transfer to/(from) Earmarked Reserves	2.2	1.7	(0.5)	2.2	-	Appendix 1 Section 6
Corporate Contributions / Central Budgets	(2.9)	(4.5)	-	(4.5)	(1.6)	Section 1 - Paragraph 38
<b>Total Central Budgets</b>	<b>13.3</b>	<b>11.2</b>	<b>(0.5)</b>	<b>11.7</b>	<b>(1.6)</b>	
<b>TOTAL NET BUDGET</b>	<b>311.9</b>	<b>323.4</b>	<b>9.3</b>	<b>314.1</b>	<b>2.2</b>	
Business Rates Retention Scheme	(49.1)	(49.1)	-	(49.1)	-	Section 1 - Paragraphs 56-60
Specific Grants	(20.0)	(29.3)	(9.3)	(20.0)	-	Appendix 1 Section 3
Council Tax	(242.8)	(242.8)	-	(242.8)	-	Section 1 - Paragraphs 44-55
Sourced from Collection Fund	-	-	-	-	-	
<b>Central Budgets Funding</b>	<b>(311.9)</b>	<b>(321.2)</b>	<b>(9.3)</b>	<b>(311.9)</b>	<b>-</b>	
<b>FUNDING POSITION</b>	<b>-</b>	<b>2.2</b>	<b>-</b>	<b>2.2</b>	<b>2.2</b>	
	<b>Planned Contribution</b>			<b>Forecast Variance</b>	<b>Impact on Reserves</b>	
	<b>2021/22</b>			<b>Outturn</b>	<b>Outturn</b>	
	<b>£m</b>			<b>£m</b>	<b>£m</b>	
Impact on Reserves	-			(2.2)	(2.2)	
<b>General Reserves Balance</b>	<b>2021/22 Budget</b>			<b>Forecast</b>		
	<b>£m</b>			<b>£m</b>		
Opening Balance April 2020	11.5			Actual	11.5	
2020/21 Impact on Reserves (see above)	-			Forecast	(2.2)	Section 1 - Paragraphs 41-42
Closing Balance March 2021	11.5			Forecast	<b>9.3</b>	

# 1. Financial Stability

## Introduction

- The Council has a strong track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of the Coronavirus pandemic, increased costs, growing demand and reducing Government grant. The Council has continued to receive some funding in response to the pandemic, as there is still a need to protect both the health and economic wellbeing of local people and businesses.
- Demand and increasing complexity in cases for Children's and Adults' Social Care remains the most significant financial pressure for the Council in the medium term, particularly in Children's services where overspending is occurring compared to budget.
- Table 1** provides a service summary of financial performance. The current forecast is that services will be £3.8m over budget in the current year on normal activities. The Financial Narratives provide further details and changes to service net budgets since the Medium Term Financial Strategy are analysed in **Appendix 1**.
- Further items impacting on the level of the Council's balances are detailed in the paragraphs below on Central Budgets and Funding.

**Table 1 - Service Revenue Outturn Forecasts**

2021/22 (GROSS Revenue Budget £492.7m)	Revised Budget (NET) £m	Forecast Outturn Including Covid £m	Forecast Covid Expenditure £m	Forecast Outturn Excluding Covid £m	Forecast Over / (Underspend) Excluding Covid £m
<b>SERVICE DIRECTORATES</b>					
Adult Social Care - Operations	28.1	27.8	0.4	27.4	(0.7)
Commissioning	90.9	93.0	1.2	91.8	0.9
Public Health	-	-	-	-	-
<b>Adult, Health and Integration</b>	<b>119.0</b>	<b>120.8</b>	<b>1.6</b>	<b>119.2</b>	<b>0.2</b>
Directorate	0.9	0.8	-	0.8	(0.1)
Children's Social Care	43.2	48.4	0.5	47.9	4.7
Prevention & Early Help	8.3	8.0	0.1	7.9	(0.4)
Education & 14-19 Skills	16.4	17.0	0.5	16.5	0.1
<b>Children's Services</b>	<b>68.8</b>	<b>74.2</b>	<b>1.1</b>	<b>73.1</b>	<b>4.3</b>
Directorate	0.9	0.9	-	0.9	-
Environment & Neighbourhood Services	42.3	45.5	3.7	41.8	(0.5)
Growth & Enterprise	20.9	21.5	0.4	21.1	0.2
Highways & Infrastructure	11.2	14.0	2.1	11.9	0.7
<b>Place</b>	<b>75.3</b>	<b>81.9</b>	<b>6.2</b>	<b>75.7</b>	<b>0.4</b>
Directorate	0.4	0.3	-	0.3	(0.1)
Finance & Customer Services	12.0	12.7	0.5	12.2	0.2
Governance & Compliance Services	9.1	8.8	0.4	8.4	(0.7)
Transformation	14.0	13.5	-	13.5	(0.5)
<b>Corporate Services</b>	<b>35.5</b>	<b>35.3</b>	<b>0.9</b>	<b>34.4</b>	<b>(1.1)</b>
<b>TOTAL SERVICES NET BUDGET</b>	<b>298.6</b>	<b>312.2</b>	<b>9.8</b>	<b>302.4</b>	<b>3.8</b>

Note the costs of Covid-19 are reviewed regularly, the figures shown are based on the November Tracker.

## Financial Narratives

- The financial narrative is split into three parts: Non Covid-19 Service performance narrative; Covid-19 Service performance narrative; and Central Budgets and Funding.

## Part 1 - Non Covid-19 Service Performance

### Adult, Health and Integration

- The Adult Social Care (Operations and Commissioning) and Public Health budgets remain under continued pressure across the country. The rising cost of Social Care in Cheshire East is driven by two main factors: increasing demand for services and increasing costs of providing them. Demand for Social Care is not driven exclusively by an ageing population, the prevalence of disability among working-age adults has also increased over recent years. In addition to increasing demand, the unit cost of providing care services is also going up, driven mainly by workforce costs and this has been recognised in the 2021/22 budget where growth has been allocated.
- There are significant risks to the Adults budget linked to many factors. Risks such as the long term impact of Covid-19 on individuals, the risk and impact of the temporary funding streams discontinuing, and the workforce and capacity issues in the Social Care market all have the potential to result in additional and unplanned costs. The financial impact of the new Social Care Reform is also unclear at this early stage, and may have significant implications for the Adults budgets. Changes in legislation around Liberty Protection Safeguards will also bring increased responsibilities, work loads and training to the service, with no clarity around the associated additional burden funding.

## Children's Services

- The budget for the Children and Families Directorate for 2021/22 at mid-year is £68.8m.
- There are a number of key pressures within the Directorate resulting in a forecast overspend of £4.3m against budget.
- The position is summarised in the following table:

**Table 2 – Children's Services Outturn Forecasts**

Review - forecast outturn	Budget	Outturn Variance	Covid Costs	Net of Covid Costs
	£m	£m	£m	£m
Executive Director	0.9	-0.1	-	-0.1
Children's Social Care	43.2	5.2	0.5	4.7
Prevention and Early Help	8.3	-0.3	0.1	-0.4
Education and Skills	16.4	0.6	0.5	0.1
<b>Revised Total</b>	<b>68.8</b>	<b>5.4</b>	<b>1.1</b>	<b>4.3</b>
DSG - in year pressure				15.5
DSG Deficit Balance B/F				10.0
<b>DSG Deficit Balance as at 31 March 2022</b>				<b>25.5</b>

- Particular issues are set out in the paragraphs below.
- ### Children's Social Care
- The overspend is forecast at £4.7m. This is mainly as a result of pressure from Agency Placements of £2.8m due to:
    - Additional pressures at outturn 2020/21 that exceeded the growth available in the MTFs (based on earlier forecasts) by £1.7m.

- The high numbers of children in care at 519 at September 2021. This is down from 531 in May 2021 and an average of 535 throughout 2020/21. The reduction is positive but numbers in care remain higher than in previous years.
  - The increase in unit costs for all types of placement due to market inflation. The average cost of an external placement has increased by 14% over the 2020/21 average cost. Within that overall figure, the average cost for a residential placement has increased by 23% since last year.
  - The continuing roll out of the residential services contract and a delay in seeing the full benefit of the new homes through reduced agency placement costs.
  - Offsetting savings by reduced use of the short breaks contract.
  - Analysis of recent years shows that the spend on agency placements has risen by an average of 9% per annum. Therefore, the figures assume a further 4.5% increase in pressure to 31 March 2022.
13. The service is also experiencing pressure from:
- Internal Fostering in terms of an increase in rates paid to foster carers and an increase in the number of children being fostered. This equates to a £0.9m pressure.
  - Staffing pressures of £0.4m which includes a legacy saving target on management and admin staff that cannot be delivered under current demand levels.
  - Use of Early Help and Independence Payments – there has been a significant increase in demand with 500 clients compared to the budgeted level of 300. This has resulted in a forecast pressure of £0.3m.
- The Commissioning Contracts budget pressure continuing at £0.12m
- Prevention and Early Help**
14. The department is forecasting an underspend of £0.4m from holding vacancies.
- Education and Skills**
15. The Department is currently reflecting an overspend of £0.1m excluding Covid-19 costs. The key issues are:
- Transport ~ TSS is currently forecasting a pressure of £0.3m as a result of increased demand for SEND and cared for children transport where the journey is often out of borough so longer and more expensive. There is also an issue with the shortage of drivers resulting in significant price increases.
- After allowing for other transport grants and budgets of £0.2m, the service is forecasting a £0.1m overspend against transport.
- This position is under review as part of the Company's quarter 2 forecasts that take into account the results of the new academic year.
- Significant work is underway relating to the transfer of TSS back into the Local Authority as from 1st April which will allow for greater clarity in terms of financial management.
- Educational Psychologists / SEND Staffing ~ these two areas are broadly balanced forecasts but additional locum staff and SEN staff are urgently needed to maintain

timeliness levels which would result in a pressure over the coming years.

- Other parts of the Education and Skills Service are reporting an underspend of £0.1m
- Catering ~ the service has worked hard to successfully secure an increase in income levels albeit still less than pre Covid-19. In addition, significant cost pressures are being seen due to food costs and delivery issues. At this stage the reduction in income and cost pressures are giving a shortfall of £0.1m.

The service is considering a range of options moving forward including the scope to increase school meal charges to schools

#### **Dedicated Schools Grant (DSG)**

16. This is ring-fenced funding received for:
  - schools
  - high needs / special educational needs
  - early years provision
  - a number of central services including statutory costs and certain support functions.
17. The key pressure on DSG relates to the high needs block. For 2021/22 high needs DSG funding is £48.1m representing an increase of £3.6m (8.1%) on 2020/21.
18. The DSG Reserve deficit balance carried forward from 2020/21 is £10m.
19. The forecasts reflect expected overspending on high needs offset by underspending against early years and the central DSG blocks to give an in year pressure of £15.5m. This takes the DSG reserve deficit forecast to £25.5m at 31 March 2022.

20. This is in line with the budget gap as determined the Council's DSG Management Plan that was approved by Cabinet in March 2021 and set out the planned expenditure and income on high needs over the medium term. Specific issues for 2021/22 include pressures on external placements and local provision.
21. The Council is working to deliver the mitigations set out in the DSG Management Plan but demand exceeds the current rate of local expansion. Additional key projects are being developed over the next 6 – 9 months including expansion of Springfield Special School in Crewe and the need for a centrally located special school. The service will be seeking to secure additional capital investment over the medium term.

#### **Place Directorate**

##### **Place Directorate £0.1m underspend**

22. Non Covid-19 underspends are forecast of £17,000. These arise from a staffing vacancy and additional income received towards staffing costs, partially offset by a forecast pay rise which was unbudgeted.

##### **Environment & Neighbourhood Services**

23. Excluding the impact of Covid-19, an underspend is forecast on Environment and Neighbourhood Services of £0.5m. This is predominantly from staffing savings made up of part year vacancies, maternity leave savings and budgeting for staff not in the pension scheme, offset by a forecast pay rise which was not budgeted.

##### **Growth & Enterprise**

24. There is a non Covid-19 pressure of £0.2m for Growth and Enterprise. This is made up of staffing underspends and control of costs within Tatton, Public Rights of Way and

Economic Development offset by income and cost pressures within Assets. Facilities Management have pressures arising due to increased energy costs and business rates but these have been mitigated by a forecast underspend on water and the control of costs such as responsive maintenance within the service. The majority of the pressure is for a forecast pay rise which was not included in the budget.

### **Highways & Infrastructure**

25. Non Covid-19 pressures within Highways and Infrastructure total £0.7m. There is a £0.5m pressure in year because of proposed parking charges not going ahead as planned. Pressures of £170,000 also exist for Transport resulting from unachievable savings targets for Flexi Link advertising and fares and the restructure of the company. A forecast pay rise has also been included in the forecast totalling £78,000, this was not budgeted. These pressures have been partially mitigated by savings within Parking, mainly due to part year staff vacancies.

### **Corporate Services**

26. The £35.4m budget for Corporate Services, which includes the Housing Benefits (HB) Payments Centre, is currently forecast to underspend by £1.2m at year end. There is a £0.3m pressure associated with implementing the Best4Business (B4B) programme. Members will be aware that B4B is the change programme implementing Unit4 ERP, a complex, technical solution designed to administer all HR, Payroll and Finance functions across both Cheshire East and Cheshire West and Chester councils, schools, academies, and council companies. The financial pressures reported in 2021/22 are mainly one-off additional costs of the revised timeline of Go Live 2 (HR and payroll) (November 2021) which cannot be charged to the capital project and which will be mitigated from the revenue budget wherever possible. Most of the pressure (£0.2m) sits in ICT Service Delivery from

loss of income due to staff working on B4B project work. Further pressure of £0.1m in Finance & Customer Services is mainly because of additional implementation staffing costs.

### **Corporate Directorate**

27. The Corporate Services Directorate area includes the cost of the Chief Executive, the Executive Director of Corporate Services and associated budgets. These budgets are forecast to underspend by £0.1m.

### **Finance & Customer Services**

28. Finance and Customer Services, which includes the HB Payments Centre, is forecast to overspend by £0.2m. This is mainly attributable to a £0.4m overspend on the Transactional Service Centre hosted by Cheshire West and Chester, and £0.1m pressures from unbudgeted costs linked to implementing the B4B System, savings in Business Solutions relating to the introduction of B4B that will not be fully achievable until next financial year (£40,000), and the contribution to Corporate Services efficiency savings (£56,000). The overspend is partially offset by a £0.4m underspend in Customer Services as a result of delaying restructures, delaying filling vacancies, and savings on certain non-staff costs.

### **Transformation**

29. Transformation is forecast to underspend by £0.5m, mainly due to a £0.1m underspend on the Director's cost centre, and £0.4m underspend in HR due to in-year staff vacancies, and underspending on central training, and Organisational Development budgets. In addition, the overall ICT budget is forecast to underspend by £0.2m. ICT Strategy is forecast to underspend by £1.0m but is offset by an overspend in ICT Service Delivery of £0.8m. The underspend in strategy has arisen in part from a delay in certain revenue consequences of capital projects hitting the revenue budget for which

revenue growth was included in this year's MTFS and in part from cost falling into the shared service rather than the strategy area where growth had been given. The shared service has worked hard to mitigate the impact of lost revenue however the extent of the loss of income is such that it has been difficult to offset without affecting standard business delivery. Rising in-year contract costs are adding to the pressure. The Shared Services Joint Committee is monitoring the overall budget pressures. There has also been further income lost due to B4B project work not being charged at the standard rate per hour. The overall Transformation Directorate underspend is further offset by the contribution to Corporate Services efficiency savings (£96,000), and £50,000 savings from staff travel being temporarily held in Corporate Services before the actual savings are allocated to individual services.

### **Governance & Compliance**

30. Governance & Compliance is forecast to underspend by £0.7m. Within Governance & Democratic, the underspend of £0.4m is mainly due to increased marriage income in the Registrations Service as a result of surges in demand following the easing of restrictions put in place during the pandemic, Legal Services (£0.2m) due to underspends on staffing budgets, and Audit & Risk is forecasting a £0.3m underspend on staffing costs due to carrying staff vacancies but this is offset by pressures within Insurance due to a fall in school buy-back income, and increased premium costs. These underspends are being partially offset by unbudgeted costs being incurred relating to Standards work, and the contribution to Corporate Services efficiency savings (£45,000).

## **Part 2 - Covid-19 Service Performance**

### **Adult, Health and Integration**

31. Covid-19 for the social care and health system has thrown into turmoil what we normally accept as the status quo. Whilst the human, social and economic cost of Covid-19 has been inexorably high, the pandemic challenged Cheshire East on the way services were delivered meaning reduced costs in some areas as services had to be closed/stopped in line with government guidance, and pressures in other areas where demand has increased. Utilisation of Covid-19 Funding has meant that the services have responded by diverting resources to the most critical services during this challenging year, as well as supporting our NHS Partners.

### **Children's Services**

32. At this stage the key Covid-19 pressures identified relate to:
- Children's Social Care - £0.5m from the necessary use of unregulated placements at much higher costs rates than elsewhere.
  - Prevention and Early Help - £30,000 from loss of rental income from hire of room space, £0.15m from additional emotional support to young people and enabling the continuation of Duke of Edinburgh courses.
  - Education and Skills - loss of income of £20,000 from fixed penalty notices plus a reduction in school meals income of £0.5m.
  - Capital programme - the Education and Skills service is also experiencing cost increases of 20% on capital schemes in terms of labour and material costs. An element of that is a result of Covid-19.

## Place Directorate

### Environment & Neighbourhood Services

33. There are covid pressures of £3.7m within Environment and Neighbourhood Services. £1.9m of these relate to Ansa for increased waste tonnage as more people are working from home, cover for sickness and isolation and some unrealisable route and rota optimisation savings. Income pressures of £1.2m also exist for Planning and Building Control, Licensing, Libraries and Markets. There is a £0.4m pressure to ensure service continuity for the Councils leisure centres. Additional costs also exist for the provision of PPE and cleaning materials, increased public funerals, and help to cover backlogs of work within Planning.

### Growth & Enterprise

34. Forecast covid pressures of £0.4m exist for Growth & Enterprise. These are mainly due to loss of income at Tatton Park, ticket income in Visitor Economy, rental income within Assets and public path order income in Public Rights of Way. There are also some additional costs for cleaning of temporary accommodation for the Housing service.

### Highways & Infrastructure

35. There are covid pressures within Highways and Infrastructure of £2.1m. The majority of this is from the Parking service with lower income received on pay and display car parks and from penalty charge notices. Covid pressures also exist in Highways due to loss of productivity and extra costs of service delivery.

### Corporate Services (need Sep updates)

36. Additional cost pressures within Corporate Services as a result of the Covid-19 pandemic are forecast at £0.9m.

37. The main pressures are within Finance & Customer Services, with the Housing Benefits (HB) payments centre forecasting a £0.3m under-recovery of HB overpayments due to the pandemic, lost court costs income of over £0.1m and the Revenues Service incurring £0.1m additional staff overtime, and additional agency staff costs supporting business as usual in contact centres. Elsewhere, Covid-19 pressures include £0.4m additional staff, travel, and facilities costs, and a reduction in income across services within Governance & Compliance.

## Part 3 - Central Budgets and Funding

**Table 3 – Central Outturn Forecasts**

2021/22	Revised Budget	Forecast Outturn Including Covid	Forecast Covid Expenditure	Forecast Outturn Excluding Covid	Forecast Over / (Underspend) Excluding Covid
(GROSS Revenue Budget £492.7m)	(NET)				
	£m	£m	£m	£m	£m
<b>CENTRAL BUDGETS</b>					
Capital Financing	14.0	14.0	-	14.0	-
Transfer to/(from) Earmarked Reserves	2.2	1.7	(0.5)	2.2	-
Corporate Contributions / Central Budgets	(2.9)	(4.5)	-	(4.5)	(1.6)
<b>Central Budgets</b>	<b>13.3</b>	<b>11.2</b>	<b>(0.5)</b>	<b>11.7</b>	<b>(1.6)</b>
Business Rates Retention Scheme	(49.1)	(49.1)	-	(49.1)	-
Specific Grants	(20.0)	(29.3)	(9.3)	(20.0)	-
Council Tax	(242.8)	-	-	(242.8)	-
<b>Central Budgets Funding</b>	<b>(311.9)</b>	<b>(321.2)</b>	<b>(9.3)</b>	<b>(311.9)</b>	<b>-</b>

38. It is currently forecast that there will be a £1.6m underspend variance to budget on the central budget. This is due to the over recovery of past service employer pension contributions compared to the budget set and flexible use of capital receipts will fund some revenue costs associated with the B4B project. Budgeted transfers of £1.3m to earmarked reserves have taken place in-year as planned. Grants relating to business rates have been received centrally in-year that are additional to budget which will be transferred to reserves for future use.
39. Specific grants include the unring-fenced Local Authority Support grant and an estimate for the Compensation scheme

linked to income losses from Sales, Fees and Charges which are currently funding the costs associated with Covid-19. The Covid-19 reserve, which holds the unused grant from 2020/21, will also fund this expenditure.

40. Details of grants received and reserves can be found within the individual Service Committee Appendices.

### **Outturn Impact**

41. The impact of the projected service outturn position is to maintain balances as reported above (**paragraph 3**). With the central budget items detailed above (**paragraph 38**), the financial impact could result in a decrease in balances of £2.2m. Any deficit in non Covid-19 related expenditure / income remaining at the end of the year will be drawn down from the Medium Term Financial Strategy Earmarked Reserve which is used to smooth the effects of variations in spending / income in any specific year.
42. The Council will continue to manage and review the financial forecasts in response to emerging guidance and the local response to the pandemic and how this affects the Council's revenue budget.

### **Collecting Local Taxes for Local Expenditure**

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

### **Council Tax**

44. Council tax is set locally and retained for spending locally. Council tax was set for 2021/22 at £1,579.03 for a Band D property. This is applied to the taxbase.

45. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect council tax from (after adjustments for relevant discounts, exemptions and an element of non-collection). The taxbase for 2021/22 was agreed at 153,796.10 which, when multiplied by the Band D charge, means that the expected income for the year is £242.8m.

46. In addition to this, Cheshire East Council collects council tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 4** shows these amounts separately, giving a total budgeted collectable amount of £299.0m.

47. This figure is based on the assumption that the Council will collect at least 99% of the amount billed. The Council will always pursue 100% collection, however to allow for non-collection the actual amount billed will therefore be more than the budget.

48. This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £303.1m.

**Table 4 – Cheshire East Council collects Council Tax on behalf of other precepting authorities**

	£m
Cheshire East Council	242.8
Cheshire Police and Crime Commissioner	34.7
Cheshire Fire Authority	12.4
Town and Parish Councils	9.1
<b>Total</b>	<b>299.0</b>

49. **Table 5** shows collection rates within three years, and demonstrates that 99% collection is on target to be achieved within this period.

**Table 5 – Over 99% of Council Tax is collected within three years**

Financial Year	CEC Cumulative			
	2017/18	2018/19	2019/20	2020/21
	%	%	%	%
After 1 year	98.3	98.2	97.9	97.4
After 2 years	99.1	99.0	98.8	**
After 3 years	99.3	99.2	**	**

\*\*data not yet available

50. The council tax in-year collection rate for the period up to the end of September 2021 is 56.3%. This is an increase of 0.7%

on the previous year and shows positive signs of reverting to pre Covid-19 levels. Caution should be exercised however in view of the imminent end to furlough arrangements and the impact that may have on residents' ability to pay.

51. Council tax support payments were budgeted at £18.0m for 2021/22 and at the end of September the total council tax support awarded was £17.6m.
52. The Council Tax Support scheme remains the same for 2021/22, other than the uprating of the income bands in line with the Consumer Price Index in September 2020. The scheme was confirmed by full Council in December 2020.
53. A review of the Council Tax Support scheme for 2022/23 is underway and will be finalised later this year.
54. Council tax discounts awarded are £26.8m which is a slight increase on the same period in 2020/21. This is mainly due to an increase in single person discounts following the postponement of the discount review during Covid-19.
55. Council tax exemptions awarded is £6.6m which is an increase on the same period in 2020/21. This has been impacted by the postponement of exemption reviews during Covid-19.

#### **Non-Domestic Rates (NDR)**

56. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief.
57. The small business multiplier applied to businesses which qualify for the small business relief was set 49.9p in 2021/22.

The non-domestic multiplier was set at 51.2p in the pound for 2021/22.

58. During 2020/21 Cheshire East Council was in a pooling arrangement with the Greater Manchester (GM) Authorities (also included Cheshire West and Chester) to maximise business rate retention locally and support the economic regeneration of Greater Manchester and Cheshire Councils. Pool members were 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 before paying the remaining half over to the pool. The pooling arrangement has ceased for 2021/22 due to the continued uncertainty around business rates levels and the possibility of LA's falling below the safety net threshold as the pandemic continues.

59. **Table 6** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

**Table 6 – Over 99% of Business Rates are collected within three years**

Financial Year	CEC Cumulative			
	2017/18	2018/19	2019/20	2020/21
	%	%	%	%
After 1 year	97.7	98.5	98.2	92.4
After 2 years	99.2	99.4	98.4	**
After 3 years	99.8	99.4	**	**

\*\*data not yet available

60. The business rates in-year collection rate for the period up to the end of September 2021 is 48.25%. Although this is a reduction on previous years it does not stand comparison due to the introduction of the Extended Retail Discount scheme which has impacted the annual debit part way through the year. Additionally, normal processes to recover unpaid business rates will only commence during the second half of this year as Government grant schemes come to an end.

# Appendices to 2021/22 Financial Year Review

**December 2021**

# Appendix 1

## Finance Sub-Committee

### 1. Changes to Revenue Budget 2021/22 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
<b>Finance Sub-Committee Central Budgets</b>				
Capital Financing	14,000	-	-	14,000
Corporate Contributions	(2,646)	-	(252)	(2,898)
Contribution to / from Reserves	1,328	-	912	2,240
	<b>12,682</b>	<b>-</b>	<b>660</b>	<b>13,342</b>
<b>Finance Sub-Committee - Central Budgets Funding</b>				
Business Rates Retention Scheme	(49,086)	-	-	(49,086)
Specific Grants	(19,165)	(815)	-	(19,980)
Council Tax	(242,849)	-	-	(242,849)
Sourced from Collection Fund	-	-	-	-
<b>TOTAL CENTRAL BUDGETS FUNDING</b>	<b>(311,100)</b>	<b>(815)</b>	<b>-</b>	<b>(311,915)</b>

## 2. Policy Proposal Update

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
Minimum Revenue Provision	2,000	4,000	1,000	1,000	Growth Implemented
Central Pension adjustment	-4,567	-1,900	1,500		On track and expected to overachieve in 2021/22
Bad Debt Provision	200				Growth Implemented
[16] Improved Debt Recovery and correcting budgeted court costs income targets to reflect actual levels	-250				On track
Capital Receipts Income	1,000				Growth Implemented
Use of Earmarked Reserves (MTFS Feb 20) plus increase to include funds set aside for VR costs	3,022	-873	-253	-1,476	Growth Implemented
[17] Capital Programme Review	-1,000	1,000			Complete
Top up to General Reserves		600		-600	On track
Increase forecast Domestic Tax Base Growth. Taxbase growth estimated at 1,800 new homes + reduction for increased Council Tax Support	-1,892	-2,435	-2,483	-2,533	On track

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
Increase forecast Domestic Tax Base Growth (change from previous year budget) % increase planned at 1.99%	-11,452	-4,833	-4,977	-5,126	On track
Business Rates Retention Government Policy change Compensation Grants	700				On track
Change in specific grants estimated	-1,002	387	49	46	On track
Change to NHB funding estimate	3,352	3,920	1,960	980	On track
Deficit on Collection Fund	147				On track

## 3. Corporate Grants Register

### Government Grant Funding of Local Expenditure

- 3.1 General purpose grants were budgeted to be £19.2m. Further in-year grant announcements have increased the amount received to £68.2m at mid-year.
- 3.2 The Covid-19 pandemic has seen continued financial support issued by Central Government for business rates.
- 3.3 In response to the Coronavirus pandemic, in the Budget on 11 March the Government announced that it would increase the discount to 100% and extend it to include the leisure and hospitality sectors. Following the announcement on 23 March 2020 of further measures to limit the spread of Coronavirus, the Government confirmed that some of the exclusions for this relief have been removed, so that retail, leisure, and hospitality properties that will have had to close as a result of the restriction measures were also eligible for the relief. 100% expanded retail relief has been extended to 30 June 2021 for eligible ratepayers. Relief has reduced to 66% from 1 July and Government have applied cash caps to the relief of £2 million for ratepayers meeting the eligibility for the closed cash cap or £105,000 for all other ratepayers. Relief awarded is fully funded by Government.
- 3.4 The estimated full cost for this additional relief for Cheshire East is £27.3m. Usually, local authorities would only be paid their Business Rates Retention share (49%) of any new burdens measures, but in this instance 100% of the funding is being paid to councils to help with cash flow shortfalls as the estimate was not included at the NNDR1 stage when budgets were set. At the end of the financial year, following a detailed reconciliation, the share relating to MLUHC (50%) will be repaid to Government.
- 3.5 Additional general purpose grants of £49.0m have also been received during the year to date. These include further Covid-19 related grant payments of £40.0m and an additional £8.6m in respect of Business Rates Relief grant. Requests for the allocation of the additional grants received are detailed in **Table 1**.
- 3.6 **Table 2** shows additional specific service grants over £1m that require approval from Council. Details of other specific service grants are within the service committee appendices.
- 3.7 **Table 3** provides a summary of grants (general purpose) that have already been approved.
- 3.8 **Table 4** provides a summary of the updated budget position for general purpose grants in 2021/22 by service. Further details of grants are shown in **Table 5** Corporate Grants Register.

**Table 1 – Supplementary Revenue Estimates for Allocation of Additional Grant Funding (General Purpose)**

Committee / Service Area	Type of Grant	£000	Details
Finance Sub-Committee	Covid-19 Business Rates Reliefs 2021/22	27,280	100% expanded retail relief has been extended to 30 June 2021 for eligible ratepayers. Relief has reduced to 66% from 1 July and Government have applied cash caps to the relief of £2 million for ratepayers meeting the eligibility for the closed cash cap or £105,000 for all other ratepayers. Relief awarded is fully funded by Government.
Finance Sub-Committee	Covid-19 Local Council Tax Support	3,373	This additional unring-fenced grant recognizes that local authorities are best placed to determine local priorities, with the focus being on a similar set of priorities as previously set out in 2020/21. These priorities included: adult social care, children’s services, public health services, household waste services, shielding the clinically extremely vulnerable, homelessness and rough sleeping, domestic abuse, managing excess deaths, support for re-opening the country and, in addition, the additional costs associated with the local elections in May 2021. This funding should be used in planning to cover any Covid-related costs for the priority pressures above and any further Covid-19 costs in 2021/22.
Finance Sub-Committee	Covid-19 Local Authority Support Grant	8,508	This is a continuation of the Covid-19 Emergency Funding for 2021/22 and is additional grant received due to the costs caused by the pandemic.
Finance Sub-Committee	Business Rates Reliefs Grant 2021/22 (Reserves)	8,606	S31 grants received to compensate for reduced business rates collected as a result of reliefs mandated by Central Government after the setting of the Business Rates Baseline in 2013/14 (grant covers CEC 49% share).
<b>General Purposes allocations for Council Approval</b>		<b>47,767</b>	

Committee / Service Area	Type of Grant	£000	Details
Finance Sub-Committee	Covid-19 Compensation for Sales, Fees and Charges Income	800	The Sales, Fees and Charges scheme compensates local authorities for irrecoverable income losses due to Covid-19 for the period April - June 2021. This is an estimated payment for 2021/22.
<b>General Purposes allocations for Committee Approval</b>		<b>800</b>	
Finance Sub-Committee (Expenditure Children and Families)	Extended Rights to Free Transport	57	The Department for Education provides additional transport funding to local authorities to support children from low-income families to be able to attend schools further from home than the statutory walking distances. The funding is paid as a non-ring-fenced grant paid via the Department for Communities and Local Government under the Local Services Support Grant (section 31 of the Local Government Act 2003).
Finance Sub-Committee (Expenditure Corporate Policy)	Housing Benefit and Council Tax Administration	60	Increase on MTFs 2021-25 estimate. The grant is provided towards expenditure incurred, or to be incurred, in respect of the provision of local housing benefit and council tax administration in 2021/22.
Finance Sub-Committee (Expenditure Corporate Policy)	Individual Electoral Registration	5	The funding is to be used on activities associated with Individual Electoral Registration (IER) services within the Electoral Services area.
<b>General Purposes Allocations less than £500,000</b>		<b>122</b>	
<b>Total General Purpose Allocation</b>		<b>48,689</b>	

**Table 2 – Recommendation for Council Approval for Supplementary Revenue Estimates of Additional Grant Funding (Specific Purpose) over £1m**

Committee / Service Area	Type of Grant	£000	Details
Finance Sub-Committee (Expenditure Corporate Policy)	Housing Benefit Subsidy	5,282	Payment of claims administration within Housing Benefits.
Finance Sub-Committee (Expenditure Corporate Policy)	Covid-19 Test and Trace Support (Self Isolation Payment)	1,039	Test and Trace Support Payment scheme – awards and administration of the scheme to support people self-isolating on a low income.
<b>Total Specific Purpose Allocation for Council Approval</b>		<b>6,321</b>	

**Table 3 - Summary of Grants already Approved (General Purpose)**

Committee / Service Area	Type of Grant	£000	Details
Finance Sub-Committee (Expenditure Children and Families)  (July report)	Staying Put Implementation	113	The purpose of the grant is to provide support for local authorities in England for expenditure lawfully incurred or to be incurred by them, in respect of a young person aged 18 and their former foster carer, who wish to continue living together in a 'Staying Put' arrangement. For the purposes of this grant 'young person' means a former relevant child who was looked after immediately prior to their 18 <sup>th</sup> birthday. This supported arrangement can continue until the young person's 21 <sup>st</sup> birthday.
Finance Sub-Committee (Expenditure Children and Families)  (July report)	Extended Personal Advisor Duty Implementation Grant	56	The purpose of the grant is to support Local Authorities in England to meet the requirements of the Children and Social Work Act 2017, requiring them to offer Personal Adviser support to all care leavers up to the age of 25. The grant is to support those young people that may request support

Committee / Service Area	Type of Grant	£000	Details
			<p>from the Local Authority after the age of 21 and up to the age of their 25<sup>th</sup> birthday. The grant has been provided to meet the extra demand for personal adviser time that the new duties create. The new duty provides the Local Authority the ability to respond positively to requests for support from care leavers who may have difficulties and be struggling to transition to adulthood.</p>
<p>Finance Sub-Committee (Expenditure Adults and Health)</p> <p>(Outturn report)</p>	<p>Independent Living Fund</p>	<p>43</p>	<p>Following the closure of the Independent Living Fund (ILF) in June 2015, the government agreed to continue funding pre-existing ILF arrangements until the end of 2019 to 2020, through the former ILF recipient grant. Government have confirmed that that the former ILF recipient grant will continue to be paid to local authorities in 2021 to 2022.</p> <p>The total value of the grant in 2021 to 2022 will be maintained and this additional funding allocation is to cover the cost of the payments made to clients for the ILF, increasing it to the level of the actual 2021/22 grant, which is £42,776 higher than originally forecast in the Medium Term Financial Strategy.</p>
<p>Finance Sub-Committee (Expenditure Economy and Growth)</p> <p>(Outturn report)</p>	<p>Homelessness Domestic Abuse New Burdens</p>	<p>9</p>	<p>The grant should be used to delivery statutory homelessness duties in respect of victims of domestic abuse, as set out in the Housing Act 1996 and Homelessness (Priority need for Accommodation) (England) Order 2002, as amended by the Domestic Abuse Act 2021.</p>
<p>Finance Sub-Committee (Expenditure Environment and Communities)</p> <p>(Outturn report)</p>	<p>Neighbourhood Planning Grant</p>	<p>70</p>	<p>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.</p>

Committee / Service Area	Type of Grant	£000	Details
Finance Sub-Committee (Expenditure Corporate Policy)	Breathing Spaces (Debt Respite Scheme)	2	The Debt Respite Scheme (Breathing Space) will give someone in problem debt the right to legal protections from their creditors.
<b>General Purpose Allocations already Approved</b>		<b>293</b>	

**Table 4 - Summary of General Purpose Grants**

Grants 2021/22	Original Budget	Revised Forecast	Change from Original Budget
	2021/22 £m	2021/22 £m	2021/22 £m
<b>GENERAL PURPOSE</b>			
Children and Families	0.3	0.5	0.2
Adults and Health	9.1	9.2	0.1
Economy and Growth	0.0	0.0	0.0
Environment and Communities	0.0	0.1	0.1
Highways and Transport	0.0	0.0	0.0
Corporate Policy	9.8	58.4	48.6
<b>TOTAL GENERAL PURPOSE</b>	<b>19.2</b>	<b>68.2</b>	<b>49.0</b>

**Table 5 – Corporate Grants Register**

General Purpose Grants 2021/22 (Held Corporately)	Original Budget	Revised Forecast	Change from Original Budget	Treatment of Grant
	2021/22 £000	2021/22 £000	2021/22 £000	Notes 2 - 5
<b>CHILDREN and FAMILIES</b>				
Staying Put Implementation Grant	0	113	113	SRE
Extended Rights to Free Transport (Home to School Transport)	201	258	57	SRE
Extended Personal Adviser Duty Implementation	0	56	56	SRE
Extension of the role of Virtual School Heads	60	60	0	
<b>ADULTS and HEALTH</b>				
Social Care Support Grant	7,979	7,979	(0)	
Independent Living Fund	818	861	43	SRE
Local Reform & Community Voices, Social Care in Prisons and War Pension Scheme Disregard	340	340	0	
<b>ECONOMY and GROWTH</b>				
Homelessness Domestic Abuse New Burdens	0	9	9	SRE
<b>ENVIRONMENT and COMMUNITIES</b>				
Neighbourhood Planning Grant	0	70	70	SRE
<b>CORPORATE POLICY</b>				
Housing Benefit and Council Tax Administration	1,022	1,082	60	SRE
NNDR Administration Allowance	569	569	(0)	
Breathing Spaces (Debt Respite Scheme)	0	2	2	SRE
New Homes Bonus	7,841	7,841	0	
Individual Electoral Registration	0	5	5	SRE
Lower Tier Services Grant	335	335	0	
COVID-19 Business Rates Reliefs 2021/22	0	27,280	27,280	Reserves
COVID-19 Compensation for Sales, Fees and Charges Income	0	800	800	SRE
COVID-19 Local Council Tax Support	0	3,373	3,373	Reserves
COVID-19 Local Authority Support Grant	0	8,508	8,508	Balances
Business Rates Reliefs Grant 2021/22	0	8,606	8,606	Reserves
<b>TOTAL</b>	<b>19,165</b>	<b>68,145</b>	<b>48,980</b>	

## 4. Debt Management

- 4.1 Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates). The balance of outstanding debt has decreased by £1.5m since the end of March.
- 4.2 Annually, the Council raises invoices with a total value of over £60m. 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.
- 4.3 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.
- 4.4 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).
- 4.5 After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of August 2021 was £10.7m.

- 4.6 The total amount of service debt over six months old is £6.7m; provision of £7.8m has been made to cover doubtful debt in the event that it needs to be written off.

### DEBT SUMMARY

	Outstanding Debt £000	Over 6 months old £000
<b>Adults and Health Committee</b>		
Adults, Public Health and Communities	8,084	5,123
<b>Children and Families Committee</b>		
Children's, Education, Prevention and Early Help Schools	472	82
	55	34
<b>Highways and Transport Committee</b>		
Highways and Infrastructure	750	710
<b>Economy and Growth Committee</b>		
Growth and Enterprise	808	513
<b>Environment and Communities Committee</b>		
Environment and Neighbourhood Services	106	57
<b>Corporate Policy Committee</b>		
Finance and Customer Services	29	3
Governance and Compliance	3	-
Transformation	401	163
	<b>10,708</b>	<b>6,685</b>

## 5. Capital Strategy

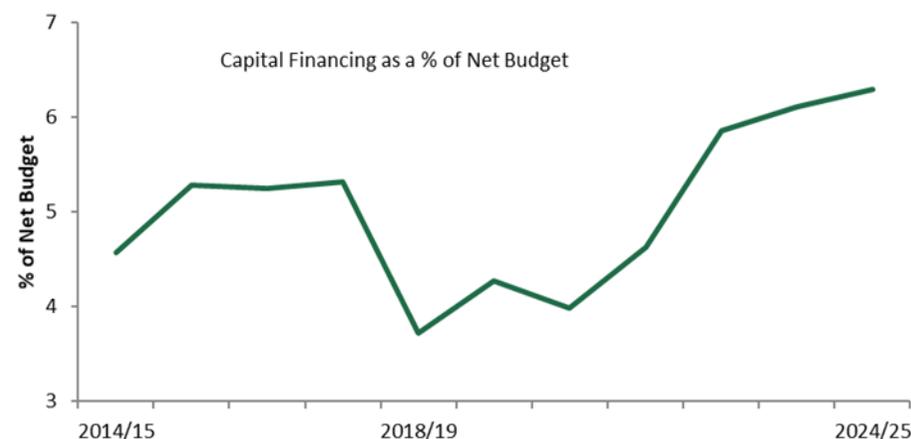
Table 1: Financial Parameters for 2021/22 to 2024/25

Parameter	Value (£m)			
	2021/22	2022/23	2023/24	2024/25
<b>Repayment of Borrowing</b>				
<b>Minimum Revenue Provision*</b>	13.4	16.1	18.6	20.2
<b>External Loan Interest</b>	4.9	4.8	4.7	4.7
<b>Investment Income</b>	(0.9)	(0.9)	(0.9)	(0.9)
<b>Contributions from Services Revenue Budgets</b>	(1.5)	(1.7)	(1.7)	(1.6)
<b>Total Capital Financing Costs</b>	<b>15.9</b>	<b>18.3</b>	<b>20.7</b>	<b>22.4</b>
<b>Use of Financing EMR</b>	<b>(1.9)</b>	<b>(0.3)</b>	<b>(1.7)</b>	<b>(2.4)</b>
<b>Actual CFB in MTFS</b>	<b>14.0</b>	<b>18.0</b>	<b>19.0</b>	<b>20.0</b>
<b>Capital Receipts targets*</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Flexible use of Capital Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*Anticipated MRP based on achieving capital receipts targets

### Repayment of Borrowing

- 5.1 The use of prudential borrowing allows the Council to spread the cost of funding the asset over its useful economic life. Using prudential borrowing as a funding source increases the Council's capital financing requirement (CFR), and will create revenue costs through interest costs and minimum revenue provision.
- 5.2 Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, requires local authorities to charge to their revenue account for each financial year a minimum amount to finance the cost of capital expenditure. Commonly referred to as MRP (Minimum Revenue Provision). This ensures that the revenue cost of repaying debt is spread over the life of the asset, similar to depreciation.



- 5.3 The projection of the Council's Capital Financing Requirement (CFR) and external debt, based on the proposed capital budget and treasury management strategy is reported as part

of the MTFs report and Outturn report. This highlights the level to which the Council is internally borrowed (being the difference between the CFR and external debt), and the expected repayment profile of the external debt.

- 5.4 The nature and scale of the Council's capital programme means that it is a key factor in the Council's treasury management, including the need to borrow to fund capital works. The treasury management strategy for the Council is included in **Appendix 8** of this report.
- 5.5 The Council's current strategy is to use available cash balances, known as 'internal borrowing' and to borrow short term loans. As short term interest rates are currently much lower than long term rates this is likely to be more cost effective.

### **Contributions from Services**

- 5.6 All business cases supporting capital expenditure will include full analysis of the financial implications of the scheme alongside a clear indication of how the financial implications will be managed within the Medium Term Financial Strategy (MTFS).
- 5.7 When including any scheme in the Council's Capital Programme the Section 151 Officer will determine the appropriate impact on the Revenue Budget. This impact will require service budgets within the MTFs to fund either all, part or none of the net capital costs of the scheme.
- 5.8 In making a determination about funding capital schemes from revenue budgets the level of potential revenue savings or additional revenue income will be considered. If a capital scheme will increase revenue costs within the MTFs, either from the future costs of maintaining the asset or from the costs of financing the capital expenditure, then the approach

to funding such costs must be approved as part of the business planning process before the scheme can commence.

- 5.9 The Council's strategy is to use revenue contributions of £6.5m over the next four financial years to finance the Capital Programme to reduce the overall Capital Financing Budget. These contributions come from: £2.9m from the Investment Portfolio; £1.8m contribution from schools towards the schools transformation programme; £1.2m from ESAR for the improvements to the Council's leisure facilities; £0.4m from Highways Street Lighting for the upgrade to LED lighting; and £0.2m from Transformation Services for the Azure 365 upgrade.

### **Use of Financing Earmarked Reserve**

- 5.10 To allow a longer term approach to setting the Financial Parameters of the Capital Strategy the Council will maintain an earmarked reserve to minimise the financial impact of annual variations to the Capital Financing Budget.
- 5.11 The Council's Reserves Strategy determines the appropriate use of reserves and how they are set up and governed. In the first instance any under or overspending of the Capital Finance Budget (CFB) within any financial year will provide a top-up or draw-down from the Financing Earmarked Reserve. In balancing the CFB over the period of the MTFs the Section 151 Officer may also recommend appropriate use of the Financing Earmarked Reserve over the period.
- 5.12 The Council's current strategy is to draw-down up to £6.3m from the Financing Earmarked Reserve for the period 2021/22 to 2024/25.

## Capital Programme – Review Position

- 5.13 Since the Medium Term Financial Strategy was approved in February 2021 the Capital Programme has increased by £58.6m for the next four year period.
- 5.14 The main change for the increase is slippage from 2020/21 into future years of £59.1m Other changes reported this quarter total (£1.3m) and this is mainly due to a budget reduction due to a reduction in capital grants for Highways from the Department of Transport. **Table 2** below shows a summary of the changes.

**Table 2: Summary Capital Programme**

	MTFS C/Fwd from Budget	2020/21	SCEs/ Virements in Quarter	Transfers to/from Addendum	Budget Reductions	SCEs/ Virements	Revised Budget
	2021/25	2021/25	2021/25	2021/25	2021/25	2021/25	2021/25
	£m	£m	£m	£m	£m	£m	£m
Adults, Health & Integration	0.4	0.1	-	-	-	-	0.5
Children and Families	43.8	8.9	0.8	-	-	-	53.5
Place Directorate	289.7	48.8	-	1.2	(3.3)	2.3	338.7
Corporate Directorate	37.8	1.3	-	-	-	(0.3)	38.8
	371.7	59.1	0.8	1.2	(3.3)	2.0	431.5

- 5.15 Apart from the slippage that was reported at the Outturn £31.2m and the budget increases there were approved as part of the Outturn report of £26.4m there has been little change to the overall capital programme apart from the Capital Supplementary Estimates and Virements listed in **Tables 4 to 7**.
- 5.16 There is a significant budget reduction within Highways and Infrastructure as the estimated Highways grant from the Department of Transport was less than was previously
- reported in the Medium term Financial Strategy in February 2021.
- 5.17 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 3**.
- 5.18 **Table 4** details requests of Supplementary Capital Estimates (SCE) up to and including £250,000 and Capital Virements up to and including £100,000 approved by delegated decision which are included for noting purposes only.
- 5.19 **Table 5** lists details of Capital Virements over £100,000 and up to and including £5,000,000 that requires Committee to approve.
- 5.20 **Table 6** lists details of Capital Supplementary Estimates over £1,000,000 that requires Committee to recommend to Full Council to approve.
- 5.21 **Table 7** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.
- 5.22 **Table 8** lists the transfers to and from the Addendum These are for noting purposes only.
- 5.23 Capital programme detail is shown in other service committee **Appendices 2-7, Section 5**.

