

Corporate Policy Committee

Agenda

Date: Thursday, 6th October, 2022
Time: 10.00 am
Venue: Committee Suite 1, 2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

It should be noted that Part 1 items of Cheshire East Council decision making meetings are audio recorded and the recordings will be 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 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.

Contact: Paul Mountford, Democratic Services
Tel: 01270 686472
E-Mail: paul.mountford@cheshireeast.gov.uk

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

To approve as a correct record the minutes of the meeting held on 14th July 2022.

5. **Petition: Fight for Middlewich** (Pages 13 - 30)

To consider a report on the 'Fight for Middlewich' petition which was presented to Council on 20th July 2022 and referred to the Corporate Policy Committee.

6. **UK Shared Prosperity Fund - Investment Plan Update** (Pages 31 - 56)

To consider an update on the UK Shared Prosperity Fund, including an outline of anticipated governance and project selection arrangements.

7. **Approval of Corporate Grants Policy 2022 - 2025** (Pages 57 - 68)

To consider a report on a revised Corporate Grants Policy for the operation of grants schemes in Cheshire East Council for 2022-2025.

8. **Registration Service - Ceremony Fees** (Pages 69 - 76)

To consider a report which reviews the fees that the Registration Service charges for ceremonies and related services.

9. **Integrated Care System - Appointment to Health and Care Partnership** (Pages 77 - 82)

To note the progress on the new governance arrangements for integrated health across Cheshire East, and to agree the membership of the new Place Partnership Board (now called the 'Cheshire East Health & Care Partnership').

10. **Parental Leave Policy for Councillors** (Pages 83 - 90)

To consider a proposed parental leave policy for Councillors.

11. **ICT Strategy Principles** (Pages 91 - 98)

To consider a report on the development of an ICT Strategy for Cheshire East Council.

12. **Shared Services Review Update** (Pages 99 - 102)

To consider a report on work to date on a new hybrid operating model for ICT Services, together with a revised timetable.

13. **Best4Business - Lessons Learned Review** (Pages 103 - 150)

To receive a report on the outcomes of the lessons learned review for the Best4Business programme.

14. **First Financial Review 2022/23** (Pages 151 - 314)

To consider a report which provides an early overview of the Cheshire East Council forecast outturn for the financial year 2022/23.

15. **Performance Report - Quarter 1 2022/23** (Pages 315 - 376)

To consider a report which provides an oversight of organisational performance for the first quarter of 2022/23 against the priorities in the Council's Corporate Plan 2021-25.

16. **Strategic Risk Register Assurance Report 2022/23 Quarter 1** (Pages 377 - 420)

To consider a report which provides an update on the activity of the Council's Strategic Risk Register for Quarter 1 (April – June) 2022-23.

17. **Work Programme** (Pages 421 - 430)

To consider the work programme and determine any required amendments.

18. **Minutes of Sub-Committees** (Pages 431 - 444)

To receive the minutes of the following sub-committee meetings:

General Appeals Sub-Committee – 5th July 2022

Finance Sub-Committee – 6th July 2022

Finance Sub-Committee – 7th September 2022

19. **Reporting of Officer Delegated Decisions**

To note the officer delegated decisions taken in July and August 2022 which are available via the links below:

[Corporate Directorate - July 2022](#)

[Corporate Directorate - August 2022](#)

20. **Reporting of Urgent Decisions**

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

THERE ARE NO PART 2 ITEMS

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

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Corporate Policy Committee**
held on Thursday, 14th July, 2022 in the Committee Suite 1, 2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

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

Councillors C Browne, J Clowes, J P Findlow, K Flavell, S Gardiner,
N Mannion, K Parkinson, J Rhodes, M Warren and P Williams

Officers in attendance

Lorraine O'Donnell, Chief Executive
Jane Burns, Executive Director of Corporate Services
David Brown, Director of Governance and Compliance
Alex Thompson, Director of Finance and Customer Services
Sarah Bullock, Director of Policy and Change
Josie Griffiths, Head of Audit and Risk
Michael Moore, Head of Communications
Brian Reed, Head of Democratic Services and Governance
Jo Wise, Development and Regeneration Manager
Paul Mountford, Democratic Services

Apologies

Councillor A Martin

12 DECLARATIONS OF INTEREST

There were no declarations of interest.

13 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

14 MINUTES OF PREVIOUS MEETING**RESOLVED**

That the minutes of the meeting held on 9th June 2022 be approved as a correct record.

15 PERFORMANCE OUTTURN 2021/22

The Committee considered a report providing an account of performance in 2021/22 against the priorities in the Council's Corporate Plan 2021-25.

Appendix A to the report provided further detail of the priorities and actions that were set to be achieved by 2025, and the progress that had been made against these actions during the last year.

The following comments were made in response to members' questions:

- The current issues with the recruitment and retention of staff reflected the situation nationally and internationally. Agency staff were being used flexibly to meet the demand for skills in areas where there were currently shortages. Market supplements were being used and this was reviewed annually.
- In addition to the Council aiming to be carbon neutral by 2025, the Council had pledged to join the UK100 Network which aimed to make the Borough carbon neutral by 2045.
- A grant application had been submitted to Government to provide an additional 30 electric vehicle charging points in Council car parks.
- The Council's unsuccessful bid for Bus Service Improvement Plan funding had been raised with local MPs who had been asked to discuss the matter with the Department of Transport.
- The responsibility for providing accommodation for asylum seekers varied from scheme to scheme, with responsibility resting either with the Council or the Home Office.
- Officers undertook to provide further details in relation to the figure of 57.2% waste collected and sent for recycling and re-use.
- Officers were developing a web-based database that would allow officers and members to drill down to further detailed information behind headline figures. This was to be rolled out to members in due course, and training would be provided. A significant amount of data was already available through the Council's Open Data portal.
- Some Covid-related funding had been carried forward and some of this had been used to pay for the recruitment of staff.
- A number of strands of work were underway to help the Council to understand the impact of the pandemic on the Borough.
- Where appropriate, relevant comparator data would be included in future reports.