**Table 3: Capital Programme Update**

<b>CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY</b>					
<b>CAPITAL PROGRAMME 2021/22 - 2024/25</b>					
	<b>Forecast 2021/22 £000</b>	<b>Forecast 2022/23 £000</b>	<b>Forecast 2023/24 £000</b>	<b>Forecast 2024/25 £000</b>	<b>Total Forecast 2021-25 £000</b>
<b>Committed Schemes - In Progress</b>					
Adults, Health and Integration	485	0	0	0	<b>485</b>
Children and Families	17,146	21,432	9,402	0	<b>47,980</b>
Place	101,635	91,079	60,386	25,153	<b>278,253</b>
Corporate	15,031	8,199	7,668	7,668	<b>38,566</b>
<b>Total Committed Schemes - In Progress</b>	<b>134,297</b>	<b>120,710</b>	<b>77,456</b>	<b>32,821</b>	<b>365,284</b>
<b>CAPITAL PROGRAMME 2020/21 - 2024/25</b>					
	<b>Forecast 2021/22 £000</b>	<b>Forecast 2022/23 £000</b>	<b>Forecast 2023/24 £000</b>	<b>Forecast 2024/25 £000</b>	<b>Total Forecast 2021-25 £000</b>
<b>New Schemes</b>					
Adults, Health and Integration	0	0	0	0	<b>0</b>
Children's Services	284	4,493	500	250	<b>5,527</b>
Place	10,072	19,206	19,035	12,147	<b>60,460</b>
Corporate	250	0	0	0	<b>250</b>
<b>Total New Schemes</b>	<b>10,606</b>	<b>23,699</b>	<b>19,535</b>	<b>12,397</b>	<b>66,237</b>
<b>Total</b>	<b>144,903</b>	<b>144,409</b>	<b>96,991</b>	<b>45,218</b>	<b>431,521</b>

# CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

## CAPITAL PROGRAMME 2021/22 - 2024/25

	Forecast 2021/22 £000	Forecast 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Total Forecast 2021-25 £000
<b>Funding Requirement</b>					
<b>Indicative Funding Analysis:</b> (See note 1)					
Government Grants	75,419	75,739	48,150	14,739	<b>214,047</b>
External Contributions	17,069	19,125	7,889	15,141	<b>59,224</b>
Revenue Contributions	750	0	0	0	<b>750</b>
Capital Receipts	1,000	1,000	1,000	1,000	<b>4,000</b>
Prudential Borrowing (See note 2)	50,665	48,545	39,952	14,338	<b>153,500</b>
<b>Total</b>	<b>144,903</b>	<b>144,409</b>	<b>96,991</b>	<b>45,218</b>	<b>431,521</b>

### Note 1:

The funding requirement identified in the above table represents a balanced and affordable position, in the medium term. The Council will attempt to maximise external resources such as grants and external contributions in the first instance to fund the capital programme. Where the Council resources are required the preference will be to utilise capital receipts from asset disposals. The forecast for capital receipts over the next four years 2021-2025 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

### Note 2:

Appropriate charges to the revenue budget will only commence in the year following the completion of the associated capital asset. This allows the Council to constantly review the most cost effective way of funding capital expenditure.

**Table 4: Delegated Decision - Requests for Supplementary Capital Estimates (SCEs) and Virements**

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Supplementary Capital Estimates that have been made up to £250,000</b>		
<b>Prevention and Support</b>		
Ash Grove Nursery Expansion	3,750	Additional Nursery Funding Grant is available to increase the required budget to £230,017.
<b>Growth and Enterprise</b>		
Schools Capital Maintenance	94,000	Schools Contributions to the Facilities Management Schools Condition Programme for 2021/22
<b>Environment and Neighbourhood Services</b>		
Regulatory Systems & Environmental Health ICT System	50,000	Additional £50K Ear Marked Reserve funding approved to support project completion.
<b>Total Supplementary Capital Estimates Requested</b>	<b>147,750</b>	
Service / Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Capital Budget Virements that have been made up to £100,000</b>		
<b>Highways and Infrastructure</b>		
A532 Safer Road Fund Scheme	93,734	To provide additional funding to support delivery of ongoing scheme
S106 Redhouse Lane, Disley	30,000	To provide supplementary funding to support the project to facilitate Network Rail to deliver the Road Rail Collision avoidance measures.
<b>Total Capital Budget Virements Approved</b>	<b>123,734</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>271,484</b>	

**Table 5: Requests for Supplementary Capital Estimates (SCEs) and Virements**

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Finance Sub Committee are asked to approve the Supplementary Capital Estimates and Virements</b>		
<b>Capital Budget Virements above £100,000 up to and including £5,000,000</b>		
<b>Education and 14-19 Skills</b>		
Wilmslow High School	900,000	Virement from the Wilmslow Planning Area (Primary) for the Basic Need School expansion Project.
<b>Highways and Infrastructure</b>		
Highway Maintenance Minor Wks	377,160	To provide funding to deliver proactive level 2 patching programmes to meet
S106 Davenport Lane, Arclid	244,810	To provide supplementary funding to support a s106 agreement budget that
<b>Growth and Enterprise</b>		
Demolition of Crewe Library & Concourse	323,000	Virement from the Strategic Capital Projects
Schools Capital Maintenance	1,046,000	Virement from the School Condition Grant to fund to the Facilities Management School Condition Programme in 2021/22
<b>Transformation Services</b>		
Best4Business 2	368,000	£368k of Core Financial approved budget to be transferred to Best4Business.
<b>Total Capital Virements requested</b>		<b>2,358,970</b>
<b>Total Supplementary Capital Virements</b>		<b>2,358,970</b>

**Table 6: Requests for Supplementary Capital Estimates (SCEs) and Virements**

Service	Amount Requested	Reason and Funding Source
	£	
<b>Supplementary Capital Estimates over £1,000,000</b>		
<b>Growth and Enterprise</b>		
Connecting Cheshire 2020	2,000,000	Additional Grant received from Broadband Delivery UK (BDUK) to enable the current infrastructure delivery contract to roll out further broadband across Cheshire.
<b>Total Supplementary Capital Estimates Requested</b>	<b>2,000,000</b>	
<b>Total Supplementary Capital Estimates and Virements</b>		
	<b>2,000,000</b>	

**Table 7: Capital Budget Reductions**

Service / Capital Scheme	Approved Budget	Revised Approval	Reduction	Reason and Funding Source
	£	£	£	
<b>Finance Sub Committee are asked to note the reductions in Approved Budgets</b>				
<b>Highways and Infrastructure</b>				
Parking Meters	350,000	0	350,000	It is no longer proposed that this project will go ahead at this time.
Integrated Transport Block - LTP	1,987,000	2,003,000	-16,000	The amount of Department for Transport grant for the Local Transport Plan is less than the amount assumed and approved in the 2021-25 Budget, £2,895,000 less overall.
Maintenance Block - LTP	8,409,000	5,799,000	2,610,000	
Incentive Fund - LTP	1,751,000	1,450,000	301,000	
<b>Growth and Enterprise</b>				
St Annes Car Park	178,256	165,262	12,994	St Anne's has now been sold, so this project can now be closed.
Private Sector Assistance	1,991,531	1,991,527	(4)	Project now complete
	<b>14,666,787</b>	<b>11,408,789</b>	<b>3,257,990</b>	

**Table 8: Transfers from and to the Capital Addendum**

Service / Capital Scheme	Amount Transferred Mid Year £	Reason / Comment
<b>Budgets Transferred from the Addendum to the Main Capital Programme</b>		
<b>Growth and Enterprise</b> Demolition of Crewe Library & Concourse	1,200,000	ODR has been approved to transfer the funds from the Addendum
<b>Total Budgets Transferred to Main Capital Programme</b>	<b>1,200,000.00</b>	
<b>Net Change to the Addendum</b>	<b>1,200,000</b>	

## 6. Reserves Strategy

### Management of Council Reserves

- 6.1 The Council's Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.
- 6.2 The opening balance at 1 April 2021 in the Council's General Reserves was £11.5m as published in the Council's Statement of Accounts for 2020/21.
- 6.3 The updated Risk Assessment for 2021/22 provides for the Minimum Level to be set at £10.3m. This is considered a relatively prudent overall target for reserves at 3.3% of the net budget. At the end of 2020/21 the outturn position allowed an increase to the General Reserve in line with the strategy to increase it to £11.5m over the next three years.
- 6.4 The Council also maintains Earmarked Revenue reserves for specific purposes. The opening balance at 1 April 2021 on these reserves stood at £91.4m, excluding balances held by Schools.
- 6.5 During 2021/22, an estimated £33.4m will be drawn down and applied to fund service expenditure specifically provided for. Service outturn forecasts take account of this expenditure and funding. The closing balance at 31 March 2022 is forecast at £58.0m.
- 6.6 The Collection Fund reserve includes an S31 grant of £30.1m received from MHCLG to fund the Council's 49% share of the Extended Retail Relief as a result of Covid-19. This was received in 2020/21 and will be used to repay the resulting deficit in the business rates collection fund that is due to be paid back in 2021/22 as a result of the relief being granted.
- 6.7 As part of the management of the outturn for 2020/21, and the Medium Term Financial Strategy 2021 to 2025, the Council aims to defer costs related to the Capital Programme and income losses in the Collection Fund in order fully protect the Council's General Reserves. Any variation to this position will be managed through the Council's Covid-19 Earmarked Reserve, which was created in March 2020 to receive non-ringfenced grants related to the pandemic.
- 6.8 The mid-year position, excluding Covid-19, presents an overspend of £2.2m (to within budget by 0.7%). Any variation to budget at year-end will be managed through the Council's Medium Term Financial Strategy Earmarked Reserve.
- 6.9 **Table 1** shows the forecast total reserves at the end of March 2021/22. Overall, the Council remains in a strong financial position given the major challenges across the public sector.
- 6.10 Details of individual reserves are shown in the relevant Service Committee appendix.

**Table 1 – Reserves Position**

	£m
General Reserve	11.5
Earmarked Reserves (excluding Schools)	58.0
<b>Total Reserves Balance at 31 March 2021</b>	<b>69.5</b>

# Appendix 2

## Corporate Policy Committee

### 1. Changes to Revenue Budget 2021/22 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
<b>Corporate Policy</b>				
Directorate	345	-	99	444
Finance & Customer Services	9,856	62	2,073	11,991
Governance and Compliance Services	10,200	5	(1,133)	9,072
Transformation	15,813	-	(1,831)	13,982
	<b>36,214</b>	<b>67</b>	<b>(792)</b>	<b>35,489</b>

### 2. Policy Proposal Update

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[1] Local Election Costs	150				On track, will be used to top up the Elections Reserve to meet the costs of the next local election
[2] Census 2021	-20				On track, reduction due to removal of one-off funding for census

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[45] People Directorate - ICT Procurements 2020-24 (Revenue implications of Capital)	60	63	66	19	On track, allows for growth in contract value on re-procurement; reduction under review in 2022/23 MTFS
[46] Place Directorate - ICT Procurements 2020-24 (Revenue implications of Capital)	11	11	11	11	On track, allows for growth in contract value on re-procurement; under review in 2022/23 MTFS
[47] Corporate Directorate - ICT Procurements 2020-24 (Revenue implications of Capital)	2	2	2	2	On track, allows for growth in contract value on re-procurement; under review in 2022/23 MTFS
[44] Unified Communications (Revenue implications of Capital)	251	283	296		Future years have been reviewed and reduced in 2022-23 MTFS
[43] Infrastructure Investment Programme (Revenue implications of Capital)	59	127	224		On track, allows for growth in licence costs.
[54] Reduce central training budget	-80				On track, training budget continues to underspend due to impact of COVID but this permanent saving is achievable.
[21] Review of corporate subscriptions	-35	-15			Full saving may not be achieved in full in 2021/22 due to being tied into some subscriptions part way into this year.

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[13] Efficiency savings and Restructures within Corporate Services	-200	-350			Saving will likely be achieved through in-year savings however, services will be required to identify permanent savings through restructuring and a review on non-pay budgets
[15] Shared services review			-200		On track, savings to be achieved from April 2023.
[32] Commercial Workstream	-100				Likely to be achieved however, the budget saving needs to be moved to Adults Services as this is where the saving will come from.
[16] Improved Debt Recovery and correcting budgeted court costs income targets to reflect actual levels	-40	225	50	50	Will not be achieved in full in 2021/22 due to COVID resulting in backlog of court sittings causing fall in court costs income.
[14] Review Staff Terms and Conditions	-50	-350	-100		Corporate Services saving will be achieved in 2021/22 however, the split of these savings across all Directorates will be amended as part of 2022/23 MTFS.
[18] Member allowances and reduced mileage	-30				On track.

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[5] Core Financial System	764	-459			Growth in 20/21 has been fully utilised; any further delays in moving all payrolls to unit 4 could have a revenue impact. Under review as part of 2022/23 MTFS.
[4] Housing Benefit – Supported Accommodation	1,300				On track
[6+7] Mitigation of reduction in the Dedicated Schools Grant	150	107	122	136	On track
34] Brighter Futures Together Programme Customer Experience	-120	-133	-81		Will not be achieved in full in 2021/22 due to additional COVID related staffing costs dealing with business as usual not met by additional grant income.
[3] Pay inflationary increase	1,662	3,753	3,833	3,922	Not met. Pay award has not yet been finalised. Under review in 2022-23 MTFS.

### 3. Corporate Grants Register

**Table 1 – Corporate Grants Register**

Grants 2021/22	Original Budget	Revised Forecast	Change from Original Budget	Treatment of Grant
	2021/22 £000	2021/22 £000	2021/22 £000	Notes 2 - 5
<b>CORPORATE POLICY</b>				
<b>Specific Use (Held within Services)</b>	43,626	49,940	6,314	
<b>General Purpose (Held Corporately)</b>				
Housing Benefit and Council Tax Administration	1,022	1,082	60	SRE
NNDR Administration Allowance	569	569	(0)	
Breathing Spaces (Debt Respite Scheme)	0	2	2	SRE
New Homes Bonus	7,841	7,841	0	
Individual Electoral Registration	0	5	5	SRE
Lower Tier Services Grant	335	335	0	
COVID-19 Business Rates Reliefs 2021/22	0	27,280	27,280	Reserves
COVID-19 Compensation for Sales, Fees and Charges Income	0	800	800	SRE
COVID-19 Local Council Tax Support	0	3,373	3,373	Reserves
COVID-19 Local Authority Support Grant	0	8,508	8,508	Balances
Business Rates Reliefs Grant 2021/22	0	8,606	8,606	Reserves
<b>TOTAL CORPORATE POLICY</b>	<b>53,393</b>	<b>108,340</b>	<b>54,948</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.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

- 3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.
- 3.2 The increase in specific grants relates mainly Housing Benefit Subsidy and new Covid-19 related grants. Requests for the allocation of the additional specific grants received are

detailed in **Table 2**. Previously approved additional specific grants are detailed in **Table 3**.

- 3.3 Spending in relation to specific use grants must be in line with the purpose for which it is provided.
- 3.4 **Table 4** shows additional general purpose grants that are approved by the Finance Sub-Committee. **Table 5** shows general purpose grants that have previously been approved.

**Table 2 – Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use)**

Committee	Type of Grant	£000	Details
Corporate Policy	Housing Benefit Subsidy	5,282	Payment of claims administration within Housing Benefits.
Corporate Policy	Covid-19 Test and Trace Support (Self Isolation Payment)	1,039	Test and Trace Support Payment scheme – awards and administration of the scheme to support people self-isolating on a low income.
<b>Total Specific Purpose Allocation for Council Approval</b>		<b>6,321</b>	
Corporate Policy	Covid-19 Test and Trace Practical Support	257	The purpose of the grant is to provide funding to local authorities (LAs) to provide practical support for those self-isolating. Guidance for local authorities on practical support funding was reissued on 26 July. The document is named 'Self-Isolation Support Framework'.
Corporate Policy	New Burdens: Universal Credit	11	Funding for software and staffing to administer the required changes to Universal Credit.

Committee	Type of Grant	£000	Details
Corporate Policy	Local Authority Data Sharing (LADS)	9	Funding for software and staffing to administer the required changes for Local Authority Data Sharing.
Corporate Policy	New Burdens - Discretionary Housing Payments (DHP)	63	Funding for staff to administer the required changes to Discretionary Housing Payments.
Corporate Policy	New Burdens - removal of savings credit element in personal allowance	2	Additional funding for software and notifications to claimants about the changes.
<b>Specific Purpose Allocations less than £500,000</b>		<b>342</b>	
<b>Total Specific Purpose Allocations</b>		<b>6,663</b>	

**Table 3 - Summary of Grants already Approved (Specific Use)**

Committee	Type of Grant	£000	Details
Corporate Policy (July report)	Covid-19 Additional Local Elections Funding	14	The funding is to cover the costs of Covid-19 safety measures for the Borough by-election, Town and Parish by-elections and Neighbourhood Planning Referendums (NPRs) taking place on Thursday 6 May 2021.
<b>Specific Purpose allocations already Approved</b>		<b>7,638</b>	

**Table 4 – Allocation of Additional Grant Expenditure from General Purpose Grants Held in Central Budgets**

Committee	Type of Grant	£000	Details
Corporate Policy	Housing Benefit and Council Tax Administration	60	Increase on MTFs 2021-25 estimate. The grant is provided towards expenditure incurred, or to be incurred, in respect of the provision of local housing benefit and council tax administration in 2021/22.
Corporate Policy	Individual Electoral Registration	5	The funding is to be used on activities associated with Individual Electoral Registration (IER) services within the Electoral Services area.
<b>General Purposes Allocations less than £500,000</b>		<b>65</b>	
<b>Total General Purpose Allocation</b>		<b>65</b>	

**Table 5 - Summary of Grant Expenditure already Approved from Central Budget General Purpose Grants**

Committee	Type of Grant	£000	Details
Corporate Policy	Breathing Spaces (Debt Respite Scheme)	2	The Debt Respite Scheme (Breathing Space) will give someone in problem debt the right to legal protections from their creditors.
<b>General Purpose Allocations already Approved</b>		<b>2</b>	

## 4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
<b>Corporate Policy Committee</b>		
Finance and Customer Services	29	3
Governance and Compliance	3	-
Transformation	401	163

## 5. Capital Strategy

Corporate Policy													CAPITAL
CAPITAL PROGRAMME 2021/22- 2024/25													
Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2021/25	Forecast Funding					Total Funding
			Forecast Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Committed Schemes</b>													
<b>ICT Services</b>													
Care Act Phase 2	2,970	0	1,055	638	638	638	2,970					2,970	2,970
Core Financials	875	0	813	62	0	0	875				477	398	875
Info' Assurance And Data Mgmt	2,025	0	1,720	305	0	0	2,025					2,025	2,025
Infrastructure Investment(IIP)	1,675	0	1,675	0	0	0	1,675					1,675	1,675
Vendor Management	1,006	494	512	0	0	0	512					512	512
Unified Communications Project	1,205	43	1,000	162	0	0	1,162					1,162	1,162
Digital Strategy - Azure D365	310	276	34	0	0	0	34					34	34
<b>Transformation Services</b>													
Best4Business 2	23,764	22,206	1,558	0	0	0	1,558		595			963	1,558
Prevaro - implementation of the forecasting tool (FP & A)	346	100	246	0	0	0	246		123			123	246
Strategic Capital Projects	26,332	0	6,418	7,031	7,030	7,030	27,509					27,509	27,509
<b>Total Committed Schemes</b>	<b>60,509</b>	<b>23,119</b>	<b>15,031</b>	<b>8,199</b>	<b>7,668</b>	<b>7,668</b>	<b>38,566</b>	<b>0</b>	<b>718</b>	<b>0</b>	<b>477</b>	<b>37,371</b>	<b>38,566</b>
<b>New Schemes</b>													
<b>Information Communication Technology</b>													
Digital Strategy - Digital Customer Delivery	250	0	250	0	0	0	250					250	250
<b>Total New Schemes</b>	<b>250</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250</b>					<b>250</b>	<b>250</b>
<b>Total Corporate Policy Schemes</b>	<b>60,759</b>	<b>23,119</b>	<b>15,281</b>	<b>8,199</b>	<b>7,668</b>	<b>7,668</b>	<b>38,816</b>	<b>0</b>	<b>718</b>	<b>0</b>	<b>477</b>	<b>37,621</b>	<b>38,816</b>

## 6. Reserves Strategy

Name of Reserve	Opening Balance 1st April 2021 £000	Forecast Movement in Reserves 2021/22 £000	Forecast Closing Balance 31st March 2022 £000	Notes
<b>Corporate (Corporate Policy Committee):</b>				
<b>Directorate</b>				
Corporate Directorate	1,341	(56)	1,285	To support a number of widespread projects within the Corporate Directorate
<b>Finance and Customer Services</b>				
Collection Fund Management	42,833	(26,355)	16,478	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 - People Capital Projects	604	(604)	0	
Financing Reserve - Place Capital Projects	1,370	(300)	1,070	To provide for financing of capital schemes, other projects and initiatives.
Financing Reserve - Corporate Capital Projects	8,908	(2,880)	6,028	
<b>Transformation</b>				
Brighter Future Transformation Programme	2,050	0	2,050	To fund the Council's four year transformation programme and its five outcomes of Culture; Estates and ICT systems; Customer Experience, Commercial Approach and Governance.
HR (CARE4CE Review, Culture Change, Pay realignment, Learning Mgt System)	59	(32)	27	To fund HR expenditure in relation to the Care4CE review, culture change programme, pay realignment and the Learning Management System.
Pay Structure (M Grade Review)	550	(184)	366	To fund ongoing changes to pay structure.
<b>Governance and Compliance</b>				
Insurance Reserve - Cheshire County Fund	(50)	0	(50)	To settle insurance claims and manage excess costs.
Insurance Reserve - Cheshire East Fund	4,933	1,165	6,098	To settle insurance claims and manage excess costs.
Elections General	251	0	251	To provide funds for Election costs every 4 years.
<b>Cross Service (Corporate Policy Committee):</b>				
MTFS Reserve	8,083	(1,202)	6,881	To support the financial strategy and risk management.
Revenue Grants	3,101	(955)	2,146	Unspent specific use grant carried forward into 2021/22.
Revenue Grants - Covid-19	5,153	(500)	4,653	Covid (Unringfenced) reserve carried forward into 2021/22
<b>TOTAL</b>	<b>79,186</b>	<b>(31,903)</b>	<b>47,283</b>	

# Appendix 3

## Adults and Health Committee

### 1. Changes to Revenue Budget 2021/22 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
<b>Adults and Health</b>				
Adult Social Care Operations	27,965	-	(132)	27,833
Commissioning	91,079	43	28	91,150
Public Health	-	-	-	-
	<b>119,044</b>	<b>43</b>	<b>(104)</b>	<b>118,983</b>

### 2. Policy Proposal Update

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[67] Electronic Call Monitoring Reclamation	-245	-30			Not achieved impacted by Covid- on tracker
[57] Investment in Adult Social Care	4,000	4,000	4,000	4,000	Growth in line with demand
[82] Fixed Penalty Income target	118				Growth implemented

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[59] Extra Care Housing – Catering / Restaurant Provision	300				Growth implemented
[58] Growth for Care Fees in Adult Social Care	2,441				Fee increase implemented
[61] Direction of travel for the Communities Team to focus more on the Intervention and Prevention Agenda to make cost savings, growth and future cost avoidance	-250	-500	-750		Not achieved- Covid Impact- on tracker
[12] Reduce Base budget assigned to Community Grants	-50	-100			Achieved
[55] Pathfinder Cheshire East - Cheshire Community Action	-100				Achieved in full
[73] Learning Disabilities Future Service Development and Review	-750	-1,000	-1,250		Partially achieved
[8] Direct Payments	-1,000				Partially achieved- on track - £672k
[63] Day Opportunities Redesign, Strategy and Savings	-30	-70	-150		Year 21/22 & 22/23 achieved in full
[68] Cheshire Care Record	-138				Achieved in full
[48] Productivity and Efficiency in Adult Social Care		-500	-500		Not on track

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[56] Mental Health Floating Support	-120				Achieved in full
[64] Mental Health Services Review	-500	-500			Demand into the service is growing impacting on ability to undertake sect. 117 reviews, we are negotiating with health colleagues.
[9] Continuing Healthcare Reviews	-500	-1,000	-500		There is a large health backlog on CHC which will impact on saving target.
[35] Contract savings in the People Directorate	-500				Partially achieved – on track to achieve in full
[52] Increased Usage of Digital Technology	-125				Achieved
[65] Review agreements linked to intermediate care beds	-268				Achieved
[36] Client Income in the People Directorate	-100				Achieved in full
[60] Investment in Advocacy Service	112				Growth implemented

### 3. Corporate Grants Register

**Table 1 – Corporate Grants Register**

Grants 2021/22	Original Budget	Revised Forecast	Change from Original Budget	Treatment of Grant
	2021/22 £000	2021/22 £000	2021/22 £000	Notes 2 - 5
<b>ADULTS and HEALTH</b>				
<b>Specific Use (Held within Services)</b>	29,360	38,284	8,924	
<b>General Purpose (Held Corporately)</b>				
Social Care Support Grant	7,979	7,979	(0)	
Independent Living Fund	818	861	43	SRE
Local Reform & Community Voices, Social Care in Prisons and War Pension Scheme Disregard	340	340	0	
<b>TOTAL ADULTS and HEALTH</b>	<b>38,497</b>	<b>47,463</b>	<b>8,966</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.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

- 3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.
- 3.2 The increase in specific grants relates mainly to new Covid-19 related grants. Requests for the allocation of the additional

specific grants received are detailed in **Table 2**. Previously approved additional specific grants are detailed in **Table 3**.

3.3 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

3.4 **Table 4** shows general purpose grants that have previously been approved. **Table 5** shows general purpose grant approvals resulting from urgent decisions.

**Table 2 – Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use)**

Committee	Type of Grant	£000	Details
Adults and Health	Covid-19 Emergency Assistance Grant for Food & Essential Supplies	626	This grant is for local authorities in England to use to support people who are struggling to afford food and other essentials due to Covid-19.
<b>Total Specific Purpose Allocation for Committee Approval</b>		<b>626</b>	
<b>Total Specific Purpose Allocations</b>		<b>626</b>	

**Table 3 - Summary of Grants already Approved (Specific Use)**

Committee	Type of Grant	£000	Details
Adults & Health (July report)	Public Health Grant	172	Public Health Grant received was higher than estimated in the MTFS. The grant Income value will increase by £171,714 in 2021/22 to £16,928,979.
Adults and Health (July report)	Covid-19 Contain Outbreak Management Fund	2,196	The Council has the opportunity to accept the one-off Contain Outbreak Management Fund (COMF) from the Department of Health and Social Care, in the sum of £2,195,537.91, the purpose of which being to cover funding requirements for the Test Trace Contain Enable Programme for the 2021/22 financial year. The funding has been made available to provide support to local authorities in England, towards expenditure lawfully incurred, or to be incurred, in

Committee	Type of Grant	£000	Details
			relation to the mitigation against and management of local outbreaks of Covid-19. Acceptance of the grant will allow Cheshire East to continue its Test Trace Contain Enable Programme for the full 2021/22 financial year, providing protection and support for local residents against Coronavirus.
Adults and Health (ODRs)	Covid-19 Community Testing	271	Funding for Community Testing in response to the Covid-19 outbreak.
<b>Specific Purpose allocations already Approved</b>		<b>2,639</b>	

**Table 4 - Summary of Grant Expenditure already Approved from Central Budget General Purpose Grants**

Committee	Type of Grant	£000	Details
Adults and Health (Outturn report)	Independent Living Fund	43	<p>Following the closure of the Independent Living Fund (ILF) in June 2015, the government agreed to continue funding pre-existing ILF arrangements until the end of 2019 to 2020, through the former ILF recipient grant. Government have confirmed that that the former ILF recipient grant will continue to be paid to local authorities in 2021 to 2022.</p> <p>The total value of the grant in 2021 to 2022 will be maintained and this additional funding allocation is to cover the cost of the payments made to clients for the ILF, increasing it to the level of the actual 2021/22 grant, which is £42,776 higher than originally forecast in the Medium Term Financial Strategy.</p>
<b>General Purpose Allocations already Approved</b>		<b>43</b>	

**Table 5 - Urgent decisions made following Member consultation (Specific Purpose)**

Date	Summary of Decision	Decision on behalf of	Members, MO/S151 consulted/ content?	Status
22.04.2021	Covid-19 Infection Control Fund & Rapid Testing Grant Apr 21 to Jun 21. A supplementary revenue estimate for the 2021/22 financial year of £3,028,690 be approved; this to be funded from the Infection Control and Rapid Testing Fund allocation for Cheshire East Council as set out in DoHCS guidance published on 29 March 2021.	Council	Yes	Decision made and Members notified
09.07.2021	Covid-19 Infection Control Fund & Rapid Testing Grant Jul 21 to Sep 21. A supplementary revenue estimate for the 2021/22 financial year of £2,256,923 be approved; this to be funded from the Infection Control and Rapid Testing Fund allocation for Cheshire East Council as set out in DoHCS guidance published on 29 March 2021.	Council	Yes	Decision made and Members notified
15.06.2021	PHE Adult weight management services grant, £123,054. Accepting the grant allows the capacity of the Council's commissioned weight management service to One You Cheshire East to be increased. This will enable a greater number of individuals to benefit from this service thus reducing the population health impact of excess weight.	Council	Yes	Decision made and Members notified

Date	Summary of Decision	Decision on behalf of	Members, MO/S151 consulted/ content?	Status
15.06.2021	PHE SMS (CGL contract) enhance the current drug treatment, crime and harm reduction services, £251,000. The government announced in February 2021 an additional £80 million to fund drug treatment in 2021/22 for a 12-month period to tackle crime, drug use and associated harm. The funding will be made available through the Section 31 grant provisions of the Local Government Act 2003.	Council	Yes	Decision made and Members notified

## 4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
<b>Adults and Health Committee</b>		
Adults, Public Health and Communities	8,084	5,123

## 5. Capital Strategy

### Adults & Health

### CAPITAL

#### CAPITAL PROGRAMME 2021/22- 2024/25

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2021/25	Forecast Funding					Total Funding
			Forecast Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
<b>Committed Schemes</b>							0						0
<b>Adults Services</b>													
Electronic Call Monitoring System	389	0	389	0	0	0	389			389			389
People Planner System	94	28	66	0	0	0	66	66					66
Replacement Care4CE Devices	93	63	30	0	0	0	30	30					30
<b>Total Adults Services Schemes</b>	<b>576</b>	<b>91</b>	<b>485</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>485</b>	<b>96</b>	<b>0</b>	<b>389</b>	<b>0</b>	<b>0</b>	<b>485</b>

## 6. Reserves Strategy

Name of Reserve	Opening Balance 1st April 2021 £000	Forecast Movement in Reserves 2021/22 £000	Forecast Closing Balance 31st March 2022 £000	Notes
<b>Adult, Health and Integration (Adults and Health Committee):</b>				
<b>Directorate</b>				
Adults Directorate	1,020	0	1,020	To support a number of widespread projects within the Adults, Health and Integration Directorate
<b>Adult Social Care Operations</b>				
DOL's Assessments	600	(300)	300	Reserve required due to delays in closure and will run across two years up to 2022/23.
<b>Commissioning</b>				
PFI Equalisation - Extra Care Housing	2,618	97	2,715	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.
NHB Community Grants Staffing	132	0	132	To support administrative staffing costs in relation to Central Government's New Homes Bonus guidance for community projects
<b>Public Health</b>				
Public Health	2,118	422	2,540	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. Anticipated that the carry forward ringfenced grant will be spent across 2022/23 and 2023/24.
<b>TOTAL</b>	<b>6,488</b>	<b>219</b>	<b>6,707</b>	

# Appendix 4

## Children and Families Committee

### 1. Changes to Revenue Budget 2021/22 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
<b>Children and Families</b>				
Directorate	888	-	10	898
Children's Social Care	42,922	169	86	43,177
Education & 14-19 Skills	16,105	57	291	16,453
Prevention & Early Help	8,279	-	-	8,279
	68,194	226	387	68,807

## 2. Policy Proposal Update

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[40] Increase income from hire of Children's Centres	-10				On track to achieve this target.
[78] Reduction in contribution to Cheshire Youth Justice Service	-45				On track to achieve this target with part achievement in 2021/22.
[72] Move to Integrated Early Help Locality Service model		-167			Under review as part of the 2022/23 MTFS.
Review of Children and Families Transport Policies and delivery arrangements		-200	-300	-200	Under review as part of the 2022/23 MTFS.
Transport Management Fee savings will not be delivered due to Covid-19 placing additional pressure on transport to school	1,000				Achieved
[77] Investment in Cared for Children and Care Leavers	1,300	1,300	1,300		Under review as part of the 2022/23 MTFS.
[11] Reduce the numbers of Business Support staff in line with the repurposing of Children and Family Centres		-200			Under review as part of the 2022/23 MTFS.
[50] Prevention and Early Help Service – Locality working and changes to the management structure of the Family Service		-140			Under review as part of the 2022/23 MTFS.

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[10] Prevention and Early Help Service – Reduction of the cost of Prevention Services			-200		Under review as part of the 2022/23 MTFS.
[19] Reduced travel, supplies and services for Early Help services	-26				Under review as part of the 2022/23 MTFS.
[74] Reduce supplies and services in Children's Centres by 20%.	-32				Under review as part of the 2022/23 MTFS.
[66] Reduced capacity in Family Information Service	-50				Achieved
[76] Development and Partnerships Service			-300		Under review as part of the 2022/23 MTFS.
[20] Reduce pensions budget to match latest forecasts	-140				Achieved
[53] To review use of School Improvement Grant to provide capacity to support maintained schools	-60				Achieved
[71] Increase capacity in SEND service to meet continuing demands on the service	380				Achieved
[69] Review the use of the Cheshire East Lifelong Learning Service grant to reduce the requirement of Council funding	-110				Achieved

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[37] Establish an Education Psychologist traded service to enable a proactive early support and intervention offer		-25	-75		This is on track to be achieved
[70] To reduce costs of School Liaison and Governance service with less use of external support	-10				Achieved
[62] Fund the Cygnet programme for cared for children from pupil premium	-15				Achieved
[38] Establish a traded service for non-statutory elements of Attendance Service		-35	-35		This is on track to be achieved
Children's Social Care Transformation and OFSTED Response	1,500	-1,500			Currently on track for investment of £1.5m over two years
[75] Reduction in cost of external placements for cared for children		-1,530	-2,171	-707	Savings proposals not on track to be achieved. Growth proposals are being put forward as part of the 2022/23 MTFS update.

### 3. Corporate Grants Register

Table 1 – Corporate Grants Register

Grants 2021/22	Original Budget	Revised Forecast	Change from Original Budget	Treatment of Grant
	2021/22 £000	2021/22 £000	2021/22 £000	Notes 2 - 5
<b>CHILDREN and FAMILIES</b>				
<b>Specific Use (Held within Services)<sup>1</sup></b>	160,065	157,768	(2,297)	
<b>General Purpose (Held Corporately)</b>				
Staying Put Implementation Grant	0	113	113	SRE
Extended Rights to Free Transport (Home to School Transport)	201	258	57	SRE
Extended Personal Adviser Duty Implementation	0	56	56	SRE
Extension of the role of Virtual School Heads	60	60	0	
<b>TOTAL CHILDREN and FAMILIES</b>	<b>160,326</b>	<b>158,255</b>	<b>(2,071)</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.

3 ODR - Officer Decision Record to approve immediate budget change to relevant service.

4 Reserves - transfer to reserves at year end.

5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a

corresponding expenditure budget within the allocated service area.

3.2 The decrease in specific grants relates to the dedicated schools grant reflecting the latest allocations. Other additional

specific grants have been received and are detailed in **Table 2**. Previously approved additional specific grants are detailed in **Table 3**.

3.3 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

3.4 **Table 4** shows additional general purpose grants that are approved by the Finance Sub-Committee. **Table 5** shows general purpose grants that have previously been approved.

**Table 2 – Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose)**

Committee	Type of Grant	£000	Details
Children and Families	Covid-19 Local Support Grant	622	Extended Winter Grant now renamed, Covid Local Support Grant in recognition that "some restrictions on the economy continue".
<b>Total Specific Purpose Allocation for Committee Approval</b>		<b>622</b>	
Children and Families - Schools	Pupil Premium Grant	53	Pupil premium is funding to improve education outcomes for disadvantaged pupils in schools in England. Evidence shows that disadvantaged children generally face additional challenges in reaching their potential at school and often do not perform as well as other pupils.
Children and Families - Schools	Sixth Forms Grant	15	Funding is based on Pupil Numbers which makes up the main funding profile, the MTFs estimate will have been based on pupils in 2020/21 being forecast for the remainder of financial year. This will now have been updated for 2021/22 pupil numbers. Sixth Form providers also receive a High Value Course Premium based on the number of pupils taking high value courses.

Committee	Type of Grant	£000	Details
Children and Families - Schools	Free School Meals (FSM) Supplementary Grant	36	As the school funding system operates on a lagged basis, the government has introduced a supplementary grant to help schools manage this increase in Free School Meal numbers in the short term. It gives schools extra funding to help them meet the higher costs of providing extra meals before the lagged funding system catches up.
Children and Families - Schools	Teachers' Pay Grant	24	The teachers' pay grant (TPG) provides funding for schools to support teachers' pay awards. Local authorities must follow the terms and conditions set out in the conditions of grant.
Children and Families - Schools	Teachers' Pension Grant	66	The teachers' pension employer contribution grant (TPECG) supports schools and local authorities with the cost of the increase in employer contributions to the teachers' pension scheme. Local authorities must follow the terms and conditions set out in the conditions of grant.
Children and Families - Schools	Covid-19 Additional Dedicated Home to School and College Transport	29	The purpose of the grant is to provide support to local transport authorities in England towards expenditure lawfully incurred or to be incurred by them in respect of the provision of the additional transport capacity for both Home to School and Further Education colleges.
Children and Families	Asylum Seekers	79	Based on clients' claims so therefore will fluctuate based on age / numbers of claims – we are also receiving some additional funding from those that move through the National Transfer Scheme. Looking at claims in the current year there have been additions to the UASC population, therefore this has likely seen an increase in the amount receiving the higher rate. In addition, possibly an element of being cautious with MTFS items as this can vary significantly purely based on the numbers as said above.

Committee	Type of Grant	£000	Details
Children and Families	Tackling Troubled Families (Payments by Results)	70	<p>In April 2012, the Government launched the Troubled Families Programme, a £448m scheme to incentivise local authorities and their partners to turn around the lives of 120,000 troubled families by May 2015. This programme worked with families where children are not attending school, young people are committing crime, families are involved in anti-social behaviour and adults are out of work.</p> <p>In June 2013, the Government announced plans to expand the Troubled Families Programme for a further five years from 2015/16 and to reach up to an additional 400,000 families across England. £200 million has been committed to fund the first year of this five year programme. This increased investment is testament to the Government's ongoing commitment to improve the lives of troubled families and as this work is taken to a significantly greater scale, to transform local public services and reduce costs for the long-term.</p>
Children and Families	Skills & Lifelong Learning	26	Increase of £25,556 on the MTFS estimate. This fund aims to help adults to train and gain the valuable skills they need to improve their job prospects and support the economy.
Children and Families	Supporting Families; Investing in Practice programme (Mockingbird Family Model)	20	Increase of £20,019 on the MTFS estimate. This is part of the same grant funding therefore the amount unused in 2020/21 will have been rolled forward and forecast to be used in current year.

Committee	Type of Grant	£000	Details
Children and Families	Remand Grant	20	Children and Young People (CYP) who are remanded in youth detention accommodation will be given Looked After Children (LAC) status. The grant is to cover the costs of the LA's responsibility and gives LA's incentives to reduce their secure remands and reinvest any savings achieved in Youth Justice (YJ).
Children and Families	Extension of the Role of Virtual School Heads to children with a social worker Implementation	118	Funding provides Virtual School Heads with the additional resource required to take on the strategic leadership role for children with a social worker and is sufficient to recruit additional team members to support them with these responsibilities.
<b>Specific Purpose Allocations less than £500,000</b>		<b>556</b>	
<b>Total Specific Purpose Allocations</b>		<b>1,178</b>	

**Table 3 - Summary of Grants already Approved (Specific Purpose)**

Committee	Type of Grant	£000	Details
Children and Families - Schools  (June report)	Covid-19 Wellbeing for Education Recovery Grant	48	This grant is awarded to provide support to schools and colleges on mental health and wellbeing.
Children and Families - Schools  (June report)	Covid-19 Additional Dedicated Home to School and College Transport	26	The purpose of the grant is to provide support to local transport authorities in England towards expenditure lawfully incurred or to be incurred by them in respect of the provision of the additional transport capacity for both Home to School and FE colleges.

Committee	Type of Grant	£000	Details
Children and Families (July report)	Supporting Families (Payments by Results) Upfront Grant	590	Local Councils and partners supporting vulnerable families to thrive. Providing help to those families who need support so they get it at the right point, in the right way, as early as possible.
Children and Families (June report)	Domestic Abuse Safe Accommodation Housing Grant	648	To deliver support to victims of domestic abuse and their children residing within safe accommodation.
Children and Families (June report)	Holiday Activities & Food Grant	793	The aim of the programme is to make free places available to children eligible for and in receipt of free school meals for the equivalent of at least 4 hours a day, 4 days a week, 6 weeks a year. This would cover 4 weeks in the summer and a week's worth of provision in each of the Easter and Christmas holidays in 2021. Local authorities and their providers will have flexibility about how they deliver this level of provision to best serve the needs of children and families in their area. There will also be flexibility in how the programme can be delivered to older children.
Children and Families (June report)	Covid-19 Local Support Grant	207	Extended Winter Grant now renamed, Covid Local Support Grant in recognition that "some restrictions on the economy continue".
Children and Families (July report)	Covid-19 Winter Grant Scheme	306	Funding to provide direct assistance to vulnerable households and families with children particularly affected by the pandemic. This will include some families who normally have access to Free School Meals during term time.
Children & Families (Outturn report)	Covid-19 Local Support Grant	829	The Government's Covid-19 Local Support Grant provides funding through local authorities for families who need help paying for food and utilities, has been extended until the end of September.
<b>Specific Purpose allocations already Approved</b>		<b>3,447</b>	

**Table 4 – Allocation of Additional Grant Expenditure from General Purpose Grants Held in Central Budgets**

Committee	Type of Grant	£000	Details
Children and Families	Extended Rights to Free Transport	57	The Department for Education provides additional transport funding to local authorities to support children from low-income families to be able to attend schools further from home than the statutory walking distances. The funding is paid as a non-ring-fenced grant paid via the Department for Communities and Local Government under the Local Services Support Grant (section 31 of the Local Government Act 2003).
<b>General Purposes Allocations less than £500,000</b>		<b>57</b>	
<b>Total General Purpose Allocation</b>		<b>57</b>	

**Table 5 - Summary of Grant Expenditure already Approved from Central Budget General Purpose Grants**

Committee	Type of Grant	£000	Details
Children and Families (July report)	Staying Put Implementation	113	The purpose of the grant is to provide support for local authorities in England for expenditure lawfully incurred or to be incurred by them, in respect of a young person aged 18 and their former foster carer, who wish to continue living together in a 'Staying Put' arrangement. For the purposes of this grant 'young person' means a former relevant child who was looked after immediately prior to their 18 <sup>th</sup> birthday. This supported arrangement can continue until the young person's 21 <sup>st</sup> birthday.
Children and Families (July report)	Extended Personal Advisor Duty Implementation Grant	56	The purpose of the grant is to support Local Authorities in England to meet the requirements of the Children and Social Work Act 2017, requiring them to offer Personal Adviser support to all care leavers up to the age of 25. The grant is

Committee	Type of Grant	£000	Details
			to support those young people that may request support from the Local Authority after the age of 21 and up to the age of their 25th birthday. The grant has been provided to meet the extra demand for personal adviser time that the new duties create. The new duty provides the Local Authority the ability to respond positively to requests for support from care leavers who may have difficulties and be struggling to transition to adulthood.
<b>General Purpose Allocations already Approved</b>		<b>169</b>	

## 4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
<b>Children and Families Committee</b>		
Children's, Education, Prevention and Early Help	472	82
Schools	55	34

# 5. Capital Strategy

## Children and Families

## CAPITAL

### CAPITAL PROGRAMME 2021/22- 2024/25

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2021/25	Forecast Funding					Total Funding
			Forecast Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
<b>Committed Schemes in progress</b>													
<b>Childrens Social Care</b>													
Foster Carers Capacity Scheme	634	348	0	0	286	0	286					286	286
<b>Childrens Prevention and Support</b>													
Ash Grove Nursery Expansion	230	0	230	0	0	0	230	230					230
Beechwood Nursery Expansion	867	64	803	0	0	0	803	738		65			803
Early Years Sufficiency Capital Fund	189	0	0	189	0	0	189	189					189
<b>Education and 14-19 Skills</b>													
Adelaide Academy	348	31	0	317	0	0	317	147				170	317
Brine Leas High school	1,264	1,205	59		0	0	59	59					59
Congleton Planning Area (Includes -CHS - Tolibet	4,527	232	245	3,800	0	0	4,045	3,960	85				4,045
Elworth CoE Primary School	2,073	1,175	648	0	0	0	648	383	265				648
Future Years Basic Need Allocation	6,570	0	6,570	0	0	0	6,570	6,570					6,570
Holmes Chapel Planning Area	2,014	18		140	1,856	0	1,996	1,996					1,996
Macclesfield Planning Area	3,471	228	1,200	2,043	0	0	3,243	3,243					3,243
Malbank High School	1,922	1,815	107	0	0	0	107	107					107
Middlewich High School	582	552	30	0	0	0	30	30					30
Middlewich Planning Area	1,500	0	0	1,500	0	0	1,500	1,500					1,500
Monks Coppenhall Sen Expansion	101	1	0	100	0	0	100					100	100
Nantwich Planning Area (Primary)	3,500	0	200	1,500	1,800	0	3,500	2,901	599				3,500
Nantwich Planning Area (Secondary)	300	0	300	0	0	0	300	300					300
Park Lane Expansion	3,604	1,503	2,101	0	0	0	2,101					2,101	2,101
Puss Bank SEN Expansion	532	471	61	0	0	0	61					61	61
St Johns CoE School Expansion	478	247	231	0	0	0	231	18	213				231
Sandbach High School - Basic Need	1,701	861	789	50	0	0	839	839					839
Sandbach Boys School - Basic Need	1,772	1,728	43	0	0	0	43	43					43
Sandbach Planning Area (secondary)	38	0	38	0	0	0	38	38					38
School Condition Grant	5,766	0	2,148	2,058	1,560	0	5,766	5,766					5,766
Sen/High Needs Grant Allocation	1,264	0	75	1,189	0	0	1,264	1,264					1,264
Sen Placement Expn - Phase 2	52	0	52	0	0	0	52					52	52
Special Provision Grant Allocation	767	0	137	630	0	0	767	767					767
Springfield Special School Expansion	1,138	1,074	64	0	0	0	64					64	64
Vernon Primary School	128	113	15	0	0	0	15	15					15
Wilmslow Basic Need Scheme	13,179	863	1,000	7,416	3,900	0	12,316	12,016	300				12,316
Wilmslow Primary Planning Area	500	0	0	500	0	0	500	500					500
													0
<b>Total Committed Schemes</b>	<b>61,010</b>	<b>12,530</b>	<b>17,146</b>	<b>21,432</b>	<b>9,402</b>	<b>0</b>	<b>47,980</b>	<b>43,619</b>	<b>1,462</b>	<b>65</b>	<b>0</b>	<b>2,834</b>	<b>47,980</b>

CAPITAL PROGRAMME 2021/22- 2024/25

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2021/25	Forecast Funding					Total Funding
			Forecast Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
<b>New Schemes</b>													
Shavington Planning Area	2,500	0	157	2,343	0	0	2,500	2,500					2,500
Springfield Satellite Site (Dean Row)	3,027	0	127	2,150	500	250	3,027	1,427	800			800	3,027
<b>Total New Schemes</b>	<b>5,527</b>	<b>0</b>	<b>284</b>	<b>4,493</b>	<b>500</b>	<b>250</b>	<b>5,527</b>	<b>3,927</b>	<b>800</b>	<b>0</b>	<b>0</b>	<b>800</b>	<b>5,527</b>
<b>Total Children and Families Schemes</b>	<b>66,537</b>	<b>12,530</b>	<b>17,430</b>	<b>25,925</b>	<b>9,902</b>	<b>250</b>	<b>53,507</b>	<b>47,546</b>	<b>2,262</b>	<b>65</b>	<b>0</b>	<b>3,634</b>	<b>53,507</b>

## 6. Reserves Strategy

Name of Reserve	Opening Balance 1st April 2021 £000	Forecast Movement in Reserves 2021/22 £000	Forecast Closing Balance 31st March 2022 £000	Notes
<b>Children's Services (Children and Families Committee):</b>				
<b>Directorate</b>				
Childrens Directorate	422	0	422	To support a number of widespread projects within the Children and Families Directorate
<b>Childrens Social Care</b>				
Domestic Abuse Partnership	79	7	86	To sustain preventative services to vulnerable people as a result of partnership funding.
Transformation Funding	0	750	750	Service is planning to spend half of 1.5m in 2021/22 and half in 2022/23 so will be creating an EMR at Year End 21/22.
<b>Education and 14-19 Skills</b>				
Skills and Lifelong Learning	32	0	32	To support adult learning, training and improving skills for the workplace.
School Organisation & Capital Service	46	(29)	17	£28.5k drawn down in 2021/22 for Springfield Lease
<b>TOTAL</b>	<b>579</b>	<b>728</b>	<b>1,307</b>	

# Appendix 5

## Highways and Transport Committee

### 1. Changes to Revenue Budget 2021/22 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
<b>Highways and Transport</b>				
Highways & Infrastructure	11,241	-	3	11,244
	11,241	-	3	11,244

## 2. Policy Proposal Update

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[90] Community Transport	-25				Following market testing no savings will be achieved in 21/22, position in fares for community transport will be reviewed once Covid support for local bus ends.
[88] Parking Strategy – Review of Charges	-327	-955			Behind schedule following Committee decision in September, on-going work to re-scope the parking review leading to future year income.
[23] Urban Grass Cutting	-67				On track
[24] Improving customer experience – Highways correspondence	-50	-50			<p>This exercise is now part of the council wide Brighter Future Together Customer Experience Workstream, specifically the corporate Formal Correspondence Pilot. The first stage of the pilot (July – September) was focussing on MP and Member Enquiry Service formal correspondence.</p> <p>A paper is currently being written for the pilot to be extended and to capture</p>

					all types of formal correspondence – any savings will be dependent on the recommendations and outcomes of the pilot.
[33] Commercialisation of the Highway Service Contract	-80				Commercialisation of the Highway Service Contract – Behind schedule, work on going to identify acceptable contractual mechanism. No savings will be achieved in 21/22, some savings may be achieved in the 22/23 financial year.
[87] Carbon Reduction - Replacement of existing illuminated signs and bollards with LED units		30	-4	-31	Year one of two year programme on track. Identified efficiencies likely to be achieved.
[89] Local Supported Buses	-33	-117			On track for FY 21/22, options for Fy22/23 will be identified through discussions on the new Enhanced Partnership with bus operators.

### 3. Corporate Grants Register

Table 1 – Corporate Grants Register

Grants 2021/22	Original Budget	Revised Forecast	Change from Original Budget	Treatment of Grant
	2021/22 £000	2021/22 £000	2021/22 £000	Notes 2 - 5
<b>HIGHWAYS and TRANSPORT</b>				
Specific Use (Held within Services)	348	949	601	
General Purpose (Held Corporately)				
<b>TOTAL HIGHWAYS and TRANSPORT</b>	<b>348</b>	<b>949</b>	<b>601</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.

3 ODR - Officer Decision Record to approve immediate budget change to relevant service.

4 Reserves - transfer to reserves at year end.

5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 The increase in specific grants relates mainly to bus services. Requests for the allocation of the additional specific grants received are detailed in **Table 2**. Previously approved additional specific grants are detailed in **Table 3**.

3.3 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

**Table 2 – Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose)**

<b>Committee</b>	<b>Type of Grant</b>	<b>£000</b>	<b>Details</b>
Highways and Transport	Bus Service Operators Grant	92	The Bus Service Operators Grant is a grant paid to operators of eligible bus services and community transport organisations to help them recover some of their fuel costs. The amount each bus operator receives is based on their annual fuel consumption.
Highways and Transport	Bus Capacity Grant	247	Funding to support LTAs in developing local bus proposals as outlined in the National Bus Strategy.
<b>Specific Purpose Allocations less than £500,000</b>		<b>339</b>	
<b>Total Specific Purpose Allocations</b>		<b>339</b>	

**Table 3 - Summary of Grants already Approved (Specific Purpose)**

Committee	Type of Grant	£000	Details
Highways and Transport (July report)	Local Authority Capability Fund	171	The grant is awarded to enable the authority to deliver the objectives as set out in the Capability Fund bid. The Local Authority Capability Fund supports the commitment made in Gear Change, the Prime Minister’s Cycling and Walking Plan, in July 2020, to increase the capabilities of local authorities to plan good active travel infrastructure, including building more expertise and undertaking more evidence-based planning.
Highways and Transport (July report)	Covid-19 Bus Services Support Grant (Restart) - Tranche 6	91	Covid-19 Bus Services Support Grant can only be spent on supporting bus services that have been affected by or need to be adjusted because of the impact of Covid-19. It is to be used as additional support on top of normal funding for local bus services, not as a replacement of that funding.
<b>Specific Purpose allocations already Approved</b>		<b>262</b>	

## 4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
<b>Highways and Transport Committee</b>		
Highways and Infrastructure	750	710

# 5. Capital Strategy

## Highways and Transport

## CAPITAL

### CAPITAL PROGRAMME 2021/22- 2024/25

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2021/25	Forecast Funding					Total Funding
			Forecast Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Committed Schemes</b>													
<b>Highways and Infrastructure</b>													
A51/A500 Corridor Nantwich	250	231	19	0	0	0	19					19	19
A50/A54 Holmes Chapel	603	66	10	200	327	0	537		537				537
A500 Dualling Scheme	9,329	7,506	1,822	0	0	0	1,822	2,702				-881	1,822
A537 Safer Road Fund Scheme	2,490	0	527	1,963	0	0	2,490	2,490					2,490
A54/A533 Leadsmyth St, Middlewich	563	115	45	403	0	0	448		448				448
A556 Knutsford To Bowdon	504	337	80	87	0	0	167		167				167
A6 Marr Cmm - Disley	2,122	1,612	100	410	0	0	510		56			454	510
A6 Marr Cmm Handforth	800	461	75	264	0	0	339	257	48			34	339
A6Marr Design Checks & Ta	473	268	205	0	0	0	205	72	133				205
Air Quality Action Plan	147	0	147	0	0	0	147	147					147
Alderley Edge Bypass Sch Impm	60,611	60,313	298	0	0	0	298					298	298
Bridge Maintenance Minor Wks	2,987	0	2,987	0	0	0	2,987	1,569				1,419	2,987
Congleton Link Road (Complete)	90,443	65,028	11,020	2,111	3,383	8,901	25,416	316	15,169			9,931	25,416
Client Contract And Asset Mgmt	388	0	388	0	0	0	388	388					388
Crewe Green Link Road Ph2	25,747	24,905	150	692	0	0	842		653			189	842
Crewe Green Roundabout	7,500	7,047	193	180	40	40	453		453				453
Crewe Rail Exchange	6,712	6,693	19	0	0	0	19	19					19
Davenport Lane, Arclid	352	50	302	0	0	0	302	245	57				302
Flowerpot Phs 1 & Pinch Point	5,500	1,007	936	392	2,838	327	4,493	2,437				2,057	4,493
Future High Street Funding - Adaptive Signals	306	0	82	53	153	18	306	306					306
Future High Street Funding - Earle Street Link	1,148	0	0	250	250	648	1,148	1,148					1,148
Future High Street Funding - Flag Lane Link	1,458	0	118	300	1,040	0	1,458	1,458					1,458
Future High Street Funding - Southern Gateway	3,054	0	58	284	1,786	926	3,054	3,054					3,054
Highway Maintenance Minor Wks	12,259	0	12,259	0	0	0	12,259	10,659				1,600	12,259
Highway Pothole/Challenge Fund	20,170	6,734	1,395	3,242	0	0	4,637					4,637	4,637
Highways S106 Funded Schemes	1,062	406	622	34	0	0	656	-36	692				656
Infrastructure Scheme Development	125	0	75	50	0	0	125	125					125
Jack Mills Way Part 1 Claims	300	277	23	0	0	0	23		23				23
Local Area Programme	1,012	0	711	301	0	0	1,012	1,011					1,011
Macclesfield Movement Strategy	100	31	0	69	0	0	69	69					69
Middlewich Eastern Bypass	25,518	13,802	7,506	4,211	0	0	11,717	6,938	4,779				11,717
Middlewich Rail Study	20	0	20	0	0	0	20	20					20
North-West Crewe Package	36,500	5,637	2,023	15,888	12,952	0	30,863	11,518	12,249		1,730	5,365	30,863
Old Mill Rd/ The Hill Junction	1,325	91	70	150	1,014	0	1,234		1,234				1,234
Part 1 Claims	79	0	41	38	0	0	79	79					79
Poynton Relief Road	50,657	18,367	14,995	8,371	356	8,569	32,290	10,833	6,200		1,000	14,257	32,290
Programme Management	200	0	200	0	0	0	200	200					200

CAPITAL PROGRAMME 2021/22- 2024/25

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2021/25	Forecast Funding					Total Funding
			Forecast Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Committed Schemes</b>													
<b>Highways and Infrastructure</b>													
Road Network & Linked Key Inf	83	78	5	0	0	0	5	5					5
Road Safety Schemes Minor Wks	455	0	424	31	0	0	455	455					455
Safer Roads Fund A532	1,030	128	528	468	0	0	996	996					996
Safer Roads Scheme A536	2,310	237	1,479	594	0	0	2,073	2,073					2,073
Sydney Road Bridge	10,501	10,127	73,532	300,000	0	0	374	50	324				374
Winter Service Facility	999	287	276	436	0	0	712	136				576	712
							0						0
<b>Transport &amp; Parking</b>													
Accessibility: Public Transp'T	99	0	99	0	0	0	99	99					99
Active Travel Fund (Covid-19)	724	260	464	0	0	0	464	464					464
Active Travel (Cycle/Walking Route) Investment	528	0	528	0	0	0	528	518			10		528
Replace Route Planning System	195	172	23	0	0	0	23			23			23
Broadway Meadow Car Park	49	0	49	0	0	0	49					49	49
Car Parking Improvements	73	0	15	28	30	0	73			14		59	73
Digital Solutions - Parking	140	93	26	21	0	0	47					47	47
Pay And Display Parking Meters	620	531	0	40	49	0	89					89	89
Sustainable Travel Access Prog	3,274	1,487	1,387	400	0	0	1,787	1,240	309			238	1,787
Sustainable Travel To Schools	256	0	256	0	0	0	256	256					256
Town Studies	450	278	120	52	0	0	172	172					172
<b>HS2 Programme</b>													
Crewe Hs2 Hub Project Dev	12,701	6,671	6,029	0	0	0	6,029					6,029	6,029
<b>Total Committed Schemes - In Progress</b>	<b>407,302</b>	<b>241,334</b>	<b>71,305</b>	<b>42,312</b>	<b>24,218</b>	<b>19,428</b>	<b>157,263</b>	<b>64,487</b>	<b>43,530</b>	<b>47</b>	<b>2,730</b>	<b>46,467</b>	<b>157,262</b>
<b>New Schemes</b>													
<b>Highways and Infrastructure</b>													
Highways S106 Funded Schemes	6	0	6	0	0	0	6		6				6
Traffic Signs and Bollards - LED Replacement	1,250	0	625	625	0	0	1,250					1,250	1,250
Traffic Signal Maintenance	500	0	250	250	0	0	500	500					500
Integrated Transport Block - LTP	5,961	0		1,987	1,987	1,987	5,961	5,961					5,961
Maintenance Block - LTP	25,227	0		8,409	8,409	8,409	25,227	25,227					25,227
Incentive Fund - LTP	5,253	0		1,751	1,751	1,751	5,253	5,253					5,253
<b>Transport &amp; Parking</b>													
Local Access - Crewe Transport Access Studies	150	0	75	75	0	0	150	150					150
Local Access - Macclesfield Transport Access Studies	150	0	75	75	0	0	150	150					150
<b>Total New Schemes</b>	<b>38,497</b>	<b>0</b>	<b>1,031</b>	<b>13,172</b>	<b>12,147</b>	<b>12,147</b>	<b>38,497</b>	<b>37,241</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>1,250</b>	<b>38,497</b>
<b>Total Capital Schemes</b>	<b>445,799</b>	<b>241,334</b>	<b>72,336</b>	<b>55,484</b>	<b>36,365</b>	<b>31,575</b>	<b>195,760</b>	<b>101,728</b>	<b>43,536</b>	<b>47</b>	<b>2,730</b>	<b>47,717</b>	<b>195,759</b>

## 6. Reserves Strategy

Name of Reserve	Opening Balance 1st April 2021 £000	Forecast Movement in Reserves 2021/22 £000	Forecast Closing Balance 31st March 2022 £000	Notes
<b>Highways and Infrastructure (Highways and Transport Committee)</b>				
Flood Recovery Works	430	(215)	215	27 locations identified for repair works as a result of the 2019 flood events. There are also a further 16 which require investigation to ascertain the scope of the works required.
Well Managed Highway Infrastructure Delay	200	(100)	100	Due to the call in of WMHI, the savings proposed relating to winter service cannot be realised and the forecast service costs have increased.
Highways Procurement Proj	103	(26)	77	To finance the development of the next Highway Service Contract.
HS2	303	0	303	To support the Council's ongoing programme in relation to Government's HS2 investment across the borough and Transport for the North's Northern Powerhouse Rail Business Case.
Parking Pay and Display Machines / Parking Studies	178	0	178	Purchase of Pay and Display machines and town centre parking studies.
<b>TOTAL</b>	<b>1,214</b>	<b>(341)</b>	<b>873</b>	

# Appendix 6

## Economy and Growth Committee

### 1. Changes to Revenue Budget 2021/22 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
<b>Economy and Growth</b>				
Directorate	940	-	(81)	859
Growth & Enterprise	20,886	9	-	20,895
	<b>21,826</b>	<b>9</b>	<b>(81)</b>	<b>21,754</b>

### 2. Policy Proposal Update

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[80] Tatton Park		-6	-28	-46	No item for this year
[30] Public Rights of Way Resources (Revenue implications of Capital)	10				
[49] Estates Transformation - Office Accommodation	-44	-100	-460		Partially achieved through release of Dean Row. Future

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
					years subject to option appraisal and assessment.
[51] Neighbourhood Estate Review	-90	-260			On track, likely to be achieved in full, but following years will necessitate a review of how services are delivered, in order to release buildings.
[81] Asset / Service Transfer	-50	-30	-20		On track, potentially to be achieved in full
[83] Housing Services	-45				On track - to be achieved in full
[79] Development of a Transit Site (Revenue implications of Capital)	27				Planning consent received and progressing, likely to be achieved in full
[25] Transfer of Congleton Visitor Information Centre	1	-20	-10	-20	On track, likely to be achieved in full
Investment Income: Income Target Adjustment	575				Confirmed

### 3. Corporate Grants Register

Table 1 – Corporate Grants Register

Grants 2021/22	Original Budget	Revised Forecast	Change from Original Budget	Treatment of Grant
	2021/22 £000	2021/22 £000	2021/22 £000	Notes 2 - 5
<b>ECONOMY and GROWTH</b>				
<b>Specific Use (Held within Services)</b>	787	27,588	26,801	
<b>General Purpose (Held Corporately)</b>				
Homelessness Domestic Abuse New Burdens	0	9	9	SRE
<b>TOTAL ECONOMY and GROWTH</b>	<b>787</b>	<b>27,597</b>	<b>26,810</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.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 The increase in specific grants relates mainly to new Covid-19 business support grants. During 2020/21 the Government announced a number of grant schemes to provide support for businesses that were mandated to close as a result of the Covid-19 pandemic. Further one-off Restart grants were paid during 2021/22 to rate-paying non-essential retail business

premises and hospitality, accommodation, leisure, personal care and gym business premises to help them reopen safely. The Council was responsible for making grant payments to businesses registered for business rates under eligibility criteria set by Government. These are being administered from Economy and Growth.

3.3 Requests for the allocation of the additional specific grants received are detailed in **Table 2**. Previously approved additional specific grants are detailed in **Table 3**.

3.4 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

3.5 **Table 4** shows general purpose grants that have previously been approved. **Table 5** shows grant approvals resulting from urgent decisions.

**Table 2 – Supplementary Revenue Estimate Request for Allocation of Additional Grant Funding (Specific Purpose)**

Committee	Type of Grant	£000	Details
Economy and Growth	Local Enterprise Partnership (LEP): Growth Hub Funding	175	This is the incorporation by BEIS of what was previously separately classed as Growth Hub Supplementary Funding in 2020/21 into the Growth Hub Core Funding.
Economy and Growth	Local Enterprise Partnership (LEP): NP (Northern Powerhouse) 11	350	This grant is paid to Cheshire East Council as Accountable Body to the CWLEP (Cheshire & Warrington Local Enterprise Partnership). To enable the 11 Northern LEPs (the NP11) to develop a more unified Northern Powerhouse economic development programme and voice. The NP11 will work together on issues where a pan-Northern approach to economic development can add value.
Economy and Growth	Local Enterprise Partnership (LEP): Growth Hub Cluster Network - Peer Networks	150	This grant is paid to Cheshire East Council as Accountable Body to the CWLEP (Cheshire & Warrington Local Enterprise Partnership). Expenditure is reasonably incurred by the Cheshire and Warrington LEP for Cheshire East Borough Council via its Growth Hub in undertaking the programme of Peer Networks to provide support, advice and

Committee	Type of Grant	£000	Details
			training to assist businesses to navigate the challenges facing them in relation to Covid-19 by working through with peers actions and solutions. The Cheshire East Borough Council via its Growth Hub will act as the delivery body for the networking scheme; recruiting participants, organising facilitators/coaches, organising virtual and physical venues, liaising with the evaluation partner and reporting to on performance (the “Funded Activities”).
Economy and Growth	Local Enterprise Partnership (LEP): Skills Advisory Panel	75	This grant is paid to Cheshire East Council as Accountable Body to the CWLEP (Cheshire & Warrington Local Enterprise Partnership). Skills Advisory Panels are local partnerships that work to identify and address local skills priorities. They aim to strengthen the link between employers and skills providers – including colleges, independent training providers and universities.
Economy and Growth	Local Enterprise Partnership (LEP): Local Digital Skills Partnership Catalyst grant	75	Funding to tackle local digital skills gaps. This grant is to continue to fund staff (a ‘Local DSP Regional Coordinator’) to further project manage and coordinate the Local DSP.
<b>Specific Purpose Allocations less than £500,000</b>		<b>825</b>	
<b>Total Specific Purpose Allocations</b>		<b>825</b>	

**Table 3 - Summary of Grants already Approved (Specific Purpose)**

Committee	Type of Grant	£000	Details
Economy and Growth (July report)	Rough Sleeping Initiative	371	Funding has been used to establish or continue Rough Sleeping Initiative services agreed by the Ministry of Housing Communities and Local Government (MHCLG) to immediately intervene in, prevent and reduce rough sleeping in financial year 2021/22.
Economy and Growth (July report)	Homelessness Prevention	560	Homelessness Prevention Fund is to be used for the following: <ul style="list-style-type: none"> <li>- To fully enforce the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness</li> <li>- To reduce family temporary accommodation numbers through maximising family homelessness prevention</li> <li>- To eliminate the use of unsuitable bed and breakfast accommodation for families for longer than the statutory six week limit.</li> </ul>
Economy and Growth (July report)	Covid-19 Cold Weather Fund	6	The Cold Weather Fund is to be used to enhance accommodation provision such as access to the private rented sector, provide space in existing supported housing projects and fund more emergency accommodation for rough sleepers.
Economy and Growth (July report)	Covid-19 Welcome Back Fund	339	Funding to support the return to high streets safely and help build back better from the pandemic.
<b>Specific Purpose allocations already Approved</b>		<b>1,276</b>	

**Table 4 - Summary of Grant Expenditure already Approved from Central Budget General Purpose Grants**

Committee	Type of Grant	£000	Details
Economy and Growth (Outturn report)	Homelessness Domestic Abuse New Burdens	9	The grant should be used to delivery statutory homelessness duties in respect of victims of domestic abuse, as set out in the Housing Act 1996 and Homelessness (Priority need for Accommodation) (England) Order 2002, as amended by the Domestic Abuse Act 2021.
<b>General Purpose Allocations already Approved</b>		<b>9</b>	

**Table 5 - Urgent decisions made following Member consultation (Specific Purpose)**

Date	Summary of Decision	Decision on behalf of	Members, MO/S151 consulted/ content?	Status
15.04.21	A Supplementary Revenue Estimate be approved for the 2021/22 Financial Year, of <b>£21,294,675</b> to be funded from the <b>Local Authority Restart Grant 1 April 2021 – 31 July 2021</b> .  The Executive Director- Corporate Services be authorised to fully distribute such funding from the <b>Local Authority Restart Grant 1 April 2021 – 31 July 2021</b> in consultation with the appropriate Portfolio Holder.	Council	Yes	Decision made and Members notified
25.08.2021	Additional Restrictions Grant Top Up Determination: That:	Council	Yes	Decision made and Members notified

Date	Summary of Decision	Decision on behalf of	Members, MO/S151 consulted/ content?	Status
	<p>A Supplementary Revenue Estimate be approved, of £3,405,353 to be funded from the Additional Restrictions Grant.</p> <p>Officers be authorised to further develop and approve policies and procedures as may be required in respect of the Grant, subject to consultation with the Chair of the appropriate Committee.</p> <p>Officers also be authorised to distribute funding from the Grant, subject to consultation with the Chair of the appropriate Committee.</p>			

## 4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
<b>Economy and Growth Committee</b> Growth and Enterprise	808	513

# 5. Capital Strategy

## Economy and Growth

## CAPITAL

### CAPITAL PROGRAMME 2021/22- 2024/25

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2021/25	Forecast Funding					Total Funding
			Forecast Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Committed Schemes</b>													
Alsager Footpath No.10 S106	37	16	-	21	0	0	21		21				21
Archive Option Development	396	153	243	0	0	0	243					243	243
Countryside Capital Projects	64	0	64	0	0	0	64	64					64
Countryside Vehicles	101	0	101	0	0	0	101					101	101
Public Rights of Way Capital Works	108	0	108	0	0	0	108	108					108
Public Rights of Way Cmm A6 Marr	100	2	0	98	0	0	98	98					98
Public Rights of Way Flood Damage Investment	122	15	107	0	0	0	107					107	107
Public Rights of Way. Capital Structures	99	36	63	0	0	0	63					63	63
Queens Dr, Nantwich S106 Paths	60	38	12	10	0	0	22		22				22
Tatton Park Investment Phase 2	3,280	1,288	281	1,000	710	0	1,991					1,991	1,991
<b>Economic Development</b>													
Crewe Town Centre Regeneration	32,018	11,494	638	797	15,206	3,883	20,524	724	15			19,785	20,524
Digital Business Support Project	9,250	1,239	1,320	4,271	1,420	1000	8,011	7,758				253	8,011
Digital Infrastructure Project	29,524	28,929	300	295	0	0	595		48			547	595
Digital Infrastructure Project 2	6,235	5,355	548	332	0	0	880		313		177	390	880
Macclesfield Town Centre	2,219	528	1,691	0	0	0	1,691	5				1,686	1,691
North Cheshire Garden Village	29,728	4,857	1,100	13,746	10,025	0	24,870	21,700				3,170	24,870
South Macclesfield Development Area	24,814	2,655	1,195	13,091	7,873	0	22,159	10,000				12,159	22,159
Leighton Green	2,096	1,379	120	399	198	0	717					717	717
<b>Estates</b>													
Corporate Landlord - Operational	1,027	947	80	0	0	0	80					80	80
Farms Strategy	1,717	0	35	420	420	841	1,717				1,717		1,717
Fire Remedial Works	200	113	87	0	0	0	87					87	87
Malkins Bank Landfill Site	1,360	477	883	0	0	0	883				61	821	883
Premises Capital (Fm)	4,955	0	4,255	700	0	0	4,955					4,955	4,955
Schools Capital Maintenance	2,148	0	2,148	0	0	0	2,148	1,895	253				2,148
Septic Tanks	636	216	420	0	0	0	420					420	420
<b>Housing</b>													
Astbury Marsh Caravan Park	247	4	243	0	0	0	243					243	243
Disabled Facilities	5,718	0	2,500	3,218	0	0	5,718	4,713				1,005	5,718
Gypsy And Traveller Sites	3,267	1,157	1,000	1,109	0	0	2,109	550			58	1,501	2,109
Home Repairs Vulnerable People	600	41	250	309	0	0	559					559	559
Temporary Accommodation	466	300	-	166	0	0	166			166			166
Warm Homes Fund	239	132	107	-	0	0	107	107					107
<b>Total Committed Schemes</b>	<b>162,831</b>	<b>61,373</b>	<b>19,899</b>	<b>39,982</b>	<b>35,853</b>	<b>5,724</b>	<b>101,458</b>	<b>47,722</b>	<b>671</b>	<b>166</b>	<b>2,014</b>	<b>50,885</b>	<b>101,458</b>

CAPITAL PROGRAMME 2021/22- 2024/25

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2021/25	Forecast Funding					Total Funding
			Forecast Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>New Schemes</b>													
<b>Economic Development</b>													
Demolition of Crewe Library & Concourse	2,765	0	100	0	2,665	0	2,765	1,242				1,523	2,765
Future High Street Funding - CEC Innovation Centre	1,169	0	75	500	594	0	1,169	1,169					1,169
Future High Street Funding - Centralised Budget	0	0	0	0	0	0	0						0
Future High Street Funding - Christ Church Innovation Centre	1,934	0	75	500	1,359	0	1,934	1,934					1,934
Future High Street Funding - Sustainable Energy Network	2,577	0	1,577	1,000	0	0	2,577	2,577					2,577
Public Sector Decarbonisation Fund - Cledford	165	0	165	0	0	0	165	165					165
Public Sector Decarbonisation Fund - Substation	120	0	120	0	0	0	120	120					120
Macclesfield Town Hall Air source heat pump	604	0	604	0	0	0	604	604					604
Public Sector Decarbonisation Fund - Facilities	1,997	22	1,974	0	0	0	1,974	1,974					1,974
Future High Street Funding - Chester Street	1,378	0	5	271	1,102	0	1,378	1,378					1,378
Future High Street Funding - Delamere Street	1,459	0	5	287	1,167	0	1,459	1,459					1,459
<b>Housing</b>													
Green Homes Grant	3,890	0	3,890	0	0	0	3,890	3,890					3,890
Green Investment Scheme (Solar Farm)	3,950	23	450	3,477	0	0	3,927					3,927	3,927
<b>Total New Schemes</b>	<b>22,008</b>	<b>45</b>	<b>9,041</b>	<b>6,034</b>	<b>6,888</b>	<b>0</b>	<b>21,963</b>	<b>16,513</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,450</b>	<b>21,963</b>
<b>Total Economy and Growth Schemes</b>	<b>184,839</b>	<b>61,418</b>	<b>28,940</b>	<b>46,016</b>	<b>42,740</b>	<b>5,724</b>	<b>123,421</b>	<b>64,236</b>	<b>671</b>	<b>166</b>	<b>2,014</b>	<b>56,335</b>	<b>123,421</b>

## 6. Reserves Strategy

Name of Reserve	Opening Balance 1st April 2021 £000	Forecast Movement in Reserves 2021/22 £000	Forecast Closing Balance 31st March 2022 £000	Notes
<b>Directorate (Economy and Growth Committee)</b>				
Place Directorate	1,254	(355)	899	To support a number of widespread projects within the Place Directorate
Investment (Sustainability)	682	(227)	455	To support investment that can increase longer term financial independence and stability of the Council.
<b>Growth and Enterprise (Economy and Growth Committee)</b>				
Royal Arcade Crewe	99	(99)	0	Original purpose was to fund vacant possession related costs for the Royal Arcade until demolition. The balance will now be used to pay for ongoing maintenance costs for Crewe Bus station which will be incurred in FM.
Homelessness & Housing Options	53	(53)	0	To prevent homelessness and mitigate against the risk of increased temporary accommodation costs.
Legal Proceedings	560	(450)	110	To enable legal proceedings on land and property matters.
<b>TOTAL</b>	<b>2,648</b>	<b>(1,184)</b>	<b>1,464</b>	

# Appendix 7

## Environment and Communities Committee

### 1. Changes to Revenue Budget 2021/22 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
<b>Environment and Communities</b>				
Environment & Neighbourhood Service	41,899	470	(73)	42,296
	41,899	470	(73)	42,296

## 2. Policy Proposal Update

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[41] Ansa income generation and efficiencies	-259				May not be achieved in full due to increase in the amount of waste being produced with more people working at home
[84] Waste contract inflation and tonnage growth	810	644	657	613	There is a risk that the planned growth for 2021/22 and future years will not be sufficient due to the higher volumes of waste being produced per household
[39] ASDV governance review / commercial income	-315	-225	-100		The 2021/22 saving may not be achieved in full due to a delay in concluding the ASDV Review programme
[85] Carbon Neutral Action Plan delivery	96	20	-81		On track
[29] Orbitas income and management fee	32	21			On track

Budget Policy Proposal	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	In Year Update
[31] ESAR Annual Management fee	-43	-42	-41	-40	On track
[42] Strategic leisure review		-250			On track
[86] Tree Risk Management		500			On track
[26] Regulatory Services ICT system		-9			On track
[22] Flexible resourcing	-50				On track
[27] CCTV Migration to wireless		-85			Dependent on procurement of new contract

### 3. Corporate Grants Register

**Table 1 – Corporate Grants Register**

Grants 2021/22	Original Budget	Revised Forecast	Change from Original Budget	Treatment of Grant
	2021/22 £000	2021/22 £000	2021/22 £000	Notes 2 - 5
<b>ENVIRONMENT and COMMUNITIES</b>				
<b>Specific Use (Held within Services)</b>	0	850	850	SRE
<b>General Purpose (Held Corporately)</b>				
Neighbourhood Planning Grant	0	70	70	SRE
<b>TOTAL ENVIRONMENT and COMMUNITIES</b>	<b>0</b>	<b>920</b>	<b>920</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.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 The increase in specific grants relates to HS2 Environmental and Landscape Mitigation Fund. Requests for the allocation of the additional specific grants received are detailed in **Table 2**.

3.3 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

3.4 **Table 3** shows general purpose grants that have previously been approved.

**Table 2 – Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose)**

Committee	Type of Grant	£000	Details
Environment and Communities	HS2 Phase 2a Environmental and Landscape Mitigation Fund	850	£700,000 Environment and Landscape Enhancements Fund to enable the Council to initiate and deliver additional mitigation against the environmental, landscape and ecological impacts of the scheme. A further £150,000 was secured by an assurance to Cheshire Wildlife Trust which was agreed would be administered by the Council.
<b>Total Specific Purpose Allocation for Committee Approval</b>		<b>850</b>	
<b>Total Specific Purpose Allocations</b>		<b>850</b>	

**Table 3 - Summary of Grant Expenditure already Approved from Central Budget General Purpose Grants**

Committee	Type of Grant	£000	Details
Environment and Communities (Outturn report)	Neighbourhood Planning Grant	70	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.
<b>General Purpose Allocations already Approved</b>		<b>70</b>	

## 4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
<b>Environment and Communities Committee</b>		
Environment and Neighbourhood Services	106	57

# 5. Capital Strategy

## Environment and Communities

## CAPITAL

### CAPITAL PROGRAMME 2021/22- 2024/25

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2021/25	Forecast Funding					Total Funding
			Forecast Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Committed Schemes</b>													
<b>Environment Services</b>													
Arnold Rhodes Public Open Space Improvements Phase 2	94	89	5	0	0	0	5		5				5
Bereavement Service Data System	35	0	35	0	0	0	35			35			35
Browns Lane, Wilmslow Play Area	585	510	74	0	0	0	74		74				74
Church Lane Community Park Development	95	90	5	0	0	0	5		5				5
Energy Improvements at Cledford Lane	985	785	199	0	0	0	199					199	199
Hassall Road Play Area Improvements	77	0	77	0	0	0	77		77				77
Household Bins Schemes	2,189	2,039	50	50	50		150					150	150
Household Waste Recycling Centre	145	101	45	0	0	0	45					45	45
Litter and Recycling Bins	208	56	52	50	50		152					152	152
Mere Court Open Space	157	148	9	0	0	0	9		9				9
Newtown Outdoor Pitch Improvements	51	39	12	0	0	0	12		12				12
Newtown Sports Facilities Improvements	51	41	10	0	0	0	10		10				10
Park Development Fund	626	484	142	0	0	0	142					142	142
Pastures Wood	51	11	40	0	0	0	40		15	25			40
Queens Park Lake Planting	18	17	1	0	0	0	1		1				1
Queens Park Play Area Improvements	100	0	100	0	0	0	100	94				6	100
Robin Lane Park Improvements	109	48	61	0	0	0	61	42				19	61
Rotherhead Drive Open Space and Play Area	141	0	141	0	0	0	141		141				141
Rugby Drive Playing Fields	308	193	115	0	0	0	115		115				115
Station Road Playground, Wrenbury	10	0	10	0	0	0	10		10				10
Victoria Park Pitch Improvements	29	3	26	0	0	0	26		26				26
West Park Skate Ramp Provision	34	0	34	0	0	0	34		34				34
Wynbunbury Parish Open Space	5	1	4	0	0	0	4		4				4
Wybunbury Road, Willaston Play Area	63	37	26	0	0	0	26		26				26
<b>Neighbourhood Services</b>													
Congleton Leisure Centre	11,750	1,134	6,000	4,600	16	0	10,616					10,616	10,616
Macclesfield Leisure Centre Improvements	4,000	3,396	500	104	0	0	604					604	604
Middlewich Leisure Centre	60	0	60	0	0	0	60					60	60
Nantwich Pool Improvements	1,874	211	1,663	0	0	0	1,663					1,663	1,663
Next Generation - Self Service	374	322	52	0	0	0	52					52	52
Poynton Leisure Centre	4,606	391	500	3,715	0	0	4,215					4,215	4,215
Regulatory Services & Environmental Health ICT System	253	198	55	0	0	0	55			50		5	55
Replacement CCTV Cameras	205	0	205	0	0	0	205			205			205

CAPITAL PROGRAMME 2021/22- 2024/25

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2021/25	Forecast Funding					Total Funding
			Forecast Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
<b>Committed Schemes</b>													
<b>Planning Services</b>													
Replacement Planning & Building	410	22	123	265	0	0	388					388	388
<b>Total Environment and Communities Schemes</b>	<b>29,697</b>	<b>10,366</b>	<b>10,431</b>	<b>8,785</b>	<b>116</b>	<b>0</b>	<b>19,331</b>	<b>136</b>	<b>565</b>	<b>315</b>	<b>0</b>	<b>18,315</b>	<b>19,331</b>

## 6. Reserves Strategy

Name of Reserve	Opening Balance 1st April 2021	Forecast Movement in Reserves 2021/22	Forecast Closing Balance 31st March 2022	Notes
	£000	£000	£000	
<b>Environment and Neighbourhood Services (Environment and Growth Committee)</b>				
Strategic Planning	638	(209)	429	To meet costs associated with the Local Plan - site allocations and minerals and waste DPD
Air Quality	39	(39)	0	Air Quality Management - DEFRA Action Plan.
Licensing Enforcement	15	(15)	0	Three year reserve to fund a third party review and update of the Cheshire East Council Taxi Licensing Enforcement Policies.
Trees / Structures Risk Management	627	(627)	0	New reserve to respond to increases in risks relating to the environment, in particular the management of trees, structures and dealing with adverse weather events.
<b>TOTAL</b>	<b>1,319</b>	<b>(890)</b>	<b>429</b>	

# Appendix 8

## Treasury Management Strategy

### Treasury Management Report

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## 1. Background

- 1.1 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.
- 1.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 1.3 Investments held for service purposes or for commercial profit are considered in the Investment Report (see **Appendix 9**).

## 2. External Context

- 1.4 **Economic background:** The economic recovery from coronavirus pandemic continued to dominate the first half of the financial year. By the end of the period over 48 million people in the UK had received their first dose of a Covid-19 vaccine and almost 45 million their second dose.
- 1.5 The Bank of England (BoE) held Bank Rate at 0.1% throughout the period and maintained its Quantitative Easing programme at £895 billion, unchanged since the November 2020 meeting. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent. Within the announcement, Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% (from 2.9%), in part reflecting tighter supply conditions. The path of CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation. While the Monetary Policy Committee meeting ended with policy rates unchanged, the tone was more hawkish.
- 1.6 Government initiatives continued to support the economy over the quarter but came to an end on 30 September 2021, with businesses required to either take back the 1.6 million workers on the furlough scheme or make them redundant.

- 1.7 The latest labour market data showed that in the three months to July 2021 the unemployment rate fell to 4.6%. The employment rate increased, and economic activity rates decreased, suggesting an improving labour market picture. Latest data showed growth in average total pay (including bonuses) and regular pay (excluding bonuses) among employees was 8.3% and 6.3% respectively over the period. However, part of the robust growth figures is due to a base effect from a decline in average pay in the spring of last year associated with the furlough scheme.
- 1.8 Annual CPI inflation rose to 3.2% in August, exceeding expectations for 2.9%, with the largest upward contribution coming from restaurants and hotels. The Bank of England now expects inflation to exceed 4% by the end of the calendar year owing largely to developments in energy and goods prices. The Office of National Statistics' (ONS') preferred measure of CPIH which includes owner-occupied housing was 3.0% year/year, marginally higher than expectations for 2.7%.
- 1.9 The easing of restrictions boosted activity in the second quarter of calendar year, helping push GDP up by 5.5% quarter on quarter(q/q) (final estimate vs 4.8% q/q initial estimate). Household consumption was the largest contributor. Within the sector breakdown production contributed 1.0% q/q, construction 3.8% q/q and services 6.5% q/q, taking all of these close to their pre-pandemic levels.
- 1.10 The US economy grew by 6.3% in quarter 1 2021 (Jan-Mar) and then by an even stronger 6.6% in quarter 2 as the recovery continued. The Federal Reserve maintained its main interest rate at between 0% and 0.25% over the period but in its most recent meeting made suggestion that monetary policy may start to be tightened soon.
- 1.11 The European Central Bank maintained its base rate at 0%, deposit rate at -0.5% and asset purchase scheme at €1.85 trillion.
- 1.12 **Financial Markets:** Monetary and fiscal stimulus together with rising economic growth and the ongoing vaccine rollout programmes continued to support equity markets over most of the period, albeit with a bumpy ride towards the end. The Dow Jones hit another record high while the UK-focused FTSE 250 index continued making gains over pre-pandemic levels. The more internationally focused FTSE 100 saw more modest gains over the period and remains below its pre-crisis peak.
- 1.13 Inflation worries continued during the period. Declines in bond yields in the first quarter of the financial year suggested bond markets were expecting any general price increases to be less severe, or more transitory, that was previously thought. However, an increase in gas prices in the UK and EU, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused

problems for a range of industries and, in some instance, lead to higher prices.

- 1.14 **Credit Review:** Credit default swap spreads were flat over most of period and are broadly in line with their pre-pandemic levels. In late September spreads rose by a few basis points due to concerns around Chinese property developer Evergrande defaulting but are now falling back. The gap in spreads between UK ringfenced and non-ringfenced entities continued to narrow, but Santander UK remained an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 53bps and Lloyds Banks Plc the lowest at 32bps. The other ringfenced banks were trading between 37-39bps and Nationwide Building Society was 39bps.
- 1.15 Over the period Fitch and Moody's upwardly revised to stable the outlook on a number of UK banks and building societies on our counterparty list, recognising their improved capital positions compared to last year and better economic growth prospects in the UK.
- 1.16 The successful vaccine rollout programme is credit positive for the financial services sector in general and the improved economic outlook has meant some institutions have been able to reduce provisions for bad

loans. While there is still uncertainty around the full extent of the losses banks and building societies will suffer due to the pandemic-related economic slowdown, the sector is in a generally better position now compared to earlier this year and 2020.

- 1.17 At the end of the period Arlingclose had completed its full review of its credit advice on unsecured deposits. The outcome of this review included the addition of NatWest Markets plc to the counterparty list together with the removal of the suspension of Handelsbanken plc. In addition, the maximum duration for all recommended counterparties was extended to 100 days.
- 1.18 An outlook for the remainder of 2021/22 and interest rate forecast provided by Arlingclose is attached at **Annex A**.

### 3. Local Context

- 1.19 As at 31 August 2021 the Authority has borrowings of £163m and investments of £44m. This is set out in further detail at **Annex B**. Forecast changes in these sums are shown in the balance sheet analysis in **Table 1** below.

Table 1: Balance Sheet Summary and Forecast

	31/03/21 Actual £m	31/03/22 Estimate £m	31/03/23 Estimate £m	31/03/24 Estimate £m	31/03/25 Estimate £m
General Fund CFR	403	436	474	498	516
Less: Other long term liabilities *	(22)	(21)	(20)	(18)	(17)
<b>Loans CFR</b>	<b>381</b>	<b>415</b>	<b>454</b>	<b>480</b>	<b>499</b>
Less: External borrowing **	(190)	(78)	(77)	(77)	(77)
<b>Internal (over) borrowing</b>	<b>191</b>	<b>337</b>	<b>377</b>	<b>403</b>	<b>422</b>
Less: Usable reserves	(101)	(131)	(128)	(124)	(119)
Less: Working capital	(80)	(80)	(75)	(73)	(71)
<b>Investments (or New borrowing)</b>	<b>(10)</b>	<b>(126)</b>	<b>(174)</b>	<b>(206)</b>	<b>(232)</b>

\* finance leases and PFI liabilities that form part of the Authority's debt

\*\* shows only loans to which the Authority is committed and excludes optional refinancing

1.20 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

1.21 The Authority has an increasing CFR due to the capital programme and will therefore be required to borrow up to £74m over the forecast period.

1.22 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. **Table 1** shows that the Authority expects to comply with this recommendation during 2021/22.

1.23 **Liability Benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same

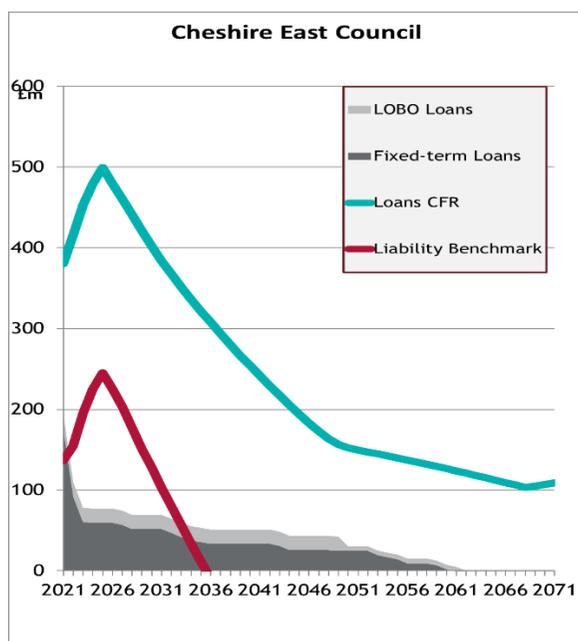
forecasts as **Table 1** above, but that cash and investment balances are kept to a minimum level of £20m at each year-end to maintain a core strategic investment.

**Table 2: Liability Benchmark**

	31/03/21 Actual £m	31/03/22 Estimate £m	31/03/23 Estimate £m	31/03/24 Estimate £m	31/03/25 Estimate £m
Loans CFR	381	415	454	480	499
Less: Usable reserves	(101)	(131)	(128)	(124)	(119)
Less: Working capital	(80)	(80)	(75)	(73)	(71)
Plus: Minimum investments	20	20	20	20	20
<b>Liability Benchmark</b>	<b>220</b>	<b>224</b>	<b>271</b>	<b>303</b>	<b>329</b>

1.24 Following on from the medium-term forecasts in **Table 2** above the long-term liability benchmark assumes minimum revenue provision on new capital expenditure based on a 25 year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year. This is shown in **Chart 1**.

**Chart 1: Liability Benchmark Chart**



## 4. Borrowing Strategy

1.25 The Authority currently holds loans of £163m, a decrease of £27m since 31 March 2021. This will increase to a higher level, currently forecast as £170m

at 31 March 2022. PWLB debt is reducing by £1m this year whilst cash flow shortfalls caused by internal borrowing are being funded through cheaper short term borrowing. The amount of temporary borrowing continues to be affected by Covid-19 mitigation measures and grants.

1.26 At the moment this is being met by temporary borrowing from other Local Authorities which is considerably cheaper than other sources of borrowing. As rates are still low and the liquidity of short term markets at year end is often tighter, new borrowings from September onwards are for maturity dates extending into 2022/23. The cost (including fees) to 31 August 2021 is around 0.22% although new borrowings are now at even lower rates. If the predicted interest environment changes or the availability of temporary borrowing changes then this strategy will be re-assessed. A full list of current temporary borrowings is shown below in **Table 3**.

**Table 3 – Current Temporary Borrowing**

Lender	Start	Maturity	Rate %	£m
Evergreen Fund (CW LEP)	Call Account		0.02	4.5
Devon & Somerset Fire & Rescue	06/07/21	06/09/21	0.02	3.0
Kensington & Chelsea	08/03/21	08/09/21	0.20	5.0
Wokingham	11/09/19	10/09/21	0.90	5.0
Middlesbrough	12/08/21	13/09/21	0.01	5.0
Bridgend CBC	21/06/21	21/09/21	0.03	5.0
Greater Manchester CA	22/06/21	22/09/21	0.04	10.0
Renfrewshire	08/04/21	08/10/21	0.09	5.0
West Midlands CA	21/07/21	21/10/21	0.02	5.0
West Midlands CA	20/08/21	22/11/21	0.02	5.0
Maldon	24/05/21	24/11/21	0.05	2.0
Northern Ireland Housing Executive	25/05/21	25/11/21	0.05	5.0
Northern Ireland Housing Executive	22/06/21	13/12/21	0.05	9.0
Richmond Upon Thames	22/06/21	16/12/21	0.05	5.0
Newham	30/07/21	31/01/22	0.02	5.0
Wokingham	13/08/21	01/02/22	0.02	5.0
<b>TOTAL</b>				<b>83.5</b>

1.27 **LOBO's:** The Authority holds £17m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2021/22, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

## 5. Investment Strategy

1.28 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. Due to the overriding need for short term borrowing, other than £20m invested strategically in managed funds, the investments are generally short term for liquidity purposes. However, receipt of Government funding due to Covid-19 measures and other schemes in advance of expenditure has, at times, led to higher balances than expected. The level at 31 August 2021 is £44m.

1.29 The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring

losses from defaults and the risk of receiving unsuitably low investment income.

1.30 The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. The maximum amount and duration of investments with any institution depends on the organisations credit rating, the type of investment and for banks and building societies, the security of the investment. Generally credit rated banks and building societies have been set at a maximum value of £6m for unsecured investments and £12m for secured investments. Any limits also apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £12m per fund. All potential counterparties are kept under continual review by our treasury advisors and advisory lower limits than those contained in the strategy are applied.

1.31 Treasury Management income to 31 August 2021 is £375,000 which is higher than the budgeted £350,000. Borrowing costs are also lower than budgeted at £79,000 compared to budget of £167,000. The level of cash balances is expected to peak in October at around £60m after which they will decrease in line with normal Local Authority cash flows resulting in a continued need to borrow.

- The average daily investment balance including managed funds up to 31 August 2021 is £40.2m

- The average annualized interest rate received on in-house investments during 2021/22 is 0.02%
- The average annualized interest rate received on the externally managed funds during 2021/22 is 4.46%

1.32 The Authority’s total average interest rate on all investments in 2021/22 is 2.23%. The returns continue to exceed our benchmark, the London Inter-bank Bid Rate for 7 days at 0.05%, and our own performance target of 0.60% (Base Rate + 0.50%).

**Table 4 – Interest Rate Comparison**

Comparator	Average Rate to 31/08/2021
Cheshire East	2.23%
LIBID 7 Day Rate	0.05%
LIBID 3 Month Rate	0.05%
Base Rate	0.10%
Target Rate	0.60%

1.33 As the Authority holds a large amount of reserves and working capital, £20m of this has been placed in strategic investments in order to benefit from higher income returns whilst spreading risk across different asset classes.

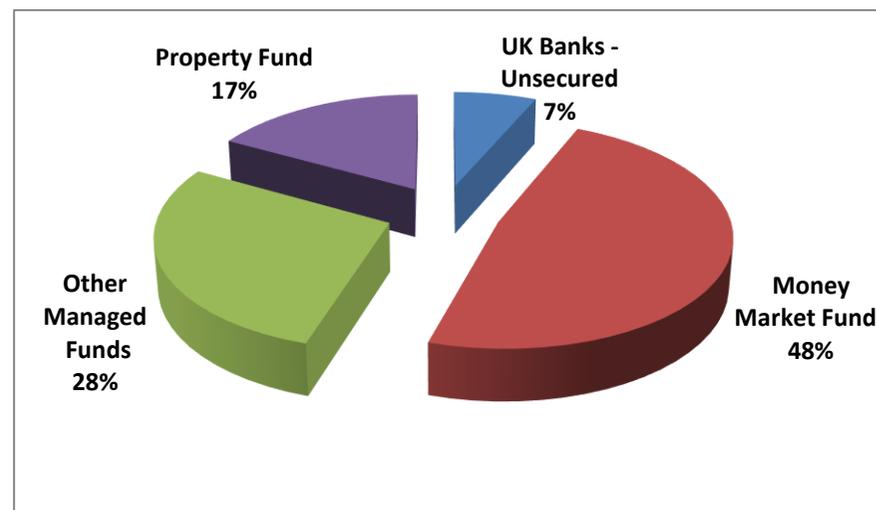
1.34 The investments are in five different funds which are all designed to give an annual income return between 4% and 5% but which have different underlying levels of volatility. By spreading investments across different types of fund, the intention is to dampen any large fluctuations in the underlying value of the investments.