Councillor S Gardiner asked a number of specific questions in relation to various aspects of the report, some of which had been answered above; others would require a written response. He undertook to provide the questions in writing.

Councillor N Mannion placed on record his appreciation of the Council's staff for their work in maintaining services throughout the pandemic.

RESOLVED (unanimously)

That the Committee notes performance against the first year of delivery of the Corporate Plan.

16 STRATEGIC RISK REGISTER ASSURANCE REPORT

The Committee considered a report which provided an overview of the Council's Strategic Risk Register for 2021/22 and set out the planned approach to reporting on the Strategic Risk Register for 2022/23.

In response to questions by members, officers commented as follows:

- The timing of the Quarter 1 report would be reviewed for future years with a view to reporting earlier to the Committee.
- Some high scoring risks were long-standing issues which would require some time to resolve.

RESOLVED (unanimously)

That the Committee notes the position of the Strategic Risk Register 2021/22 and the planned approach to reporting for 2022/23, including the alignment of strategic risks to service committees as shown in Table 5 of the report.

17 APPROACH TO CONSULTATION AND ENGAGEMENT

The Committee considered a report setting out a co-ordinated and collaborative approach to consultation and engagement.

Members commented as follows:

- There was a need to avoid consultation fatigue with the public.
- Different approaches to engagement were required for those residents who lacked IT skills or access to the Internet.

As an example of the Council's responsiveness to consultation feedback, the Chair referred to the Council's response to the Budget consultation which had resulted in additional resources being made available for road repairs.

RESOLVED (unanimously)

That the Committee

1. approves the new approach to Consultation and Engagement; and
2. notes progress in developing actions to deliver the new approach and that a further update will be brought to the next meeting.

18 COMMUNICATIONS STRATEGY FOR RESIDENTS 2022-25

The Committee considered a draft communications strategy which set out the vision, aims, principles and priorities for the Council's communication with residents.

In response to questions by members, officers commented as follows:

- In addition to town and parish councils, messages could be sent to community groups. Information could also be provided to Borough councillors who would be able to target relevant groups within their communities.
- Diversity included rural and urban communities, and different socio-economic groups, in addition to ethnic and gender factors.

Members commented that there was a need to make residents more aware of the services the Council did and did not provide, so as to manage expectations and provide sign-posting to other agencies.

RESOLVED (unanimously)

That the Committee

1. approves the Draft Communications Strategy for residents Cheshire East;
2. agrees to a formal consultation on the Draft Communications Strategy; and
3. agrees that the final communications strategy for residents be submitted to Corporate Policy Committee post-consultation.

19 UK SHARED PROSPERITY FUND - CHESHIRE EAST ALLOCATION

The Committee considered a report on the new UK Shared Prosperity Fund and the process required to secure a funding allocation for Cheshire East.

The report sought recommendations to Council on 20th July to provide delegated authorities to approve a UKSPF Investment Plan for 2022-25 for submission to Government, accept the Cheshire East UKSPF allocation of up to £13,121,309 and approve any amendments to the Investment Plan as required to deliver the programme. The funding was not currently reflected in the Medium Term Financial Strategy 2022-26 and would require Supplementary Revenue and Capital Estimates to incorporate it, which the report sought authority to do.

The Government had stated that the amount of funding that the Council will have received by the end of the third year would be equivalent to the funding it would have received under the former European Structural Fund allocations.

Members commented as follows:

- It was important to ensure that the Local Investment Plan aligned with as many of the Council's priorities as possible.
- It was hoped that the timescale for submitting the Local Investment Plan allowed sufficient time to bring forward a number of quality projects.

RESOLVED (unanimously)

That the Corporate Policy Committee

1. notes the Local Investment Plan for the Multiply (Adult Numeracy Programme) element of UK Shared Prosperity Fund allocation for Cheshire East which was submitted to the government Department for Education on 30 June 2022; and
2. recommends to Council that
 - (a) authority is delegated to the Executive Director Adults, Health and Integration to:
 - (i) make any amendments to the Local Investment Plan for the Multiply element of the Shared Prosperity allocation for Cheshire East as are required by government in order to release Multiply funding or as required during the plan period to enable the effective management of the fund; and
 - (ii) accept the Multiply funding allocation for Cheshire East and approve a Supplementary Revenue Estimate of up to £1,535,547, and to allocate that funding as set out within the Local Investment Plan over the years 2022-23 to 2024-25;
 - (b) Council note the emerging Local Investment Plan for the core element of the UK Shared Prosperity Fund allocation for Cheshire East;
 - (c) Council note that the Chief Executive, S151 Officer and Leader are required to approve the core UKSPF Investment Plan once completed to comply with the requirements of the UKSPF government Prospectus;
 - (d) authority is delegated to the Executive Director Place to:
 - (i) submit the approved completed Investment Plan for the core UK Shared Prosperity Fund allocation for Cheshire East to the government Department for Levelling Up, Housing and Communities for the deadline of 1 August 2022;
 - (ii) make any amendments to the Investment Plan for the core UK Shared Prosperity allocation for Cheshire East as required by government in order to release the funding or as required during the plan period to enable the effective spend of the fund;
 - (iii) accept the core UK Shared Prosperity Fund allocation for Cheshire East and approve a Supplementary

Revenue/Capital Estimate of up to £11,585,762, (split to be confirmed on approval of the Investment Plan) and to allocate the funding as set out within the Local Investment Plan over the years 2022-23 to 2024-25; and

- (iv) manage the Cheshire East UK Shared Prosperity Fund 2022-25 programme, taking all necessary actions in the interests of maximising the impacts of the fund aligned to the fund parameters and local priorities aligned to the core UK Shared Prosperity Fund Investment Plan; and

- (e) Council note that Cheshire East Council will act as accountable body for the Shared Prosperity Fund where funds are allocated to third party organisations, for the duration of the funding.