**Table 5 –Strategic Investments**

Fund Manager	Asset Class	Invested £m	Current Value £m
CCLA	Property	7.5	8.1
Aegon	Multi Asset	5.0	5.1
Fidelity	Equity - Global	4.0	4.2
Schroders	Equity - UK	2.5	2.2
M & G	Bonds	1.0	1.0
<b>TOTAL</b>		<b>20.0</b>	<b>20.6</b>

1.35 The value of these investments does vary. The effects of Covid-19 on financial markets and values of underlying assets has been considerable. Most funds have recovered well and fund values at 31 August 2021 are higher than the amounts invested. All funds continue to deliver high levels of income return.

**Chart 2 – Current Investments by Counterparty Type**



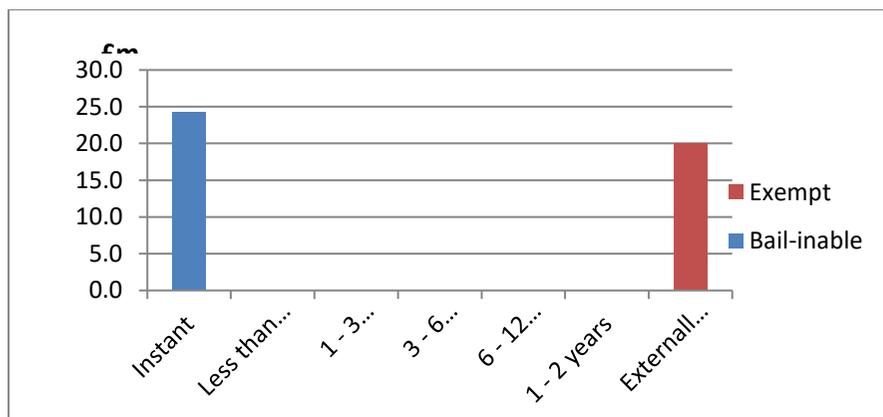
**Table 6 – Types of Investments and Current Interest Rates**

Instant Access Accounts	Average Rate %	£m
Money Market Funds	0.02	21.3
Barclays Bank	0.01	2.9

Externally Managed Funds	£m
Total – see table 5	20.0

Summary of Current Investments	£m
<b>TOTAL</b>	<b>44.2</b>

**Chart 3 – Maturity Profile of Investments**



Note: Bail-inable means that in the event of default the counterparty may be required to use part of the investments as their own capital in which case the Council would not get back as much as they invested. This would apply with most bank and Building Society investments.

## 6. Treasury Management Indicators

1.36 The Authority measures and manages its exposures to treasury management risks using the following indicators.

1.37 **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limit on the one-year revenue impact of a 1% rise in interest rates is:

Interest Rate Risk Indicator	Limit
Upper limit on one-year revenue impact of a 1% <b>rise</b> in interest rates	£582,500
Likely revenue impact in 2021/22 of a 1% <b>rise</b> in interest rates after 31 August 2021	£262,500

1.38 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates. The Council is expected to remain a net borrower in 2021/22 so a fall in rates would lead to savings rather than incurring additional cost so a limit of £0 was set.

1.39 **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. Lower limits have been set at 0%. The upper limits on the maturity structure of borrowing and the actual maturity profiles as at 31 August 2021 are:

Refinancing rate risk indicator	Upper Limit	Actual
Under 12 months	70%	63%
12 months and within 24 months	35%	0%
24 months and within 5 years	35%	0%
5 years and within 10 years	75%	11%

Refinancing rate risk indicator	Upper Limit	Actual
10 years and within 20 years	100%	10%
20 years and above	100%	16%

1.40 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. The upper limit for loans maturing in under 12 months is relatively high as short term funding is currently considerably cheaper than alternatives and allows for LOBO loans which, although unlikely, have the potential to be repaid early. This will be kept under review as it does increase the risk of higher financing costs in the future.

1.41 **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

Price Risk Indicator	2021/22	2022/23	2023/24
Limit on principal invested beyond year end	£25m	£15m	£10m
Actual amounts committed beyond year end	£0m	£0m	£0m

## Annex A: Economic & Interest Rate Outlook for Remainder of 2021/22

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
<b>Official Bank Rate</b>													
<b>Upside risk</b>	0.00	0.15	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
<b>Arlingclose Central Case</b>	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Downside risk</b>	0.00	0.00	0.15	0.15	0.15	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

Arlingclose expects Bank Rate to rise in quarter 2 2022. We believe this is driven as much by the Bank of England's desire to move from emergency levels as by fears of inflationary pressure.

The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit.

While quarter 2 UK GDP expanded more quickly than initially thought, the 'pingdemic' and more latterly supply disruption will leave quarter 3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of

recovery, will slow considerably as the economy is taken off life support.

Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.

The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increased in wages is possible given the pressures on businesses.

Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.

The MPC appears to be playing both sides, but has made

clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

## Annex B: Existing Investment & Debt Portfolio Position

	31/08/21 Actual Portfolio £m	31/08/21 Average Rate for the year %
<b>External Borrowing:</b>		
PWLB – Fixed Rate	61	4.50%
Local Authorities	84	0.15%
LOBO Loans	17	4.63%
Other	1	-
<b>Total External Borrowing</b>	<b>163</b>	<b>2.24%</b>
<b>Other Long Term Liabilities:</b>		
PFI	21	-
Finance Leases	1	-
<b>Total Gross External Debt</b>	<b>185</b>	<b>-</b>
<b>Investments:</b>		
<i>Managed in-house</i>		
Short-term investments:		
Instant Access	21	0.02%
Call Accounts	3	0.01%
<i>Managed externally</i>		
Property Fund	7.5	4.00%
Multi Asset Fund	5	5.92%
Equity - Global	4	5.17%
Equity - UK	2.5	5.96%
Bonds	1	2.46%
<b>Total Investments</b>	<b>44</b>	<b>2.23%</b>
<b>Net Debt</b>	<b>141</b>	<b>-</b>

# Appendix 9

## Investment Strategy

### 1. Purpose

- 1.1 The Investment Strategy is part of a suite of related documents, and focuses predominantly on matters not covered by Capital Strategy and Treasury Management Strategy.
- 1.2 The Authority invests its money for three broad purposes:
  - because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
  - to support local public services by lending to or buying shares in other organisations (**service investments**), and
  - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.3 Often there may be a crossover with investments within the Authority. Whilst a return may be a by product of an investment this is rarely the overriding reason for making or retaining an investment. It will be linked to other long term strategic or regeneration factors.
- 1.4 The investment strategy meets the requirements of the statutory guidance issued by MHCLG in February 2018, and

focuses on the second and third of the investment categories.

### 2. Treasury Management Investments

- 1.5 The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £20m and £73m during the 2021/22 financial year.
- 1.6 Full details of the Authority's policies and plans for 2021/22 for treasury management investments are covered the Treasury Management Strategy (**Appendix 8**).

### 3. Service Investments: Loans

- 1.7 Current loan balances are shown in the table below. Upper limits on the outstanding loans to each category of borrower were set through the MTFS process but Covid-19 has impacted upon the Council's appetite for investment:

**Table 1: Loans for service purposes in £'000**

Category of borrower	31/03/21	As at 31/08/21			2021/22
	Actual	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	0	0	0	0	2,000
Suppliers	24	24	1	23	500
Local businesses	5,738	5,982	70	5,912	30,000
Local charities	598	598	79	519	2,500
<b>TOTAL</b>	<b>6,360</b>	<b>6,604</b>	<b>150</b>	<b>6,454</b>	<b>35,000</b>

- 1.8 Loans have been provided to Everybody Sport & Recreation Trust (ESAR) for the purpose of investing in new equipment, with the aim of increasing the usage and improving the health of residents.
- 1.9 In March 2013, Astra Zeneca announced it was relocating its R&D function from Alderley Park to Cambridge. In order to retain the expertise in the region and to stimulate local economic growth the Council has invested in Alderley Park Holdings Ltd by way of equity investment and loans. The loan was an integral component of the 10% equity stake and therefore needs to be viewed in conjunction with the equity investment.
- 1.10 In addition, the Council has committed to investing £5m (and lent £4.5m as at 31 August 2021) in the Greater Manchester & Cheshire Life Science Fund, a venture capital fund investing in a range of life science businesses. Partners in

the Fund include the Greater Manchester Combined Authority, Cheshire & Warrington Local Enterprise Partnership and Alderley Park Holdings Ltd. The Fund has a regional focus and seeks to target companies looking to re-locate a material part of their business within the Greater Manchester and Cheshire and Warrington areas, which includes Alderley Park where the Fund is based.

- 1.11 The nature of the loans is that they do not attract an interest rate and returns are dependent upon the success of individual investments made by the Fund. The GM Life Science Fund is “revalued” on an annual basis based upon the net asset valuation of the Fund and this largely accounts for the notional negative return of the loan category in 2021/22. It should be noted that whilst the investment in the Life Science Fund is high risk it is also long-term in nature, so year-by-year fluctuations are to be expected but gains or losses will only crystallize when funds are extracted.
- 1.12 Only the ESAR loans are interest bearing and are reflected in the “Local Charities” category. These are accrued at a rate of Bank of England base rate plus 4%.
- 1.13 The loss allowance figure does not necessarily reflect our anticipation or expectation that loans will need to be written down. Instead the allowance represents a prudent accounting treatment required by CIPFA guidance. The figures for loans in the Authority’s statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

## 4. Service Investments: Shares

- 1.14 The Authority has invested in Alderley Park Holdings Limited in order to maintain and stimulate the key strategic industry of life sciences within the Borough. Cheshire East is a 10% shareholder in Alderley Park, and has invested in the development of the site along with Bruntwood (51% shareholder) and Manchester Science Partnerships (39% shareholder).
- 1.15 This should be seen as a long-term strategic investment. There have been no dividend returns and any changes in % returns have been based upon the increase in value of our share of the underlying assets. The valuation is still greater than the purchase prices and the underlying assets at Alderley Park remain strong, with a pipeline of future investments in place.
- 1.16 A gain or loss to the Council's Revenue and Capital Receipts accounts would only crystallise in the event of divesting our equity stake.
- 1.17 The Council also has shares in its subsidiary, wholly owned companies. However they are of nominal value, and consequently whilst the turnover of the group of companies is significant (£60m in aggregate) the share values are not considered material in the context of this Investment Strategy.
- 1.18 Upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares held for service purposes in £'000

Category of company	31.3. 2021 actual	As at 31/10/2020			2020/21
		Amounts invested	Gains or losses	Value in accounts	Approved Limit (cost of investment)
Local Businesses	3,410	1,070	2,340	3,410	10,000
<b>TOTAL</b>	<b>3,410</b>	<b>1,070</b>	<b>2,340</b>	<b>3,410</b>	<b>10,000</b>

## 5. Commercial Investments: Property

- 1.19 For the purpose of this paper it should be noted that MHCLG defines property to be an investment if it is held primarily or partially to generate a profit. In order to comply with this the Authority is having to include several assets in **Table 3** that might otherwise be excluded as they are not being held to primarily generate a yield or return.
- 1.20 Central government continues to express concern over the level of commercial investments held by Local Authorities and the risk that this presents to residents in the event that an Authority becomes over exposed.
- 1.21 The government has effectively regulated against the purchase of commercial assets primarily for generating yield. This is a significant move which will limit the Authorities ability to invest in commercial property for investment purposes. Careful attention will need to ensure

that yield is an incidental factor in any future decision to invest in a commercial property investment.

- 1.22 The most significant commercial investment acquired by the Authority is land and buildings on the North and East side of Weston Road in Crewe purchased in April 2019. This accounts for 80% of the value in the accounts at 31 March 2021.
- 1.23 For the purpose of this report we have revisited the historic purchase costs of the assets included in the categories below. For those that were inherited by Cheshire East Council we have used the valuation at 2009/10. This is to allow for a simple and crude calculation of yield.
- 1.24 The value of properties is updated annually. The most recent valuation is from March 2021 and reflect the first year of Covid-19. It is possible that Covid has further impacted some valuations but we will not have a detailed assessment of this until after the end of the financial year. What we can see is that the value of retail property held up whilst that of industrial units and enterprise centres was valued downwards. Both categories are still valued at more than purchase cost. There has been a reclassification in the year and the single residential property has been removed from this listing as it was not deemed appropriate to classify it as an investment asset. This resulted in £240,000 being removed from the valuation.

**Table 3: Property held for investment purposes in £'000**

Property	Actual	31/03/21 actual		31/03/22 expected		2021/22 Approval Limit
	Purchase cost	Gains or (losses) in-year	Value in accounts (includes gains/ (losses) to date	Gains or (losses)	Value in accounts	
Industrial Units	1,492	(236)	1,729	0	1,729	
Enterprise Centres	245	(30)	320	0	320	
Retail	23,300	734	25,604	0	25,604	
<b>Total</b>	<b>25,037</b>	<b>468</b>	<b>27,653</b>	<b>0</b>	<b>27,653</b>	<b>100,000</b>

## 6. Commercial Investments: Loans

- 1.25 In considering commercial investment opportunities, the Council will adopt a prudent approach, with two underlying objectives:
- **Security** – protecting the capital sum invested from loss
  - **Liquidity** – ensuring the funds invested are available when needed
- 1.26 The Council has entered into a £10m loan agreement with Cheshire & Warrington Local Enterprise Partnership linked to developments within the Business Rates Enterprise Zone. The intention is to stimulate economic development and achieve payback from retained business rates.

1.27 The first loans in respect of Alderley Park Glasshouse and Blocks 22-24 were made in December 2020. Together they total £8m. Interest is accruing on each loan.

Category of borrower	31/03/21	As at 31/08/21			2021/22
	Actual	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Partner Organisations	8,073	8,179	368	7,811	20,000
<b>TOTAL</b>	<b>8,073</b>	<b>8,179</b>	<b>368</b>	<b>7,811</b>	<b>20,000</b>

## 7. Loan Commitments and Financial Guarantees

- 1.28 As Accountable Body for the Cheshire & Warrington Local Enterprise Partnership, the Council acts as Entrusted Entity to a £20m European Regional Development Fund (ERDF) supported Urban Development Fund which is about to commence. The Council, as contracting party, provides guarantees in respect of the amounts provided through ERDF.
- 1.29 The fund is designed to provide loan finance to specific projects across Cheshire and will not generate a return for the Authority. As such the balances are not included in the investment tables above. The workings of the fund are subject to detailed scrutiny and are managed by a firm of experienced fund managers with a strong track record of providing loans that minimise the risk of default. The

Council, as contracting party, will provide guarantees in respect of the amounts provided through ERDF though this will be offset by the professional indemnity insurance held by the fund manager.

- 1.30 To date the fund has made a number of drawdowns against the initial £5m received from ERDF. The interest due also sits outside of this Strategy.

## 8. Proportionality

- 1.31 The Authority is only partially dependent on profit generating investment activity to achieve a balanced revenue budget, in respect of Place services. Within the Authority the proportion is consistently below 2.5% and is deemed immaterial. Such is the low proportion that it represents, should it fail to achieve the expected net return, the Authority's contingency plans for continuing to provide these services include effective budget management and tight cost control.

## 9. Borrowing in Advance of Need

- 1.32 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority follows this guidance.
- 1.33 As referred to above in Section 6, this has been strengthened by the government effectively banning investment in property primarily for yield.

## 10. Capacity, Skills and Culture

1.34 The Finance Sub-Committee comprised of members, supported by officers and where necessary, external advisors, provides oversight of the Investment Strategy and acts on recommendations from officers that consider opportunities to enhance the Revenue & Capital Budgets of the Council through strategic investments, whether that involves using capital/cash resources or borrowing and lending powers.

## 11. Investment Indicators

1.35 The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

1.36 **Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

Table 4: Total investment exposure in £'000

Total investment exposure	31/08/21 Actual	31/03/22 Forecast	31/03/23 Forecast
Treasury management investments	44,150	20,000	20,000
Service investments: Loans	6,604	6,432	6,296
Service investments: Shares	3,410	3,410	3,410
Commercial investments: Property	27,653	27,653	27,653
Commercial Investments: Loans	8,179	8,331	8,144
<b>TOTAL INVESTMENTS</b>	<b>89,996</b>	<b>65,826</b>	<b>65,503</b>
Commitments to lend	2,439	2,439	2,439
<b>TOTAL EXPOSURE</b>	<b>92,435</b>	<b>68,265</b>	<b>67,942</b>

1.37 **How investments are funded:** Currently the Authority's investments are funded by usable reserves and income received in advance of expenditure.

**Table 5: Investments funded by borrowing in £'000**

Investments funded by borrowing	31/03/20 Actual	31/03/21 Actual	31/03/22 Forecast
Treasury management investments	0	0	0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	20,950	20,950	20,950
Commercial Investments: Loans	0	8,000	8,000
<b>TOTAL FUNDED BY BORROWING</b>	<b>20,950</b>	<b>28,950</b>	<b>28,950</b>

- 1.38 **Rate of return received:** In part, this indicator shows for Treasury Management and Commercial Property investments, the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.
- 1.39 The return for the Service Investments: Loans and Shares is not a true return but is instead the % fluctuation in the underlying value of the new assets within the Life Science fund and Alderley Parks Holdings Limited. As such they do not reflect actual cashflows.

- 1.40 We do not yet have updated accounts for Alderley Park Holdings to allow for an accurate calculation of the forecast rate of return for shares in 2021/22. Thus it is shown at zero as the value has not fluctuated from the last known actual. It is hoped that accounts will be available for the annual Investment Strategy as included with the MTFs.
- 1.41 The major assets included within Commercial Investments: Properties, representing over 90% of the value, are two commercial retail properties in Crewe. Whilst we will see fluctuations year-on-year given the pressures on 'bricks and mortar retail', the Council will only experience an impact on its Revenue Account if a tenant goes bust or is subject to a (lower) rent review.
- 1.42 From the perspective of the Council one of the tenants affected is a home improvements retailer and the second is a national supermarket retailer. Both of these have thus far weathered the local economic effects of the Covid-19 pandemic though we might expect further reductions in asset value in this financial year.
- 1.43 Much of the investment returns for Commercial Investments relates to rent on these two assets. Rental income on both has held up during the year. The reduction in returns from 2020/21 is due in part to changes in the way the Authority accounts for the rental income in order to create a reserve. This has significantly reduced the net income figure used for the returns calculation. There are also some adjustments for rents factored in as a result of Covid-19. These will be fully reviewed and aligned ahead of the preparation of the annual Investment Strategy as included within the MTFs.

**Table 6: Investment rate of return (net of all costs)**

<b>Investments net rate of return</b>	<b>2020/21 Actual</b>	<b>2021/22 Forecast</b>	<b>2022/23 Forecast</b>
Treasury management investments	1.62%	2.10%	2.00%
Service investments: Loans	10.39%	0.11%	0.27%
Service investments: Shares	28.04%	0.00%	0.00%
Commercial investments: Property	4.13%	2.8%	3.0%



*Working for a brighter future together*

## **Corporate Policy Committee**

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<b>Date of Meeting:</b>	2 December 2021
<b>Report Title:</b>	Mid-Year Review of the Corporate Plan and Performance Reporting Update
<b>Report of:</b>	Jane Burns, Executive Director of Corporate Services

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### **1. Executive Summary**

- 1.1** The Council's Corporate Plan is a key strategic document for the Council, setting the vision and objectives for the whole organisation. The Corporate Plan for 2021-2025 is an ambitious plan, agreed by Council in February 2021 and it promotes the vision of an Open, Fair, Green Cheshire East.
- 1.2** Officers have undertaken a review of progress made in delivering the Corporate Plan as at 30 September 2021. The report is intended to help the Committee make an initial assessment of how the aims, vision and priorities of the Corporate Plan are being delivered and highlights areas of risk challenges and good practice.
- 1.3** The context for the Corporate Plan and for this review is one of ongoing significant challenges. The Council, working with its partners, continues to respond to the COVID-19 pandemic, plan for the recovery from it, and continue to deliver essential services to residents. Demands and expectations on councils are increasing as society opens up, particularly from residents and customers. There are particular challenges, for example, in relation to increased demand in adults and children's social care, disruption to supply chains, staff shortages and recruitment in key areas and increased costs, for example energy which impact on delivery.
- 1.4** The progress report is shown in Appendix 1. To further assist the Committee, a summary of progress and future activity is given in paragraph 3.3 below.
- 1.5** The Mid-Year review of the Corporate Plan should be read in conjunction with the Mid-Year review of Finance, also on this agenda.

- 1.6** The approach to performance reporting was tailored to the Cabinet/Scrutiny governance model. Council-wide reporting was part of the Mid-Year and Three-Quarter Year Reviews to Cabinet and Corporate OSC. Directorate level reporting was to the relevant the Overview and Scrutiny Committees. As we have moved to the committee system, the directorate-level reporting has moved 'as is' to Service Committees to ensure Member are still able to review performance.
- 1.7** In development, alongside the mid-year review of the Corporate Plan, officers are working on a new approach to improve the Council's performance reporting and data management processes. This will support decision-making. This has not progressed as quickly as we had hoped, for a variety of reasons including officer capacity and technical issues with the IT platform. However, it is envisaged that improved strategic reporting will enable the earlier identification of areas where performance is not on target and provide an opportunity to mitigate the impact or refine the approach.
- 1.8** It is also important to ensure that accountability for performance exists at all levels of the organisation – individually as well as collectively for strategic and / or cross cutting issues. Providing improved visibility of performance will ensure that accountability is embedded into the culture of the Council and can enhance the link between the Corporate Plan, directorate, service, and team plans and individual appraisals.

## **2. Recommendation**

- 2.1** The Committee is asked to note progress in delivering the Corporate Plan and highlight any areas of risk, challenge, and good practice.

## **3. Reason for Recommendation**

- 3.1** This report is part of the Council's commitment to being open and transparent.

## **4. Other Options Considered**

- 4.1** Not appropriate.

## **5. Background**

- 5.1** The current Corporate Plan was approved in February 2021 and is the key strategic document for the Council, setting the vision and priorities for the whole organisation.
- 5.2** The 2021-2025 Cheshire East Council Corporate Plan was developed by the Cabinet of the time and promotes the following vision - An **Open, Fair, Green** Cheshire East.

**5.3** It also proposes that, over four years (2021-2025), the Council will focus on the following three main priority areas:

- **Open** - We will provide strong community leadership and work transparently with our residents, businesses, and partners to deliver our ambition in Cheshire East.
- **Fair** - We aim to reduce inequalities, promote fairness and opportunity for all and support our most vulnerable residents.
- **Green** - We will lead our communities to protect and enhance our environment, tackle the climate emergency, and drive sustainable development.

**5.4** A “taking stock” review of the Corporate Plan has provided an opportunity to assess progress made to date on delivering the key priorities of the Council. This is captured in detail in Appendix 1.

**5.5** The Review is to ensure that actions and projects are kept within the parameters of the agreed strategic aims and priorities.

- Use the information collected to show the public benefit the Council is having and
- Keep under review internal and external changes which may require adjustments to the Council’s Plan or affect the ability of the Council to achieve its Corporate Plan aims.

**5.6** The implementation of the plan coincides with a period where the Council is still dealing with the implications of Covid 19. This continues to have a profound impact across service areas and is therefore reflected in this first Review.

### **5.7 Summary of progress and future activity**

#### Open

- the Committee system was introduced in May 2021 after significant work and co-operation by Members and Officers. Urgent decision-making and activity relating to the pandemic was uninterrupted by the change in governance. Decision-making at all levels of the council continued in a timely manner.
- The financial outturn for 2020/21 was an overall underspend and an increase in reserves.
- Our workforce has shown great adaptability, flexibility, and resilience during the unprecedented challenges of the pandemic.
- The health and wellbeing of our workforce has continued to be a high priority. Staff feel well supported and informed, evidenced by two positive Pulse Surveys.
- A new Workforce Strategy has been approved which continues to support a positive culture in the workplace. There is more to do including rolling out an approach to hybrid working, tackling recruitment, retention, and skills gaps and on the future office estate.

- A new Customer Experience Strategy has been approved which is re-setting expectations and improving consistency, responsiveness, and quality. There is much more to do in terms of improving standards and culture.
- A review of strategic partnership and developing a borough-wide approach to locality working is still to be undertaken.

#### Fair

- The Council's culture of improving outcomes for children and young people has been recognised externally through inspections, including SEND and children in need.
- The Early Help response during Covid has and continues to support children and families in challenging circumstances.
- Fostering Services have been brought in-house, allowing more children to be supported in the borough.
- There is more to do in terms on tackling the inequalities gaps in health outcomes exacerbated by Covid.
- More work will be undertaken to re-shape services for children and services to meet changing demographic needs, mindful of cost pressures.
- The pandemic has brought increases in contacts and referrals across adult's social care, on top of system-wide pressures which existed before Covid.
- The proportion of adults receiving direct payments has increased as long-term residential and nursing care provision has reduced.
- There are significant pressures in domiciliary care delivery and in the care market more generally and there is much more to do in terms of a planning for a more sustainable position.
- There are significant changes in terms of the developing an Integrated Care System (ICS) for Cheshire East and planning for the impact of other legislative changes. Significant effort will be required to work with the ICS.

#### Green

- Good progress is being made on the Carbon Neutral Action Plan. Crewe Heat Network is progressing with funding secured and the main contractor appointed to begin work in the new year. A programme of work is underway to reduce emissions from the Council's buildings, funded by the Public Sector Decarbonisation Scheme.
- The Planning Service is experiencing a combined impact of significant increases in the volume of live applications, in particular householder applications, more enforcement and complaints and resourcing and recruitment challenges. We are working with Capita to provide additional capacity. The new ED Place is leading a deep dive review to inform a service improvement plan.

- Town centres are facing challenges in line with national trends and prevailing economic conditions. Positive work has been done with partners on establishing regeneration frameworks for our major towns and investment in the public realm. Successful bids have been made to secure external funding totally £37m to support town centres and high streets.
- The council has distributed over £11m of grants to businesses experiencing disruption due to the pandemic.
- Good progress has been made on regeneration projects. For example, Crewe Market Hall opened successfully and has been shortlisted for two industry awards.
- The Highways Service is experiencing large demands in customer enquiries and requests, set against limited capital and revenue budgets for the networks size. Measures have been introduced to streamline the customer journey and there is more to do to develop a customer satisfaction improvement plan, as part of the new Customer Experience Strategy.
- The road network has an increasing number of category 1 defects where safety repairs are required, resulting in budget pressures.
- Congleton Link Road is open. Poynton Relief Road, Crewe North West Highways Package, Middlewich Eastern Bypass and A555 Dualling are all progressing to construction contracts.
- The pandemic continues to be disruptive in terms on working practices, income and public transport patronage.
- New pressures include global and national supply chain disruption leading to significant price inflation and delays in obtaining material and products. In addition, skilled resources, e.g., HGV drivers are in short supply.

## **5.8 New performance arrangements**

The approach to performance reporting has been tailored to the Cabinet/Scrutiny governance model. Council-wide reporting was part of the Mid-Year and Three-Quarter Year Reviews to Cabinet and Corporate OSC. Directorate level reporting was to the relevant the Overview and Scrutiny Committees. As we have moved to the committee system, the directorate-level reporting has moved 'as is' to Service Committees to ensure Member are still able to review performance. However, officers are working to improve performance reporting to inform both strategic and operational decision making, in particular to identify where there are areas of good and poor performance, risk, and opportunity.

- 5.9** The future arrangements will enable us to answer key questions such as: are we delivering what we said we would do; are we improving, how do we compare to others, what are our customers telling us, are we improving value for money, what do we need to change.

**5.10** Providing consistency to the data collection, storage, and presentation of performance across the Council is key, providing an approach which improves quality, accountability, and transparency. To improve data access, we will use the Power BI platform, which presents data interactively and fully integrates with other features of Office 365 and the user desktop. Power BI can be connected to a variety of existing data sources (such as case management systems in social care, as has been undertaken within the Adults' and Children's' Directorates). Our initial Council wide approach for performance reporting will be to look to utilise source systems where possible and the Enterprise Data Warehouse, to develop a single view of the truth, aligned with the principles of Master Data Management and Information Assessment Data Management. However, there is likely to be a period of mixed method whilst development work is progressed.

**5.11** A define phase to develop the data capture tool and PowerBi dashboard is therefore proposed. This will allow:

- Utilisation of our current infrastructure to combine and connect different data sources (such as local authority case management systems, but could also include information from partners too, such as health data).
- Utilisation of the software, which we already have, to help us to visualise the data in an attractive and accessible way
- Managers and staff to explore pathways through their own data, so they can discover the most important factors driving trends and improve data quality where appropriate
- Utilisation of the integration and collaboration features which allow our staff to share what we discover with the right people easily and quickly.
- The infrastructure to automatically update dashboards and analytics, so that we have the most up-to-date picture of what is going on as possible without the need for labour intensive manual work to update a report.

## **6. Consultation and Engagement**

**6.1** Consultation was undertaken to inform the Corporate Plan in 2020/21. This can be found via this link:

[Corporate Plan Engagement 2021 - 2025 - Full report \(cheshireeast.gov.uk\)](https://www.cheshireeast.gov.uk/corporate-plan-engagement-2021-2025-full-report)

## **7. Implications**

### **7.1 Legal Implications**

The mid-year review of the Corporate Plan or proposed change of performance management and reporting do not have any direct legal implications, all data is anonymised and does not breach the General Data Protection Regulations.

### **7.2 Finance Implications**

- The Corporate Plan and the MTFs are sister documents. This review has highlighted financial pressures and challenges, both as a result of the pandemic and due to the prevailing national economy.
- There are no direct financial implications of this report, it should be read in conjunction with the Mid-Year Review of Finance.
- Following the define phase of the move towards and improved performance reporting system, there is the assumption that some additional development will be needed to allow the design and development to be undertaken. It is envisaged that if required, a High-Level Business Case will be submitted, to provide funding to deliver this work. The requirement for financial performance reporting will continue.

## **8. Policy**

The Corporate Plan is a key policy document for the Council

## **9. Equality**

An Equality Impact Assessment was completed for the Corporate Plan and is available via this link:

[https://files.smartsurvey.io/2/0/O0WZO35M/Corporate\\_Plan\\_EIA\\_v\\_v0.3\\_22.10.2020\\_.pdf](https://files.smartsurvey.io/2/0/O0WZO35M/Corporate_Plan_EIA_v_v0.3_22.10.2020_.pdf)

## **10. Human Resources**

The review references the vital role our staff play in the delivery of the Corporate Plan priorities. Paragraph 3.3 refers to the new Workforce Strategy and more to do including rolling out an approach to hybrid working and tackling recruitment, retention, and skills.

## **11. Risk Management**

Key projects and priorities in Corporate Plan informed by the Council's Strategic Risk Register. This is kept under regular review and reported to the Audit and Governance Committee.

**12. Rural Communities**

The Corporate Plan sets out the priorities for rural communities.

**13. Children and Young People/Cared for Children**

As referenced in paragraph 3.3, the Council's culture of improving outcomes for children and young people has been recognised externally through inspections, including SEND and children in need.

**14. Public Health**

The context for the Corporate Plan and for this review is one of ongoing significant challenges caused by the Covid-19 pandemic. The Council, working with its partners, continues to respond to the COVID-19 pandemic, plan for the recovery from it, and continue to deliver essential services to residents.

**15. Climate Change**

The Corporate Plan makes 'green' an explicit priority for the Council. Good progress is being made on the Carbon Neutral Action Plan.

<b>Access to Information</b>	
Contact Officer:	Phil Christian <a href="mailto:phil.christian@cheshireeast.gov.uk">phil.christian@cheshireeast.gov.uk</a> 01270 686414
Appendices:	Corporate Plan mid-year review
Background Papers:	The Corporate Plan 2021- 2025

# *Cheshire East Council*

## Corporate Plan 2021-2025

Mid Year Review 2021/22



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Open

Fair

Green

## Priority: Ensure that there is transparency in all aspects of council decision making

The council to be seen as being a fair open and transparent organisation and able to demonstrate it.

## Key actions:

- Implement a new committee system
- Demonstrate commitment to open data

- Committee System introduced in May 2021 after significant work and co-operation by Members and Officers.
- Urgent decision making and activity relating to the pandemic uninterrupted by the change in governance and decision making at all levels of the council continued in a timely manner.
- Transparency and information sharing can be evidenced by 135 reports to committee in 6 months.
- First review to November Council to take the first steps in future development of the committee system, with an emphasis on learning, reflection and continuous improvement.
- For the 2020/21 year, 97% of Freedom of Information requests were responded to within 20 working days.
- 131 proactive media releases and information bulletins were published in Q1 and Q2.

To increase local democracy.

## Key actions:

- Working with town and parish councils
- Virtual meetings

- The Council has extensively engaged with town and parish councils on a number of topics.
- Consultation on the Community Governance Review is underway. Approaching 1200 consultation responses have, so far, been received.
- Consultation responses have been invited to the revision of the Member Code of Conduct, via a range of methods, including live virtual sessions held with the assistance of the Cheshire Association of Local Councils (CHALC).
- Virtual formal decision-making meetings were quickly established and become the 'norm' whilst legislation permitted it.
- The Council rapidly rolled-out technology to enable it to engage with attendees virtually for the purposes of meetings.
- Covid-19 restrictions have limited the Council's ability to promote attendance at physical meetings since May 2021. Anecdotal feedback from remote meetings was increased attendance and interest in Council business.

## Priority: Listen, learn and respond to our residents, promoting opportunities for a two-way conversation

Our communities will be well informed about things they can do to prepare for emergencies.

## Key actions:

- Enhanced emergency preparedness in communities

- The Joint Emergencies Planning Service (JEPS) has provided essential advice and support through the enduring emergency response to Covid -19. Services have regularly reviewed their responses and their business continuity plans through various stages of COVID restrictions.
- The Voluntary, Community, Faith and Social Enterprise Leaders Group are leading Covid-19 recovery for the sector and for our local communities.
- 14 volunteer coordination points are mobilised across the borough that can support communities to respond to emergency or emerging issues.
- The Winter Wellbeing Group is collating partner availability and resource to create a 'local offer' of resources to support vulnerable people during winter months.

<p>The council is seen by residents as responsive.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Consultation on key plans and strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation has taken place on wide range of key plans and strategies. To date we have consulted on the SEND Strategy, Neglect Strategy, Autism Strategy, Transition Strategy, Mental Health Strategy, End of Life Strategy, Day Opportunities Strategy, Sensory Impairment Strategy, Connected Communities Strategy, Live Well for Longer Strategy, Market Position Statement, Assistive Technology Charging Policy as well as the design of the recommissioned service, and the Dementia Strategy.</li> <li>• A voice of the Customer programme is under development as part of the Customer Experience workstream. This will ensure that feedback/ enquiries/ complaints from customers are analysed and that we learn from this and make improvements.</li> </ul>
<p>Customer services to offer support and guidance and be accessible to people who need them.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Review where and how technology can assist</li> </ul>	<ul style="list-style-type: none"> <li>• The Digital Customer Services programme has been relaunched to enhance our on-line services for customers.</li> <li>• The numbers of on-line transactions have remained consistent.</li> <li>• Digital Accounts have increased by c.2,000 up to 96,623.</li> <li>• Numbers of telephone calls have reduced in-year in-line with targets.</li> <li>• New Contact Centre technology platform is being procured which will further enhance support to both customers and staff.</li> </ul>
<p>Receive the Ministry of Defence's (MoD) Employer Recognition Scheme Gold Award.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Continue to work with the Armed Forces Covenant</li> </ul>	<ul style="list-style-type: none"> <li>• Member Armed Forces Champion role established and working proactively.</li> <li>• Planning is underway to support vulnerable veterans including a residential support hub and dedicated jobs fairs.</li> <li>• The Council is on schedule to apply for the MoD Employer Recognition Silver Award in April 2022.</li> </ul>
<p>Priority: Support a sustainable financial future for the council, through service development, improvement and transformation</p>	
<p>A financially sustainable council which has increased levels of reserves.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Develop a 4-year MTFS</li> <li>• Develop a sustainable reserves strategy</li> <li>• Successful delivery of savings programme</li> </ul>	<ul style="list-style-type: none"> <li>• Group Outturn reported to Finance Sub-committee on 22/09/21: overall underspend and increase in reserves.</li> <li>• The 2020/21 Outturn increased General Reserves by £1.2m to £11.5m. This is in-line with the Reserves Strategy, approved by Council as part of the 2021 to 2025 Medium Term Financial Strategy. Medium term ambition is to achieve £15-£20m Corporate Plan target. Earmarked Reserves were increased by £14.7m to support management of specific activities as well as to manage prevailing risks.</li> <li>• Draft Statement of Accounts 2020/21 and Annual Governance Statement published on website 30/09/21.</li> <li>• The Council's Medium Term Financial Strategy was extended to 4 years. The overall position is balanced including robust forecasts for increasing demand and compensating savings and income.</li> <li>• Travel expenses are forecast to reduce by £213K in 2021/22 across the council (Officers and Members). Proposals for permanent 30% reduction being developed for the MTFS.</li> </ul>

- Office space is currently considerably under-utilised and the Council's offices at Dean Row have been vacated. Further plans are under review as part of the Estates and IT Programme, within the Future Workplace approach to include permanent hybrid working where appropriate.

Priority: Maximise commercial opportunities for the council

Our Alternative Service Delivery Vehicles (ASDV) delivering for our residents and generating a profit (with shareholder dividend) from commercial activities, reducing financial pressures on the council.

Key actions:

- Complete programme of reviews of ASDVs

- The ASDV review programme has reported on Transport Service Solutions (TSS). A project team is working to ensure there is an effective transition to the new model, and progress is currently on track to achieve this within the timescale. Consultation and engagement is being carried out with parent carers and TSS staff to inform the transition.
- Wholly owned companies reported profits on 31 March 2021, as per draft Accounts.
- The in-year outturn for Ansa, Orbitas, TSS combined is £695k profit for 2020/21 – against which the respective companies are developing proposals for dividends set against their combined retained profits.
- Business planning for 2022/23 is underway. A working Group has been established by the Finance Sub-Committee to review Company business plans. Standardised contract and performance management templates currently being updated and will be adopted by all commissioners and contracts including ASDVs.

Priority: Support and develop our workforce to be confident, motivated, innovative, resilient and empowered

A committed and motivated workforce Cheshire East Council seen as an employer of choice.

Key actions:

- Undertake staff surveys and act on the results
- Implement B4B Unit 4 ERP

- The workforce strategy has been refreshed and aligned to the Corporate Plan, reflecting new ways of working. The strategy will be taken to Corporate Policy Committee in November 2021.
- The staff pulse survey in April 2021 reported that 82% of staff enjoy working for Cheshire East Council and 87% feel trusted to do their job. 81% also agree that communication from the Council has been effective since the pandemic began.
- The health and wellbeing of our workforce has been a high priority throughout Covid-19. Practical support and guidance have been provided from colleagues in HR, Health and Safety and Public Health through various working groups and the Corporate Health and Safety Forum.
- Progress has been made in implementing a new Contract Management System to support the Council in the management of its contracts.
- A new core financial and business system (Unit4 ERP) went live in February 2021 and has been used effectively to support closure of 2020/21 accounts. Benefits will include more efficient and effective financial management and control, transaction processing, forecasting and financial performance reporting. The implementation of the new HR and Payroll system is due to Go Live from November payroll.

<p>A workforce that can work remotely and flexibly using the latest technology.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Clear guidance and support to staff and managers</li> <li>• Accelerate roll-out of mobile working</li> </ul>	<ul style="list-style-type: none"> <li>• The Agile Working policy has been revised to reflect new ways of working. Toolkit conversations taking place with teams in October and November.</li> <li>• Guidance and advice have been extensively provided to support staff to work flexibly and remotely. This includes virtual support calls, golden practices and e-learning.</li> <li>• Windows 10 and Microsoft 365 have been deployed to the workforce to improve the flexible working experience.</li> <li>• Culture change continues to be supported, including training, regular communications, workshops, roadshows and drop-ins.</li> <li>• We have enabled active engagement with Bright Spark change champions and a series of pilots are underway for new Meeting Room technology to support a Hybrid workforce.</li> </ul>
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Priority: Promote and develop the services of the council through regular communication and engagement with all residents

<p>Residents and staff to be aware of the council and the services we provide.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Review communications plans and style</li> </ul>	<ul style="list-style-type: none"> <li>• The Corporate website redesign to make it easier for customers to utilise on-line services and to access information.</li> <li>• <i>My Account</i> has been relaunched with additional services added. We are developing communication channels and products aligned to <i>My Account</i> to improve the customer experience</li> <li>• Fix My Street has been launched for the reporting of Highways issue and improved information on planned works.</li> <li>• A Corporate Customer Charter has been drafted to provide clarity on the standards that customers can expect from the Council.</li> <li>• 95.85% of proactive media releases and information bulletins have been published at least once in third party media (online, newspapers, broadcast.)</li> </ul>
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<p>Resident satisfaction with the council to be in line with similar councils.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Undertake regular communication with residents</li> <li>• Develop new Customer Experience Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• The Customer Experience Strategy was approved in March 2021.</li> <li>• Procurement is concluding for improved Contact Centre Technology.</li> <li>• Highways Service is being reviewed against the Customer Experience Strategy and improvements being made in a number of areas.</li> <li>• Improved training on customer experience is now being rolled out across the Council.</li> <li>• Real time customer satisfaction surveys introduced to monitor performance.</li> <li>• Comprehensive programme of proactive communications activity supporting council services, programmes and priorities, across all directorates. There are currently c40 comms projects and campaigns live and/or in plan.</li> </ul>
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<p>The council to be regarded as a good partner.</p>	<ul style="list-style-type: none"> <li>• Positive feedback on Covid-19 response, through Strategic Recovery Co-ordination Group.</li> <li>• Review of strategic partnership working is planned to be undertaken in quarter 4 - 21/22.</li> </ul>
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## Measures of progress

Measure	Previous Q	Latest Q	Target	Comment
% variance between forecast outturn and total net budget	N/A		0%	See final text in MYR FINANCE report
% variance between outturn and budget for capital schemes	N/A	-16%	15%	Q2 The current capital programme has slipped since approved at the MTFS stage due. Full details are in the MYR FINANCE report
% of waivers compared to contracts awarded	6.6%	13.1%	N/A	Three of the approved waivers are as a result of COVID and the issues within the care market.
Number of non-adherence to Contract Procedure Rules (Cumulative data)	0	0	0	N/A
% of complaints resolved within timescales - Stage 1	85%	83%	90%	Q2 - The Council issued 610 stage 1 complaint responses in Q2 of which 103 were issued late. Total number of stage 1 complaints received in Q2: Cheshire East - 761, Corporate – 100, People – 107, Place - 558  There has been an increase of 8% in complaints received compared to Q1. The majority of complaints received continue to be for the Place Directorate. Waste and Recycling, Highways and Planning continue to be the top three areas receiving complaints during Q2
% of complaints resolved within timescales - Stage 2	78%	74%	90%	Q2 - The Council issued 54 Stage 2 responses in Q2 of which 14 were issued late.
% of Freedom of Information requests completed within timescales	98%	97%	90%	Q2 - The Council issued 341 request responses in Q2, of which 12 were issued late. The Council exceeds the 90% response rate expected by the Information Commissioner's Office.
Number of Freedom of Information requests received	333	371	N/A	Q2 - There has been an 11% increase in the number of cases received from Q1, but fluctuations in the number of requests throughout the year are usual.
% of Agreed Internal Audit Recommended Actions implemented within agreed timescales	100%	-	80%	It should be noted that only a small number of actions from report issued in 2021/22 have become due for implementation. However, it is pleasing to report that all of these have been completed within timescales.

(of reports issued in year)				
Total Comensura agency spend (£) (Cumulative data)	£2,348,251	£2,823,410	<£9, 053,016	Increases in assignments due to 'COVID19'
Number of Comensura agency staff	209	239	<157	Covid is also having an impact on the number of agency staff. Numbers and needs are reviewed on a regular basis. There are challenges in securing agency staff in some areas due to the prevailing labour market conditions.
% of PDRs in progress this year	N/A	N/A	80%	HR are using a manual process this year due to the move to a new system for 2022/2023. Comprehensive data across the Directorates is not available for Q1/Q2. However, it will be available at year end.
Number of apprenticeships (Cumulative data)	61	9	168	Update - some of the increase in numbers has been due to the incentive payments the Government introduced for new apprentices employed between 1st April and 30th September 2021.
% Staff Turnover Rate	9.7%	10.5%	<12%	Q2 - Staff turnover (%) has increased in Corporate, Children's and Place during 2021/22 Q2 whilst it has decreased slightly in Adult's (0.2%). Staff turnover In Place Directorate increased the most significantly from 9.1% to 10.7%. Turnover will be a key indicator to track for longer-term impacts when national and organisational approaches to working practices change.

# A council which empowers and cares about people

By 2025 we want:	Mid Year Position
Priority: Work together with our residents and our partners to support people and communities to be strong and resilient	
<p>All services to be developed together with our residents and communities, so they are based on what works for people in Cheshire East.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Embed our vision for children and young people, and working together</li> <li>• Work with residents to understand the continuing impact of Covid</li> </ul>	<ul style="list-style-type: none"> <li>• Our expectation is that all services should work <b>together</b> with families and residents as this is how we will achieve the best outcomes. We are continuing to embed a culture of co-production.</li> <li>• To date we have consulted on the SEND Strategy, Neglect Strategy, Autism Strategy, Transition Strategy, Mental Health Strategy, End of Life Strategy, Day Opportunities Strategy, Connected Communities Strategy, Live Well for Longer Strategy, Market Position Statement, Sensory Impairment Strategy, Assistive Technology Charging Policy as well as the design of the recommissioned service, and the Dementia Strategy.</li> <li>• We have provided over 10,000 food vouchers to vulnerable children and young people since April 2021 under the Covid Support Grant Scheme.</li> <li>• In response to the numbers of residents losing work through the impact of the pandemic, the Council swiftly mobilised a job matching project via the Supported Employment team. Throughout the height of the pandemic the team have supported 170 residents back into work and 40% of these have been in key-worker roles.</li> </ul>
<p>Families and communities are strong and resilient.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Develop a strong local social impact structure</li> <li>• Develop a locality model of working</li> </ul>	<ul style="list-style-type: none"> <li>• The Cheshire East Social Action Partnership (CESAP) has established a local Voluntary, Community, Faith and Social Enterprise (VCFSE) Leaders Group, who lead on local issues for the VCFSE sector. This group is co-producing a local Social Action Charter which will build connections across sectors: VCFSE, Local Government, Health, and Business and Industry.</li> <li>• CESAP are also working with Business and Industry to help develop new volunteering opportunities, including volunteering days and to help in fulfilling corporate social responsibility and social value commitments.</li> <li>• We have developed a Cheshire East <u>volunteer website</u> which provides a unique place for residents to find out about volunteering opportunities.</li> <li>• A new voluntary Family Support Service will be put in place following a procurement exercise. This service will support families who no longer need support from existing early help and prevention services to help families to continue to build strength and long-term resilience.</li> <li>• We have worked with the NHS to deliver child health hubs within some of our Children's Centres. This has enabled families to access support in their local communities and has prevented children and young people from needing to attend hospital.</li> <li>• VCFSE supplier training event held to support the sectors in bidding for Council contracts and data security.</li> </ul>

<p>Cheshire East is a welcoming and supportive place, where equality, freedom, fairness and opportunities are available to all.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Identify a suitable location within the borough and develop a Traveller transit site</li> <li>• Increase collaboration with marginalised groups</li> <li>• Secure social value benefits</li> </ul>	<ul style="list-style-type: none"> <li>• A suitable location for a Traveller transit site has been identified and agreed and planning permission has been granted.</li> <li>• A single point of contact has been created for requests from migrant families/individuals, and tools have been created to translate key information.</li> <li>• Regular engagement sessions with BAME, and Gypsy, Roma and Traveller and veteran communities take place to ensure these groups inform our service development. New links have been created with the veterans and armed forces community to set up support groups and one stop support hubs signposting them to various grants and funds.</li> <li>• The Council has a dedicated Home Office funded post supporting refugees into work.</li> <li>• A project group has been established across the Council to embed our Social Value Policy and to maximise Social Value opportunities to reduce avoidable health inequalities.</li> <li>• Cheshire East Council has led the development of the Social Value Award (quality mark).</li> <li>• Cheshire East Council are a finalist with the HSJ Award (Social Value) within the Health and Local Government Partnership category with the Cheshire &amp; Merseyside ICS.</li> <li>• A comprehensive recruitment, apprenticeship and work experience programme is promoted internally and externally and available to all and focusses upon attracting our cared for children into new roles within the Council.</li> </ul>
<p>Work with partners for the benefit of our communities inspiring confidence in public services developing community cohesion and community resilience.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Deliver evidence based early intervention and prevention services</li> <li>• Reduce loneliness and isolation</li> </ul>	<ul style="list-style-type: none"> <li>• We have established a migrant peer to peer support group within schools, and developed tool kits to create a support offer between schools who have high levels of migrant students.</li> <li>• We are providing wrap-around support for over 110 people as part of the Afghan Relocation and Assistance Policy (ARAP) scheme.</li> <li>• To ensure local community facilities are 'go-to' places to find out about services, to volunteer or to start up a new project, we have coproduced a new social franchise offer we which we will be launching later in the year.</li> <li>• We have launched a <a href="#">Crowdfunding platform</a> that will allow residents to create projects and be backed by local people and local funders.</li> <li>• We are coproducing a Live Well for Longer Strategy which will include addressing issues such as loneliness and isolation.</li> </ul>
<p>Priority: Reduce health inequalities across the borough</p>	
<p>Work with partners to address the issues of poor housing, poverty, employment and education</p>	<ul style="list-style-type: none"> <li>• The Cheshire East Health and Care Place Partnership and Health and Wellbeing Board continue to work to prepare for the changes to health and care that the new legislation will bring. A review of the Five-Year Plan is a part of this.</li> </ul>

opportunities across urban and rural areas.

Key actions:

- Implement the Cheshire East Partnership Five Year Plan
- Promote regular screening and take up of preventative health opportunities
- Improve the Mental Health of all people working and living in Cheshire East
- To continue to support the zero-suicide approach

- The Tartan Rug has been updated and work is in hand to refresh the Joint Strategic Needs Assessment and Pharmaceutical Needs Assessment.
- The One You Cheshire East service delivers Healthier Lifestyle programmes across the borough that support residents to be more active, lose weight and to stop smoking. In comparison to last year and as we move out of Covid-19 restrictions there has been an increase in residents taking up this offer; Physical Activity up 43%, Weight Management up 70% and Smoking Cessation 190%. The annual targets for weight management and smoking cessation have already been exceeded.
- Work is currently underway to put additional falls prevention capacity in place (from 900 to 1200 places per annum).
- The four integrated care partnership working groups (Cardio-vascular health, respiratory health, mental health and social prescribing and Children's health), are working to deliver improved frontline community services.
- A mental health peer support tool kit is being co-produced with a number of residents. The aim is to keep residents connected and supported through peer-to-peer support.
- Additional investment has been agreed from the Public Health grant to provide extra capacity in the substance misuse provider and for children and young people's mental health services to fund additional capacity to meet the Covid-19 related increased demand.
- Cheshire and Merseyside have been awarded Suicide-Safer Community status by Living Works, the world's leading suicide prevention training company. This award is symbolic of the hard work of colleagues and partners from across Cheshire and Merseyside over the last five years, implementing the NO MORE Suicide Strategy.
- A behavioural insights study has commenced with up to 300 male residents in an attempt to understand why males do not engage with services with the aim to reduce suicide rates in young men. The results will shape service delivery and our communication methods for the future.
- The Increasing Equality Commission is focused upon Crewe and working to bring partners together to identify opportunities to reduce inequality. A strategy will be published in summer 2022.
- A network of food poverty providers has been developed who will aim to support the sustainability and coordination of activity that is preventing food poverty from escalating.
- We are offering our care leavers in receipt of universal credit £20 per week for a further 6 months to support them as corporate parents through this challenging time.

Priority: Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation

Children receive the right support, by the right people, at the right time, so they are effectively protected from harm, and are supported to stay within their families and communities.

- Early help offer is improving outcomes for over 200 additional children. The percentage of early help work led by partners has increased from 39% in March 2021 to 42% in June 2021.
- We are continuing to focus on achieving excellence in social work practice and embedding Signs of Safety. We are delivering a training programme for social work practitioners and managers, and we have recruited to a team of four lead practitioners who

<p>Key actions:</p> <ul style="list-style-type: none"> <li>Continued investment in Early Help and Prevention services</li> <li>Work with our partnerships to ensure there is a joined-up approach to safeguarding children</li> </ul>	<p>are delivering training and targeted support to newly qualified practitioners. Audits are demonstrating that the quality of practice is improving.</p> <ul style="list-style-type: none"> <li>We are continuing to work with our partnerships around safeguarding, and we launched a new Neglect Strategy in July 2021 which was produced in consultation with children, young people and partners.</li> <li>We have started to work differently and commission from a broader range of providers to support children to remain or return home. This positive work will form the basis of a redesigned and re-commissioned Children’s Care at Home Purchasing system in 2022.</li> </ul>
<p>People and organisations to work together to prevent and stop the risk and experience of abuse and neglect, whilst promoting the well-being of Adults with Care and Support Needs.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>Prevent harm and reduce the risk of abuse and neglect to adults with care and support needs</li> <li>Safeguard Adults at Risk</li> <li>To address what has caused the abuse, neglect or exploitation</li> <li>To ensure that officers are adhering to legislation and promoting best practice</li> </ul>	<ul style="list-style-type: none"> <li>We are continuing to work to prevent harm and reduce the risk of abuse to adults at risk, and to raise awareness about Adult Abuse, Neglect and Exploitation.</li> <li>We have produced tools for frontline practitioners to support recognition of unintentional Domestic Abuse and are contributing to a revised Risk Indicator Checklist for Older People. During Carers Week, Adult Social Care raised the issue of Predatory Marriage.</li> <li>A Multi Agency Complex Safeguarding Forum has been established to discuss cases of Exploitation and risk management.</li> <li>Chanel Panel continues to meet monthly to support and divert vulnerable children and adults from being drawn into terrorism or being groomed into radicalisation.</li> <li>Preparatory work has commenced to create a Pan Cheshire Strategy for Gypsy, Roma and Traveller Communities – which will include information regarding domestic abuse, mental ill health and exploitation.</li> <li>My CWA (previously My Cheshire Without Abuse), our commissioned domestic abuse service, are working in partnership with strategic housing colleagues and existing forums to enhance housing provision in Cheshire East, raise awareness, and review the approach to domestic abuse victims.</li> <li>The Whole Housing approach will enable earlier identification and intervention, reduce the number of people rendered homeless due to domestic abuse, and will enable survivors to remain safely in their own homes where they choose to do so, or keep their tenancy status if they relocate.</li> <li>A working group is in place which is planning for the implementation of the Liberty Protection Safeguards. The Draft Code of Practice was not published by the Government in the spring of 2021 as expected – therefore the national consultation has not commenced. Cheshire East will continue to prepare for implementation as information and guidance is issued.</li> <li>Quarterly Safeguarding performance reports evidence that Adults are being asked about their outcomes.</li> <li>Elected Members have access to Safeguarding Training.</li> </ul>

Priority: Be the best corporate parents to the children in our care

Always deliver on our pledges to care for children and young people, and those who are cared experienced, that we will:

- Be a good corporate parent
- Improve education, training and employment outcomes
- Work to achieve permanence and keep children safe
- Improve health and wellbeing outcomes
- Prepare young people for adulthood

- We have carried out a participation and engagement survey with cared for children and care leavers, which has been shared with frontline teams and partners and is informing the development of our services. The survey asked cared for children and young people to rate the support that they have received from their social worker – 43% said this was 10 out of 10 (10 being fantastic) and a further 39% rated this between 6 and 9.
- We are consulting with cared for children and care leavers on the refresh of the Corporate Parenting Strategy for 2022 onwards, so that it is based on what is most important to them.
- Support from the Post 16 Learning Mentor and Advisor has meant that Year 11 pupils moving into post 16 have been able to access the courses they identified. There has been a reduction in the number of cared for young people and care leavers aged 16-18 who are not in education, employment or training at the start of the new academic year. This year we have also established a Governing Body for the Virtual School. This includes representatives across all key stakeholders and is ensuring there is governance and scrutiny of the work of the Virtual School.
- Part of our local offer for care leavers includes support to apply for apprenticeships, training funding and a range of other opportunities. In September 2021 the Council created a new post to coordinate the employment support for Care Leavers.
- We are delivering our strategy to ensure only the right children come into care, and we have significantly reduced the number of children who are in care, particularly those who are living at home but are subject to a Care Order. Compared to the same time last year (June) the number of cared for children has reduced from 544 to 527.
- We are continuing to develop a range of options to increase the number of local homes available for children and young people. This includes our Bespoke children's homes and Mockingbird foster carer support hubs.
- We have created five new and vibrant self-contained units of accommodation for cared for children, with their own entrance and staff space, through the Crewe YMCA commission of supported accommodation for those aged 16 / 17.
- All our fostering working groups include foster carers to ensure that we are working together to develop our services. We are continuing to develop our fostering marketing recruitment campaign, and we have attended events such as the Royal Cheshire Show and the Geronimo Festival which has generated 24 new enquiries about becoming a foster carer. This year we have recruited 6 new foster carers which has created an additional 10 homes for children and young people.

Priority: Support all children to have the best start in life

All children enjoy access to high quality childcare and support programmes that maximises their development in terms of speech and language, resilience and ability to learn and play.

Key actions:

- The take up of the 2-, 3- and 4-year-old offer remains consistently high ensuring that children are receiving support at the earliest opportunity (71% take up for 2 year old offer and 93% take up for 3 and 4 year old offer).
- Eligible 2-year-old children are supported in high quality practice and provision. Over the last 2 years, 91% of providers have been judged good or better in their Ofsted Inspection.

- Maintain high numbers of children placed in high quality childcare settings
- Promote and improve access to the parenting journey support with additional support offered to the most vulnerable families

- Families of eligible 2-year-old children are supported to access a provision or additional interventions through a targeted approach via our Family Service Workers.
- A universal and targeted offer of training is available for all providers to enable children to be supported by a highly skilled, confident and competent workforce. Since January 2021, The Early Start Service have delivered 116 training courses (mainly online) with a total of 1,871 delegates attending.
- We have launched Child Health Hubs in partnership with the NHS which are enabling children to access health care within their communities rather than needing to attend hospital. A total of 236 children and adults have accessed the Clinics through the Child Health Hubs since January 2021. These consist of Prolonged Jaundice and Unsettled Infants. 380 children have accessed the blood clinic.
- Since January 2021, a total of 10,547 children and 15,417 adults have accessed an Early Start Service across our Cheshire East Children's Centres. There has been a total of 1,787 new Children's Centre registrations since January 2021.

Priority: Increase opportunities for children, young adults and adults with additional needs

Great services and provision across the partnership for children and young people with special educational needs and/or disabilities (SEND) which means children's needs are met effectively and efficiently.

Key actions:

- Ensure all recommendations from the last Ofsted inspection have been addressed and improvements are embedded in practice
- Focus on further improving communication across the SEND partnership
- Review the pathways for transition to adulthood ensuring effective outcomes are achieved for young people through their preparing for adulthood plans

- We are consulting with children, young people, parents, carers and professionals on our new SEND Strategy from September 2021 onwards. The Strategy will drive the work of the partnership to develop the quality of our services for children and young people with SEND.
- The SEND Revisit in May 2021, conducted by Ofsted and the Care Quality Commission, found that sufficient progress had been made in addressing the two areas of significant weakness identified in our previous inspection in 2018. Inspectors found that the timeliness, process and quality of Education, Health and Care Plans had been "transformed."
- We are continuing to embed a culture of co-production and improving communication across the SEND partnership. In the 2021 SEND Revisit, inspectors found that "co-production is at the heart of every EHC needs assessment." SEND newsletters are sent to parents, carers and partners on a regular basis so they are kept up to date, and communication will be a key focus of the new strategy.
- We are continuing to focus on the quality and timeliness of annual reviews and a comprehensive action plan is in place in this area.
- We have established a Preparing for Adulthood Implementation Group to deliver our priorities in the Preparing for Adulthood Strategy. As part of this work, we are reviewing the information on our Local Offer that we provide on the pathways to transition. There is a detailed action plan in place to develop the training and process for preparing for adulthood plans to ensure we have strong plans that result in good outcomes for young people.
- Our Supported Internship offer goes from strength to strength. The Council's Supported Internship Coordinator has supported the development of 5 new providers across the Borough. From a starting point of below 10 places, there are now over 40 Supported Internship places available in Cheshire East helping young people with SEND into work.
- We are delivering our SEND Sufficiency Strategy to increase SEND provision across all localities. 7 new specialist provisions are currently being progressed which will be phased into operation following formal consultation and capital investment. In addition,

<ul style="list-style-type: none"> <li>Expand the local provision of SEND places to enable more children to attend a school</li> </ul>	<p>we have initiated a new type of SEND provision 'Enhanced Mainstream' which aims to support pupils with increased needs within a mainstream setting.</p> <ul style="list-style-type: none"> <li>Cheshire East is the lead authority establishing a new North West SEND Purchasing System. All 23 North West authorities have signed up to utilise the new Purchasing System which puts structure, contract, quality assurance, value for money and most importantly improved outcomes at the heart of our use of the independent non maintained special schools / colleges. Early feedback from authorities (including Cheshire East itself) is that improved choice and best use of resources is already evident.</li> </ul>
<p>Provision for young adults to live independently within in the community.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>Leisure, life and meaningful employment opportunities are developed to improve life chances for young adults</li> <li>Promote citizen engagement and participation</li> </ul>	<ul style="list-style-type: none"> <li>In the last 12 months, 6 supported living schemes became operational, providing 55 units of accommodation. Of these, 30 units of accommodation are for people with mental health problems and 25 are for people with a learning disability. All schemes provide potential support for young people, but one scheme is exclusively for young people with a learning disability in transition. A further scheme in Sandbach is due to open in October providing 17 beds for both people with either mental health and or a learning disability. A respite scheme is to open in November providing short breaks for adults with a learning disability. All these schemes mean that adults are supported to live independently within their local communities.</li> <li>Making good use of remaining sub-regional EU funds has significantly increased employment support for people with complex needs (the Council's Journey First project). 10 new Work Placement Officers were embedded into frontline teams in 2021.</li> <li>The Cheshire East Council led Welfare to Work partnership continues to coordinate employment support to vulnerable groups, including joint working on employer engagement, transition support, mapping exercises, the promotion and roll out of Kick Start and the creation of a directory of all available services.</li> <li>We have strong performance in terms of the number of people with learning disabilities known to the Council in paid work, compared to the total known to the Council. This performance has been steadily increasing over the past 5 years and is significantly higher than most other Local Authorities.</li> <li>During the pandemic, activity and support groups across the borough moved online and we created innovative ways of supporting vulnerable young people and adults. Activity and support groups are now moving back into face-to-face support and approximately 70% of all groups are being delivered face to face.</li> <li>New social prescribers and existing volunteer networks are signposting and supporting people to access activity and support opportunities.</li> </ul>
<p>Priority: Ensure all children have a high quality, enjoyable education that enables them to achieve to their full potential</p>	
<p>All children enjoy the best education which prepares them to thrive in adulthood.</p> <p>Key actions:</p>	<ul style="list-style-type: none"> <li>Over the last 2 years, 345 additional primary school places, and 650 additional secondary school places, have been generated as part of our sufficiency work. In addition, a further 1,050 places are expected as capital investment progresses in the targeted planning area.</li> <li>Key projects recently completed or in progress currently include:             <ul style="list-style-type: none"> <li>Expansions in Sandbach for additional primary places at Elworth CofE and Sandbach St Johns schools.</li> </ul> </li> </ul>

- Provide sufficient school places and respond to our growing population
- Support and challenge all education settings to deliver our key priorities with a focus on addressing inequalities
- Provide support and challenge where children are not attending school or receiving an appropriate education.
- Support children to catch up on the learning they lost during Covid
- Support children and young people's mental health and wellbeing to resolve problems as early as possible
- Expansion of Park Lane Special school well underway for 40 additional places.
- Expansion of Tytherington High School with a phase 1 expansion of 6 additional classrooms.
- The pandemic has impacted on educational attainment with pupils being impacted differently, which is contributing to increased attainment gaps between some pupils and their peers.
- We have supported schools to identify gaps in learning and adjust the curriculum to compensate. Our primary dataset for 2021 shows that writing has seen the biggest challenges whereas reading has seen some improvements. Disadvantaged boys have also struggled more during periods of lockdown/ remote learning.
- Curriculum recovery programmes of work continue to be delivered – key events include:
  - 80 schools currently involved in Maths mastery programmes through our Maths Hub.
  - Over 140 schools attended training recently on the Geography and Science curriculums using evidence from Ofsted relating to how best to plan and deliver high quality classroom practice.
  - Over 170 attendees on SEN and school improvement briefings for schools which generated rich feedback on shaping support for our schools.
- Attendance at Cheshire East schools has been good and higher than national levels. A range of support is in place to ensure all children and young people receive an appropriate education. Education Family Support workers continue to offer transition support plans for vulnerable children to transition back to education following prolonged periods out.
- Mental health support teams are in place working directly with a number of selected schools where there are higher levels of deprivation and more vulnerable children. A directory of all local mental health services has been developed to assist schools and services to appropriately signpost families, so children and young people receive the right support as early as possible.
- Wellbeing for Education Recovery continues to provide information and support to schools and colleges to enhance and develop a sustainable whole school approach to mental health and wellbeing.
- The self-harm notification pathway has increased timely information sharing between schools and health; where notifications have been received schools have been able to effectively support the child and their family at a point of extreme vulnerability.
- Cheshire East Youth Council hosted their first mental health conference, Taboo, last year, and are planning to hold another conference in November this year. During the conference young people discussed the mental health issues that affect them and told multi-agency professionals how they can best support them.

Priority: Reduce the reliance on long-term care by improving services closer to home and providing more extra care facilities, including dementia services

Vulnerable and older people live safely and maintain independence within community settings.

- A steering group has been set up to provide oversight to the development of appropriate accommodation for vulnerable and older people.

<p>Key actions:</p> <ul style="list-style-type: none"> <li>• Work with partners to develop appropriate accommodation and extra care housing models</li> </ul>	<ul style="list-style-type: none"> <li>• A market engagement exercise is underway to promote the Council's ambition to work with providers to develop Extra Care Housing models.</li> <li>• The development of Extra Care Housing is promoted in conversations with organisations who approach the Council about potential developments.</li> </ul>
<p>People are cared for and valued by a professional and caring workforce</p> <p>Care4CE to become an exemplar high quality trading company.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Develop a quality trading company</li> <li>• Recruit and train a skilled and motivated workforce</li> <li>• Provide a professional pathway for progression</li> </ul>	<ul style="list-style-type: none"> <li>• A revised business model has been created that enables Care4CE to trade and is sustainable longer term.</li> <li>• Care4CE, along with many Health and Social Care providers, is experiencing difficulty with the recruitment and retention of frontline care staff. Care4CE continues to liaise with Skills for care, DWP and local colleges to promote Adult Social Care as a career choice and is exploring options to recruit within Cheshire East and outside of the Borough.</li> <li>• The Supported Employment team has worked with Media Four to create a short film titled "Why work in Adult Social Care?" to promote the sector and Cheshire East Council as an employer. A press release is imminent, and the video will be placed on the Council's Adult Social Care Jobs page. The film will also be shared at online Jobs Fairs hosted on the Jobs Live channel. The virtual jobs fairs regularly have in excess of 16,000 views (live and on demand).</li> <li>• The percentage of community support reablement completed with no ongoing package of care (75% in Q1) continues to demonstrate the success of early support in preventing the need for long term care and support.</li> </ul>
<p>To prioritise Home First for patients discharged from hospital. Where possible patients are discharged to a home of their choice.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Expand and develop the Home First service to support people to stay at home longer</li> <li>• Work to develop integrated health and social care teams</li> <li>• Carers Strategy to be implemented</li> <li>• Develop the Shared Lives service</li> <li>• Increased use of technology</li> </ul>	<ul style="list-style-type: none"> <li>• We have continued to work closely with health colleagues in the implementation of the revised Governmental hospital discharge guidance. The ongoing impact of the pandemic and workforce capacity issues have impacted on the Home First approach and our ability to support more people to get home from hospital.</li> <li>• Adult Social Care locality teams are linked with Primary Care networks. Teams work well virtually, and multi-disciplinary team meetings take place and learning is shared. Colocation options are being considered. Work is underway to develop a joint commissioning hub with Cheshire Clinical Commissioning Group (CCG) colleagues.</li> <li>• Consultation is currently taking place on our new Carers Strategy for 2021-2025 which is for carers of all ages. The coproduction of the Carers Strategy is being led by the Cheshire East Carers Forum.</li> <li>• The joint commissioning of the Carers Hub is currently under development with the NHS Cheshire CCG. The Carers Hub provides a central point for support and advice for carers which includes short breaks. The recommission will be underpinned by the coproduced Carers Strategy.</li> <li>• Work is underway to review best practice from other areas in relation to the development of the Shared Lives service.</li> <li>• Our new Telecare service is in the process of being recommissioned with our partners including NHS Cheshire CCG. The recommission will explore using additional technology such as apps, tablets and mobile phones to help to digitally enable people and help them to remain safe in their own homes and their communities.</li> </ul>

Adults receive quality assessments of need and support planning and good quality services to keep them safe and maintain their physical and mental wellbeing.

Key actions:

- Fully implement social work practice within adult social care
- Maintain and improve the quality of care and support services

- We are continuing to develop the Adult Safeguarding Board and the Board has continued to meet during the pandemic to ensure the right partnership support is in place to meet needs during the changing circumstances.
- We continue to seek to ensure that adults receive quality assessments of need, support planning and good quality services to keep them as safe as they want to be in accordance with making safeguarding personal principles and to support their physical and emotional wellbeing. People are actively involved in all aspects of assessment and care planning.
- Adult Social Care locality teams are linked with Primary Care networks. Teams work well virtually, and multi-disciplinary team meetings take place and learning is shared. Colocation options are being considered.
- Work is taking place within the Health and Social Care Transformation Group to share activity data based on Care Communities.

## Measures of progress

Measure	Previous Q	Latest Q	Comment
Children's Social care – Number of referrals	467	601	Compared to quarter 4 (Q4) there has been a significant increase in referrals to social care, which is also higher than the numbers seen in Q1 of last year 2020/21 at 539.
Percentage of repeat referrals	17%	18%	Although the re-referral rate increased slightly in Q1, it still remains at much more acceptable levels and lower than the latest published North West position of 22%.
% of assessments completed within 45 days	74%	79%	Q1 showed a continued improvement in the timeliness of assessments, ensuring that risks are being quickly identified and plans put in place for individuals in a timely fashion.
Percentage of children with a second or subsequent child protection plan	28%	27%	The rate of repeat child protection plans continues to be a focus for audit and reflective learning, considering reasons for the need for repeat intervention and what interventions may lead to more permanent solutions for the future.
Number of cared for children	517	527	There has been a small increase in the number of children in care from year end albeit numbers remain lower than at the same time last year where we had 544 individuals in the care of the local authority. Positively the numbers in external foster care are lower meaning that more individuals are being supported within a mix of family arrangements.
Average caseload of social workers	19	20	Due to the increased number of referrals the average caseloads for social workers has seen a small increase. This will continue to be monitored closely alongside local variations in specific team and area workloads.
Percentage attendance for primary pupils year to date	96%	97%	Q1 saw an improvement in the attendance at both primary schools and special schools. Additional support has been provided in schools to aid individuals in returning and settling back into the daily routine together with identified educational needs.
Percentage attendance for secondary pupils year to date	93%	93%	
Number of permanent exclusions from Cheshire East Schools (latest half term available)	5	6	The latest exclusions data reported relates to the term ending in July. All exclusions relate to secondary school exclusions. All schools considering a permanent exclusion liaise directly with education access officer to discuss exclusion and she explores alternatives with the school.
Current Number of pupils educated at home	457	509	We have experienced an increase in children being educated at home (electively home educated – EHE) however this has been seen across the whole of the North West with some LA's seeing a twofold increase.

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Current number of children missing from education.	62	58	The number of individuals missing from education continues to reduce with ongoing work to resolve the remaining individuals' circumstances. The team is working closely with the families and schools concerned to establish where individuals have enrolled.
Percentage of requests for Educational Psychologists (EP) advice completed within 6 weeks	87%	98%	The last two quarters' performance demonstrate the success of the work that has been ongoing to increase the availability of Educational Psychologists (EPs). This ongoing partnership approach will continue to vastly improve outcomes for individuals with robust education plans in place much quicker.
Special Educational Needs – Education, Health and Care Plans completion within 20 weeks including exceptions	85%	86%	Q1 performance reflects the position from January – June 2021. The average time for completion remains constant at around 19 weeks for new plans
Percentage EHCP annual review completed in timescales	67%	58%	Timely reviews of EHC plans remains a priority however the increasing numbers of plans together with new requests means that the service is under constant pressure to meet all requirements.
Current number of open Early Help Assessments/ plans	1237	1243	Despite the difficulties services are facing, compared to the same point last year, we are supporting more families and young people with an early help assessment. Longer term this will hopefully contribute to reduced numbers of individuals requiring specialist interventions and services.
Percentage of all open Early Help Assessments led by Cheshire East Prevention service staff	61%	58%	The number of early help assessments that are led by Cheshire East staff continues to reduce as partners are increasingly able to undertake the lead where they are the most appropriate agency.
Percentage eligible children taking up 2 year old offer (termly figure only)	68%	71%	The take up of the 2-, 3- and 4- year old offer remains consistently high ensuring that children are receiving support at the earliest opportunity and crucially enabling their individual progress despite the COVID-19 restrictions.
Percentage children taking up 3 and 4 year old offer (termly figure only)	94%	93%	
Number of Families meeting the Supporting People (previously family focus) criteria where outcomes have been successfully concluded	74	87	The Supporting People Programme (formally Family Focus Programme) has continued following a further 12-month extension to the programme with a 2021/22 target of 332 payment by results.
Number of young people accessing the youth support service	872	1634	Q1 has seen a significant increase in the number of individuals receiving support from the Youth Service. This is primarily due to being able to open up more of the group sessions within the revised guidelines.

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Number of young people not in education, employment or training (NEET) individuals [yr. 12-13]	174	172	Although there are still some difficulties in identifying available employment opportunities, the number of young people not in education, employment or training (NEET) remains low.
Percentage of young people not in education, employment or training (NEET) individuals [yr. 12-13]	2.3%	2.3%	
Residential Admissions for 65+ age band (Total Admissions YTD)	443	136	The 2020/21 figure was largely impacted by the restrictions linked to COVID -19 with a focus on supporting individuals in their own home wherever possible. 2021/22 (136 in Q1) suggests that we are now seeing an increase in individuals placed in permanent residential/nursing placements (though still below pre-pandemic levels). We are also aware that there may be significant issues in parts of the authority with community care delivery. This measure may see a further increase in Q2.
Residential Admissions for 18-64 age band (Total Admissions YTD)	13	7	Whilst this is clearly being impacted by the COVID-19 pandemic in terms of supporting individuals wherever possible at home, we are not seeing a rise in individuals remaining in short term placements.

# A thriving and sustainable place

By 2025 we want:	Mid Year Position
Priority: A great place for people to live, work and visit	
<p>Enable access to well designed, affordable and safe homes for all our residents.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Deliver housing to meet the needs of all residents</li> <li>• Review and evaluate the need for a private rented sector licensing scheme</li> <li>• Ensure affordable homes are 'tenure blind' and focused on quality</li> </ul>	<ul style="list-style-type: none"> <li>• We have delivered 199 new homes in quarter 1, against an annual target of 355 new affordable homes.</li> <li>• Ongoing monitoring of a range of interventions implemented by local authority departments. Reviewing on quarterly basis.</li> <li>• Implemented a revised structure to enhance capacity within the Housing Standards and Adaptations service.</li> <li>• Put in place a communications campaign to increase landlords, agents, HMO managers and tenant's awareness of their rights and responsibilities for a good quality and well managed private rented sector.</li> <li>• Social media campaigns delivered for Gas Safety Week and Fire Door Safety Week</li> <li>• The revised Housing Enforcement Policy is scheduled for Economy and Growth Committee in October 2021 for approval and the revised Homelessness and Rough Sleeping Strategy was adopted by Economy and Growth Committee in September 2021.</li> </ul>
<p>A high-quality accessible library service, that remains relevant to the changing needs of Cheshire East residents and delivers value for money.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Improve and adapt our libraries to meet any changing needs which offer value for money</li> <li>• Update and refresh the Library Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Libraries re-opened from 19 April and Covid secure measures remain in place to protect customers and staff. Visitor numbers and participation in activities are encouraging with most customers reassured around the safety of our library premises.</li> <li>• The uptake in E-resources has been considerable, Usage for April to September showed that Find my Past was up 33%, British Newspaper Archive up 91%, Newsbank up 34% and there have been 16,506 e-magazine checkouts to date by 1,369 new users.</li> <li>• Libraries have introduced a new way of letting people know about what's on in their local library with new style bulletins sent to 17,000 subscribers on a wide range of topics. The aim is to showcase the wealth of services that the library offers and share information about a wide range of support and help available locally and nationally.</li> </ul>

High quality leisure and sports provision across the borough that delivers good value for money.

Key actions:

- Improve our leisure centres
- Provide walking and cycling recreational routes and outdoor recreational space

- Leisure Centres were able to fully re-open from 19 July. Everybody Sport and Recreation are reporting an encouraging position in terms of attendances with more 'pay as you go' swimming and an earlier than anticipated return of school swimming as well as an increase in outdoor bookings.

- Since April work has started on the refurbishment of Nantwich swimming pool which is due for completion later in the year and will be renamed 'Nantwich Leisure Centre' to reflect the enhanced offer.

- Work has also started on the refurbishment and new pool at Congleton Leisure Centre, which is due for completion late 2022. In addition, a planning application had been submitted to extend and enhance the leisure and sports provision at Sutton lane in Middlewich.

To reduce the number of long-term empty dwellings

Key actions:

- Establish baseline and review current strategy and policies

- Empty Homes activity incorporated into new Assistant Housing Standards Role to increase resources. Strategic approach to be developed in 2022.

New development to be appropriately controlled to protect and support our borough.

Key actions:

- To keep the Local Plan Strategy under review
- Provide an effective Planning Service with capacity to efficiently determine planning applications
- Robust and effective planning enforcement
- Implementation and maintenance of additional supplementary policy documents
- Effective and competitive Building Control Service

- The revised Publication Draft Site Allocations and Development Policies Document (SADPD), part 2 of the Local Plan, was approved for submission for examination at full council on 19 April 2021. The examination by a Planning Inspector commenced in mid-October running until early November. It is hoped that the Plan will be adopted in late Spring/early Summer 2022.

- Work continues on the Minerals and Waste Development Plan Document (MWDPD), part 3 of the Local Plan. The initial draft should be ready for consultation early in the New Year.

- A number of Supplementary Planning Documents (SPD) are progressing to adoption. Consultation has been undertaken or is under way for the Sustainable Drainage SPD, Recovery of Forward Funded Infrastructure SPD, and Environmental Protection SPD. The Houses in Multiple Occupation SPD was approved for adoption by the Environment and Communities Committee on 9<sup>th</sup> September.

- The Planning Service has faced significant challenges over the first half of the year caused by ongoing Covid impacts coupled with a 15% increase in the volume of applications, in particular increases in of smaller householder and prior approval applications.

- This has led to a reduction in the % of applications determined within the agreed time – 87% for major applications and 80% for non-major applications.

- The service is continuing to recruit to fill vacancies. However, to address the current increase in applications an external provider has been procured to provide additional resource capacity for a 9–12 month period.

<ul style="list-style-type: none"> <li>Continued application of CEC Design Guide principles and focus on Place</li> </ul>	<ul style="list-style-type: none"> <li>Review of Planning Services to be undertaken to inform production of Service Improvement Plan</li> <li>Planning Appeal performance has slightly decreased with 43% of appeals allowed during the period, but there are no particular adverse trends identified.</li> <li>Enforcement complaints have also increased with more people working at home and having greater awareness of the environment around them. There have been some notable successes with 5 Enforcement Notices, 5 Planning Contravention Notices and 1 Breach of Condition served during the reporting period.</li> <li>Performance in Building Control remains high despite challenges with resources similar to the planning service. The number of fee earning applications dealt with during the first half of the year is 895 with 94% of full plans assessed within 15 days. Officers have also responded to 29 dangerous structures.</li> <li>The five-year housing supply figure remains at a robust level of 6.4 years with 2,376 net completions during the 20/21 monitoring year.</li> </ul>
<p>To make best use of our surplus buildings and assets to support the borough and our partners.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>Review the community asset transfer policy</li> </ul>	<ul style="list-style-type: none"> <li>Housing Development Framework established with the procurement of 7 organisations. Work has now commenced on the mini competition stage which will take forward identified surplus Council owned assets for housing development.</li> <li>CEC estate running costs are reviewed annually. However, materials and energy costs are rising significantly.</li> <li>The Asset Transfer Policy has been drafted and considered by Economy &amp; Growth Committee and following consultation will be confirmed for implementation.</li> <li>Produce draft Strategic Asset Management Plan (SAMP)</li> </ul>
<p>Continue to grow the Cheshire East visitor economy.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>Deliver Cultural Strategy and Place Marketing Action Plan</li> <li>Deliver Tatton Park business plan</li> </ul>	<ul style="list-style-type: none"> <li>The visitor economy will take time to recover its position due to the impacts of the pandemic. Support measures for tourism and hospitality businesses have been in place (e.g. ARG grants and 'Welcome back' fund), together with targeted promotions and addressing recruitment/retention issues.</li> <li>Value of visitor economy reduced in 2020 as a result of the pandemic, lockdowns and associated regulations. The economic value reduced to £548m in 2020 from £994m in 2019 (STEAM data). A Tourism Recovery Plan was approved September 2021 to support sector recovery to the benefit of the wider economy.</li> <li>The Tatton Park business plan is being delivered but has been adjusted to take account of the impacts of the pandemic and assist in the recovery phase. Despite the impacts on visits, Tatton Park was identified as the 5<sup>th</sup> most visited paid-for attraction in England in 2020. Tatton Park received its 9<sup>th</sup> consecutive 'Sandford Award' for excellence in heritage education in 2021.</li> <li>Capital projects that support cultural development are being progressed including, for example, the History Centre and Lyceum Square in Crewe and commissions in Macclesfield.</li> </ul>

Priority: Welcoming, safe and clean neighbourhoods

Crime and anti-social activity and anti-social behaviour to be reduced.

Key actions:

- Use our full range of education, engagement and enforcement tools to protect our communities.
- Take formal enforcement action as appropriate
- Clear and integrated enforcement approach with relevant fit for purpose policies
- Investment in technology to enhance CCTV delivery

- The Anti-Social Behaviour (ASB) team has seen a considerable increase in reported incidents of ASB since the lifting of restrictions earlier in the year. The team continues to work closely with the police in responding to reports. The Multi-Agency Action Group (MAAG) has continued to meet bi-monthly basis and proposals to tackle ASB in Macclesfield will be presented over the coming months.

- The CCTV service continues to provide 24 hour a day visual oversight to our Cheshire East Towns working closely with Cheshire Police Team to share information, review specific areas on request and provide recorded evidence as appropriate. Work is ongoing to replace our ageing analogue system to a wireless infrastructure.

- Service specific enforcement policies for Antisocial Behaviour and Community Enforcement have been approved by Committee and published.

Victims of crime and exploitation to be supported effectively by the council and partners through collaboration.

Key actions:

- Work with the police and partners to share intelligence and problem solve local issues
- Refresh the Safer Cheshire East Partnership Plan for 2020-23
- Raise awareness around safeguarding

- In the first half of the year, the Banking Protocol project has produced a saving of over £500K to bank customers within the borough where requests to withdraw unusual amounts of money have been challenged and referred to the police due to suspected criminality.

- The Older Person's Scams Awareness and Aftercare Project (a joint partnership between Age UK and Cheshire East) provides aftercare, support and advice to individuals who have been the victim of doorstep crime or scam activity.

- The Cheshire East Strategic Intelligence Assessment has been updated.

- The Safer Cheshire East Partnership has a dedicated subgroup focussed on Cyber Crime – working in partnership with Trading Standards.

- Support for victims of SCAMs is now in place via Age UK.

- The SWAN campaign has been launched to raise awareness about Women's safety at night in response to the Sarah Everard case and a Cheshire East Council survey.

To protect residents and improve our environment.

Key actions:

- Review local air quality through our Annual Status Reports, taking

- Community Enforcement Officers continue to educate and engage with members of the public. 26 fixed penalty notices have been issued for dog fouling, Fly-tipping and abandoned vehicles.

- The Cleaner Crewe pilot started early in the year and has seen 6 alleyways cleaned and further enhanced with plants, artwork, and new signs. The pilot has seen collaborative working between various departments within the council, the local MP, Crewe

action to respond to areas of poorer air quality

- Air Quality Management Areas have an action plan outlining planned measures to improve air quality
- A regulatory service that balances advice and education
- Provide a robust licensing regime for alcohol, gambling and hackney carriage private hire vehicles
- Proactive inspection and surveillance programmes

Town Council, and residents. The Town Council have agreed to fund an extra Community Enforcement Officer to further support the pilot.

- The draft Air Quality Annual Status Report has been submitted to Defra for approval. Projects within the Air Quality Action Plan are ongoing in conjunction with a range of internal and external partners and progress is reported to the Air Quality Steering Group on a quarterly basis.
- The Licensing team is preparing a public consultation on a comprehensive review of the Cheshire East Taxi Licensing Policy in response to the Department of Transport's 'National Minimum Standards' document.
- Proactive inspection work across Regulatory Services is ongoing focussing on high-risk activities and in line with national requirements.
- Regulatory Services continue to respond to complaints and requests for advice from individuals and business. This includes ongoing support and guidance in relation to Covid-19 controls and outbreak situations.

Improved green spaces for all. Enabling people to exercise and socialise in our parks and open spaces.

Key actions

- Review and improve our play areas and parks
- Work with partners to provide a more welcoming environment
- Secure funding for additional recreation provision along with improvements to the current provision
- Increase the number of rewilded areas within our parks and open spaces

- Visitor numbers in our parks grew significantly during the pandemic and they remain high demonstrating their value to our diverse communities.
- Seven of our parks across the borough have retained their Green Flag Awards this year. There are 10 park improvement projects that are in progress or recently completed.
- Access issues reported on the Public Rights of Way network team resolved to maintain accessibility.
- We are in the process of providing recycling bins in key parks across the borough alongside existing litter provision.

Priority: To reduce our impact on our environment

To have minimised overall waste generated in the borough and maximised our levels of recycling.

Key actions:

- Introduction of the Municipal Waste Strategy
- To Review and Consult on Household Waste Recycling Centre Provision

- The pandemic has placed great strain on the waste collection system but despite the numerous pressures Ansa have been able to continue to empty all three bins with only short-term disruption to some collection rounds.
- A clear result of the lockdowns has been an increase in the tonnage of all waste streams. As a consequence, we have not succeeded in minimising overall waste generation in the borough, but our recycling levels remain encouragingly high.
- The waste prevention team have succeeded in retaining an enthusiastic band of 100 volunteers who are actively involved in waste prevention activities. The pandemic has limited community engagement but has not prevented the team reaching out digitally. The lifting of restrictions has enabled engagement in the market in Macclesfield, talks to secondary schools, WIs, Brownies and Cubs and Tatton Foodies Festival.

To improve biodiversity and natural habitats in the borough.

Key actions:

- Increased rewilding
- Embed bio-diversity, including off-setting, across Cheshire East Council estate
- Deliver the tree planting programme

- 15,000 trees planted in 20/21 planting season are now in establishment period. A pipeline of schemes for 21/22 planting season is being progressed for parks, open spaces, and countryside sites along with tree planting at Leighton Grange to supplement the solar PV scheme. We are working in partnership with Mersey Forest and Cheshire Wildlife Trust to improve tree planting and biodiversity on other land.
- As part of our Carbon inset and biodiversity commitment, in partnership with Cheshire Wildlife Trust, we have been working to restore peatland at Pastures Wood in Rodeheath.
- We have trialled 'no mow' areas within some parks which has had a positive public response.

Priority: A transport network that is safe and promotes active travel

Improvements in the strategic infrastructure that support sustainable and inclusive growth across the borough.

Key actions:

- Delivery of major infrastructure programmes

- The Council continues to work collaboratively with Network Rail and Government to seek necessary investments in Crewe and Macclesfield stations to support HS2. Looking at funding opportunities to accelerate elements of the HS2 programme ahead of the arrival of HS2 services. Awaiting Government and HS2 Ltd response to the 2020 HS2 Phase 2b design refinements consultation which included proposals for a Crewe North Connection
- In April the Congleton Link Road was opened. This was delivered whilst working through the period impacted by Covid and 3 separate periods of severe rainfall. The road was been delivered on budget, with only minimal delays due to the mitigation put in place to minimise the disruptive impacts.
- Poynton Relief Road is progressing well on site and remains on programme for an opening in 2022.
- Progress towards construction contract awards for both Middlewich Eastern Bypass and A500 Dualling continues.

	<ul style="list-style-type: none"> <li>• The North West Crewe highways package is on the point of contract award pending the final planning decision notice being issued for the associated housing development.</li> </ul>
<p>Safer and well-maintained roads.</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Deliver planned investment to maintain the highway network</li> <li>• Review of appropriate strategies, such as speed management</li> </ul>	<ul style="list-style-type: none"> <li>• The Highway Service, in conjunction with the Brighter Future Together Programme's Customer Experience Workstream has developed a "Customer Satisfaction Improvement Action Plan" Progress on this was reported to the September Highways and Transport Committee – identified "quick wins" have started to be implemented.</li> <li>• The focus of the Customer Experience workstream is on the quality of responses in terms of useful information in responses to the significant number of highway queries. For example, the highway team has recently gone live with "Fix My Street" public reporting app which, as it develops, will greatly enhance the quality of service in this area and enable improved tracking of defect reports</li> <li>• Current capital and revenue funding levels are not sufficient to achieve an overall improvement in highway network condition, despite additional capital funds being made available in the MTFS. Regular reporting on a series of condition indicators with appropriate targets to the Highways and Transport Committee members has commenced so that the issue can be tracked. The reporting includes all other indicators used to monitor and manage the performance of the service</li> <li>• The first Annual Road Safety Report was taken to the Highways and Transport Committee in September which included details of the reducing 5-year trend in the annual number of killed and seriously injured collisions on Cheshire East's roads.</li> </ul>
<p>Investment in electric vehicle infrastructure in our key service centres</p>	<ul style="list-style-type: none"> <li>• EV Charging Infrastructure Strategy was approved at Highways Committee in July 2021. Work to identify a partner to supply and install infrastructure will follow.</li> </ul>
<p>To increase parking provision close to local transport hubs</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Complete Local Transport Plan parking reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Local Transport Delivery Plans are being developed for all Principal Towns and Key Service Centres. These will be reported to Highways Committee in Spring 2022.</li> <li>• A borough-wide review of parking provision has been undertaken, which will be used to inform town-by-town assessments.</li> <li>• Business case work for Broadway Meadow MSCP has been undertaken. In the short term, the case for investment has been impacted by a significant reduction in parking as a result of the pandemic.</li> </ul>
<p>To promote uptake of cycling in our local service centres</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>• Installation of cycle storage facilities in Cheshire East car parks</li> <li>• Invest in new cycle routes and improve existing ones</li> </ul>	<ul style="list-style-type: none"> <li>• New cycle facilities have been trialled through deployment of Covid Emergency Active Travel funding in 8 locations. Community views have been mixed and these schemes are being evaluated and reviewed. 1 scheme in Alsager has concluded its review and was withdrawn.</li> <li>• Cycling infrastructure schemes are being implemented in accordance with the Council's adopted Local Cycling &amp; Walking Improvement Plans. The Wilmslow Station – Royal London scheme was completed and is now open. Work continues on the Crewe – Leighton – Nantwich Greenway scheme.</li> <li>• Government announced additional funding through the Active Travel Programme which is being used to develop schemes at Manchester Rd, Wilmslow and Manchester Road, Tytherington.</li> <li>• Sustrans awarded funding to support improvement of the Middlewood Way scheme at Black Lane, Macclesfield.</li> </ul>

<ul style="list-style-type: none"> <li>Prohibit parking in existing cycle lanes</li> </ul>	<ul style="list-style-type: none"> <li>The Council has been selected by Government to bid into a Social Prescribing initiative with Public Health to promote cycling in Crewe.</li> <li>A bid to Active Travel GP social prescribing scheme is being developed to support people to take up cycling/walking. An invitation to the second stage of the application process has been received.</li> </ul>
<p>To improve the speed and efficiency of public transport and encourage more residents to make fewer car journeys</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>Feasibility studies into the creation of rapid transit routes connecting existing infrastructure with key employment site</li> </ul>	<ul style="list-style-type: none"> <li>The pandemic has significantly reduced the use of local public transport and this has affected the ability to develop plans for rapid transit initiatives in the short term.</li> <li>Work programmes have been incorporated in the Councils preparation of its first Bus Improvement Plan, which is a requirement of the new National Bus Strategy.</li> <li>Our first Bus Improvement Plan has been produced in consultation with operators and stakeholders.</li> <li>The BSIP will be submitted to Department for Transport on 31 October 2021.</li> </ul>
<p>To reduce areas of the borough not served by public transport</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>Submit proposals to Rural Transport Fund</li> <li>Develop quality bus partnerships with operators and town councils</li> </ul>	<ul style="list-style-type: none"> <li>The new Rural Mobility Fund service “Go Too” commenced operations on 4 October, serving the rural areas to the south and west of Nantwich.</li> <li>Our first Bus Service Improvement Plan (BSIP) has been produced and will address parts of the borough for future investment in bus services and supporting infrastructure. The BSIP will be submitted to Department for Transport on 31 October 2021 and will be kept under review as bus usage recovers from the pandemic and new service opportunities arise.</li> </ul>
<p>To encourage an increase in the use of public transport (especially buses)</p> <p>Key actions:</p> <ul style="list-style-type: none"> <li>Operators work together to share real time information</li> <li>Bus routes planned to provide multi-modal connectivity</li> <li>Cheshire East bus app developed</li> </ul>	<ul style="list-style-type: none"> <li>Work has been incorporated in the Council’s preparation of its first BSIP, which is a requirement of the new National Bus Strategy.</li> <li>Our BSIP seek to address both customer satisfaction through involvement of passenger representative bodies and better integration with other modes of public transport.</li> </ul>
<p>More residents to use walking routes</p> <p>Key actions:</p>	<ul style="list-style-type: none"> <li>Walking infrastructure schemes are being implemented in accordance with the Council’s adopted Local Cycling &amp; Walking Improvement Plans. The Wilmslow Station – Royal London scheme was completed and is now open. Work continues on the Crewe – Leighton – Nantwich Greenway scheme.</li> </ul>

- Promote existing routes and nature trails
- Create new walking routes between service centres

- The Council has engaged and promoted Bike and Walk to School Days, through liaison with local schools.
- Promotion of existing routes and trails continuing along with messages to encourage responsible access to the countryside.

Priority: Thriving urban and rural economies with opportunities for all

Delivery of a strategic regeneration plan for Crewe

Key actions:

- Successful delivery of the regeneration programmes

- The Economic Development Service's Development and Regeneration team has successfully obtained two significant awards of Funding from Government: Future High Streets Fund (£14.1m), and Town Investment Fund (£22.9m) to revitalise the Town Centre.
- Ten projects under the High Street fund have already been mobilised while the ten projects under the Towns fund have addressed funding conditions to advance to the next key gateway in October. An Accelerated Towns Fund utilising £0.75m Govt grant has been used to develop designs and costings for Ly<sup>2</sup> project and a planning application has been submitted.
- The Royal Arcade Development, with a new Bus Station and Multi Storey Car Park has developed RIBA Stage 4 designs and costings and secured planning consent.
- The newly refurbished Crewe Market Hall successfully opened in May and the data shows that it is becoming an anchor retail, leisure and entertainment venue in the town. This is supported by footfall data which shows that between April 2021 and August 2021 there were 17% more people in Crewe, to a figure of 983,108.
- Further, the Business Support team have appointed Buttress Ltd to undertake a feasibility study and options appraisal for the Tech & Digital Innovation Hub in Crewe; and they have drafted the service specification to appoint consultants to develop a new Inward Investment Strategy that will develop the targeting and positioning proposition for key investment sites and schemes in Crewe. Account management support was given to Likewize (formerly Brightstar) who are seeking to invest in Crewe.
- Funding has also been secured by the Projects team for a Crewe heat network, subject to delivery timescales, and procurement is under way.

Delivery of a strategic regeneration plan for Macclesfield

Key actions:

- Successful delivery of the regeneration programme for Macclesfield

- Data shows that between April 2021 and August 2021 foot fall in Macclesfield increased 8% to 1,429,170 people.
- A Levelling Up Fund bid was submitted by the Economic Development service in June 2021 for £14.5m government funding to redevelop the market hall, upgrade the public realm to enable and encourage outdoor hospitality and to improve the Old Sunday School a grade 2\* listed building to enable greater and community and commercial use. The bid has been unsuccessful under this first round. Officers are liaising with government officials to secure feedback to help inform future bids.
- The £1.6m public realm investment on Castle St has started and is expected to be completed in early October 2021, stimulating private investment in vacant units with new commercial and residential floorspace.
- An expert team have been appointed to develop an Options and Feasibility Study for the Station Gateway/campus and Churchill Way Corridor. A baseline report has been produced, with final report due to be completed by January 2022.