20 UPDATE ON SHARED SERVICES JOINT COMMITTEE AND BEST FOR BUSINESS

The Committee considered a report on the recent work of the Shared Services Joint Committee.

The report summarised key updates from the most recent meeting, held on 17th June 2022.

Officers advised that the Best4Business programme had involved a major system change, and challenges had been expected. The system itself was stable and all remaining issues were being prioritised and worked through. The system was being kept under regular review and constructive engagement was taking place with schools over the transactional services element.

A Member-led 'lessons learned' review would be undertaken by the Shared Services Joint Committee and the Joint Scrutiny Working Group in August. The results of the review would be reported to the Committee in October.

Councillor N Mannion, a member of the Joint Scrutiny Working Group, offered to raise any member-related issues at the review.

RESOLVED (unanimously)

That the Committee notes the progress in the delivery of shared services, the shared services review, and the Best for Business Programme.

21 REVIEW OF APPOINTMENTS TO OUTSIDE ORGANISATIONS

The Committee considered a report setting out a mechanism to review the Council's outside organisation arrangements.

The report proposed that the Constitution Working Group review the Council's outside organisations appointments process and report its findings and recommendations to the Committee. The report included proposed terms of reference for the review.

At the meeting, Councillor A Stott proposed revised terms of reference to those set out in the report. Copies were provided at the meeting and had been circulated electronically to members of the Committee before the meeting.

Councillor M Warren, the Chair of the Working Group, welcomed members' views and input into the review.

RESOLVED

That

1. the Constitution Working Group conduct a review of the Council's outside organisations appointments process;
2. the revised terms of reference circulated at the meeting be accepted as the terms of reference for the review; and
3. the Constitution Working Group report its findings and recommendations back to the Corporate Policy Committee.

22 WORK PROGRAMME

The Committee considered its work programme for 2022/23.

With regard to the items for the October meeting, the Executive Director of Corporate Services advised that the Mid-Year Review of the Corporate Plan would be combined with the Performance Outturn 2022/23 Report Quarter1.

Given the amount of business currently planned for the meetings in October and December, members asked that, if a longer meeting were required, they be given advance notice. They also asked if consideration could be given to providing the agenda papers for these two meetings a few days earlier.

RESOLVED

That the work programme be noted.

23 MINUTES OF SUB-COMMITTEES

RESOLVED

That the minutes of the meeting of the Finance Sub-Committee on 1st June 2022 be received.

24 REPORTING OF URGENT DECISIONS

There were no urgent decisions to report.

The meeting commenced at 10.00 am and concluded at 12.45 pm

Councillor S Corcoran (Chair)



Working for a brighter future together

Corporate Policy Committee

Date of Meeting:	6 October 2022
Report Title:	Petition: Fight for Middlewich
Report of:	David Brown, Director of Governance and Compliance
Report Reference No:	CP/50/22-23
Ward(s) Affected:	Middlewich

1. Purpose of Report

- 1.1 To receive a petition and determine what course of action is appropriate in respect of each element of the petition.

2. Executive Summary

- 2.1. In accordance with the Council's Constitution, petitions signed by over 5000 petitioners may be submitted to Full Council or a Committee for consideration.
- 2.2. The Fight for Middlewich Petition was presented to Full Council at its meeting held on 20 July 2022 and has been referred to the Corporate Policy Committee because various elements of the petition cross-over the responsibilities of the other service committees.
- 2.3. The responses to the petition are now appended to the report for consideration.

3. Recommendations

- 3.1 That the petition be received.
- 3.2 To note the responses to those matters within the Council's control (items 1- 12 of Appendix 2).
- 3.3 To note that items 13 – 17 of Appendix 2 will be referred to the relevant bodies identified within the Appendix.

4. Reasons for Recommendations

- 4.1.** In accordance with paragraph 4.29 to 4.32 of chapter 3 of the Constitution (as at June 2021 paragraph 5.2 refers), petitions signed by over 5000 petitioners may be accepted at the start of a meeting of a committee.
- 4.2.** This report has been made to the Corporate Policy Committee because the various elements of the petition cross-over the responsibilities of the other service committees. The Corporate Policy Committee has “cross-cutting” powers to deal with such matters and it is empowered to deal with the petition in its entirety, if the Committee feels it is appropriate to do so.

5. Options Available

- 5.1.** In responding to a petition, the committee may choose to:
 - note the petition;
 - write to the petition organiser outlining the Council’s views;
 - request that an officer report be submitted to the committee at a later date; or
 - Take no further action
- 5.2** If the Committee decides the petition is of significant importance to the whole Borough, the Committee may decide the petition should be debated at Full Council.

6. Background

- 6.1.** A petition entitled ‘Fight for Middlewich’ was received by Cheshire East Council, which has been signed by at least 5000 petitioners.
- 6.2.** The petition was launched in October 2021 and was submitted to Democratic Services in May 2022. As the Council’s Petitions Scheme changed during this period, the Monitoring Officer has determined that the procedure set out in paragraph 4.29 to 4.32 of Chapter 3 of the Constitution as at June 2021 (Appendix 1) will apply.
- 6.3.** The petition contains a statement as follows ‘Middlewich residents have been ignored for years! Because of this, the town is severely suffering and rapidly deteriorating we want equality, to be treated to fairly against other CEC towns and have all our issues resolved ASAP’. The petition mainly comprises a list of requests or demands for services etc, which are set out in Appendix 2. These demands/requests have been extracted (in most cases) verbatim from the paper petition and/or the electronic petition which ran on Change.org. Any variation in the wording is due to the amalgamation of the two statements.