- A brief has also been drafted for the Town Hall Study and shared with external stakeholders, whilst the Market Hall Options and Feasibility Study is ready for procurement of an external team to deliver.
- The service through its Business Support team is also in the process of appointing consultants to develop a new Inward Investment Strategy that will develop the targeting and positioning proposition for key investment sites and schemes in Macclesfield. The team provided account management to SebSpace (Tech Co-Working Hub) looking to invest in Macclesfield.

Successful town centres in our other key towns

Key actions:

- Work with our partners and key stakeholders to understand what is important to our towns

- The council's Economic Development service continues its targeted recovery support. Town Vitality Plans, baseline reports produced for all nine key service centres, bringing together for each centre an analysis of the town centres as they currently exist. Draft tool kit reports have also been produced, and shared with Town Councils and other stakeholders, showing examples of initiative supporting town centres aligned to Institute of Place Management top 25 factors. Next steps, stakeholder engagement meetings are scheduled October - December 2021, to identify key projects.

- It has also used the Welcome back to the high street fund, to launch the Say Hi to the High St campaign with 11 mini videos on social media, adverts in local press and mailshot to 187,000 residential and business premises to advertise safe reopening of local high streets. This and other activities have allowed us to successfully submit a first claim to the Welcome Back Fund for £230,000.

- The service aims to increase footfall with this package of support as in line with national trends, data shows that between April 2021 and August 2021 all but one of our key service towns saw a decrease in footfall as people favoured trips to their immediate and smaller centres:

Alsager	decrease of 8.9% to 330,540
Congleton	decrease of 7.4% to 855,291
Handforth	decrease of 6.1% to 362,882
Knutsford	decrease of 2.4% to 792,021
Middlewich	decrease of 11.2% to 323,273
Nantwich	increase of 5.6% to 486,840
Poynton	decrease of 11.5% to 430,176
Sandbach	decrease of 8.2% to 602,497
Wilmslow	decrease of 8.4% to 861,905

- Carpark patronage data shows hopeful signs that footfall is increasing again from late summer.

- In terms of facilitating sustainable science parks, the Economic Development service, through position on the Enterprise Zone Board, approved investment of £7million in Glasshouse at Alderley Park and £4million in Blocks 22-24. It offered account management to this and other businesses looking to invest.

Maximise the commercial and regeneration opportunities associated with HS2 for the whole borough

- The Council is represented by the Economic Development service's Business Support team on the Local Enterprise Partnership Growth Corridors Board, providing oversight of the development of the 'High Speed Corridor' and associated programmes.

## Thriving and active rural communities

### Key actions:

- Deliver the Rural action plan

- The Economic Development service's work continues the delivery of three strategic housing schemes aimed not only at shaping new neighbourhoods but also delivering new (including affordable) homes and capital receipts to the council for future investment.
- At Leighton Green, NW Crewe package negotiations are ongoing with other landowners to crystallize s106 and deliver granting of planning permission. This will unlock land parcels and delivery strategy to be agreed.
- At Handforth Garden Village, the hybrid planning application has been progressed to its final form, targeted at Committee Date in late 2021. The vegetation clearance procurement is underway and S106/Roof tax mechanism are being refined. Dialogue with stakeholders and other landowners continues.
- Still at the Garden Village, the service's Business Support team has provided account management to Manchester Medical Campus seeking to invest there whilst a business case has been drawn up, by the Projects team, for the development of a sustainable heat network at the scheme, although delivery is subject to funding.
- The third strategic housing scheme, the South Macclesfield Development Area, has completed its gateway review to progress into Pre-Construction with the Reserved Matters application and land assembly workstreams progressing.
- The Digital Cheshire programme, which aims to improve broadband connectivity, is also in its delivery phase by the Economic Development service. On the digital infrastructure element, Contractor Airband has commenced mobilization centred on the Malpas area but with coverage of nearby Cheshire East premises included.
- Digital Cheshire has delivered 8 virtual masterclasses on subject areas ranging from driving digital sales, content marketing and implementation of digital operations. Following positive feedback from beneficiaries a further 15 masterclasses have been confirmed and planned until the end of 2021 covering aspects such as cyber security, SEO, online paid marketing, Google analytics and digital future proofing.
- There is ongoing exploration of new Digital initiatives and potential projects, regular discussions are held with Connecting Cheshire partners to get agreement on future project pipeline; and the project team has provided policy sections for inclusion in the council's Digital Strategy to ensure alignment.
- The service's Business and Support team has been at the forefront of the borough's Covid-19 pandemic business recovery response, not just in rural communities but across Cheshire East's town network too.
- It has set up and delivered: -
  - the Local Discretionary Grant Scheme – assessing 751 applications and paid out £4.37million in grant to 540 businesses; and
  - the Additional Restrictions Grant Scheme – Assessed 2,133 applications and paid out £11.1million in grants to 1,102 businesses.

### Delivery is still ongoing for: -

- the Extended Restrictions Grant Scheme – to date paid out £322k to 143 businesses.
- the Business Interruption Fund – to date approved 73 applications: and

- the newly launched Recovery & Growth Grant.
- It has also drafted the service specification for a provider to deliver a 'Recovery & Growth Programme' that will include provision of an online hub of information and 1-2-1 support to help businesses develop a recovery plan.
- The team also promote key science and technology sectors/clusters, located across the borough, by facilitating investment in R&D and innovation infrastructure. It continues attendance at the Investment Advisory Panel to provide oversight of the GM&Cheshire Life Science Investment Fund. The fund has invested £23.4m into 42 companies in the portfolio (£12m in Alderley Park based companies, £11.4m in GM and C&W companies).
- Also, at Alderley Park, the team has supported a review and ratification of Business Rate Discount applications for businesses taking additional space and supported the decarbonisation of its campus delivered through a £12m investment in an optimized heat network.
- The Business support team have also secured £300k of InnovateUK grant funding to test different delivery methods to help businesses adopt digital practices. They have also set up the ADAPT 'knowledge portal' and provided free access to 200 x SMEs. 100 of these were invited to attend online webinars delivered in partnership with Barclays Bank. 76 businesses either attended a live webinar or watched a recorded webinar.
- Other activity includes a key role in the Partner in The Pledge partnership - funded by ESF - to facilitate relationships between education and business, and the team also employs an Enterprise Coordinator to recruit a network of Enterprise Advisors from businesses to help schools to improve their careers and enterprise activities.
- In terms of their activity targeted specifically at rural businesses, it has progressed development of the Rural Action Plan, and continues to attend the Rural Strategy Board. It has provided advice to over 25 rural businesses to access funding for growth.
- The Rural action Plan was considered by Economy and Growth Committee in September 2021 and agreed a work programme to review and update the Plan in 2022.

Priority: To be carbon neutral by 2025

To have delivered the milestones in becoming a carbon neutral council

Key actions:

- Deliver actions in the Cheshire East Council Carbon Action Plan

- Work to reduce the Council's own carbon footprint:
  - A program of works is under way to council buildings to install LED lighting, Solar PV, air source heat pumps and improvements to building fabric. We are also progressing a heat network connecting to Council buildings in Crewe. These works will reduce emissions from heating and powering our buildings.
  - Reducing emissions for the Council's vehicles through the completion of a fleet assessment and charging requirements and through the introduction of electric vehicles and two hydrogen dual fuel refuse collection vehicles.
  - By working to embed the carbon commitment across the Council through Carbon Literacy Training, embedding carbon assessments into the council's business planning process and developing team resources as part of staff wide development plans.
- Work to inset the Council's Carbon footprint:

- Through sustainable electricity generation progressing the Council's first solar farm and assessing the potential for future generation opportunities. We have also converted to sustainable electricity powering our streetlights and buildings.
- As part of our natural carbon inset 15,000 trees planted in 20/21 planting season are now in establishment period. A pipeline of schemes for 21/22 planting season is being progressed working in partnership with Mersey Forest and Cheshire Wildlife Trust to improve tree planting and biodiversity on other land.
- Work to promote carbon neutrality and carbon zero development across Cheshire East: -
  - We are working together with key partners and sectors across Cheshire East including Industry and business, education NHS, voluntary sector and Town and Parish Councils to reduce carbon. We have provided resources and media including a Town and Parish Council tool kit. Introduced guidelines and training in procurement and a crowd fund focused on community and environmental projects. We have also recently undertaken a schools' competition to raise carbon awareness and name our new Hydrogen refuse vehicles.
  - We have Green Homes Grants programmes in progress; Sustainable Warmth bid submitted for future resources; developing bid with Registered Providers for Social Housing Decarbonisation Fund; planning procurement for household engagement and housing retrofits.
- We are also embedding carbon reduction measures in a number of our Council led schemes including Handforth Garden Village and its proposed heat network. At the Royal Arcade Crewe, proposals for a scheme to incorporate increased electric vehicle charging capacity and photovoltaic cells in the bus station and multi-storey car park development have been adopted.

### Measures of progress

Measure	Previous Q	Latest Q	Target	Comment
Residual household waste collected per household (kgs)	239kg	250kg	<510kg	The pandemic has placed great strain on the waste collection system but despite the numerous pressures Ansa have been able to continue to empty all three bins with only short-term disruption to some collection rounds. Many local authorities across the country have ceased one of their collections to cope with the pressure.
Increase the % of all waste collected sent for recycling, reuse and (to achieve 65% by 2035)	60.5%	59%	>50%	A clear result of the lockdowns has been to increase the tonnage of all waste streams – residents are at home and therefore carrying out more gardening/DIY, eating at home and not disposing of items at their workplace. Consequently, we have not succeeded in minimising overall waste generation in the borough, but our recycling levels remain encouragingly high.
Maintain volunteers in waste awareness	Approx. 100	Approx. 100	25	The waste prevention team have succeeded in retaining an enthusiastic band of volunteers who are actively involved in waste prevention activities. The pandemic has limited community engagement, but this has not prevented the team reaching out digitally. The lifting of restrictions has, amongst other things, enabled engagement at a stall in the indoor market in Macclesfield, talks to secondary schools, WIs, Brownies and Cubs and Tatton Foodies Festival.
Number of major applications registered	64	61	N/A	The Planning Service has faced significant challenges over the first half of the year initially caused by ongoing Covid impacts but now coupled with significant increases in the volume of applications. Total applications have increased by over 15% for the period Jan-Sep 2021 compared to the previous year (5085 applications over 4300), with increases in submissions of smaller householder and prior approval applications.
Number of non-major applications registered	1,539	1,869	N/A	To help address the backlog of applications an external provider, Capita, have been procured to provide additional capacity of 4-5 officers to assist with the backlog of householder applications. The contract covers up to 1,000 applications over a 9-12 month period.
Major applications determined within 13 weeks or agreed time	96%	95%	>90%	
Non-major applications determined within 8 weeks or agreed time	88%	83%	>90%	
% Planning appeals allowed	42%	36%	30%	Enforcement complaints have also increased (592 in comparison with 548 for Apr-Sep last year) with more people 'working at home' and having greater

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				awareness of the environment around them. However, there have been some significant successes with 5 Enforcement Notices, 5 Planning Contravention Notices and 1 Breach of Condition during the reporting period. Recruitment continues to fill a current vacancy with the enforcement team.
Supply of deliverable housing land	N/A	6.4 years	5 years	The five-year housing supply figure remains at a robust level of 6.4 years with 2,376 net completions during the 20/21 monitoring year.
Number of visitors to libraries	160,347	272,477	800,000	The Library service is still dealing with capacity issues due to COVID-19, which despite the best endeavours of the staff have resulted in a reduced offer at some of the libraries at times. Despite this, visitor numbers and participation in activities is getting back to close to pre-pandemic levels. The majority of customers have been reassured around the safety of our library premises.
Number of visitors to leisure centres	169,249	910,111	2,000,000	All Leisure Centres re-opened in July following the easing of Covid-19 restrictions, and Everybody Sport and Recreation are reporting an encouraging position in terms of recovery of memberships and participation. They have seen more 'pay as you go' swimming and an earlier than anticipated return of school swimming as well as an increase in outdoor bookings.
Home adaptations for older and/or disabled residents	214	128	500	The ability to enter homes and carry out improvements and adaptations was also hindered by the pandemic, however Housing Standards and Adaptations staff found new innovative ways in which to engage with residents and deal with emergency issues, ensuring we could continue to enforce against poor housing conditions.
Increase the supply of new affordable housing	207	303	355	The ability to enter homes and carry out improvements and adaptations was also hindered by the pandemic, however Housing Standards and Adaptations staff found new innovative ways in which to engage with residents and deal with emergency issues, ensuring we could continue to enforce against poor housing conditions.
Maintain the number of long-term empty homes in Cheshire East to less than 1%	1.10%	End of year target	<1%	N/A
Increase number of preventative and relief actions taken in order to reduce levels of homelessness in Cheshire East	492	499	1000	During the pandemic Housing staff continued to work hard to provide effective, customer focused frontline services to ensure that our residents were prevented from becoming homeless or were relieved from homelessness. We responded quickly to the call from Government for "Everyone in" and worked hard to provide those in temporary accommodation with a long-term housing solution
Households helped to achieve affordable warmth	30	188	500	Improving the energy efficiency of our homes and reducing fuel poverty is a priority within the Housing Strategy and we have successfully applied for and

				been awarded Green Homes Grant funding to improve the energy efficiency of some of our older housing stock. A further bid has been submitted for Sustainable Warmth funding to enable us to improve more homes and we are working with our Registered Housing Providers to submit a bid for the Social Housing Decarbonisation Fund.
Capital receipts across assets and farms disposals	£1,117,000	£870,000	£1,000,000	The impact of the pandemic and at the time of reporting to a lesser extent, EU Transition, has generated significant uncertainties in the property market and supply chains. In addition to this the Council as a public body has also had to respond to the pandemic, and the Council's property has been a significant factor in its response. The Estates team has been able to progress its work despite these uncertainties and additional activities.
Income across non-operational assets and farms estates (98% of rent demanded)	£2,610,000		£1,749,000	
Total carbon emissions from the Council's operations	Met carbon commitment	*	In line with carbon commitment	In addition to the ongoing £3.5m land and property maintenance programme and line with the Council's Carbon Neutral by 2025 policy, the Estates Team has also progressed works on decarbonising its operational estate in year, utilising grant funding, including an LED lighting replacement programme, additional solar PV and air source heat pumps into its estate, both in offices and front-line buildings.
Total cost of corporate buildings	(Target a 5% reduction)	*	£1,581,000	The Council's operational estate has provided a high assurance covid safe environment for its employees and its residents. This has enabled users of the Council's buildings to be able to continue using them with confidence. The team has also ensured that routine assurance and testing is progressed, in line with the expected target outcomes. Worthy of particular note are the Soft FM team, who have supported other officers to work from the Council's buildings (both front line and offices) – keeping them safe as well as supporting them with print and post services whilst working remotely.
Ease of use of Public Rights of Way network (due to effect of Covid, a proxy source of data has been used which calls upon a greater percentage survey than the previous method although not random in geography across the borough)	93%	N/A	80%	The Public Rights of Way (PROW) team has once again delivered a very high standard of service to the public despite the high demands and some capacity issues. The Public Rights of Way Sub-Committee has oversight of this statutory service and the annual report is available online having been presented its meeting on 13th September 2021.
Audience figures for Lyceum Theatre	0	4,390	66,700	The Lyceum Theatre, which is owned by the Council but managed by HQ Theatres, reopened in September following a 17-month closure due to COVID restrictions. Cheshire Rural Touring Arts (CRTA) delivered a Cultural Recovery

				programme with arts Council funding, including outdoor performances and audience engagement for home-based activities. The Autumn season is now being delivered as normal indoor in rural locations.
Tatton Park visitor numbers	240,000	380,000	750,000	Despite the impacts on visits, Tatton Park was identified as the 5th most visited paid-for attraction in England in 2020. Visitor numbers to the Park, Garden and Farm attractions have buoyant although some areas of activity continued to be impacted by Government restrictions until the end of June 2021.
Tatton Park net budget	£683,374	£743,914	£793,904	
% Carbon emissions being offset by the Council	28%	N/A	38%	
Connecting Cheshire - homes receiving high speed Wi-Fi (speeds higher than 24mbps) – cumulative	13,046		13,734	
Delivery of capital programmes and projects on time and to budget	New Measure		100%	
Town Centre Vacancy Rates	Various across town centres as reported in CEC annual Monitoring Report		Below national and NW average for year	
Highways Safety Inspections	N/A	20/21 Cumulative result 5,506 km	11,213km	In September 100% of the 836.81 km of network were inspected. Year to date, a total of 5,506.72km of the network has been inspected, 49.16% of the annual target. This measure is currently on track. It must be noted that the end of years figures for the overall length of network to be inspected may fluctuate this year. This is due to the transition of the current inspection frequencies to be in line with the new risk-based approach code of practice for safety inspections.
Highways Category 'Emergency' Defects	N/A	20/21 Cumulative 96%	100%	In September there were 102 non-traffic-signal-emergency calls, of which 96 were attended and made safe within the timeframe. So far within year, a total of 659 non-traffic-signal emergencies were reported of which 633 (96.1%) were attended and made safe within timeframe.
Highways Number of annual sample inspections of utility works successfully completed	N/A	20/21 Cumulative 1,390	2236	In year a total of 1,390 utility work inspections have been completed. By the end of September, 1,201 inspections were due to be completed so this activity is ahead of schedule (57.9% complete).

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*Working for a brighter future together*

## **Corporate Policy Committee**

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<b>Date of Meeting:</b>	2 <sup>nd</sup> December 2021
<b>Report Title:</b>	Cheshire East - Digital Strategy
<b>Report of:</b>	Jane Burns: Executive Director Corporate Services
<b>Report Reference No:</b>	CP/19/21-22
<b>Ward(s) Affected:</b>	All

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### **1. Executive Summary**

- 1.1.** Maximising the opportunities that the Digital Revolution provides is a priority for the Council as outlined within the Corporate Plan. The plan recognises that “new and emerging technologies are bringing opportunities to rethink how services can be provided. We want to improve connectivity for all our communities and help residents and business to benefit from the convenience and flexibility it can bring.”
- 1.2.** Cheshire East Council has already made strong progress towards its digital priority however this has developed as a series of individual programmes and collaborations with our partners.
- 1.3.** In September 2001, Corporate Policy Committee approved a recommendation to develop a single overarching Digital Strategy for Cheshire East Council. The proposed themes and principles to be incorporated within the Strategy were also approved.
- 1.4.** The Draft Digital Strategy has now been developed with a proposed overarching digital vision “**To use the power of digital innovation to redesign the Council and the services it provides – making Cheshire East a better place to live and work and for our residents and businesses to thrive**”.
- 1.5.** It is intended to issue the Draft Digital Strategy for formal consultation with a view to bringing a final version of the Strategy to Corporate Policy Committee in March 2022.

## **2. Recommendations**

- 2.1.** It is recommended that Corporate Policy Committee: -
- Approve the Draft Digital Strategy for Cheshire East Council based on the principles and themes approved by Corporate Policy Committee 7<sup>th</sup> September 2021
  - Agree to a formal consultation on the Draft Digital Strategy
  - Agree that the final Digital Strategy be submitted to Corporate Policy Committee post consultation in March 2022

## **3. Reasons for Recommendations**

- 3.1.** To enable the development of a Digital Strategy for Cheshire East Council and to support the strategic aims and objectives in the Council's Corporate Plan 2021-25.
- 3.2.** To ensure that the Digital Strategy is developed in consultation with our residents, businesses and partners.

## **4. Other Options Considered**

- 4.1.** The Council could continue without a Digital Strategy. This option is not recommended as, without the focus of an overarching Strategy, there are significant risks of inefficiency as well as a limited ability to share expertise and best practice.
- 4.2.** The Council could develop a Digital Strategy in isolation from residents, businesses and partners. This option is not recommended as it would not align with the Council's commitment to openness and transparency. It is also likely to undermine development of the initiatives contained within the Strategy, many of which rely on partnership working.
- 4.3.** The Council could adopt a Digital Strategy without consulting. This option is not recommended as the Council recognises the benefits of public consultation which can help improve strategies and increase public participation and support. Not consulting on this draft strategy would not align with the Council's commitment to openness and transparency.

## **5. Background**

- 5.1.** Cheshire East Council has already made significant progress in its digital journey and has accelerated this as a result of the COVID pandemic. Improvements have been made in our service delivery, in our daily working practices and in our communities.
- 5.2.** The Corporate Plan recognises this but also the need for more to be done to maximise these benefits and to minimise the negative impacts of digital.

- 5.3. The development of a Digital Strategy for Cheshire East Council aims to provide a clear vision for the Councils digital transformation, underpinned by a set of principles against which the existing wide range of activities can be co-ordinated and future initiatives can be assessed.
- 5.4. In September 2021, Corporate Policy Committee approved both the principles on which the Digital Strategy should be based and the themes around which it should be developed. These are now incorporated within the Strategy and have been expanded to articulate a clear vision for each theme, the deliverables which will support the achievement of that vision and the expected outcomes.
- 5.5. A Digital Board has been established chaired by the Director for Finance and Customer Services with representation from Place, Children's, Adults, Customer Experience, and ICT. The Board will co-ordinate the delivery of the Digital Strategy, ensuring all actions are delivered and the anticipated outcomes and benefits are achieved.
- 5.6. The Draft Digital Strategy can be found at Appendix one.

## 6. Consultation and Engagement

- 6.1. Many of the individual themes within the Strategy have already been subject to consultation (for example the Customer Experience Strategy). The Draft Digital Strategy will however be issued for formal consultation to residents, businesses and partners to ensure it meets their aspirations and represents a cohesive approach to digital transformation.

## 7. Implications

- 7.1. Equality Act 2010 – when considering the approach to be taken in the Digital Strategy consideration must be given to the Public Sector Equality Duty provided for under s.149 of the Equality Act 2010. Public authorities must remove or minimise disadvantage and take steps to meet the needs of persons sharing protected characteristics such as a disability or age. The duty also provides that public authorities must encourage persons with a protected characteristic to participate where participation by such persons is disproportionately low.
- 7.2. **UK GDPR** – Article 5(1)(b) data shall be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible for those purposes. While enabling customers to experience a seamless process the Council does need to ensure compliance with Article 5(1)(b) if personal data is to be used for a new purpose other than a legal obligation or function set out in law, the Council will need to ensure that this is compatible with the original purpose the data was collected for or obtain consent. Obtaining consent for use for a different purpose can be problematic for a public

authority as there is a presumption that consent is not freely given if provision of a service is dependent on the consent, as is the case with service provided by public bodies.

- 7.3. Finance** – The Strategy will provide a clear vision for the Councils digital transformation against which the existing wide range of activities can be co-ordinated and future initiatives can be assessed. The governance, associated with implementation of the strategy, will increase opportunities to achieve efficiencies within the medium term. Any changes to the MTFS will be reported and approved in accordance with the Constitution.
- 7.4. Policy** – The proposed principle and themes are aligned with the Councils vision, priorities and values as outlined in the Corporate Plan 2021-2025
- 7.5. Equality** – The fundamental principles underpinning the Strategy ensure that inclusion is at the heart of all digital proposals. A full EIA has been conducted and is attached.
- 7.6. Human Resources** – The Strategy does recognise the need for the continued upskilling of the workforce and a shift in culture towards digital first. There are no wider HR implications.
- 7.7. Risk Management** – The ongoing Digital transformation will be co-ordinated through the corporate Programme Management Office and a full risk assessment will be developed and managed.
- 7.8. Rural Communities** – The fundamental principles underpinning the Strategy ensure that inclusion is at the heart of all digital proposals including our rural communities.
- 7.9. Children and Young People/Cared for Children** – Children and young people are those most digitally included and are most likely to benefit from the digital transformation proposed. Specific actions have also been incorporated within the Strategy to address the issues of safety on-line.
- 7.10. Public Health** – The Digital Strategy theme of Health, Well-being and inclusion specifically considers digital opportunities to improve public health.
- 7.11. Climate Change** – One of the principles of the Strategy is proposed to be “Green Digital” – Our digital transformation will support the Councils commitment to be carbon neutral by 2025 and to influence carbon reduction across the borough.

<b>Access to Information</b>	
Contact Officer:	Helen Gerrard, Head of Customer Services Helen.Gerrard@cheshireeast.gov.uk 01270 371464
Appendices:	Appendix 1 - Draft Digital Strategy Appendix 2 - Equality Impact Assessment
Background Papers:	<a href="#">Developing a Digital Strategy - report final.pdf</a> ( <a href="#">cheshireeast.gov.uk</a> )

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# Cheshire East Digital Strategy

2021



# Our Digital Strategy supports our vision of becoming an **open, fairer and greener** Cheshire East.

The strategy outlines how we are adopting a digital-by-design approach to the way we offer services to customers, embracing new technologies and delivering solutions that are inclusive and accessible, improving the customer experience for all.

By focusing on key areas, we aim to provide innovative public services – creating a sustainable digital infrastructure, a vibrant digital economy, and improving health, wellbeing and inclusion across Cheshire East.



To use the power of digital innovation to redesign the council and the services it provides – making Cheshire East a **better place to live and work** and **supporting our residents and businesses to thrive.**

# OUR DIGITAL AIMS

1

Provide  
**innovative**  
public  
services

2

Create a  
**sustainable**  
digital  
infrastructure

3

Create a  
**vibrant** digital  
economy

4

**Improve**  
health,  
wellbeing &  
inclusion

## OUR DIGITAL PRINCIPLES



### **DIGITAL FOR ALL**

Everyone can benefit from the council's digital transformation including customers, residents, businesses, rural communities and community sectors.



### **ONE DIGITAL**

The strategy and solutions will cut across services and communities, ensuring joined-up working, driving efficiencies and improving customer experience.



### **DIGITAL BY DESIGN**

We will design services to be as efficient as possible to improve the customer experience. Services will be designed to encourage customers to choose the digital option first, but not to exclude those who do not.



### **GREEN DIGITAL**

Our digital transformation will support the council's commitment to be carbon neutral by 2025 and to influence carbon reduction across the borough.



### **SAFE DIGITAL**

Security and resilience will be at the core of all our digital developments. The safety of customers' personal information and data will be paramount.



### **TRANSPARENT DIGITAL**

We will use digital technology to make the council, its decision making and the information it holds more accessible for all.



### **INNOVATIVE DIGITAL**

We will embrace new technologies, testing our ideas and adopting an agile approach to service delivery. Innovation will be continuously informed by customer feedback.



### **DIGITAL FOUNDATIONS**

We will ensure that we have the technology, governance, delivery mechanism, leadership, skills, and culture to deliver against the strategy.



# 1 Provide innovative public services

## VISION :

To be an information-led council, delivering services which are responsive, convenient, accessible and safe in a consistent and cost effective way.

## Ambitions

**Digital technology and culture will form our foundations** as an open, fair and green organisation.

**Digital services will be designed around the needs of customers** – they will be accessible and appealing, encouraging those who can to use them, while not excluding those who can't.

**The data we hold will be safe, secure and private** where appropriate and of good quality, underpinning our decision making.

**We will embrace new technologies**, test ideas and develop a culture of innovation to improve services and deliver value for money.



## Facts & Figures



The council receives more than **5 million** visits per year to its corporate website [www.cheshireeast.gov.uk](http://www.cheshireeast.gov.uk)



**Around 70%** of all enquiries to the council are made through digital channels – online, through chatbots or e-forms.

## Progress so far...

Our Customer Experience Strategy was approved in 2021 and a programme has been established to deliver its aims.

The corporate website is currently being updated and refreshed to improve the user experience.

Our digital platform is being reviewed to ensure we are making the best use of technology and can deliver an excellent online customer experience.

We have an Information and Data Management Programme to review and make best use of the information we hold and to consider innovative approaches to how we can use that data safely and securely.

We have invested in new technologies for our workforce, initially to support the need for home working during the Covid pandemic but which now brings further opportunities for more efficient working practices.



## Actions - Improve digital services for customers

1

**Deliver a re-designed corporate website**

which is easy for customers to find information and access council services.

2

**Re-design our services around the customer,**

ensuring they meet customer needs and are delivered in a way which makes it easy for them to access.

3

**Implement a customer experience platform**

to improve management of all customer contact, including telephone calls, emails and online services.

4

**Consider options to enable customers to personalise information and preferences**

and to extend the ability to access personal data in a secure and safe environment.



## Actions - Make greater use of data to inform decision making

1

**Embed the council's Information Strategy** enabling data-led decision making across services.

2

**Provide a robust framework for the use of people's data,** and provide staff with the skills and knowledge to use that data confidently and competently.

3

**Implement the technology required to hold data centrally** and ensure data is consistent, secure and accurate across the council – in turn providing a single view of key businesses entities such as customer and property.

4

**Implement and ensure access to data sharing frameworks** particularly around the adult social care and health domain, to provide support in areas such as violence prevention and mental health.



## Actions - Drive efficiencies and service improvements

1

**Continue to support flexible ways of working** using technology to allow staff to work from any location or within their local communities.



2

**Develop an agile approach to digital transformation** reducing the time and cost of technology change.



3

**Test innovative technologies** including automation to improve service delivery and reduce costs.



4

**Continue to grow our digital ecosystem,** particularly the technology which allows us to seamlessly interface between internal and external systems.



## 2 Sustainable digital infrastructure

### VISION :

Supporting the delivery of a world-class, area-wide digital infrastructure, allowing everyone to access and benefit from digital technologies.

## Ambitions

All residents and businesses will be able to access high speed broadband in their home or locality.

We will use Smart City technology to drive efficiencies and to support the council's green agenda.

We will work with planning colleagues to require all new developments to allow for fibre broadband.

We will work towards the government commitment of full fibre broadband to all by 2025.

We will modernise Wi-Fi access in our council buildings and work with partners to allow staff to work from multiple locations.



## Facts & Figures



Currently, more than **96%** of Cheshire premises can access speeds of **30Mbps or above**



A national target to achieve **85%** full fibre gigabit (with speeds >1000mbps) capable coverage by 2025 has been set. Cheshire East's current full fibre coverage position is **28%**

## Progress so far...

We have worked with partners across Cheshire to deliver the first three phases of the Connecting Cheshire roll-out, providing broadband access to an additional 106,000 premises; of which over 90,000 are now able to access superfast, or above speeds broadband.

All libraries and Connected Community centres provide access to free Wi-Fi.

We have replaced more than 39,000 street lights in Cheshire East since 2015 with light emitting diode (LED) lighting.

A report by Rural England has found that:



**1/3** rural households are unable to make a mobile phone call indoors

**1/2** are unable to access 4G mobile networks

 **Actions - Support access to broadband within homes and businesses**

1

**Deliver the aims of Connecting Cheshire**, in partnership with Airband, to roll out gigabit-capable, full-fibre broadband connectivity to more than 4,000 properties across rural or hard-to-reach areas of Cheshire.

2

**Establish a “not spot” elimination process** with providers for broadband and mobile.

3

**Work with planning policies** to make the provision of full fibre broadband and 5G provision conditional in planning guidance.



## Actions - Provide access in the community

1

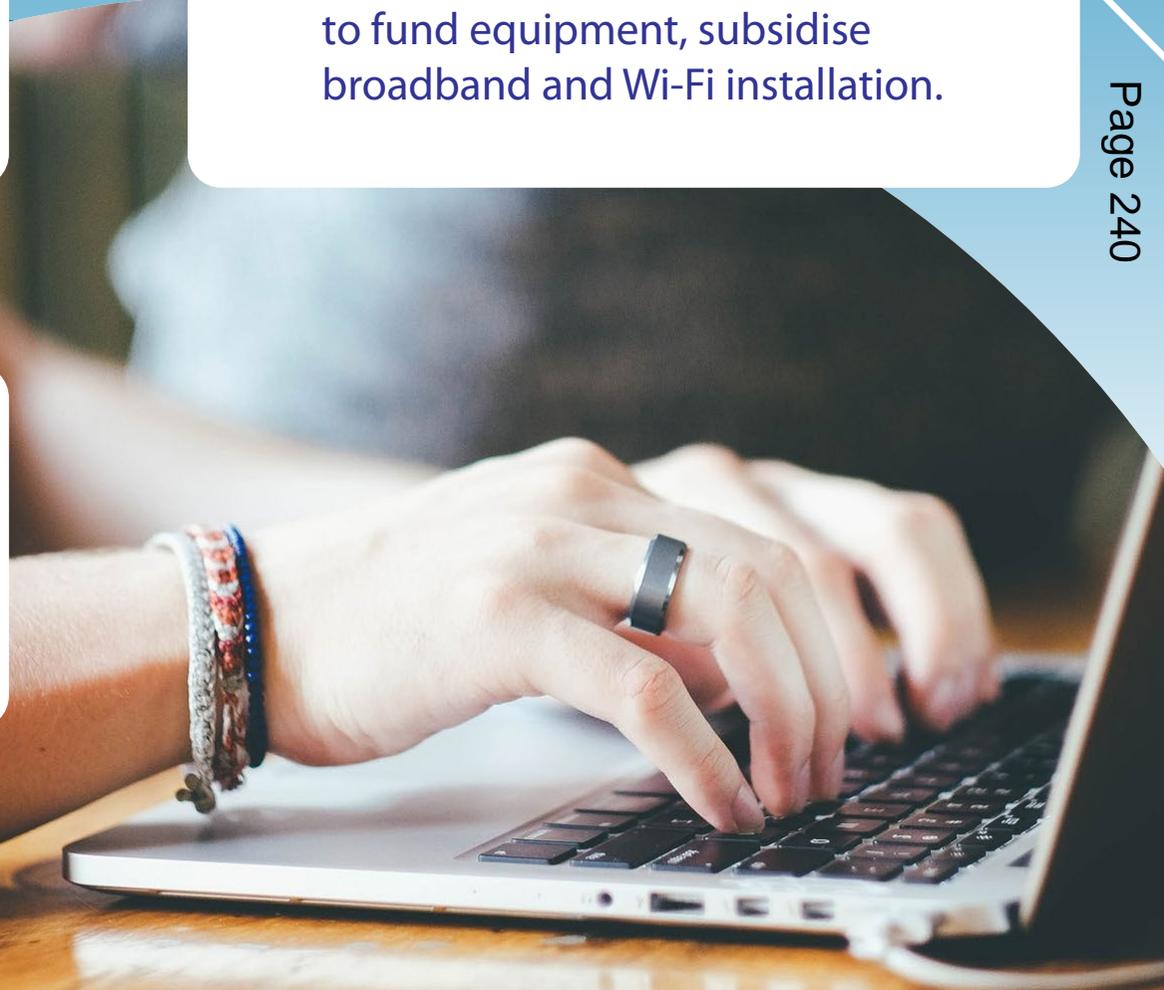
**Improve the provision of Wi-Fi and the Peoples Network** within all libraries and community centres.

2

**Review options to develop a community grant scheme** to fund equipment, subsidise broadband and Wi-Fi installation.

3

**Develop proposals to support care leavers** through the provision of affordable connectivity.



## Actions - Develop green technologies, smart cities and healthy buildings

1



**Continue to replace remaining street lights with LEDS** and extend this to street furniture.

2



**Maximise the use of artificial intelligence** and digital technologies to proactively monitor the condition of our roads, pavements and highway assets.

3



**Work with planning** to encourage developers to integrate smart technology and smart cities concepts into new developments.

4

**Work with Distribution Network Operators** to provide smart grid services to strengthen our ability to manage power usage and generation, and integrate smart technologies such as vehicle-to-grid charging.



### 3 To create a vibrant digital economy

**VISION :**

**A digitally skilled workforce and an internationally recognised area for digital businesses to thrive.**

## Ambitions

**Develop the workforce to provide the right skills for our economy** by supporting our residents to improve their skill levels and ensuring education provision meets the demands of our employers.

**Create the right conditions for business growth** with a focus on our key businesses and growth sectors through tailored support, the provision of inward investment opportunities and place marketing.

**Increase the diffusion of best practice** so that small to medium-sized enterprises (SMEs) have the tools to become more productive and encourage SMEs to adopt digital technologies and practices.

**Work with organisations and schools** to support young people into digital careers.



## Facts & Figures



The 2018 Tech Nation report estimated the value of the UK's Digital Tech economy to be nearly

**£185 Billion**

growing at a rate nearly

**3x faster** than the rest of the UK economy.



Cheshire East economy annually delivers

**£13.5B**



**45%** of businesses experienced recruitment difficulties and

**85%** cited skills as an issue, with a significant proportion requiring digital and science, technology, engineering and maths or "STEM" skills

## Progress so far...

Delivery of the Digital+ programme providing SMEs with free expert support on digital marketing and technology, including social media and cloud computing, as well as how to optimise their website.

Development of a fresh suite of business development masterclasses and business consultancy to help businesses transform, develop and grow digitally.

Delivery of the Adoption of Digital Accounting and Payment Technology (ADAPT) programme, offering eligible businesses access to a dedicated knowledge portal with best-practice guides and information to support the understanding of the technologies available, the associated benefits and the route to adoption.



## Actions - Provide digital support for businesses

1

**Business access through a single portal** where all businesses can go to for support to start up and grow and to attract inward investment.

2

**Digital services for businesses** - an online account for all council services to businesses.

3

**Business master classes** to enable businesses to maximise the benefits through connectivity (component of Connecting Cheshire Programme above).

4

**Adapt Project – (adoption of digital accounting and payment)** partnership with Barclays to promote digital accounting and payment.

## Actions - Develop the digital workforce

**1** Continue to support the work of the **Digital Skills Partnership** in supporting digital skills and growth across the region.

**2** Provide young people with **innovative opportunities** to develop existing digital skills and learn new ones, such as Luminare Youth.

**3** Develop a programme of **digital skills** training for Cheshire East staff to enable them to support customers and businesses to become more digitally enabled.



## Actions - Develop the digital economy of Cheshire

1

**Wider economic development/  
place marketing**  
establishing and promoting Cheshire East as a centre for digital business.

2

**Establish TADIC a Digital Innovation hubs** to support start-up businesses operating in the digital eco.

3

**Seek to secure additional resource and funding to develop**  
business clustering programmes for fintech and creative industries, and develop 5G pilots.

4

**Work with Connecting Cheshire** to provide not-spot solutions for businesses.



## 4 To improve health, wellbeing and inclusion

### VISION :

An area where people (individuals and communities) live well for longer; independently and enjoying the place where they live. Where all residents have the opportunity to make the most of digital technology, giving them the access, awareness, skills and confidence to participate online safely.

## Ambitions

**Utilise digital solutions** to support people to stay independent for longer.

**Empower individuals to care for themselves** and take control of their own health and wellbeing.

**Achieve a joined-up, efficient and informed patient journey**, based on secure, real-time patient data.

**Ensure no-one is excluded** from the benefits of digital.

Older residents and those with a disability, who are most likely to be digitally excluded will **have the skills, knowledge and confidence to use digital**.

**Our children** will have the skills and confidence to enjoy the benefits of digital technology safely and to be protected from inappropriate behaviour.

## Facts & Figures



**14.1%** of Cheshire East adults have **never been online or have not been online in the last three months**.

**21%** of Cheshire East adults **do NOT have all five basic digital skills**



- Communicating
- Transacting
- Problem-solving
- Creating
- Managing information

**22.5%**  of Cheshire East adults are over 65, the fastest growing ageing population in the North West.

## Progress so far...

We have worked with partner organisations to develop digital skills groups and one-to-ones along with devices for members to 'try before they buy'.

Our Connected Communities Centres provide spaces, services and activities where people need them, including providing digital access and support to local residents. The Live Well directory of health, wellbeing and support services website has been updated and now includes Care Finder – an on-line tool which helps you arrange care services.

The 'My CareView' patient held record has also been launched and proactively promoted. We have delivered the Cheshire Care Record, providing a single view of an individual's health and social care information in one digital record.



## Actions - Make digital devices more readily available

1

**Continued maintenance and support for the Department for Education laptop scheme** for children with a social worker.

2

**Develop further opportunities** for the refurbishment, re-use and recycling of disused devices.

3

**Raise awareness of device loan schemes** and the library Hublet devices.

4

**Provide advice and guidance** to make the most of a device and being online through our 'Digital Buddies'.



## Actions - Grow digital skills, motivation and confidence

1

**Deliver and promote a strong local digital skills offer**, bringing together council services and partner organisations to deliver free digital skills training and support.

2

**Provide access to Learn My Way and IT and Chat** within all libraries and community centres.

3

**Work with partners to** develop a proactive approach to keeping our children safe online.



 **Actions - Improve the health and independence of Cheshire residents**

**1**

**Deliver and extend** the integrated patient care record.



**2**

**Develop options to mitigate the impact** of the National Digital Switchover due 2025.



**3**

**Explore how we can use telemedicine and assistive technology** to keep people safe and give them rapid access to support.



**4**

**Continue to develop “Live well” as the one-stop online portal** and directory to useful information, guidance and advice.

This overarching **Digital Strategy** will be supported with **detailed plans** for each theme and a series of measures against which **our performance can be assessed.**

# EQUALITY IMPACT ASSESSMENT

**TITLE: Draft Digital Strategy**

## VERSION CONTROL

Date	Version	Author	Description of Changes
08.11.2021	V1	H Gerrard	

EQUALITY IMPACT ASSESSMENT

**CHESHIRE EAST COUNCIL - EQUALITY IMPACT ASSESSMENT**

Stage 1 Description: Fact finding (about your policy / service /

Department	Corporate		Lead officer responsible for assessment		Helen Gerrard	
Service	Customer Service		Other members of team undertaking assessment			
Date	08.11.2021		Version		1	
Type of document (mark as appropriate)	Strategy	Plan	Function	Policy	Procedure	Service
Is this a new/ existing/ revision of an existing document (please mark as appropriate)	New		Existing		Revision	
<p><b>Title and subject of the impact assessment (include a brief description of the aims, outcomes, operational issues as appropriate and how it fits in with the wider aims of the organisation)</b></p> <p><b>Please attach a copy of the strategy/ plan/ function/ policy/ procedure/ service</b></p>	<p>The draft Digital Strategy responds to the aims within the Councils Corporate Plan which recognises that “new and emerging technologies are bringing opportunities to rethink how services can be provided. We want to improve connectivity for all our communities and help residents and business to benefit from the convenience and flexibility it can bring”.</p> <p>Cheshire East Council has already made strong progress towards its digital priority however this has developed as a series of individual Programmes. Some of our programmes also include collaboration with our partners. It is recognised that for us to deliver the scale, focus and impact required a cohesive overarching Strategy and action plan must be developed.</p> <p>While digital developments have undoubtedly created opportunities, there are also concerns about negative impacts in terms of further widening the “digital divide”. The Draft Strategy looks to address inequalities for those in our most disadvantaged communities and those communities where individuals and businesses have poor connectivity.</p> <p>The Draft Digital Strategy is built around the delivery of four aims:</p> <ul style="list-style-type: none"> <li>To provide innovative public services</li> <li>To create a sustainable digital infrastructure</li> <li>To create a vibrant digital economy</li> </ul>					

## EQUALITY IMPACT ASSESSMENT

To improve health, wellbeing and inclusion

The Strategy is underpinned by a range of principles against which all digital development proposals would be assessed and which ensures that digital developments are fully inclusive and align with aims of the Council’s Corporate Plan:-

Digital for all – we will ensure that everyone can benefit from the Councils digital transformation including customers, residents, businesses, rural communities and community sectors. We will support the development of skills, knowledge, and accessibility to allow this to happen.

One Digital – the Strategy and solutions will cut across services and communities, breaking down silo’s, driving efficiencies and improving customer experience. This does not mean “one size fits all” but that our processes, services, and the technology underpinning them are simplified, standardised, and shared wherever possible.

Digital by Design – We will design services to be as efficient as possible to improve the customer experience. Services will be designed to encourage customers to choose the digital option first, but not to exclude those who do not.

Green Digital – Our digital transformation will support the Councils commitment to be carbon neutral by 2025 and to influence carbon reduction across the borough

Safe Digital - Security and resilience will be at the core of all our digital developments. The safety of customers personal information and data will be paramount.

Transparent Digital – we will use digital technology to make the Council, its decision making and the information it holds more accessible for all.

Innovative Digital – we will embrace new technologies, testing our ideas and adopting an agile approach to service delivery. Innovation will be continuously informed by customer feedback.

Digital foundations – we will ensure that we have the technology, governance, delivery mechanism, leadership, skills, and culture to deliver against the strategy.