- 6.4.** By way of context, there has been significant correspondence and dialogue with the petitioner addressing the issues raised.
- 6.5.** One of the strengths of Cheshire East is the diversity between the towns. But that positive diversity can have a downside. Individual towns often comment that other towns get funding while theirs gets left behind. More work than ever before is now being undertaken to identify potential projects in a wider range of town centres, and Cheshire East councillors are working with town councillors and town councils to develop bespoke town centre vitality plans for Alsager, Congleton, Handforth, Knutsford, Nantwich, Poynton, Sandbach, Wilmslow and Middlewich, the subject of this petition.
- 6.6.** Appendix 2 sets out the officer response includes examples of some of the positive work and services provided in Middlewich:
- For Middlewich wards, the Council is currently holding a total value of s106 contributions of £874,444 which will be invested in ecology, highways and green spaces
 - One of the most significant infrastructure projects within the borough is the Middlewich Eastern Bypass. The scheme is important for the delivery of local jobs on Mid-Point 18 development site and will help relieve congestion in the town centre.
 - The Council's Youth Support Service, in conjunction with local young people, the council's Communities Team, Middlewich Town Council, Cheshire East Social Action Partnership, Youth Fed, and local volunteers, have set up a new youth group for young people in Middlewich.
 - There are a range of public facilities available within Middlewich provided by Cheshire East Council and Middlewich Town Council:
 1. Middlewich library
 2. Middlewich leisure centre
 3. Salinae Day Centre for adults
 4. Fountain Fields Park and Play Area
 5. Victoria Hall
 6. Public toilets
- 6.7.** The petition organiser will be permitted to speak at the Committee meeting, for 3 minutes to outline the background to the petition.
- 6.8.** The Committee may then choose to:
- note the petition (this may be an appropriate option if the committee considers that it is content with the officer response provided in respect of each element of the petition [Appendix 2] or the Council has no power or standing to involve itself in the matters in question).

- write to the petition organiser outlining the Council's views.
- request that an officer report on the matter be submitted to the committee at a later date (if the committee considers that there is an element or elements of the petition which would call for a bespoke report or reports, to be brought back to a future meeting of the committee).
- take no further action (if the committee considers that the matters raised in the petition have been responded to fully, or the Council has no power or standing to involve itself in the matters in question).
- Decide that the petition is of significant importance to the whole borough and that it should be debated at full Council.

6.9. The petition must be considered at Full Council if the Committee recommends any action which may amend the budgetary or policy framework of the Council's Constitution Chapter 2, part 3, paragraph 1.7.

7. Consultation and Engagement

7.1 Not applicable

8. Implications

8.1 Legal

8.1.1. There are no direct legal implications arising from the recommendations of this report. Any decision of the committee which gives rise to the need for a further report may have legal implications, which will be assessed at that time.

8.2 Finance

8.2.1 There are no direct financial implications arising from the recommendations of this report. Any decision of the committee which gives rise to the need for a further report may have financial implications, which will be assessed at that time.

8.3 Policy

8.3.1 There are no direct policy implications, however there may be such implications as a consequence of any further action taken.

8.4 Equality

8.4.1 There are no direct equality implications, however there may be such implications as a consequence of any further action taken.

8.5 Human Resources

8.5.1 There are no direct human resource implications, however there may be as a consequence of any further action taken.

8.6 Risk Management

8.6.1 There are no direct risk management implications, however there may be as a consequence of any further action taken.

8.7 Rural Communities

8.7.1 There are no direct implications on rural communities, however there may be as a consequence of any further action taken.

8.8 Children and Young People/Cared for Children

8.8.1 There are no direct implications, however there may be as a consequence of any further action taken.

8.9 Public Health

8.9.1 There are no direct public health implications, however there may be as a consequence of any further action taken.

8.10 Climate Change

8.10.1 There are no direct climate change implications, however there may be as a consequence of any further action taken.

Access to Information	
Contact Officer:	Brian Reed Head of Democratic Services and Governance Brian.reed@cheshireeast.gov.uk 01270 686 670
Appendices:	Appendix 1: Petitions Procedure June 2021 Appendix 2: Officers response to Middlewich Petition
Background Papers:	Petition: Fight for Middlewich

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Extract from Council Constitution June 2021

Petitions

4.29 Petitions regarding matters affecting the area or the functions of the Council or relating to consultation exercises or pursuant to specific legislation may be accepted at the start of an Ordinary Council meeting or a Committee. Petitions will not be considered at the Annual Meeting of Council or at Extraordinary Meetings of Council unless the Extraordinary Council Meeting is convened to consider the subject matter of the petition.

4.30 Petitions must be 'signed' (in person or by name if electronic) by at least 5,000 petitioners and contain the name and contact details of the 'petition organiser'.

4.31 Petitions must relate to the functions of the Council and the area of Cheshire East. Petitions will not be accepted that are considered by the Monitoring Officer to be:

- inappropriate, frivolous, derogatory, offensive, vexatious or otherwise improper;
- related to a Council employment or staffing matter;
- potentially defamatory; or
- substantially the same as any question submitted to a meeting of Council during the preceding 6 months.

4.32 Petitions will be referred to the relevant Committee with or without debate.

4.33 Further information on submitting a petition can be found on the Council's website.

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Officer Response to Issues identified in Fight for Middlewich Petition

Note: The issues listed in the second column have been extracted (in most cases) verbatim from the paper petition and/or the petition which ran on Change.org. Any variation in the wording is due to the amalgamation of the two statements.

The relevant Cheshire East Service Committee or external body has been identified in column four; where the description of an issue is non-specific, a 'best fit' approach has been applied.

	Issue	Relevant Service Committee/External body	Council Response
1	No Landfill	Environment and Communities Committee	<p>The Environmental Hub in Middlewich has enabled the end of the use of landfill within the Borough. All household waste collected at kerbside is now directed to a waste to energy plant outside the Borough as a more sustainable route for disposal than landfill.</p> <p>The ending of landfilling of kerbside collected waste has reduced the future need for landfill in the borough. The Council is not aware of any proposals for new landfill sites around Middlewich within the borough. If a landowner or developer wished to bring forward a proposal it would be subject to the planning process.</p> <p>The draft Minerals and Waste Plan (part of the Cheshire East Local Plan) is due to be published for consultation soon. The Plan explains that the management of waste hierarchy identified in national planning guidance gives the highest priority to reducing the amount of waste that is produced in the first place through prevention and minimisation. When waste is created, priority for its management is as follows: preparing it for re-use, then recycling (including composting), then recovery (including energy generation), and last of all disposal (for example to landfill). It does, however, recognise that the current Waste Needs Assessment findings mean that the Minerals and Waste Plan should seek to make provision for a landfill site within the borough unless appropriate additional capacity can be identified in nearby other areas outside of Cheshire East.</p>

	Issue	Relevant Service Committee/External body	Council Response
2	Retain our tip	Environment and Communities Committee	There are no proposals to close Middlewich household waste recycling centre.
3	No super tip on ANSA land	Environment and Communities Committee	There are no plans to replace Middlewich Household Waste Recycling Centre to land adjacent to the Environmental Hub site.
4	Swimming Pool built with Everybody Leisure Centre & better sports facilities	Environment and Communities Committee	<p>Middlewich is within the catchment area and 10 minutes' drive of Sandbach Leisure Centre and Winsford Lifestyle Centre, both of which provide swimming pools.</p> <p>The Cheshire East Indoor Sports Facilities Strategy sets out what indoor sports facilities, including swimming pools, will be required to meet future needs within the borough. The strategy advises that anticipated population growth will create demand for 0.5 lanes of a swimming pool which currently does not meet the criteria for a new swimming pool in Middlewich. A new pool would cost in the region of £5 million to £10 million.</p>
5	S106 monies correctly given to Middlewich for the new houses which have a Middlewich postcode	Environment and Communities Committee	<p>Section 106 of the Town and Country Planning Act 1990 enables a local planning authority to enter into a negotiated agreement or planning obligation to mitigate the impact of a specific development and make it acceptable in planning terms. The planning obligation might, for example, require the provision or contribution to a new or improved road, school, health facility, affordable housing, or local parks.</p> <p>For Middlewich wards, the Council is currently holding a total value of s106 contributions of £874,444. This figure is broken down against the broad categories that the money is required to be spent on:</p> <ul style="list-style-type: none"> • Ecology £10,986 • Highways £397,418 • Greenspaces £466,039

			<p>Contributions are linked to specific projects in accordance with the legal agreement between the council and the developer following the granting of planning permission. The contributions cannot be used for purposes outside of the agreed purposes. Copies of relevant legal agreements setting out the purpose of the contribution can be provided on request.</p> <p>There are a number of steps to be followed before the projects can be implemented. These can include planning applications, project planning, and consultation with residents and town and parish councils.</p>
6	<p>More infrastructure in line with growing population and business support,</p>	<p>Dependent on what is meant by infrastructure, could fall -</p> <ul style="list-style-type: none"> • Outside the Council's responsibilities • To Highways and Transport Committee • To Environment and Communities Committee • To Economy and Growth Committee 	<p>One of the most significant infrastructure projects within the borough is the Middlewich Eastern Bypass. The scheme is important for the delivery of local jobs on Mid Point 18 development site and will help relieve congestion in the town centre.</p> <p>The Council has led the development of the scheme and has forward funded all the design and development work for this much needed piece of infrastructure, including gaining planning permission.</p> <p>Work is now underway in acquiring all the land and rights to deliver the scheme and to prepare the Full Business Case for the delivery of the DfT grant.</p> <p>Developer contributions are sought by the Council through the Community Infrastructure Levy (CIL) and through legal agreements via Section 106 planning obligations.</p> <p>The Community Infrastructure Levy is a planning charge that local authorities can use to help fund the infrastructure needed to support the development of the borough. The definition of infrastructure allows a broad range of facilities to be funded such as play areas, open spaces, parks, and green spaces, cultural and sports facilities, as well as those relating to transport, health, and education.</p>

			<p>Infrastructure priorities and decisions on CIL spending are made annually through the Council's Medium Term Financial Strategy (MTFS) process rather than a separate CIL governance process. The MTFS is a rolling four-year programme that identifies how the Council's budget will be spent to meet its corporate objectives. This includes the infrastructure projects that will be delivered through the capital programme.</p> <p>Cheshire East has been working up Town Centre Vitality Plans for the main service centres, including Middlewich.</p> <p>A briefing has been held for Ward Members to attend, whilst a follow up briefing for the Town Council is due to be completed. There will then be 6 weeks of public consultation before seeking an endorsement at a meeting of Economy & Growth Committee (likely January 23).</p>
7	Youth provisions for over 12s and financial support for under 12s	Children and Families Committee	<p>Across the borough, the Youth Support Service provides street-based youth work, one to one support for young people, and a dedicated project groups for young people with particular needs, e.g. special educational needs and/or disabilities (SEND).</p> <p>The council's Youth Support Service, in conjunction with local young people, the council's Communities Team, Middlewich Town Council, Cheshire East Social Action Partnership, Youth Fed, and local volunteers, have set up a new youth group for young people in Middlewich which started in June 2022. The group runs on a Wednesday evening, 6.00-8.00pm at the Victoria Hall, Civic Way, Middlewich CW10 9AT and is open to children and young people aged 12-16.</p> <p>£2,203,892 of household support fund is available in Cheshire East between April and October 2022-23 to support lower income households in the borough with food, utilities, housing costs and other essentials. Eligibility for the programme spans across a wide</p>