**EQUALITY IMPACT ASSESSMENT**

<p><b>Who are the main stakeholders and have they been engaged with? (e.g. general public, employees, Councillors, partners, specific audiences, residents)</b></p>	<p>Stakeholders include general public, residents, businesses and partners.</p> <p>The themes outlined in the Strategy and the underpinning themes are collated from a range of existing strategies which have been subject to previous consultation (the Customer Experience Strategy for example). The themes and principles were subject to approval from Corporate Policy Committee.</p> <p>The intention is to consult with stakeholders on the Draft Digital Strategy to ensure it meets their aspirations and represents a cohesive approach to digital transformation.</p> <p>Consultation will be held 4<sup>th</sup> December to 13<sup>th</sup> January</p>
<p><b>What consultation method(s) did you use?</b></p>	<p>Consultation will take place via an on line survey and where possible (given COVID limitations) via hard copy. Customer Service Centre and Library staff will be engaged to promote the survey to non-digitally aware customers. The consultation will also be promoted to businesses via our Economic Development Team and to our partners via the Communities Team and Digital Inclusion Group.</p>

**Stage 2 Initial Screening**

<p><b>Who is affected and what evidence have you considered to arrive at this analysis? (This may or may not include the stakeholders listed above)</b></p>	<ul style="list-style-type: none"> <li>• The way services are delivered and how customers interact with the Council has a significant impact on our communities and therefore may impact on different groups in the community. The principles underpinning the Strategy will ensure that proposals are fully inclusive.</li> <li>• Our aim to enhance digital connectivity is likely to have a positive impact particularly on those living within rural communities who are more likely to have poor connections</li> <li>• Our aim to enhance digital health, wellbeing and inclusion is likely to have a positive impact on those adults without all 5</li> </ul>
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## EQUALITY IMPACT ASSESSMENT

	digital skills and is most likely to positively impact the older generation and those with a disability							
<b>Who is intended to benefit and how?</b>	<p>All stakeholder as referenced above are intended to benefit from a Digital Strategy. Please see points above.</p> <ul style="list-style-type: none"> <li>• Issues and concerns identified during this consultation will be used to develop mitigation where possible and will be used to inform further development of the Strategy</li> </ul>							
<b>Could there be a different impact or outcome for some groups?</b>	Some groups may be affected differently – specific actions are targeted towards those most likely to be digitally excluded either through financial reasons, lack of digital skills or lack of connectivity.							
<b>Does it include making decisions based on individual characteristics, needs or circumstances?</b>	No							
<b>Are relations between different groups or communities likely to be affected? (e.g. will it favour one particular group or deny opportunities for others?)</b>	No							
<b>Is there any specific targeted action to promote equality? Is there a history of unequal outcomes (do you have enough evidence to prove otherwise)?</b>	As above specific actions are included to support those who are unable to take advantage of opportunities presented by digital technology either through lack of financial resources, lack of skills or inability to connect to a digital infrastructure							
<b>Is there an actual or potential negative impact on these specific characteristics? (Please tick)</b>								
<b>Age</b>	Y	N	<b>Marriage &amp; civil partnership</b>	Y	N	<b>religion &amp; belief</b>	Y	N
<b>Disability</b>	Y	N	<b>Pregnancy &amp; maternity</b>	Y	N	<b>Sex</b>	Y	N
<b>Gender reassignment</b>	Y	N	<b>Race</b>	Y	N	<b>Sexual orientation</b>	Y	N

**EQUALITY IMPACT ASSESSMENT**

What evidence do you have to support your findings? (quantitative and qualitative) Please provide additional information that you wish to include as appendices to this document, i.e., graphs, tables, charts		Consultation/ involvement carried out	
No negative impact on any group, there are positive impacts for age and disability		Yes	No
<b>Age</b>	Evidence suggests that the older population and those with a disability are more likely to be digitally excluded. The Strategy aims to support them in developing the skills, should they wish to, to be confident in engaging digitally. The principles ensure that this is a choice and that “Services will be designed to encourage customers to choose the digital option first, but not to exclude those who do not.”	<b>Yes</b>	
<b>Disability</b>	Evidence suggests that the older population and those with a disability are more likely to be digitally excluded. The Strategy aims to support them in developing the skills, should they wish to, to be confident in engaging digitally. The principles ensure that this is a choice and that “Services will be designed to encourage customers to choose the digital option first, but not to exclude those who do not.”	<b>Yes</b>	
<b>Gender reassignment</b>	<i>It is not expected that this consultation will impact people who fall within this category</i>	<b>Yes</b>	
<b>Marriage &amp; civil partnership</b>	<i>It is not expected that this consultation will impact people who fall within this category</i>	<b>Yes</b>	
<b>Pregnancy &amp; maternity</b>	<i>It is not expected that this consultation will impact people who fall within this category</i>	<b>Yes</b>	
<b>Race</b>	<i>It is not expected that this consultation will impact people who fall within this category</i>	<b>Yes</b>	
<b>Religion &amp; belief</b>	<i>It is not expected that this consultation will impact people who fall within this category</i>	<b>Yes</b>	
<b>Sex</b>	<i>It is not expected that this consultation will impact people who fall within this category</i>	<b>Yes</b>	
<b>Sexual orientation</b>	<i>It is not expected that this consultation will impact people who fall within this category</i>	<b>Yes</b>	

EQUALITY IMPACT ASSESSMENT

Proceed to full impact assessment? (Please tick)	Yes	<b>No</b>	Date 08.11.2021
Lead officer sign off			
Head of service sign off		Date 08.11.2021	

If yes, please proceed to Stage 3. If no, please publish the initial screening as part of the suite of documents relating to this issue

## EQUALITY IMPACT ASSESSMENT

### Stage 3 Identifying impacts and evidence

This section identifies if there are impacts on equality, diversity and cohesion, what evidence there is to support the conclusion and what further action is needed

Protected characteristics	<p>Is the policy (function etc....) likely to have an adverse impact on any of the groups?</p> <p>Please include evidence (qualitative &amp; quantitative) and consultations</p> <p>List what negative impacts were recorded in Stage 1 (Initial Assessment).</p>	<p>Are there any positive impacts of the policy (function etc....) on any of the groups?</p> <p>Please include evidence (qualitative &amp; quantitative) and consultations</p> <p>List what positive impacts were recorded in Stage 1 (Initial Assessment).</p>	<p>Please rate the impact taking into account any measures already in place to reduce the impacts identified</p> <p><b>High:</b> Significant potential impact; history of complaints; no mitigating measures in place; need for consultation</p> <p><b>Medium:</b> Some potential impact; some mitigating measures in place, lack of evidence to show effectiveness of measures</p> <p><b>Low:</b> Little/no identified impacts; heavily legislation-led; limited public facing aspect</p>	<p>Further action (only an outline needs to be included here. A full action plan can be included at Section 4)</p> <p>Once you have assessed the impact of a policy/service, it is important to identify options and alternatives to reduce or eliminate any negative impact. Options considered could be adapting the policy or service, changing the way in which it is implemented or introducing balancing measures to reduce any negative impact. When considering each option you should think about how it will reduce any negative impact, how it might impact on other groups and how it might impact on relationships between groups and overall issues around community cohesion. You should clearly demonstrate how you have considered various options and the impact of these. You must have a detailed rationale behind decisions and a justification for those alternatives that have not been accepted.</p>
Age				
Disability				
Gender reassignment				
Marriage & civil partnership				
Pregnancy and				

**EQUALITY IMPACT ASSESSMENT**

<b>maternity</b>				
<b>Race</b>				
<b>Religion &amp; belief</b>				
<b>Sex</b>				
<b>Sexual orientation</b>				
<b>Is this change due to be carried out wholly or partly by other providers? If yes, please indicate how you have ensured that the partner organisation complies with equality legislation (e.g. tendering, awards process, contract, monitoring and performance measures)</b>				

## EQUALITY IMPACT ASSESSMENT

**Stage 4 Review and Conclusion**

<b>Summary: provide a brief overview including impact, changes, improvement, any gaps in evidence and additional data that is needed</b>			
<b>Specific actions to be taken to reduce, justify or remove any adverse impacts</b>	<b>How will this be monitored?</b>	<b>Officer responsible</b>	<b>Target date</b>
<b>Please provide details and link to full action plan for actions</b>			
<b>When will this assessment be reviewed?</b>			
<b>Are there any additional assessments that need to be undertaken in relation to this assessment?</b>			
<b>Lead officer sign off</b>		<b>Date</b>	
<b>Head of service sign off</b>		<b>Date</b>	

Please publish this completed EIA form on the relevant section of the Cheshire East website



*Working for a brighter future together*

## **Corporate Policy Committee**

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<b>Date of Meeting:</b>	2 December 2021
<b>Report Title:</b>	Council Tax Support Scheme 2022/23
<b>Report of:</b>	Alex Thompson, Director of Finance and Customer Services
<b>Report Reference No:</b>	CP/25/21-22
<b>Ward(s) Affected:</b>	All

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### **1. Executive Summary**

- 1.1.** Further to Central Government's welfare reform changes, Council Tax Benefit was abolished and from April 2013 has been replaced by a localised Council Tax Support Scheme. Full Council must approve the scheme each year.
- 1.2.** The current income-banded scheme was approved by Council on 19 December for 2020/21 and has been unchanged since, other than the income bands increased by Consumer Price Index (CPI) in April 2021.
- 1.3.** The Council's scheme only affects those of working age; pensioners are protected and MHCLG maintains this scheme, which mirrors the former Council Tax Benefit. Details of the Council's current scheme can be found at: [Council Tax Support \(cheshireeast.gov.uk\)](http://cheshireeast.gov.uk/council-tax-support)
- 1.4.** The Medium-Term Financial Strategy set out Council Tax increases for Cheshire East Council of 4.99% in 2021/22 and subsequent annual increase of 1.99%. Locally the Council has seen large increases in claims for support, particularly related to people affected by the pandemic. The Council Tax increases were important to provide financial stability and support essential services. In agreeing the MTFS, a commitment was made to review the Council Tax Support Scheme to see how households on low incomes could be protected and the proposals have been developed to ensure the MTFS is not adversely affected.

- 1.5. A consultation has been undertaken, following agreement by Corporate Policy Committee on 6 July 2021, to inform the decision making and the results support the recommended changes to the scheme.

## 2. Recommendations

- 2.1. That Council be recommended to amend the Council Tax Support Scheme for 2022/23 as follows:

- 2.1.1. Increase the cap on the maximum award from Band B to Band D (those living in a property banded higher than a D will receive the same amount those living in a Band D)
- 2.1.2. Increase the maximum award for those passported to 100% from 75%. Passported covers those in receipt of Jobseeker's Allowance (Income-based), Employment and Support Allowance (Income-related) or Income Support. Also increase the maximum for other groups in the lowest income bands to 80% from 75%, and revise the bands as follows and continue to increase the income levels by CPI each year:

Single	Couple	Couple / lone parent with 1 child	Couple / lone parent with 2 or more children	Maximum award
£0 - £97	£0 - £140	£0 - £200	£0 - £290	80%
£97.01-£115	£140.01-£170	£200.01-£230	£290.01-£320	60%
£115.01-£140	£170.01-£200	£230.01-£260	£320.01-£350	45%
£140.01-£165	£200.01-£230	£260.01-£290	£350.01-£380	30%
£165.01-£190	£230.01-£260	£290.01-£320	£380.01-£410	15%

*1 Income bands, categories, and awards for 2022/23*

- 2.1.3. Disregard Industrial Injuries Disablement benefit and Industrial Death benefit in full
- 2.1.4. Deduct from earnings for child-care costs from those working and in receipt of Universal Credit: maximum of £175 for one child or £300 for two or more children each week
- 2.1.5. Increase the fixed non-dependant deductions from £8 to £9 per week and increase each year in line with CPI (the same as the income bands)
- 2.1.6. Reduce the earnings disregard for single people and couples without children to £20 instead of £25 per week
- 2.1.7. Re-write the regulations in a clearer way and allow for more general disregards of new one-off grants.

### 3. Reasons for Recommendations

- 3.1. The caseload for Council Tax Support has increased during the pandemic (see **table 3** at **5.6**). As part of a package of financial support to local authorities MHCLG provided a grant of £3.37m (The Local Council Tax Support Schemes grant) to assist with the additional pressures households are facing. In setting the MTFS the Council disregarded this grant for two reasons; to recognise the risk of the increasing caseload and to provide potential flexibility to review the scheme and increase overall levels of support.
- 3.2. Under the current scheme all working age customers must contribute a minimum of 25% towards their Council Tax liability but the level is capped to that of a Band B property in their area. The 4.99% increase in Council Tax for 2021/22 disproportionately affected those on lower income.
- 3.3. The proposed changes to the Council Tax Support scheme can ensure the most vulnerable are supported whilst recognising the financial challenges the Council faces.
- 3.4. The recommendations are supported following a public consultation (see **para 6**).

### 4. Other Options Considered

- 4.1. The scheme could remain unchanged, without any requirement for consultation, subject to the annual approval required by full Council (income bands will increase by CPI).
- 4.2. The income bands could be widened so that maximum awards could be increased, however this would exceed the funding available, reducing the tax base further and unbalance the current MTFS.
- 4.3. A further option would be to consider an award of a set amount to each household in receipt of Council Tax Support similar to the Council Tax Covid-19 Hardship Fund. Under that fund those in receipt of Council Tax Support during 2020/21 were awarded up to an additional £150 on top of their normal award. This fund was based on a specific response to the pandemic. The future local scheme should remain sustainable and consistent with the accessibility of the current scheme and does not therefore consider 'lump sum' or 'set amount' payments.

### 5. Background

- 5.1. Council Tax Benefit was abolished as part of Central Government's welfare reform changes. This was replaced in April 2013 by a local Council Tax Support Scheme approved by full Council each year.

- 5.2.** The Council's scheme only affects those of working age. This means pensioners are not affected by the changes proposed. MHCLG maintain the scheme for pensioners at a national level, which mirrors the former Council Tax Benefit.
- 5.3.** The local scheme was last fully reviewed in 2019, and changes were made for 2020/21 following a public consultation, approved by Council on 19 December 2019. This change introduced a 'banded scheme', that is reviewed annually in line with the Consumer Price Index for September of the preceding year.
- 5.4.** The current bands for 2021/22 are as follows:

Single		Couple		Family – one child		Family – two or more children		Maximum Council Tax Support
0.00	90.45	0.00	140.70	0.00	201.00	0.00	291.45	<b>75%</b>
90.46	115.58	140.71	170.85	201.01	231.15	291.46	321.60	<b>60%</b>
115.59	140.70	170.86	201.00	231.16	271.35	321.61	361.80	<b>45%</b>
140.71	165.83	201.01	231.15	271.36	301.50	361.81	391.95	<b>30%</b>
165.84	190.95	231.16	261.30	301.51	321.60	391.96	411.05	<b>15%</b>

*2 Council Tax Support income bands 2021/22*

- 5.5.** In addition, the following are considered when determining entitlement:
- Disregard the first £40 of weekly income for those households where the claimant, partner or child are classed as disabled (under the former Council Tax Benefit legislation)
  - Fully disregard Carer's allowance, child benefit, maintenance payments for children, Personal Independence Payment or Disability Living Allowance, Armed Forces Independence Payments, charitable payments, Fostering Allowance and Guardian's Allowance
  - Housing Costs are disregarded from Universal Credit income (remainder of Universal Credit income is taken into account)
  - Disregard the first £25 of combined earnings of the claimant and partner (if applicable)
  - Deduction from earnings for child- care costs from those working (not in receipt of Universal Credit): maximum of £175 for one child or £300 for two or more children each week
  - Capital is not considered but those with £6,000 or more are not entitled
  - A fixed weekly deduction is made for other adults in the household of £8 per week
  - There is a minimum award of £2 per week (nothing is awarded if less than this amount)
  - Claims can be backdated up to 1 year where continuous good reasons are shown for the delay
- 5.6.** The working age caseload has increased during the pandemic with more households facing financial difficulties:

Date	Pensioners	Working age	Combined
Sep 2021	7,892	12,329	20,221
Mar 2021	8,058	13,042	21,100
May 2020	8,273	12,145	20,418
Feb 2020	8,383	9,549	17,932
May 2019	8,720	9,306	18,026

*3 Council Tax Support caseload*

## 6. Consultation and Engagement

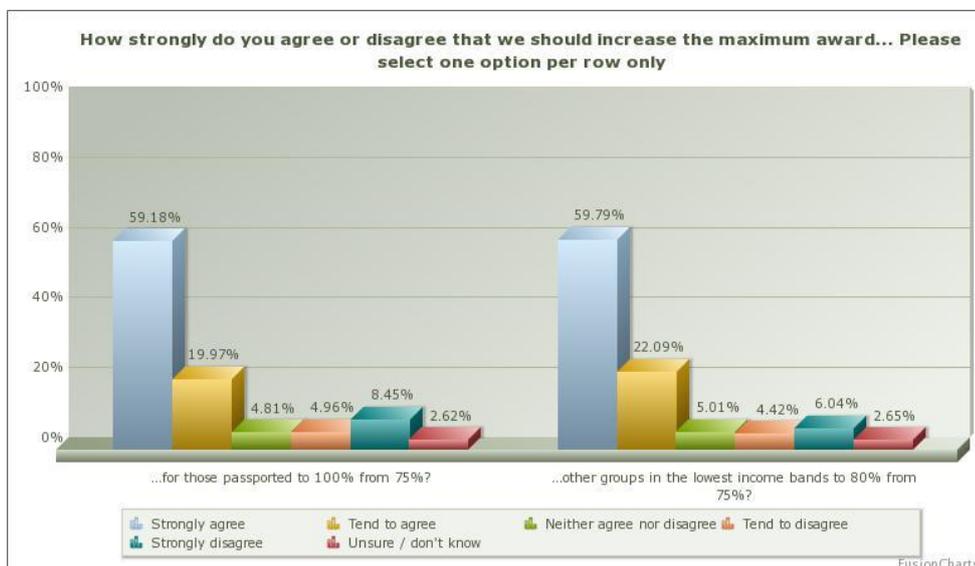
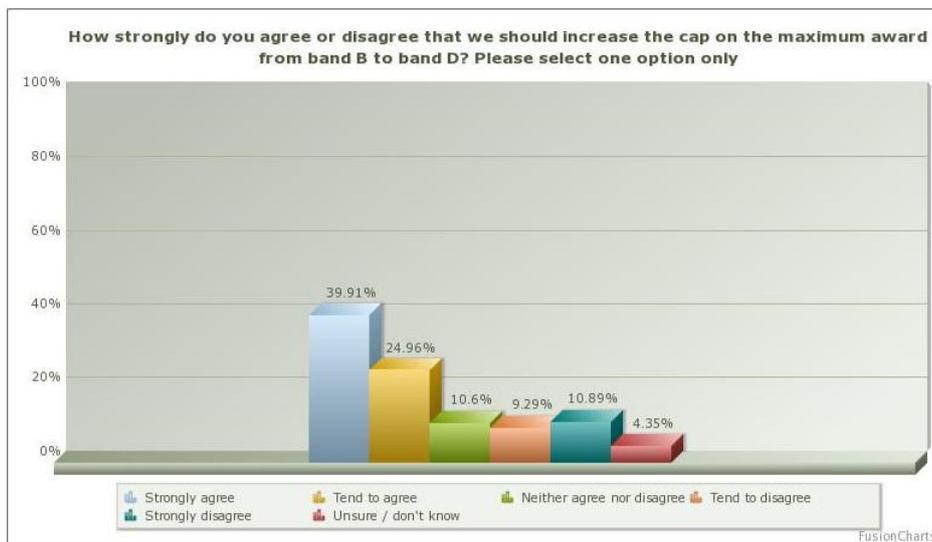
- 6.1.** A formal public consultation took place from 19 July 2021 to 19 September 2021.
- 6.2.** This was promoted on the Council's web site, social media channels and with key stakeholders including the major precepting authorities. Details were provided for customers during contact about Council Tax Support during this period by telephone, email and letter and an email was sent to over 9,000 current recipients inviting them to express their views.
- 6.3.** A total of 694 completed response were received. The respondents covered a wide range of:
- Ages
  - Gender
  - Council Tax recipients and non-recipients
  - Postcode areas across Cheshire East
  - All household compositions
  - Ethnic origins
  - Religious beliefs
  - Carers
  - Those with day-to-day activities limited because of a health problem or disability
  - 6 responses on behalf of organisations
- 6.4.** Most respondents supported the changes proposed as follows:

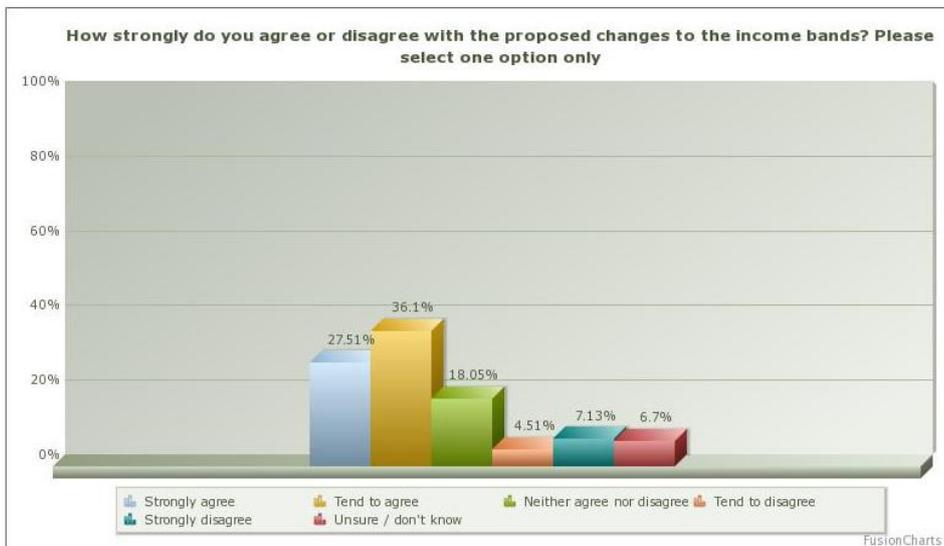
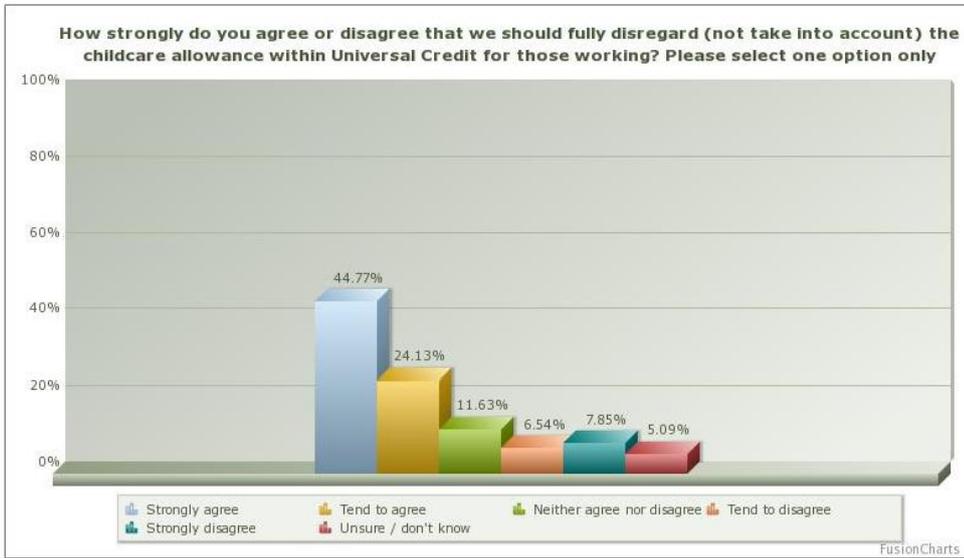
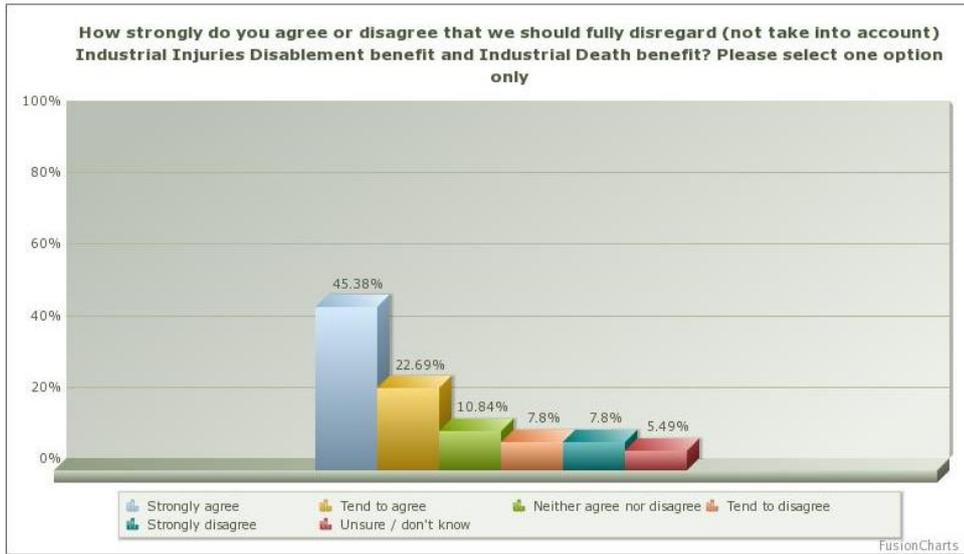
Proposal	Strongly agree	Tend to agree	Total % in agreement
Increase the cap from band B to Band D	39.9%	25%	64.9%
Increase the maximum award for passported customers to 100%	59.2%	20%	79.2%
Increase the maximum awards for other groups in the lowest bands to 80%	59.8%	22.1%	81.9%
Fully disregard Industrial Injuries Disablement benefit and Industrial Death benefit	45.4%	22.7%	68.1%
Disregard the childcare allowance within Universal Credit for those working	44.8%	24.1%	68.9%
Changes to the income bands	27.5%	36.1%	63.6%
Increase the non-dependant deduction to £9 per week	34.3%	18.1%	52.4%

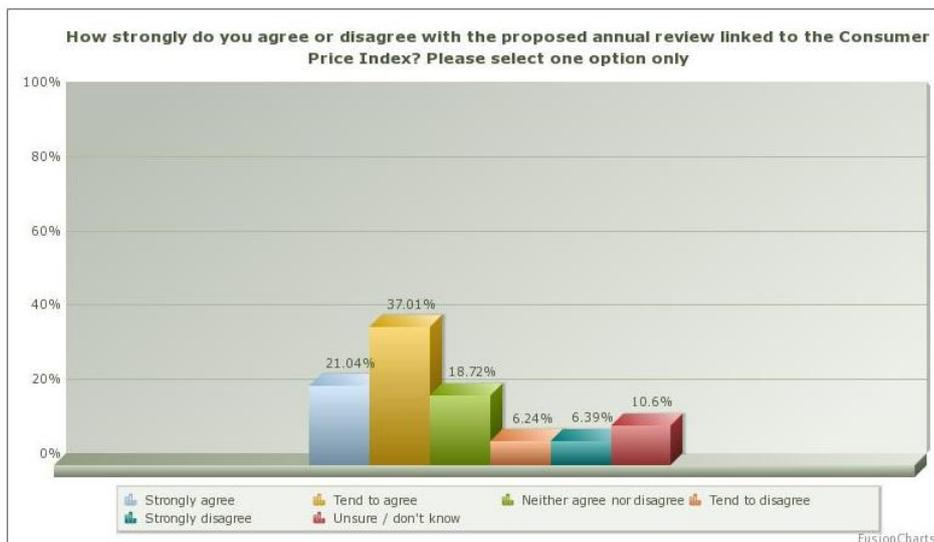
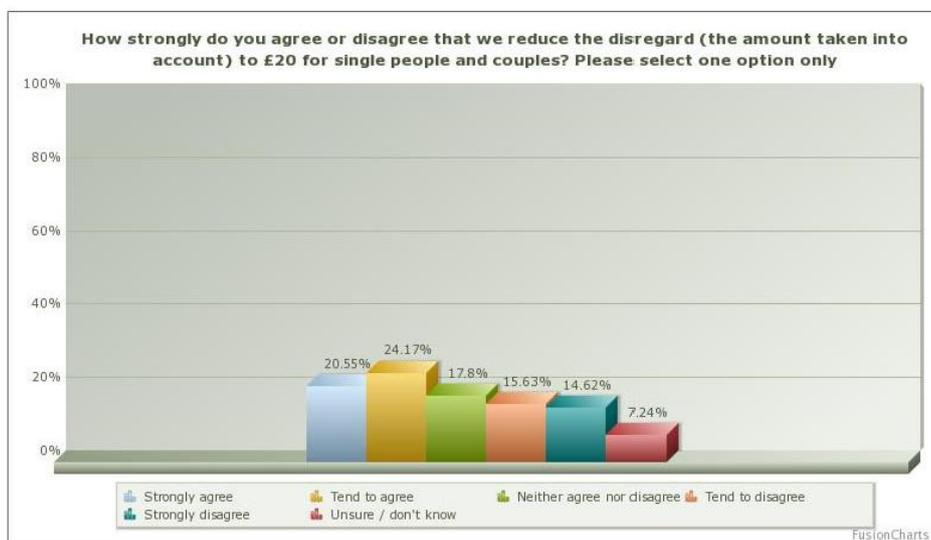
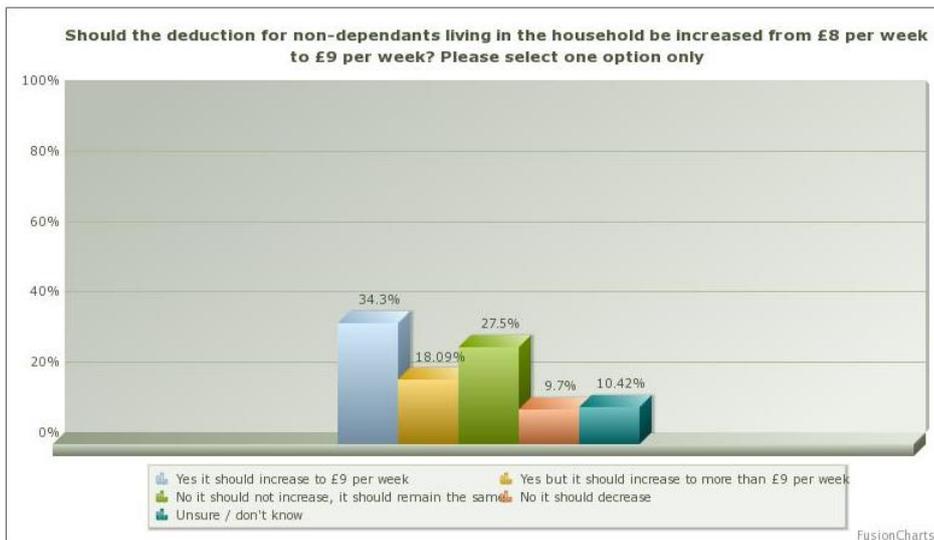
Proposal	Strongly agree	Tend to agree	Total % in agreement
Reduce the earnings disregard for single people and couples to £20 per week	20.5%	24.2%	44.7%
Link the annual review of income bands and non-dependant deductions to Consumer Price Index	21%	37%	58%

4 Summary of consultation response on proposals

6.5. The more detailed summary of the responses to the questions is shown in the following graphs:







## 7. Implications

### 7.1. Legal

- 7.1.1.** Section 13A of the Local Government Finance Act 1992 (as amended) places a duty on the Council to make a scheme specifying the reductions to Council Tax for those:
- Persons whom the Council considers to be in financial need, or
  - Persons in classes consisting of persons whom the Council considers to be, in general, in financial need
- 7.1.2.** Schedule 1A of the Local Government Finance Act 1992 sets out what a Council must include in its Council Tax Reduction Scheme, including the basis upon which any reduction under the scheme may be awarded. The schedule also requires that the Council conducts a consultation in respect of the proposed scheme.
- 7.1.3.** Before making a scheme, the authority must (in the following order)—
- (a) consult any major precepting authority which has power to issue a precept to it,
- (b) publish a draft scheme in such manner as it thinks fit, and
- (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.
- 7.1.4.** The scheme must be approved by full Council before the start of the financial year it relates to. Once approved by Council the authority must publish the scheme in such manner as it thinks fit.

### 7.2. Finance

- 7.2.1.** The Council Tax Support Scheme has an impact on the Council Tax base as it reduces the amount of Council Tax billed to eligible households.
- 7.2.2.** The tax base reflects assumptions around the Council Tax Support Scheme. Since it was introduced the cost has been monitored and an allowance for risk was added. The risks include uncertainty over the economy including the risk of a major rise in caseload. The proposed scheme has been modelled and costed to fall within the budget proposed for 2022/23.
- 7.2.3.** The recommendations to Council will consider use of the Local Council Tax Support Schemes grant of £3.37m from MHCLG. This can be used to cover some reduction in the tax base resulting from the potential new scheme, but also recognising the additional pressures as more households are facing financial difficulties because of the Covid pandemic.

**7.2.4.** By modelling against the available grant and feedback received, the proposals ensure the current MTFs is not adversely affected. The modelling reflects on how the scheme remains sustainable, without creating a 'cliff edge' when the grant funding has been fully spent.

**7.2.5.** The cost of the proposals is currently:

Item	Cost / Saving (-ve)	Cumulative	Note
Increasing the cap from band B to band D	£200,372	£200,372	
Increase the maximum for other groups in the lowest income bands to 80% from 75% & passported to 100%	£1,201,529	£1,401,901	
Disregard Industrial Injuries Disablement benefit and Industrial Death benefit	£5,314	£1,407,215	
Deduction from earnings for child-care costs from those working and in receipt of Universal Credit	NA	£1,407,215	Will require manual data collection
Small reductions in the income levels of the bands for those not on the lowest income	£130,454	£1,537,669	
Increase the fixed non-dependant deductions from £8 to £9	-£97,039	£1,440,630	
Reduce the earnings disregard for single people and couples without children to £20	-£8,235	£1,432,392	
Simplifying the regulations	-£650	£1,431,742	Annual charge for preparing

*5 Estimated cost of the proposals*

**7.2.6.** This will be regularly reviewed as the caseload changes. Following the end of the £20 per week uplift in Universal Credit, most claimants will see an increase in their Council Tax Support as their income reduces. The effects of this change can be fully modelled by December.

### **7.3. Policy**

**7.3.1.** The change to the scheme supports the following strategic priority:

- An open and enabling organisation

### **7.4. Equality**

**7.4.1.** The equality impact assessment on the Council Tax Support Scheme has been updated to include the options being considered see **Appendix 1**.

**7.5. Human Resources**

- 7.5.1. There are no staffing implications; the scheme will continue to be managed by the existing officers in the Benefits Section

**7.6. Risk Management**

- 7.6.1. As the scheme is demand led, there is a risk that a large increase in demand will inflate the cost of the Council Tax Support scheme.
- 7.6.2. To mitigate this, the tax base reflects assumptions around the caseload and an allowance for risk is added. Regular monitoring is undertaken and the proposed scheme has been modelled against the current caseload where possible.
- 7.6.3. The Council can review the scheme on an annual basis, presenting the opportunity to reflect on the impact of any changes and whether subsequent amendments are necessary.
- 7.6.4. The risk environment around COVID-19 remains dynamic. Risk registers have been maintained as part of the Council's response to date and the plans for recovery.

**7.7. Rural Communities**

- 7.7.1. There are no direct implications for rural communities

**7.8. Children and Young People/Cared for Children**

- 7.8.1. There are no direct implications for children and young people

**7.9. Public Health**

- 7.9.1. There are no direct implications for public health. Those classed as disabled under the scheme (see 5.5) are treated more favourably.

**7.10. Climate Change**

- 7.10.1. The Council Tax Support Scheme is fully digital; applications are made on-line and supporting evidence can be uploaded or submitted via email. Customers are encouraged to sign up to receive all the information in their online portal: [Cheshire East account](#)

<b>Access to Information</b>	
Contact Officer:	Liz Rimmer, Benefits Manager <a href="mailto:Liz.rimmer@cheshireeast.gov.uk">Liz.rimmer@cheshireeast.gov.uk</a> 01270 371448
Appendices:	Appendix 1 – Equality Impact Assessment
Background Papers:	Information on the current Council Tax Support Scheme: <a href="http://cheshireeast.gov.uk">Council Tax Support (cheshireeast.gov.uk)</a>

# EQUALITY IMPACT ASSESSMENT

**TITLE: Council Tax Support Scheme – Consultation and Revision**

## VERSION CONTROL

<b>Date</b>	<b>Version</b>	<b>Author</b>	<b>Description of Changes</b>
15.6.21	1 DRAFT	Alison Edwards	
1.7.21	2	Alison Edwards	<b>Corrections</b>
7.7.21	3	Alison Edwards	<b>E&amp;D suggestions</b>
12.7.21	4	Alison Edwards	<b>Updated E&amp;D</b>
26.10.21	5	Alison Edwards	<b>Updated following consultation</b>

EQUALITY IMPACT ASSESSMENT

**CHESHIRE EAST COUNCIL - EQUALITY IMPACT ASSESSMENT**

**Stage 1 Description:** Fact finding (about your policy / service /

<b>Department</b>	Corporate		<b>Lead officer responsible for assessment</b>		Alison Edwards	
<b>Service</b>	Benefits		<b>Other members of team undertaking assessment</b>			
<b>Date</b>	15.6.21		<b>Version</b>		1	
<b>Type of document (mark as appropriate)</b>	<b>Strategy</b>	<b>Plan</b>	<b>Function</b>	<b>Policy</b>	<b>Procedure</b>	<b>Service</b>
<b>Is this a new/ existing/ revision of an existing document (please mark as appropriate)</b>	<b>New</b>		<b>Existing</b>		<b>Revision</b>	
<b>Title and subject of the impact assessment (include a brief description of the aims, outcomes, operational issues as appropriate and how it fits in with the wider aims of the organisation)</b>  <b>Please attach a copy of the strategy/ plan/ function/ policy/ procedure/ service</b>	<p>Council Tax Support Scheme</p> <p>The Cheshire East CTS scheme for working age residents is intended to help those on low income/low earnings meet their Council Tax liability, reducing debt and poverty.</p> <ul style="list-style-type: none"> <li>To incentivise those who can work to do so</li> <li>To reward those who are in work, on a low wage</li> <li>For those with capital to meet the liability</li> <li>To encourage those on low income to downsize and move to more affordable housing (lower banded)</li> </ul> <p>The original scheme came into place on 1 April 2013 and was revised from 1 April 2020 following review and consultation</p> <p>Further changes are proposed for 2022/23 onwards and consultation will be shared with partners, stakeholders, and residents in July 2021.</p> <p>The changes proposed are:</p> <ul style="list-style-type: none"> <li>Increase the cap on the maximum award from band B to band D</li> <li>Increase the maximum award to 100% for passported benefit recipients and 80% for those on lowest income bands</li> <li>Disregard as income, Industrial Injuries Disablement benefit and Industrial Death benefit</li> </ul>					

**EQUALITY IMPACT ASSESSMENT**

	<ul style="list-style-type: none"> <li>• Allow deductions from Universal Credit for childcare awards</li> <li>• Adjust the income bands</li> <li>• Increase non-dependent deduction</li> <li>• Reduce earnings deduction</li> </ul> <p>The purpose of these proposals is to provide more support to those on low income or who are struggling to balance financially in the aftermath of the pandemic. We aim to mitigate these changes by making our awards more generous within the boundaries of the council budgets.</p> <p>No public engagement has been undertaken prior to the consultation taking place. The proposals have gone before committee for debate. Full details of the proposals can be found in the minutes of the corporate policy committee meeting 06/07/21.</p>
<p><b>Who are the main stakeholders and have they been engaged with? (e.g. general public, employees, Councillors, partners, specific audiences, residents)</b></p>	<p>The proposals for the changes to the scheme are to be consulted on with all our stakeholders and partners. General public, Councillors, Welfare Groups, employees, local charities.</p>
<p><b>What consultation method(s) did you use?</b></p>	<p>The consultation was available online and as a paper survey form.</p> <p>It was shared with the community via the Cheshire East website, the Cheshire East Digital Panel Consultation and via the Partnerships Team in the Connected Community Centres.</p> <p>Partners and stakeholders were invited to participate via meetings and direct contacts.</p> <p>Members of the Welfare Rights Forum discussed the consultation at the meeting on 14.7.21 and were able respond with their individual views direct. The Gypsy, Roma community and Body Positive were asked to support in sharing the consultation with their contacts/supporters.</p> <p>Direct invitation was made by email to current recipients of Council Tax Support.</p> <p>Face to face consultation was unable to take place due to the current restrictions of Covid 19.</p>

EQUALITY IMPACT ASSESSMENT

Stage 2 Initial Screening

<p><b>Who is affected and what evidence have you considered to arrive at this analysis? (This may or may not include the stakeholders listed above)</b></p>	<p>The proposals will only affect those of working age resident within Cheshire East who have a Council Tax liability. 12,827 claims as at 31.5.21, caseload has been rising as the effects of the pandemic hit.</p>
<p><b>Who is intended to benefit and how?</b></p>	<p>The scheme is designed to benefit those of working age who have low income or low earnings. Due to the impact of the pandemic, the make-up of our service users has changed considerably. Not only are those in low income housing in receipt of support, previous higher earners who have suffered financial loss due to changes in employment, furlough or job losses are affected. The consultation will be shared as widely as possible to ensure that feedback is received from a broad section of the population, residents who receive CTS and those who don't. Anyone paying Council Tax to Cheshire East has the potential of becoming a recipient of this support due to a change of circumstance. The effects of the changes proposed are modelled against the current CTS caseload to provide an insight into the benefits to our residents and the cost to the council. There is no targeted take up of the support and applications are open to all.</p>
<p><b>Could there be a different impact or outcome for some groups?</b></p>	<p>Some groups may be affected differently – specific assistance is being targeted towards those in receipt of disability benefits, Carer's allowance and working – proposal to improve support for recipients of Industrial Injury benefits and working parents who have to pay for child care.</p>
<p><b>Does it include making decisions based on individual characteristics, needs or circumstances?</b></p>	<p>Each CTS decision is made specifically on the circumstances of the individual claimants.</p>
<p><b>Are relations between different groups or communities likely to be affected? (e.g. will it favour one particular group or deny opportunities for others?)</b></p>	<p>It is unlikely that this scheme will have any effect on relationships between different groups or communities. The scheme is open to any resident in the borough with a council tax liability and is assessed on their household income.</p>
<p><b>Is there any specific targeted action to promote equality? Is there a history of unequal outcomes (do you have enough evidence to prove otherwise)?</b></p>	<p>The scheme will consider the household income of those applying for support. Each claim is considered based on its own merits. There is no history of unequal outcomes and the individual characteristics of a claimant do not impact the decision to award support. The only recognisable characteristics from the CTS application form are age, gender (as stated) marriage/civil partnership and disability if in receipt of relevant benefits. There is no targeted take up of the support and</p>

## EQUALITY IMPACT ASSESSMENT

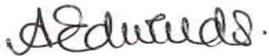
	<p>applications are open to all.</p> <p>It is acknowledged that some protected characteristic groups are often found within low-income households. For example, the 2019 LGBT national survey concluded that trans people are more likely to be out of work and therefore have low income and require additional financial support such as CTS.</p> <p>Whilst an individual's characteristics do not impact the levels of support, they may form a higher than other cohort of applicants. Their support will be met in the same way as any other applicant based on actual household income.</p> <p>The consultation questionnaire will include a section with equality monitoring specific questions. This area will be reviewed throughout the consultation period to ensure we receive a fair and equitable response. If areas of misrepresentation are highlighted, we will be able to specifically target them with the help and support from the Equality, Diversity and Inclusion and Research teams.</p>
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**Is there an actual or potential negative impact on these specific characteristics? (Please tick)**

<b>Age</b>	<b>Y</b>	<b>N</b>	<b>Marriage &amp; civil partnership</b>	<b>Y</b>	<b>N</b>	<b>Religion &amp; belief</b>	<b>Y</b>	<b>N</b>
<b>Disability</b>	<b>Y</b>	<b>N</b>	<b>Pregnancy &amp; maternity</b>	<b>Y</b>	<b>N</b>	<b>Sex</b>	<b>Y</b>	<b>N</b>
<b>Gender reassignment</b>	<b>Y</b>	<b>N</b>	<b>Race</b>	<b>Y</b>	<b>N</b>	<b>Sexual orientation</b>	<b>Y</b>	<b>N</b>

<b>What evidence do you have to support your findings? (quantitative and qualitative) Please provide additional information that you wish to include as appendices to this document, i.e., graphs, tables, charts</b>							<b>Consultation/ involvement carried out</b>	
<b>No negative impact on any group, there are positive impacts for age and disability – working age group receive the assistance through this scheme – additional disregards from income for those in receipt of disability benefits.</b>							<b>Yes</b>	<b>No</b>
<b>Age</b>	The scheme only affects working age residents – pension age applicants are still protected under the original national Council Tax Benefit scheme					<b>Yes</b>		
<b>Disability</b>	There are specific disregards against disability benefits in the current scheme, the proposals are expanding the support to those receiving Industrial Injuries benefits which in turn is promoting a positive impact to residents in this category					<b>Yes</b>		
<b>Gender reassignment</b>	No affect in relation to gender reassignment					<b>Yes</b>		

**EQUALITY IMPACT ASSESSMENT**

<b>Marriage &amp; civil partnership</b>	No direct affect in relation to marriage or civil partnership – scheme considers single, lone parents and couples and their specific income		<b>Yes</b>	
<b>Pregnancy &amp; maternity</b>	No affect in relation to pregnancy or maternity		<b>Yes</b>	
<b>Race</b>	No affect in relation to race – decisions not impacted by race		<b>Yes</b>	
<b>Religion &amp; belief</b>	No affect in relation to religion/belief – decisions not impacted by either		<b>Yes</b>	
<b>Sex</b>	No affect in relation to sex – the income of single applicants regardless of sex is used		<b>Yes</b>	
<b>Sexual orientation</b>	No affect in relation to sexual orientation – this information has no impact to an application		<b>Yes</b>	
<b>Proceed to full impact assessment? (Please tick)</b>	<b>Yes</b>	<b>No</b>	<b>Date</b> 15.6.21	
<b>Lead officer sign off</b>		<b>Date</b> 13.7.21		
<b>Head of service sign off</b>		<b>Date</b> 14.07.2021		

**If yes, please proceed to Stage 3. If no, please publish the initial screening as part of the suite of documents relating to this issue**

## EQUALITY IMPACT ASSESSMENT

### Stage 3 Identifying impacts and evidence

This section identifies if there are impacts on equality, diversity and cohesion, what evidence there is to support the conclusion and what further action is needed

Protected characteristics	<p>Is the policy (function etc....) likely to have an adverse impact on any of the groups?</p> <p>Please include evidence (qualitative &amp; quantitative) and consultations</p> <p>List what negative impacts were recorded in Stage 1 (Initial Assessment).</p>	<p>Are there any positive impacts of the policy (function etc....) on any of the groups?</p> <p>Please include evidence (qualitative &amp; quantitative) and consultations</p> <p>List what positive impacts were recorded in Stage 1 (Initial Assessment).</p>	<p>Please rate the impact taking into account any measures already in place to reduce the impacts identified</p> <p><b>High:</b> Significant potential impact; history of complaints; no mitigating measures in place; need for consultation</p> <p><b>Medium:</b> Some potential impact; some mitigating measures in place, lack of evidence to show effectiveness of measures</p> <p><b>Low:</b> Little/no identified impacts; heavily legislation-led; limited public facing aspect</p>	<p>Further action (only an outline needs to be included here. A full action plan can be included at Section 4)</p> <p>Once you have assessed the impact of a policy/service, it is important to identify options and alternatives to reduce or eliminate any negative impact. Options considered could be adapting the policy or service, changing the way in which it is implemented or introducing balancing measures to reduce any negative impact. When considering each option you should think about how it will reduce any negative impact, how it might impact on other groups and how it might impact on relationships between groups and overall issues around community cohesion. You should clearly demonstrate how you have considered various options and the impact of these. You must have a detailed rationale behind decisions and a justification for those alternatives that have not been accepted.</p>
Age				
Disability				
Gender reassignment				
Marriage & civil partnership				
Pregnancy and				

**EQUALITY IMPACT ASSESSMENT**

<b>maternity</b>				
<b>Race</b>				
<b>Religion &amp; belief</b>				
<b>Sex</b>				
<b>Sexual orientation</b>				
<p><b>Is this change due to be carried out wholly or partly by other providers? If yes, please indicate how you have ensured that the partner organisation complies with equality legislation (e.g. tendering, awards process, contract, monitoring and performance measures)</b></p>				

## EQUALITY IMPACT ASSESSMENT

**Stage 4 Review and Conclusion**

<b>Summary: provide a brief overview including impact, changes, improvement, any gaps in evidence and additional data that is needed</b>			
<b>Specific actions to be taken to reduce, justify or remove any adverse impacts</b>	<b>How will this be monitored?</b>	<b>Officer responsible</b>	<b>Target date</b>
<b>Please provide details and link to full action plan for actions</b>			
<b>When will this assessment be reviewed?</b>			
<b>Are there any additional assessments that need to be undertaken in relation to this assessment?</b>			
<b>Lead officer sign off</b>		<b>Date</b>	
<b>Head of service sign off</b>		<b>Date</b>	

Please publish this completed EIA form on the relevant section of the Cheshire East website

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*Working for a brighter future together*

## **Corporate Policy Committee**

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<b>Date of Meeting:</b>	2 December 2021
<b>Report Title:</b>	Domestic Taxbase 2022/23 Report
<b>Report of:</b>	Alex Thompson – Director of Finance and Customer Services (Section 151 Officer)
<b>Report Reference No:</b>	CP/26/21-22
<b>Ward(s) Affected:</b>	All

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### **1. Executive Summary**

- 1.1. This report sets out the Council taxbase calculation 2022/23 for recommendation from Corporate Policy Committee to Council.
- 1.2. The calculation sets out the estimates of new homes less the expected level of discounts and the level of Council Tax Support (CTS). This results in a band D equivalent taxbase position for each Town and Parish Council.
- 1.3. The taxbase reflects an increase of £2.1m (1.8%) on the 2021/22 budgeted position which is higher than the 1% forecast increase reported in February 2021, highlighting the positive changes locally despite the ongoing pandemic situation. Additional new homes and more properties brought back into use over the last twelve years, have increased the taxbase by 18.3% since 2010/11.

### **2. Recommendations**

#### **Corporate Policy Committee recommends to Council that:**

- 2.1. In accordance with the Local Authorities (Calculation of Taxbase) Regulations 1992, the amount to be calculated by Cheshire East Council as its Council taxbase for the year 2022/23 as 156,607.48 for the whole area.

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

- 3.1.** In accordance with the Local Authorities (Calculation of Taxbase) Regulations 1992 Cheshire East Council is required to agree its taxbase before 31st January 2022.

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

- 4.1.** None.

### **5. Background**

- 5.1.** Cheshire East Council is required to approve its taxbase before 31st January 2022 so that the information can be provided to the Cheshire Police and Crime Commissioner and Cheshire Fire Authority for their budget processes. It also enables each Town and Parish Council to set their respective budgets. Details for each parish area are set out in **Appendix A**.
- 5.2.** The taxbase for the area is the estimated number of chargeable dwellings expressed as a number of band D equivalents, adjusted for an estimated number of discounts, exemptions and appeals plus an allowance for non-collection. A reduction of 1% is included in the taxbase calculation to allow for anticipated levels of non-collection.
- 5.3.** Processes to collect Council Tax locally continue to be effective and collection rates of 99% continue to be achieved over two years. Changes to Council Tax discounts, specifically the introduction and subsequent amendments to the CTS scheme are being managed and the forecast level of non-collection at Cheshire East has been maintained at 1% for 2022/23.
- 5.4.** The taxbase has been calculated in accordance with the Council's local policy to offer no reduction for empty properties except that Discretionary reductions of up to 100% for up to four weeks will continue to be allowed, for landlords, under Section 13A of the Local Government Finance Act 1992.
- 5.5.** Analysis of recent trends in new homes, and homes being brought back into use, suggest an increase of nearly 4,650 homes is likely between the setting of the 2022/23 taxbase in October 2021 and the 31st March 2023. The impact of this growth is affected by when properties may be available for occupation and the appropriate council tax banding and this is factored into the taxbase calculation.
- 5.6.** In common with most Billing Authorities, Cheshire East Council charges a Council Tax premium of 100% on property that has been empty for 2 years or more in order to encourage homes to be brought back into use. The Local Government Finance Act 1992 (amended) enables Councils to charge a premium on empty properties.