			<p>range of financially vulnerable groups, including those in receipt of income related free school meals, in receipt of early years pupil premium and two-year funding, care leavers, young carers or those known to domestic abuse services. Professionals are able to refer any individuals who they deem to be financially vulnerable for additional support. In 2022-23, the programme has supported over 15,000 individuals. Further information about the scheme can be found here.</p> <p>During 2022, government funding of £878,640 was used to establish holiday activity clubs for children and young people eligible for free school meals and wider targeted groups (including Afghan refugees and children and young people with complex special educational needs and/or disabilities). The fund provides enriching activities during the holiday periods, with the ambition of reducing holiday inequality and promote healthy lifestyles to our vulnerable young people. During the summer, the programme has capacity for over 2,500 young people. Further information can be found here.</p>
8	Improved quality of highways services	Highways and Transportation Committee	<p>Highway Maintenance activities in Cheshire East follows national industry best practice set out in the Code of Practice 'Well Managed Highways Infrastructure'.</p> <p>A network hierarchy prioritises areas of the network by importance for example, their expected use, resilience and economic and social factors including industry, schools, hospitals. This determines the inspection frequency. Defects identified through inspections or reported by the public are investigated to determine the risk they pose to the public and what remedial action is required and in what timescale.</p> <p>Where urgent repairs are needed to keep road or pavement users safe, we take action quickly. Where road users are not at risk, we add the work to our ongoing road maintenance and improvement programme where appropriate. The same approach is adopted</p>

			<p>across the Borough irrespective of location. This ensures the best possible use of the available budgets.</p> <p>From the start of the 2022/23 financial year, the Council has committed to a £19m, 3-year capital investment programme in highway maintenance. This will help to deliver highway condition improvements for our residents and road users across the Borough.</p>
9	Public facilities	<p>Dependent on what is meant by public facilities, could fall -</p> <ul style="list-style-type: none"> • Outside the Council's responsibilities (Middlewich Town Council) • Environment and Communities Committee 	<p>There are a range of public facilities available within Middlewich provided by Cheshire East Council and Middlewich Town Council:</p> <ul style="list-style-type: none"> • Middlewich library • Middlewich leisure centre • Salinae Day Centre for adults • Fountain Fields Park and Play Area • Victoria Hall • Public toilets
10	Quick response team to immediately deal with the residents' complaints and be accountable	Corporate Policy Committee	<p>The Council treats complaints seriously.</p> <p>Whilst each individual department within the Council will operate an informal complaints resolution process, Cheshire East Council operates a corporate complaints policy that will apply in all cases. There is a separate statutory means to complain for social care). It produces a "Let us Know" booklet detailing how to make a complaint about a service and this is available on the Council's website and advises how to complain, and references ways in which this can be done e.g. by phone, in writing/person or using the specific email address letusknow@cheshireeast.gov.uk.</p> <p>The current corporate complaints procedure is set out in the booklet and in summary is:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Once received and electronically recorded, complaint will be acknowledged within three working days.

			<ul style="list-style-type: none"> <input type="checkbox"/> The complaint will receive a full response within ten working days. <input type="checkbox"/> Dissatisfaction with the response can be communicated back within 20 working days from the date of the response with a request that the complaint is taken to Stage 2. At Stage 2, a review of the complaint will be carried out by an officer who has not previously been involved in dealing with the complaint. <input type="checkbox"/> A Stage 2 complaint will be acknowledged within 3 working days, and a full response within 20 working days. <input type="checkbox"/> If unhappy after Stage 2, complainant is advised of right to take complaint to the Local Government Ombudsman and their address and contact details are provided. <p>https://www.cheshireeast.gov.uk/council_and_democracy/customer-services/complaints_and_feedback/complaints_and_feedback.aspx</p> <p>The speed at which a complaint is resolved depends on the issue raised and its complexity. Any complaint can be referred to an external body whose role is to ensure there is no maladministration by the Council that has caused an injustice to the complainant. Unusual practice is for this to be after the council's procedure has been completed.</p>
11	Councils at local and borough level to be open and transparent with the residents	Corporate Policy Committee for Cheshire East Outside the Council's responsibilities (Town and Parish Councils)	<p>In terms of Cheshire East Council's responsibilities, one of our Corporate Plan priorities is to be Open.</p> <p>We are committed to open data and transparency. Open data means making the non-personal information which it holds, freely available to everyone in open, machine-readable formats that are easy to reuse.</p> <p>Unless there are legal reasons not to do so, decisions made by the Council are made in public.</p>

			<p>The Local Government Transparency Code requires local authorities in England to publish information related to the themes listed below <i>[see link for full list]</i>. Cheshire East is working to exceed these requirements. The information required by the code is on Insight Cheshire East.</p> <p>Open data and transparency (cheshireeast.gov.uk)</p>
12	Two voted residents on the ANSA Board	The Council is empowered to appoint individuals as non-executive directors	ANSA is a company wholly owned by Cheshire East Council. The appointment of Directors is undertaken by the Council. The responsibility for making decisions as Shareholder or owner of the Council's wholly owned companies, including the appointment of directors, rests with the Finance Sub-Committee. The Council is in the process of reviewing the governance of the Council's wholly owned companies and a report was considered by the Finance Sub-Committee on 7 th September 2022.
13	ANSA abide by legal and regulatory requirements and publish findings for residents	ANSA	ANSA confirmed it operates under a waste permit for the Environmental Hub site regulated by the Environment Agency. ANSA seeks to keep residents informed through publishing updates and liaison group note via its website.
14	ANSA should not cause any health deficiencies in Middelwich residents	ANSA	ANSA confirmed that it is a responsible company regulated in its waste operations by the Environment Agency.
15	ANSA problems resolved (no expansion) and no further growth	ANSA / Cheshire East	ANSA and the Council work in partnership to deliver Environmental Services for Cheshire East residents through the Environmental Hub in Middelwich. The site is focused on Cheshire East residents and does not service other authorities. It has enabled the increase in recycling, the ending of landfilling of kerbside waste and provided a high-quality employment base for workers from Middelwich and the surrounding areas. There are no immediate plans to expand the site however we cannot discount the need to adapt facilities to future changes in legislation to meet the needs of Cheshire East residents.

16	Prompt response to the ownership of Middlewich Cemetery and the gates fixed by March 2022	Outside the Council's responsibilities (Middlewich Cemetery Management Board)	<p>The Council has checked its property ownership records and can confirm that the land in question is not in its land and property portfolio. The Council has also checked its maintenance records and can confirm that ANSA/Orbitas do not manage the asset.</p> <p>The Middlewich Cemetery Management Board are responsible for the operation of the cemetery and any query about its operation is best placed to be addressed to them.</p>
17	Current police structure kept in place one PC and two PCSO's	Outside the Council's responsibilities (please refer to Cheshire Constabulary)	

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Working for a brighter future together

Corporate Policy Committee

Date of Meeting:	6 October 2022
Report Title:	UK Shared Prosperity Fund – Investment Plan Update
Report of:	Jayne Traverse, Executive Director – Place
Report Reference No:	CP/49/22-23
Ward(s) Affected:	All wards

1. Purpose of Report

- 1.1. The purpose of this report is to update Corporate Policy Committee on the UK Shared Prosperity Fund (UKSPF), including an outline of anticipated governance and project selection arrangements.
- 1.2. The UKSPF is an external funding resource and part of the government's Levelling Up programme. The Cheshire East allocation of the fund will contribute to the Council's priority outcomes as defined in the Corporate Plan 2021-2025:
 - 1.2.1. **OPEN:** Interventions to be taken forward utilising UKSPF have been agreed with support and advice from many stakeholder organisations and endorsed by a newly formed Local Partnership Group. That group will continue to play a role in guiding the projects selected to be taken forward utilising the fund.
 - 1.2.2. **FAIR:** UKSPF is a component of the Levelling Up agenda so is focussed on levelling up inequalities, supporting the Council's ambitions to promote fairness and opportunity for all and to create inclusive and resilient communities.
 - 1.2.3. **GREEN:** Several UKSPF funded interventions will support our priorities to protect and enhance our environment and tackle the climate emergency.

2. Executive Summary

- 2.1. The new UK Shared Prosperity Fund (UKSPF) as launched in April 2022 is intended to supersede the European Regional Development Fund (ERDF) and the European Social Fund (ESF) for the years 2022-23 to 2024-25.
- 2.2. Under the UKSPF, Cheshire East has a confirmed £1,563,749 allocation for the Multiply Adult Numeracy Programme and an anticipated core UKSPF allocation of £11,585,762 conditional on the development of an Investment Plan by the Council and the approval of that plan by DLUHC.
- 2.3 On 20 July 2022, following recommendations from Corporate Policy Committee, Council considered a report on the new UK Shared Prosperity Fund (UKSPF).
- 2.4 Council noted that the Chief Executive, S151 Officer and Leader were required to approve the Investment Plan to allow its submission to DLUHC on 1st August.
- 2.5 Council also delegated authority to the Executive Director - Place to manage the fund programme, taking all necessary actions in the interests of maximising the impacts of the fund aligned to the fund parameters and local priorities and aligned to the core UK SPF Investment Plan.
- 2.6 The core UKSPF Investment Plan was duly developed informed by local stakeholder engagement and a new Local Partnership Group and was approved by the Chief Executive, S151 Officer and Executive Director - Place, and, as required by DLUHC, the Leader of the Council, and submitted to meet the government's deadline.
- 2.7 As the Investment Plan was at an early stage of development at the time Council met in July, it was not possible to give any details of the Investment Plan content or proposed governance arrangements for the fund.
- 2.8 This report has therefore been prepared to share more detail on the content of the Investment Plan as submitted to DLUHC and to outline current thinking on proposed fund management arrangements, including project selection processes in the interests of openness and transparency.
- 2.9 Additionally, on 3rd September the government launched a new Rural England Prosperity Fund (Rural Fund) as a top up to the UKSPF for eligible local authorities. Cheshire East is eligible and will receive up to an additional £827,627, subject to the preparation, submission and approval of an addendum to the UKSPF Investment Plan.

3 Recommendations

- 3.1 That the Corporate Policy Committee:

- 3.1.1 Note the overview of the Cheshire East core UKSPF Investment Plan as submitted to the Department for Levelling up Housing and Communities on 1st August 2022, set out in the body of the report and Appendix A.
- 3.1.2 As Accountable Body, agree the Terms of Reference of the new Cheshire East Shared Prosperity Fund Local Partnership Group set out at Appendix B.
- 3.1.3 Note the proposed governance arrangements and proposed project selection processes for the UKSPF.
- 3.1.4 Delegate authority to the Executive Director – Place to:
 - 3.1.4.1 Submit a completed Rural Fund addendum to the UKSPF Investment Plan for Cheshire East after consultation with the Cheshire East Members on the UKSPF Local Partnership Group;
 - 3.1.4.2 Make any amendments to the addendum to the UKSPF Investment Plan as required by government in order to release the funding or as required during the plan period to enable the effective spend of the fund;
 - 3.1.4.3 Accept the Rural Fund allocation for Cheshire East and approve a Supplementary Capital Estimate of up to £827,627 and to allocate the funding as set out within the Cheshire East UKSPF Investment Plan addendum;
 - 3.1.4.4 Manage the Cheshire East Rural Fund 2023-25 programme, taking all necessary actions in the interests of maximising the impacts of the fund aligned to the fund parameters and local priorities, and aligned to the UK Shared Prosperity Fund Investment Plan.