- 5.7.** The Autumn Budget 2017 allowed Councils to increase the premium from 100% to 200% with effect from April 2020. This change was implemented with effect from 1st April 2020. There was further flexibility granted for properties over 10 years old by allowing a 300% charge to be levied from April 2021. Cheshire East implemented this change also from April 2021.
- 5.8.** The taxbase also reflects assumptions around CTS payments. The Cheshire East CTS scheme was introduced in 2013/14 and subsequently amended following consultations in 2016/17, 2020/21 and due to be amended again for 2022/23 to make the scheme more supportive in the light of funding being made available from central government (£3.3m) to be able to further assist the pandemic recovery.
- 5.9.** The funding for this Local Council Tax Support grant was received in 2020/21 and transferred to the Collection Fund Earmarked reserve. The funding will be used over the medium term to support the revenue budget to compensate for suppressed council tax levels as a result of higher Council Tax Support payments.
- 5.10.** Changes to the Council Tax Support Scheme for 2022/23, as set out in a separate report to Council, are included within the calculations of this taxbase report.
- 5.11.** The taxbase and subsequent collection of council tax is subject to overall risks from a variety of sources, such as inaccuracies within:
- Numbers of new homes forecast
  - Levels of discounts and premium charges estimated
  - Under collection rate

Risks particularly associated with Council Tax Support levels include:

- Challenges over the medium-term economic position
  - The risk of a major employer leaving the area.
  - The risk of delay in the significant development projects delaying employment opportunities.
  - The prospect of a greater number of residents becoming of pensionable age and potentially becoming eligible for CTS.
  - The risk of increased non-collection due to the increasing demand on non-protected residents.
  - Further increase in caseload as a result of the COVID-19 pandemic resulting in reductions in earnings and increased redundancies.
- 5.12.** Risks are managed throughout the year and regular monitoring and reporting takes place to ensure that preceptors are made aware of any possible shortfalls in the Collection fund.

## **6. Consultation and Engagement**

- 6.1. The calculation of the taxbase is not subject to consultation.

## **7. Implications**

### **Legal**

- 7.1.1. In accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended and Chapter 4 of the Council's Constitution, the calculation of the Council taxbase is a matter for full Council following a recommendation by Corporate Policy Committee.

### **7.2. Finance**

- 7.2.1. The calculation of the taxbase provides an estimate that contributes to the calculation of overall funding for Cheshire East Council in each financial year.

### **7.3. Policy**

- 7.3.1. None.

### **7.4. Equality**

- 7.4.1. None.

### **7.5. Human Resources**

- 7.5.1. None.

### **7.6. Risk Management**

- 7.6.1. Consideration and recommendation of the taxbase for 2022/23 to Council ensures that the statutory requirement to set the taxbase is met.
- 7.6.2. Estimates contained within the Council taxbase calculation, such as the loss on collection and caseload for Council Tax Support, will be monitored throughout the year. Any significant variation will be reflected in a surplus or deficit being declared in the Collection Fund which is then shared amongst the major precepting authorities.

### **7.7. Rural Communities**

- 7.7.1. This report provides details of taxbase implications across the borough

### **7.8. Children and Young People/Cared for Children**

- 7.8.1. None.

**7.9. Public Health**

**7.9.1.** None.

**7.10. Climate Change**

**7.10.1.** None.

<b>Access to Information</b>	
Contact Officer:	Alex Thompson, Director of Finance and Customer Services Alex.thompson@cheshireeast.gov.uk
Appendices:	Appendix A – Taxbase 2022/23
Background Papers:	None

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## APPENDIX A

## COUNCIL TAX - TAXBASE 2022/23

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 99.00%
Acton	232.72	230.40
Adlington	642.24	635.82
Agden	71.97	71.25
Alderley Edge	2,715.70	2,688.54
Alpraham	222.89	220.66
Alsager	5,181.57	5,129.76
Arclid	215.11	212.96
Ashley	162.29	160.66
Aston by Budworth	200.92	198.91
Aston-juxta-Mondrum	89.40	88.51
Audlem	1,085.23	1,074.37
Austerson	48.90	48.41
Baddiley	131.17	129.85
Baddington	62.42	61.79
Barthomley	102.82	101.79
Basford	91.60	90.69
Batherton	29.35	29.06
Betchton	290.15	287.25
Bickerton	132.67	131.35
Blakenhall	72.23	71.50
Bollington	3,225.35	3,193.10
Bosley	217.71	215.53
Bradwall	88.68	87.80
Brereton	815.37	807.22
Bridgemere	69.48	68.79
Brindley	66.45	65.78
Broomhall	88.28	87.40
Buerton	245.53	243.08
Bulkeley	143.71	142.28
Bunbury	694.76	687.82
Burland	298.69	295.70
Calveley	144.89	143.44
Checkley-cum-Wrinehill	49.17	48.67
Chelford	822.19	813.97
Cholmondeley	94.88	93.93
Cholmondeston	86.60	85.73
Chorley	291.56	288.64
Chorley (Crewe)	62.79	62.16
Chorlton	511.01	505.90
Church Lawton	922.88	913.65
Church Minshull	222.25	220.03
Congleton	10,824.81	10,716.56
Coole Pilate	38.48	38.10
Crnage	696.12	689.16
Crewe	14,320.18	14,176.97
Crewe Green	95.04	94.09
Disley	2,101.90	2,080.88
Dodcott-cum-Wilkesley	217.56	215.38
Doddington	19.08	18.89
Eaton	406.34	402.27
Edleston	364.01	360.37
Egerton	37.32	36.95
Faddiley	85.05	84.20
Gawsworth	837.37	828.99
Goostrey	1,083.69	1,072.85
Great Warford	448.07	443.59
Handforth	2,393.02	2,369.09
Hankelow	187.94	186.06
Haslington	2,906.85	2,877.78
Hassall	111.21	110.10
Hatherton	188.70	186.81
Haughton	106.95	105.88
Henbury	377.77	373.99
Henhull	387.07	383.20
High Legh	916.10	906.94
Higher Hurdfield	331.94	328.62
Holmes Chapel	2,850.47	2,821.96
Hough	345.82	342.36
Hulme Walfield & Somerford Booths	291.73	288.82
Hunsterson	81.27	80.45
Hurleston	36.20	35.83

## COUNCIL TAX - TAXBASE 2022/23

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 99.00%
Kettleshulme	168.44	166.76
Knutsford	5,891.71	5,832.80
Lea	23.20	22.97
Leighton	1,962.13	1,942.51
Little Bollington	86.90	86.04
Little Warford	39.55	39.16
Lower Peover	74.68	73.93
Lower Withington	330.52	327.21
Lyme Handley	72.24	71.51
Macclesfield	19,091.98	18,901.07
Macclesfield Forest/Wildboarclough	118.85	117.66
Marbury-cum-Quoisley	134.44	133.10
Marton	121.41	120.19
Mere	470.62	465.91
Middlewich	5,001.62	4,951.61
Millington	103.15	102.11
Minshull Vernon	122.64	121.41
Mobberley	1,485.30	1,470.45
Moston	455.99	451.43
Mottram St Andrew	427.23	422.96
Nantwich	5,389.71	5,335.82
Nether Alderley	612.81	606.68
Newbold Astbury-cum-Moreton	361.97	358.35
Newhall	439.42	435.03
Norbury	105.46	104.41
North Rode	128.62	127.33
Odd Rode	2,026.85	2,006.58
Ollerton with Marthall	328.56	325.27
Over Alderley	274.05	271.31
Peckforton	78.94	78.15
Peover Superior	414.07	409.93
Pickmere	394.80	390.85
Plumley with Toft and Bexton	410.04	405.94
Poole	82.32	81.50
Pott Shrigley	161.98	160.36
Poynton with Worth	6,122.10	6,060.87
Prestbury	2,239.97	2,217.57
Rainow	636.23	629.87
Ridley	84.96	84.11
Rope	884.60	875.76
Rosterne	80.76	79.95
Sandbach	8,493.80	8,408.86
Shavington-cum-Gresty	2,410.59	2,386.48
Siddington	184.09	182.25
Smallwood	335.26	331.91
Snelson	84.77	83.93
Somerford	742.68	735.25
Sound	115.23	114.08
Spurstow	193.26	191.33
Stapeley	1,716.41	1,699.25
Stoke	112.33	111.20
Styal	427.99	423.71
Sutton	1,173.67	1,161.93
Swettenham	182.22	180.40
Tabley	240.49	238.09
Tatton	13.15	13.02
Twemlow	123.01	121.78
Walgherton	69.45	68.76
Wardle	87.83	86.95
Warmingham	119.09	117.90
Weston	1,004.50	994.45
Wettenhall	119.58	118.39
Willaston	1,575.11	1,559.36
Wilmslow	12,129.60	12,008.31
Wincle	94.98	94.03
Wirswall	41.25	40.84
Wistaston	3,311.28	3,278.16
Woolstanwood	244.87	242.42
Worleston	126.34	125.08
Wrenbury	543.06	537.63
Wybunbury	701.02	694.01
	<b>158,189.37</b>	<b>156,607.48</b>

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*Working for a brighter future together*

## **Corporate Policy Committee**

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<b>Date of Meeting:</b>	2 December 2021
<b>Report Title:</b>	Apprenticeship Programme Update
<b>Report of:</b>	Jane Burns - Executive Director, Corporate Services
<b>Report Reference No:</b>	CP/54/21-22
<b>Ward(s) Affected:</b>	ALL

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### **1. Executive Summary**

- 1.1. This report provides an update on the work carried out on the apprenticeship programme at Cheshire East Council and the plans in place to ensure it continues to support the priorities set out within the Corporate Plan.
- 1.2. The delivery of an effective apprenticeship programme supports the Council's priority to develop a confident, motivated, innovative, and resilient and empowered workforce. As part of this programme, the delivery of an apprenticeship levy transfer scheme, aligned to Cheshire East's recognised skills gaps, also supports the Council's priority to have thriving urban and rural economies with opportunities for all.

### **2. Recommendation**

- 2.1. That the Committee note the position in relation to Apprenticeships and the further improvements set out in the action plan.

### **3. Reason for Recommendation**

- 3.1. Apprenticeships form part of our Workforce Strategy and play a key role in workforce planning, ensuring the Council has in place the right skills to deliver the priorities as set out in the Corporate Plan.

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

- 4.1. An apprenticeship programme and action plan is required to support the achievement of the Council's statutory target as detailed in paragraph 5.2.

## **5. Background**

- 5.1.** From April 2017, the Finance Bill (2016) introduced a funding mechanism for apprenticeships, an 'apprenticeship levy'. The levy is paid by employers (including the public sector) with a pay bill of more than £3 million, through the PAYE process. The levy payment made by Cheshire East Council is made available to the Council through an Apprenticeship Service account that is managed by Human Resources. Funds expire 24 months after they appear in the digital account. Apprenticeships are available to existing members of staff as well as new start employees that are typically recruited on an apprenticeship fixed term employment contract.
- 5.2.** More wide-reaching reforms, introduced by the government at the same time, included a statutory target for the public sector for 2.3% of the workforce to be made up of apprentices.
- 5.3.** The apprentice levy is set at 0.5% of total payroll that is subject to National Insurance. The anticipated annual cost is around £743,000. The Government deducts a portion of this figure (approximately £20,000) to reflect employees who live outside England and then tops up the remainder by 10%. Based on figures to date, the anticipated total annual amount available to spend will be around £810,000. This figure has reduced, and will continue to do so, as schools have left/leave the Council to become academies.

## **6. Apprenticeship Programme Delivery**

- 6.1.** Our apprenticeship programme provides opportunities for apprentices to gain a recognised qualification whilst receiving training to support their personal development. The range of apprenticeships standards offered at the Council is wide, from level 2 (GCSE standard) to level 7 (post-graduate) across a whole spectrum of subject areas. A table at appendix one shows the range of subjects delivered through apprenticeships since the introduction of the apprenticeship levy in 2017.
- 6.2.** There is no centrally held budget for the salary costs of new start apprentices. These costs are met by the staffing budgets of the relevant service areas. An exception to this, as part of the Council's corporate parenting responsibility, is a centrally held budget for the salary costs of apprentices that are cared for children or care leavers.
- 6.3.** The Workforce Development Team co-ordinates the recruitment, on-boarding, and induction of all apprentices across the Council and its schools and ASDVs. The team then supports all apprentices to progress through their apprenticeship training and addresses any issues identified with their training providers. All training providers are required to submit regular monitoring updates to the Workforce Development Team and any poor feedback received from apprentices in relation to the delivery of their training is dealt with robustly. A mentoring and coaching programme is also in place for any 'new start' apprentices alongside a learning and development programme to enhance their apprenticeship training.

- 6.4.** From April 2019, the Government allowed levy-paying employers to transfer a maximum amount of 25% of their annual funds to other employers to fund apprenticeship training. Transferred funds can be used to pay for the training and assessment cost of the apprenticeships agreed with the receiving employer. Cheshire East Council launched an apprenticeship levy transfer fund in 2020, aligned to Cheshire East's Economic Strategy. To gain maximum benefit from the levy funds, bids are prioritised using the following criteria:
- Priority 1: A non-levy payer who can only access apprenticeship funds via a transfer of funds, in particular community, charitable and voluntary sector organisations.
  - Priority 2: Creating apprenticeship opportunities for disadvantaged groups who live in Cheshire East (e.g. care leavers; NEETs; those with disabilities/ health conditions; long term unemployed and women returning to work).
  - Priority 3: Apprenticeships from key employment sectors such as health and social care and science, technology, engineering and maths (STEM)
- 6.5.** Further details on funds transferred to date are set out in paragraph 7.5.
- 6.6.** Apprenticeship opportunities are promoted internally, with case studies, profiles, and regular communications through Team Voice to promote new financial incentives and new apprenticeship standards for existing members of staff as well as new employees. Focused sessions are also given at different forums such as the Manager Share and Support Session to promote take-up.
- 6.7.** In addition to this and as part of the workforce planning cycle and development of training plans for each service area, discussions are held with each team to identify apprenticeship opportunities that might be appropriate, paying close attention to skills gaps and succession planning and building future resilience. The CPD process is also monitored to ensure apprenticeships are maximised for any training and development identified for members of staff.
- 6.8.** Working with areas where specific recruitment and retention issues have been identified, proactive work is undertaken to develop apprenticeship programmes to address the relevant issues. Recent examples of this have been the introduction of degree apprenticeships in IT, social work, planning and occupational therapy.
- 6.9.** Targeted communications to maintained schools, including attendance at school forums, dedicated workshops, 'marketplace' events and briefings within the Directors Report are all undertaken to encourage the take up of apprenticeships in Cheshire East Council schools.

## **7. Progress to Date**

- 7.1.** From the outset of the introduction of the apprenticeship levy, the Council has applied a disaggregation of the target to monitor performance as illustrated in the table in appendix two. Performance is measured within the Corporate Scorecard.
- 7.2.** To date, due largely to the lack of take-up of apprenticeships in maintained schools, a surplus of levy funding has been available. Feedback from head teachers suggests that the barriers to apprenticeship take-up are the associated salary costs, a previous lack of relevant apprenticeship standards and the requirement for apprentices to be allowed 20% of their time for off the job training.
- 7.3.** To address this and an existing identified leadership skills gaps in schools, the Workforce Development Team has worked in partnership with colleagues in Education and Head Teachers across Cheshire East and Cheshire West to develop the first cohort of school leaders for a level 7 Senior Leadership Programme in Education. This commenced in September 2021 and is funded via the Council's apprenticeship levy, with 7 staff from Cheshire East schools.
- 7.4.** 2020-2021 saw a reduction in the number of apprenticeship new starts at the Council, due mainly to the Covid-19 pandemic and the change to the way of working. This is reflected nationally. As a response to this, the Government has been offering temporary additional financial incentives of £3,000 for any new start apprentices, who has an employment start date between April 2021 to 30 September 2021. This has just been extended by the Government until the end of January 2022. These have been widely promoted internally and resulted in 19 new start apprentices being recruited in the last two months. Communications to promote the extension of the financial incentives has been undertaken and this has already seen further new apprenticeship posts being advertised.
- 7.5.** To ensure any remaining unspent apprenticeship levy funds remain within the borough of Cheshire East wherever possible, the apprenticeship levy transfer fund is promoted. To date, £147,000 of apprenticeship levy funding has been committed to be transferred to employers in Cheshire East to fund apprenticeship training. A recent application has been made by a local company in the care sector, supporting other work carried out to recruit and retain to a skills shortage area.
- 7.6.** Take-up of the centrally held salary budget for apprentices with a cared for background is typically low. Experience suggests that this may in part be due to the nature of the work experience that the Council offers not being in line with the expectations of candidates. To resolve this, a Care Leaver Apprenticeship Review Action Plan has been developed through a partnership with colleagues in Children's Services. An apprenticeship Co-ordinator for Cared for Children and Care Leavers has been appointed. This has resulted in five new apprenticeship starts across the Council since April 2021 for those with a cared for background. The apprentices will receive

additional financial support through the Government's financial incentives for those with a cared for background and will also receive additional practical support through their apprenticeship from colleagues in Children's Services and the Workforce Development Team.

## **8. Apprenticeship Action Plan 2021-2023 Vision and Aims**

- 8.1.** The value of apprenticeships to enable the Council to meet its current and future skills needs is recognised, whether that be young people starting out on their career path or existing staff wishing to develop new skills. Apprenticeships play a key role in service workforce plans to ensure we have the right people with the right skills for our future needs.
- 8.2.** The key strategic aims of the Apprenticeship Action Plan for 2021-2023 are set out below:
1. To embed apprenticeships across the Council, utilising them to develop skills and future-proof our workforce, growing the number of apprenticeships and maximising the use of the levy;
  2. To improve the quality of apprenticeship programmes;
  3. To promote, equality, diversity, and inclusion amongst the apprenticeship programme;
  4. To act as an ambassador for apprenticeships across Cheshire East.

## **9. Implications**

### **9.1. Legal**

- 9.1.1.** The payment of the apprenticeship levy is an obligation of the local authority. Therefore, from May 2017, Cheshire East Council has had a statutory duty to pay the apprenticeship levy and to pay 'due regard' to the target set for the number of apprentices within the organisation.
- 9.1.2.** The mechanism introduced for the payment of apprenticeship training providers only allows the procurement of government approved suppliers which are detailed on a national Register of Approved Training Providers (RoATP). Only those on the Register will be eligible for funding for Cheshire East Council's apprenticeship levy fund.

### **9.2. Finance**

- 9.2.1.** The apprentice levy is set at 0.5% of total payroll that is subject to National Insurance. The anticipated annual cost is around £743,000. The Government deducts a portion of this figure (approximately £20,000) to reflect employees who live outside England and then tops up the remainder by 10%. Based on figures to date, the anticipated total annual amount available to spend will be around £810,000. This figure has reduced, and will continue to do so, as schools have left/leave the Council

to become academies. Apprenticeship Levy funds expire after a period of two years if they remain unspent.

**9.3. Policy**

9.3.1. This supports the Workforce Strategy and the Corporate Plan priorities relating to the workforce.

**9.4. Equality**

9.4.1. The continued offer of new apprenticeships at the Council attracts and retains young people within our workforce

**9.4.2. Human Resources**

9.4.3. The continued offer of apprenticeships supports the development of our workforce through succession planning and talent management and addresses identified skills.

9.4.4. Human Resources holds apprenticeship levy funding for the Council and is responsible for the administration, procurement and tracking of this funding alongside the contract management of all apprenticeship training provision and the performance and support to all apprentices.

**9.5. Risk Management**

9.5.1. A clear process is in place with colleagues in Legal and Procurement Services for the timetable for the awarding of contracts to training providers.

**9.6. Rural Communities**

9.6.1. There are no implications.

**9.7. Children and Young People/Cared for Children**

9.7.1. This report details the work that has begun on how the increase in apprenticeship opportunities at the Council can form part of a Cared for Children Strategy.

**9.8. Public Health**

9.8.1. There are no public health implications.

**9.9. Climate Change**

9.9.1. There are none.

<b>Access to Information</b>	
Contact Officer:	Sara Barker, Head of HR Sara.barker@cheshireeast.gov.uk 01270 686328
Appendices:	Appendix One – Apprenticeship Standards at Cheshire East Council. Appendix Two – Apprenticeship Data 2017-2021 Appendix Three – Apprenticeship Action Plan – 2021-2023.
Background Papers:	None

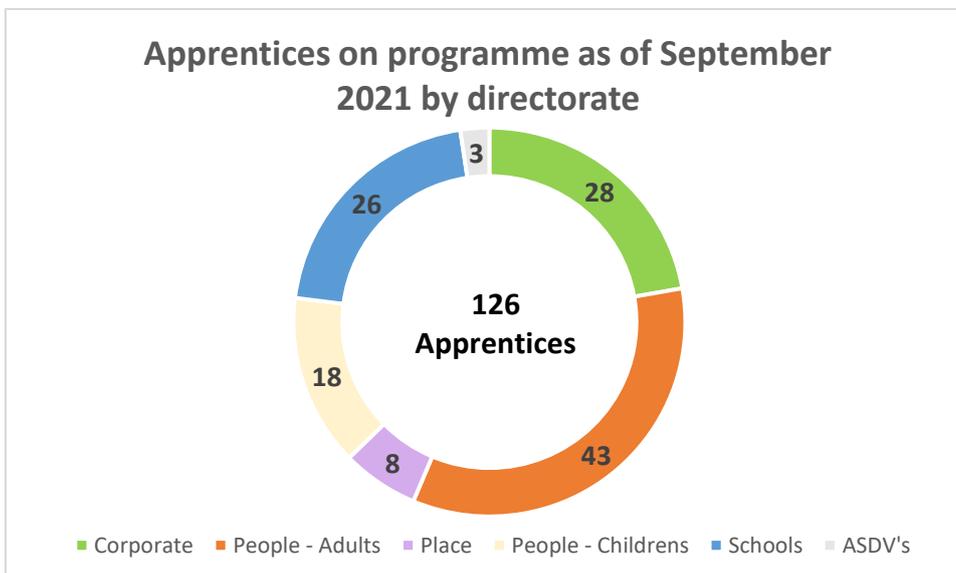
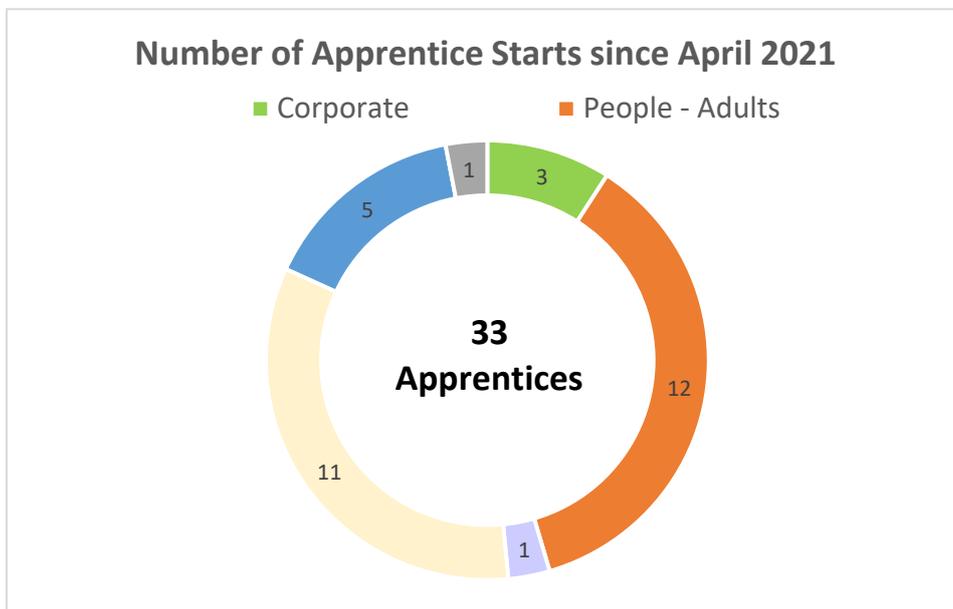
## Appendix 1 – Apprenticeship Standards Delivered to Date (Sept 2021)

Name	Route	Level
Accountancy or taxation professional	Legal, finance and accounting	7
Adult care worker	Care services	2
Agriculture	Agriculture, environmental and animal care	3
Animal care and welfare assistant	Agriculture, environmental and animal care	2
Assistant accountant	Legal, finance and accounting	3
Associate project manager	Business and administration	4
Building control surveyor (integrated degree)	Construction	6
Higher Business administration	Business and administration	4
Business administration	Business and administration	3
Chartered legal executive	Legal, finance and accounting	6
Chartered manager (degree) - Health and Social Care	Business and administration	6
Chartered surveyor (degree)	Construction	6
Chartered town planner (degree)	Construction	7
Children and Young Person Workforce	Care services	2
Commercial procurement and supply	Sales, marketing, and procurement	4
Commis chef	Catering and hospitality	2
Customer service specialist	Sales, marketing, and procurement	3
Data analyst	Digital	4
Data technician	Digital	3
Digital and technology solutions professional (degree)	Digital	6
Early years educator	Education and childcare	3
Early years lead practitioner	Education and childcare	2
Heavy vehicle service and maintenance technician	Engineering and manufacturing	3
HR consultant partner	Business and administration	5
HR support	Business and administration	3
Infrastructure technician	Digital	3
Insurance practitioner	Legal, finance and accounting	3
IT Application Specialist	Digital	3
Junior energy manager	Construction	3
Lead adult care worker	Care services	3
Lead practitioner in adult care	Care services	4
Leader in adult care	Care services	5
Marketing Diploma	Sales, marketing, and procurement	3
Multi-trade	Engineering and manufacturing	2
Network engineer	Digital	4
Occupational therapist (integrated degree)	Health and science	6
Operations or departmental manager	Business and administration	5
Paralegal	Legal, finance and accounting	3
Professional accounting or taxation technician	Legal, finance and accounting	4
Project manager (integrated degree)	Business and administration	6
Property maintenance operative	Construction	2
Regulatory compliance officer	Business and administration	4
Revenues and welfare benefits practitioner	Business and administration	4
School business professional	Business and administration	4
Senior leader masters	Business and administration	7
Social worker (integrated degree)	Care services	6
Supporting Teaching and Learning in Schools	Education and childcare	2
Supporting Teaching and Learning in Schools	Education and childcare	3
Team leader or supervisor	Business and administration	3
Teaching Assistant	Education and childcare	3

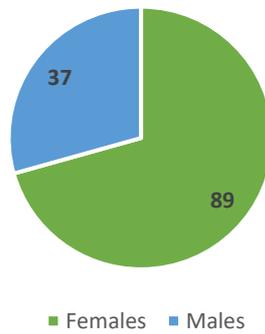
**Appendix 2 - Apprenticeship Data 2017-2021**

**Headcount and Target (2.3%)**

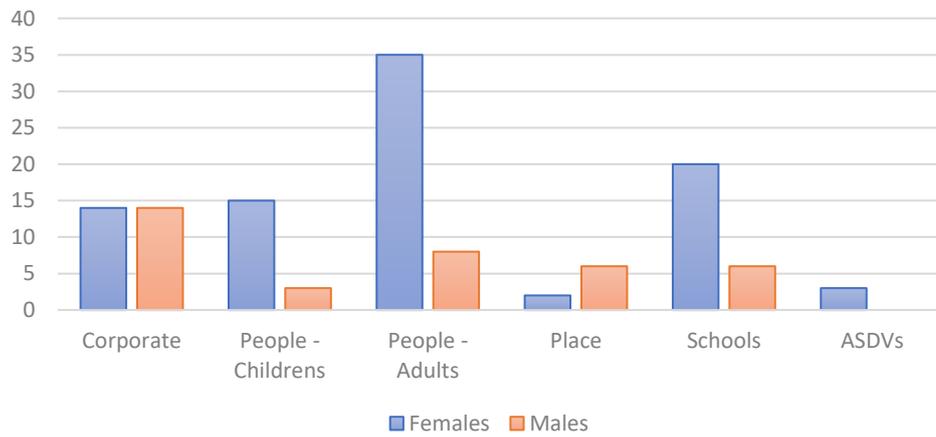
Year	CEC Headcount	People	Corporate	Place	Schools Headcount	ASDVs Headcount
2019-2020	3595	2168	653	772	3066	537
<b>Target</b>	<b>83</b>	<b>50</b>	<b>15</b>	<b>18</b>	<b>71</b>	<b>12</b>
2020-2021	3596	2169	653	772	3064	538
<b>Target</b>	<b>83</b>	<b>50</b>	<b>15</b>	<b>18</b>	<b>70</b>	<b>12</b>



**Apprentices on programme as of September 2021  
by gender**



**Number of apprentices on programme at  
September 2021 by gender**



Service	Females	Males
Corporate	14	14
People - Childrens	15	3
People - Adults	35	8
Place	2	6
Schools	20	6
ASDVs	3	0
<b>Total</b>	<b>89</b>	<b>37</b>



### Appendix 3 – Apprenticeship Action Plan 2021-23

Action	Responsibility	Measure	Timescale
<b>1. To embed apprenticeships across the Council, utilising them to develop skills and future-proof our workforce, growing the number of apprenticeships and maximising the use of the levy</b>			
1.1 Engage with training providers to ensure the training meets the skills gaps identified within the Council and its Service Workforce Plans, offering a range of qualifications at all levels.	WFD & Senior HROs	Number of apprenticeship qualifications gained and offered across the Council.	Ongoing on a quarterly basis
1.2 Ensure that new standards made available through the levy are considered and promoted across the organisation, paying close attention to those areas of the Council where workforce shortages are present.	WFD	Number of apprenticeship qualifications gained and offered across the Council.	Ongoing on a quarterly basis
1.3 Engage with each service area to map and create career pathways aligned to workforce shortages and apprenticeship standards.	WFD	Number of career pathways in place.	Ongoing on a quarterly basis
1.4 Ensure that all vacancies at the appropriate level and where a relevant standard can be applied are considered for an apprenticeship.	WFD, HR Delivery & ESC	Number of apprenticeships advertised.	Sept 2022
1.5 Create clear development roles for apprentices from the recruitment stage.	WFD	Work with apprentices and service areas to ensure permanent employment for at least 50% of new start apprentices at the end of their training. Number of apprentices progressing onto grade 4, 5 and 6 roles.	Sept 2022
1.6 Draw up an annual calendar of events and activities and a communications plan to promote apprenticeships including: DMTs, National Apprenticeship Week, Team Voice, Manage Share & Support School heads meetings/School forums, recruitment fairs and marketplace events.	WFD, Comms Team	Tracking of applicants.	Sept 2022
1.7 Work with councillors to promote the apprenticeship programme across the Council.	Head of HR/WFD	Number of applicants	Sept 2022
1.8 Embed apprenticeship qualifications within the PDR process	WFD/OD	Number of apprenticeships identified as part of the PDR process	Sept 2022
1.9 Create apprenticeship ambassadors across the Council	HR Apprentices	Number of ambassadors	March 2022

Action	Responsibility	Measure	Timescale
1.10 Support schools in understanding the wider range of apprenticeships available	WFD/HR Schools	Number of apprentices in maintained schools	April 2022
<b>2. To improve the quality of apprenticeship programmes</b>			
2.1 Further engage with training providers to agree quarterly monitoring of all apprentices.	WFD	Number of providers reporting on a quarterly basis	April 2022
2.2 Establish tracking system to monitor retention and recruitment.	WFD	Recruitment and retention figures	Dec 2021
2.3 Produce annual apprenticeship report	WFD	Report	Mar 2022
2.4 Conduct exit interviews for apprentices leaving the organisation.	WFD	Number of exit interviews held	Dec 2021
2.5 Continue to provide training, guidance and mentoring to placement managers.	WFD	Feedback from placement managers	Ongoing
2.6 Review apprenticeship learning and development programme	WFD	Apprentice survey report	Ongoing
2.7 Produce apprenticeship guidance for staff	WFD	Guidance	April 2022
<b>3. To promote, equality, diversity, and inclusion amongst the apprenticeship programmes</b>			
3.1 Work with Children's Services and other internal and external partner agencies to target underrepresented groups of young people such as looked-after young people and BAME young people and young people with SEND.	WFD/Children's Services	Delivery of Apprenticeship Action Plan for Looked After Young People.	Sept 2022
3.2 Monitor the diversity of apprenticeship starts, to enable a more inclusive workforce and social mobility throughout the Council.	WFD	Improved apprenticeship data and reporting	April 2021
3.3 Work with colleagues in Adults, Health & Integration to support the delivery of the Kickstart programme and ensure progression where appropriate.	WFD	Number of apprentices progressed from the Kickstart programme	Ongoing
<b>4. To act as an ambassador for apprenticeships across Cheshire East</b>			
4.1 Work with the Council's Economic Development Team and education settings to ensure increased awareness of apprenticeships and their value.	WFD/Economic Development	Number of apprenticeships across Cheshire East.	Sept 2022

4.2 To promote the Council's apprenticeship levy transfer fund to local businesses to support SMEs and improve apprenticeship take up.	WFD/Economic Development/Comms	Number of apprenticeship levy transfer fund applications.	Sept 2022
4.3 To promote apprenticeships and the Council's apprenticeship levy transfer fund to targeted sectors with identified skills shortages, such as the care sector.	WFD/Adults Commissioning/Economic Development	Number of apprenticeship levy fund transfer applications from targeted sectors.	Sept 2022

**Work Programme – Corporate Policy Committee – 2021/22**

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
CP/24/21-22	12 Jan 2022	Communications Plan for Residents	To develop and approve a new approach for communications with residents.	Executive Director Corporate Services	Yes	Yes	No	An open and enabling organisation	No
CP/28/21-22	12 Jan 2022	Approach to Consultation and Engagement	To develop a new approach to consultation and engagement methods/processes.	Executive Director Corporate Services	Yes	Yes	Yes	An open and enabling organisation	No
CP/52/21-22	12 Jan 2022	Bereavement Services Review	To consider the results of a strategic review of the Council's commissioning and delivery arrangements of the service provided by Orbitas.	Executive Director Place		Yes	No	An open and enabling organisation	Yes, para 3
CP/30/21-22	12 Jan 2022	Medium Term Financial Strategy	To respond to budget consultation.	Director of Finance and Customer Services (s151 Officer)	Yes	Yes	Yes	An open and enabling organisation	No
CP/32/21-22	12 Jan 2022	Health and Safety and Workforce Reporting - Quarter 2	To consider a quarterly report on health and safety and workforce for Quarter 2, 2021/22.	Executive Director Corporate Services	Corporate Health and Safety Forum	No	Yes	An open and enabling organisation	No
CP/34/21-22	12 Jan 2022	Emergency Assistance Scheme	To approve the final scheme for 2022/23.	Director of Finance and Customer Services (s151 Officer)	Yes	Yes	Yes	An open and enabling organisation	No
CP/37/21-22	10 Feb 2022	Shared Services Review	To update on the key milestones and benefits.	Executive Director Corporate Services	Ongoing engagement with staff and Trade Unions	Yes	Yes	An open and enabling organisation	No
CP/35/21-22	10 Feb 2022	Medium Term Financial Strategy	To recommend the MTFS and budget for approval at Council.	Director of Finance and Customer Services (s151 Officer)	Yes	Yes	Yes	An open and enabling organisation	No
CP/36/21-22	10 Feb 2022	Corporate Plan	To agree the Corporate Plan for approval at Council.	Executive Director Corporate Services	Yes	Yes	Yes	An open and enabling organisation	No

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
CP/27/21-22	10 Feb 2022	Best4Business Programme Post-Implementation Review with Cheshire West and Chester Council	To approve the scope and process for a post-implementation review of the project and review lessons learned.	Executive Director Corporate Services	Shared Services Joint Committee	TBC	Yes	An open and enabling organisation	No
CP/59/21-22	10 Feb 2022	Calendar of Meetings 2022/23	To consider the draft calendar of meetings for 2022/23 and make recommendations to Council.	Executive Director Corporate Services		No	No	An open and enabling organisation	No
CP/38/21-22	3 Mar 2022	Health and Safety and Workforce Reporting - Quarter 3	To consider a quarterly report on health and safety and workforce for Quarter 3.	Executive Director Corporate Services	Corporate Health and Safety Forum	No	Yes	An open and enabling organisation	No
CP/39/21-22	3 Mar 2022	Open Data - Annual Report	For implementation in March 2022.	Executive Director Corporate Services	TBC	TBC	No	An open and enabling organisation	No
CP/40/21-22	3 Mar 2022	Strategic Performance and Risk Reporting - Quarter 3	To review a report on strategic performance and risk for Quarter 3.	Executive Director Corporate Services	No	No	No	An open and enabling organisation	No
CP/41/21-22	3 Mar 2022	Terms and Conditions Review	To consider a progress update on the Terms and Conditions Review.	Executive Director Corporate Services	TBC	TBC	No	An open and enabling organisation	No
CP/57/21-22	3 Mar 2022	Digital Strategy	To approve the Digital Strategy.	Director of Finance and Customer Services (s151 Officer)	Completed	Yes	Yes	An open and enabling organisation	No
CP/42/21-22		Commercial/Enterprise Strategy	To approve a new strategy as part of the BTFFP.	Executive Director Corporate Services	Yes	Yes	Yes	An open and enabling organisation	No
CP/43/21-22		Ways of Working with Town and Parish Councils	TBC	Executive Director Place	Yes	Yes	Yes	An open and enabling organisation	No
CP/44/21-22		Local Members' Say in Local Decisions	TBC	Director of Governance and Compliance (Monitoring Officer)	TBC	TBC	Yes	An open and enabling organisation	No
CP/45/21-22		MoD Employer Recognition Award - Gold and Silver Schemes	TBC	Director of Commissioning	TBC	TBC	Yes	An open and enabling organisation	No
CP/46/21-22		ICT Procurements	TBC	Executive Director Corporate Services	TBC	TBC	Yes	An open and enabling organisation	No
CP/47/21-22		EDI Strategy and Objectives	To develop and agree an action plan with at least six-monthly updates.	Executive Director Corporate Services	EDI Board	TBC	Yes	An open and enabling organisation	No

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
CP/48/21-22		Corporate Peer Challenge Annual Update	TBC	Executive Director Corporate Services	TBC	TBC	Yes	An open and enabling organisation	No

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*Working for a brighter future together*

## **Corporate Policy Committee**

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<b>Date of Meeting:</b>	2 December 2021
<b>Report Title:</b>	Insurance Contracts Procurement
<b>Report of:</b>	Jane Burns, Executive Director, Corporate Services
<b>Report Reference No:</b>	N/A
<b>Ward(s) Affected:</b>	All wards

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### **1. Purpose of Report**

- 1.1. This report seeks approval for the approach to the re-procurement of the Council's insurance portfolio for contracts expiring in March 2022.
- 1.2. Cheshire East Council spends approximately £1.2 million per year on insurance premiums across its entire portfolio. As reported to Finance Sub Committee as part of the procurement pipeline report in September 2021, the estimated contract value for re-procurement is £4.8-5 million.
- 1.3. There are currently two approaches open to the re-procurement.
  - 1.3.1. Option 1 is to proceed with the full re-procurement of the insurance portfolio through a procurement framework, incepting cover from 1<sup>st</sup> April 2022 for an initial period of cover of three years, with the option to extend by a further 2 years.
  - 1.3.2. Option 2 is to award a contract modification, extending the current cover arrangements by 12 months from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 and then progressing the full re-procurement through a procurement framework for cover to be incepted from 1<sup>st</sup> April 2023 on a period of cover for 3 years with the option of a further 2-year extension.
- 1.4. The Council's appointed Professional Insurance Brokers, Aon, support the procurement of the Council's insurance cover, and preparations for the full re-procurement have been made. Aon have recently advised that now is a very challenging time to go out to tender for the full re-procurement of the Council's insurance portfolio, and so Option 2 is recommended to the

Corporate Policy Committee as it provides an opportunity for the Council to receive a better-quality consideration and response in due course.

## **2. Recommendations**

- 2.1.** Corporate Policy Committee is asked to:
  - 2.1.1.** Approve a one-year extension to the Council's current insurances and delegate authority to the Executive Director Corporate Services to approve the modification of the existing contracts of insurance to facilitate such extension, with a formal report to come back to this Committee seeking the delegation of authority to the Executive Director Corporate Services to undertake the procurement process using a framework for cover incepting 1<sup>st</sup> April 2023 and award the contracts following the procurement exercise.

## **3. Reasons for Recommendations**

- 3.1.** The continuous provision of insurance cover is required to ensure protection against the Council's key insurable risk areas, including employer and public liability, property, and motor fleet damage.
- 3.2.** Not all insurances are statutory; for example, the Council must have Employer Liability insurance in place and motor cover for the Council's fleet, however, in other areas the organisation needs to ensure that it obtains a balance of cover to proportionally manage risk exposure whilst obtaining the optimum value for money.
- 3.3.** In preparing for the full re-procurement of the insurance contracts, advice has been provided to the Council's Insurance Manager by our appointed brokers, the details of which are summarised in paragraph 5.1 below. In brief, Aon has indicated that the current state of the market for insurance providers is less than optimal for the Council's requirements to receive consideration by all potential providers, increasing the possibility that cover available to the Council will not be provided at the most favourable terms, or fails to be offered at all.
- 3.4.** Option 2 allows the Council to take an informed position, ensuring cover remains in place for a period of 12 months, during which time the full re-procurement exercise can be undertaken during 2022 when market conditions are expected to have improved to the Council's benefit.
- 3.5.** Further information from Aon, and details of the policies being re-procured are provided in the exempt Appendix 1 to this report.

## 4. Other Options Considered

### 4.1. Options appraisal

Option	Impact	Risk
Do nothing	Failure to secure insurance cover for 1 <sup>st</sup> April 2022 onwards	Risk of significant and unacceptable levels of exposure in terms of financial and reputational challenges and undermines ability to deliver key services.  For example, lack of motor cover would ground the Council's fleet, which includes waste collection vehicles. Not recommended
Option 1	Re-procurement through a compliant framework; secures cover from 1 <sup>st</sup> April 2022, albeit not likely to be at best value or terms to the Council.	Risk of failure to receive terms for some or all policies given the advice on market conditions provided by the Council's broker.  Risk of failure to receive terms which present sufficient value for money for the Council. Not recommended
Option 2	Cover from 1 <sup>st</sup> April 2022 for one year secured through modification of existing contracts.  Cover from 1 <sup>st</sup> April 2023 secured through re-procurement using compliant framework.	Potential for modification to be challenged by an insurance provider.  Recommended

4.2. To "do nothing" leaves the Council without cover available to it, in either its statutory or "voluntary" areas of insurance. This exposes the Council's finances to significant and unplanned levels of pressure as the Council's financial plans are not based on full self-financing of claims. Failure to have statutory covers would also undermine the ability to deliver services; for example, lack of motor cover would ground the Council's fleet, which includes waste collection vehicles.

4.3. Option 1 is deliverable and would result in the invitation to tender being published after 5 days after the minutes of the committee are published. (Circa 11 December) Although option 1 has the lower compliance risk, it may result in a less competitive outcome for the council.

- 4.4.** The risk associated with option 2; potential challenge from providers to the contract modification, is mitigated by the prevailing market conditions, communication with the market regarding the reason for modification via the broker and the clear intention to undertake a full re-procurement in 2022.

## **5. Background**

- 5.1.** As the Council's appointed Professional Insurance Brokers, Aon have advised that now is a very challenging time to go out to tender for the full re-procurement of the Council's insurance portfolio given the following factors/concerns:
- 5.1.1.** Current 'hard market' conditions; Aon are advising all their clients to only go out to the market if absolutely needed. Premium rate increases are still being imposed by the market. Insurers are requiring far more detailed underwriting data to even consider quoting and are more selective on which tenders to bid for.
- 5.1.2.** The Council must consider that the current contracts were entered into during a 'Soft Market' phase; this is a period where there is more competition in the insurance markets, premium rating factors were more favourable to those seeking cover and the Council achieved a very successful outcome in terms of policy deductibles and the premiums. Insurers have now become far more selective on which risks they chose to quote on and there is no guarantee of savings nor a quote being secured.
- 5.1.3.** Over the past 18 months, Aon have seen several public sector organisations request extensions on contracts and exemptions for tender due to the pandemic and focus on recovery of services. Not all Insurance providers seek to do business with the public sector; the limited market for Insurance providers for the Council is currently dealing with significantly higher than usual numbers of tenders because of delays last year during the pandemic.
- 5.2.** The Council's Insurance team and AON have planned and prepared to undertake the full procurement exercise, and whilst there had been some concerns over the general insurance market raised, the position regarding provider's ability to respond has been escalated more recently. The advice on the potentially poor quality of the outcome of the planned exercise prompted exploration of other options for seeking to ensure that cover could be obtained for 1<sup>st</sup> April 2022, whilst optimising the ability to receive the best consideration in the market.
- 5.3.** In discussion with the Broker, Procurement, and Legal colleagues, consideration has been given to a contract modification. Modification of current contracts, to extend by a year, should improve the Council's ability to take the full re-procurement exercise to the market during 2022 when the expectation is that conditions with providers will have stabilised.

- 5.4. The contract modification will extend current policies “as is”; there will be no changes to the policies or terms and conditions sought through the modification.
- 5.5. There are no changes proposed at this stage to the list of policies which will be included in the framework procurement for cover incepting 1<sup>st</sup> April 2023, however, as these may be placed with alternative providers, there could be differences in the level of details, or for example in the level of deductibles (excess) offered on each policy.

## 6. Implications

### 6.1. Legal

- 6.1.1. The contracts of insurance would need to be modified if an extension to the current contracts are sought. Accordingly, if full procurement of the insurances needs to be deferred for the reasons set out above; the issue is whether the contracts can be extended on a compliant basis under Regulation 72 of the Public Contract Regulations. Regulation 72 provides the criteria for contracts and framework agreements to be modified without a new procurement procedure during their term and provides different options for modification or variation dependent upon circumstances.
- 6.1.2. At the time of writing this report the contracts Modification Request Form is under review and not yet finalised. A case may be made for the modification and extension of the current contracts of insurance; assuming the current providers would accede to such extension which the insurance team have indicated all providers have agreed.
- 6.1.3. Any application of Regulation 72 creates the theoretic risk of a challenge. If a challenge was successful, the Council may find its insurances being invalidated, further insurance cover would then need to be sought.
- 6.1.4. The paucity of case law on Regulation 72 since the inception of the Public Contract Regulations suggests a lack of an appetite in the marketplace to litigate. Market specific advice from Aon must be considered and must give appropriate weight. Aon are specialist in the market and are aware of the commercial factors and have suggested is very likely that the insurance providers will look to the opportunity to win the Council ‘s business come 2023.

- 6.3.** The “Do nothing” option is not legally viable.
- 6.4.** Option 1 of an immediate full procurement from a legal perspective can be viewed as risk free; in that it presupposes that the Public Contract Regulations are being adhered to. If the Insurance team is being warned against going out to reprocure based on “best value” being achieved; then on balance Legal would advise that the existing cover may be extended under Reg 72.
- 6.5.** Option 2: Whereas extension under Reg 72 is not “risk free”; it is felt that the risk that this option presents (that of a challenge) can be mitigated via sensible market engagement. This is seen as a low-risk option. The re-procurement of the insurances from 1/4/23 is risk free so long as the Public Contract Regulations provisions are adhered to.
- 6.6. Finance**
- 6.6.1. Based on the 2021/22 renewal figures and the indicative estimates provided by the broker for uplift across the various policies, the cost of the extension by one year is approximately £1.27m. This will be covered through the corporate insurance revenue budget.
- 6.6.2. The request to extend current arrangements by 12 months, whilst the full re-procurement is undertaken is to obtain the optimum outcome from the market and ensure value for money is obtained.
- 6.7. Policy**
- 6.7.1. There are no specific policy implications arising from the recommendations of this report.
- 6.8. Equality**
- 6.8.1. There are no specific equality implications arising from the recommendations of this report.
- 6.9. Human Resources**
- 6.9.1. There are no specific human resources implications for the recommendations of this report. This is a business-as-usual activity and additional capacity for this is not required.
- 6.10. Risk Management**
- 6.10.1. The delivery of all services by the Council to residents is supported by the provision of insurance policies as an intrinsic part of our approach to risk management.
- 6.10.2. The objective of obtaining cover at greatest value for money and on most advantageous terms to the council is now deemed to be best achieved by the extension of current arrangements by one year, to be followed with the

full re-procurement during 2022, which will be brought back to the Corporate Policy Committee.

- 6.10.3. Timescales for the implementation of an extension to current arrangements are understood and planned for to ensure that deadlines are met, and the Council's insurance cover is continuous.

#### **6.11. Rural Communities**

- 6.11.1. There are no specific implications for our Rural Communities in the recommendations of this report.

#### **6.12. Children and Young People/Cared for Children**

- 6.12.1. There are no specific implications for Children and Young People/Cared for Children in the recommendations of this report.

#### **6.13. Public Health**

- 6.13.1. There are no specific implications for Public Health in the recommendations of this report.

#### **6.14. Climate Change**

- 6.14.1. There are no specific implications for Climate Change in the recommendations of this report.

<b>Access to Information</b>	
Contact Officer:	Josie Griffiths, Head of Audit and Risk josie.griffiths@cheshireeast.gov.uk
Appendices:	Appendix 1: List of policies and advice note from AON. <i>(The Appendix contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and is not for publication.)</i>
Background Papers:	n/a

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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