4 Reasons for Recommendations

- 4.1 The Council is committed to being open and transparent. As the Investment Plan was at an early stage of development at the time Committee met in July, it was not possible to give details of the Investment Plan content or proposed governance arrangements. This report sets out further detail on the Investment Plan in the interests of transparency.
- 4.2 Authority was delegated to the Executive Director Place to take all necessary actions relating to the UKSPF in July 2022 to enable effective management of the fund. Actions required for effective fund management will include but may not be restricted to: approving clear processes for project selection; approving arrangements for fund governance including liaison with the Local Partnership Group and other stakeholders; ensuring appropriate monitoring of outputs, outcomes and budget spend; ensuring appropriate reports on progress are given to elected members.

- 4.3 The proposed project selection and governance arrangements are being shared for transparency and openness within this report. Performance against the Investment Plan will be included in future Directorate Annual Performance Reviews and report to Economy and Growth Committee.
- 4.4 The Rural Fund had not been announced when authority was delegated to officers to enable effective management of the core UKSPF. Authority is therefore sought for similar delegations to enable the Rural Fund to be managed alongside the core UKSPF programme.

5 Other Options Considered

- 5.1 Progressing with managing the UKSPF without providing an update for Corporate Policy Committee was considered but does not provide a level of full transparency aligned to the Council's core value of openness.

6 Background

6.1 Context

- 6.1.1 The UK Shared Prosperity Fund (UKSPF) is intended to supersede European Union (EU) structural funding, specifically the European Regional Development Fund (ERDF) and the European Social Fund (ESF). It is not a direct replacement for these funds and has been designed to provide more freedom to spend aligned to local opportunities and challenges within the broad parameters of the fund.
- 6.1.2 In April 2022 the UK government conditionally allocated up to £13,121,309 from the UKSPF spread over the three years 2022-23 to 2024-25 for Cheshire East, naming Cheshire East Council as the lead authority for the fund within the borough. Of this overall allocation, £1,535,547 was ringfenced for the Multiply Adult Numeracy Programme, with £11,585,762 to be spent on interventions aligned to one or more of three specified investment priorities: Communities and Place, Supporting Local Business, and People and Skills.
- 6.1.3 These allocations were conditional on submission of Investment Plans for approval by the government. In the case of the Multiply Investment Plan this required approval by the Department for Education (DFE) with the Department for Levelling Up, Housing and Communities (DLUHC) responsible for approval of the core UKSPF Investment Plan. The timescales given for development of the required Investment Plans was limited, and particularly in the case of the core UKSPF Investment Plan, required input from many local stakeholders and partner organisations and the establishment of a new Local Partnership Group (LPG).
- 6.1.4 Corporate Policy Committee were appraised of the requirement to develop Investment Plans on 14th July 2022 and at that time only the Investment

Plan for the Multiply element of the fund had been developed, with the core UKSPF Investment Plan still at a very early stage.

6.2 Update

- 6.2.1 Throughout June and July 2022 Council officers engaged with several local partner and stakeholder organisations in an effort to identify priority local issues and opportunities aligned to the objectives of the UKSPF. This included, consideration of existing local strategies, creating an online proforma for submission of views, consideration of submitted emails, and running workshops on 28 June and 18 July including breakout sessions to discuss the 3 investment priorities.
- 6.2.2 Concurrently, local organisations and representative stakeholders, including MPs, were, as required by the UKSPF prospectus, invited to join a Cheshire East SPF Local Partnership Group (LPG). The purpose of the LPG is not just to support development on the core UKSPF Investment Plan, but also to provide advice on strategic fit and deliverability throughout the lifetime of the fund. The Terms of Reference of that group are set out at Appendix B .
- 6.2.3 Membership is drawn from public sector, private sector and civil society organisations as required by government. Elected member representatives from Cheshire East Council on the Local Partnership Group include the Leader and Deputy Leader and Council Committee Chairs in respect of Economy and Growth, Environment and Communities, Children and Families and Adults and Health. All five local Members of Parliament and representatives from 11 Town Councils, have also been invited to be members of the Local Partnership Group. Neighbouring authority representatives have also been confirmed from Cheshire West and Chester and Warrington Councils.
- 6.2.4 The LPG also includes local businesses and the business support sector, representatives from the LEP, the Integrated Care System and Crewe Town Board as well as members representing the voluntary, community, faith, social enterprise, and civil society sector, members representing rural and environmental considerations, the Police and Crime commissioners' office, public health, DWP, local education and skills providers and the Department for Business, Energy and Industrial Strategy.
- 6.2.5 After consideration of stakeholder's views, an Investment Plan was developed for the core UKSPF discussed and supported at the inaugural meeting of the LPG. This was subsequently approved by the Chief Executive, S151 Officer, Executive Director- Place and Leader of the Council, and submitted to DLUHC on 1st August 2022.
- 6.2.6 Whilst this Investment Plan may be subject to clarifications and amendments and is not therefore necessarily in its final form, an overview of how the allocation is proposed to be split between various investment priorities is set out in Appendix B.

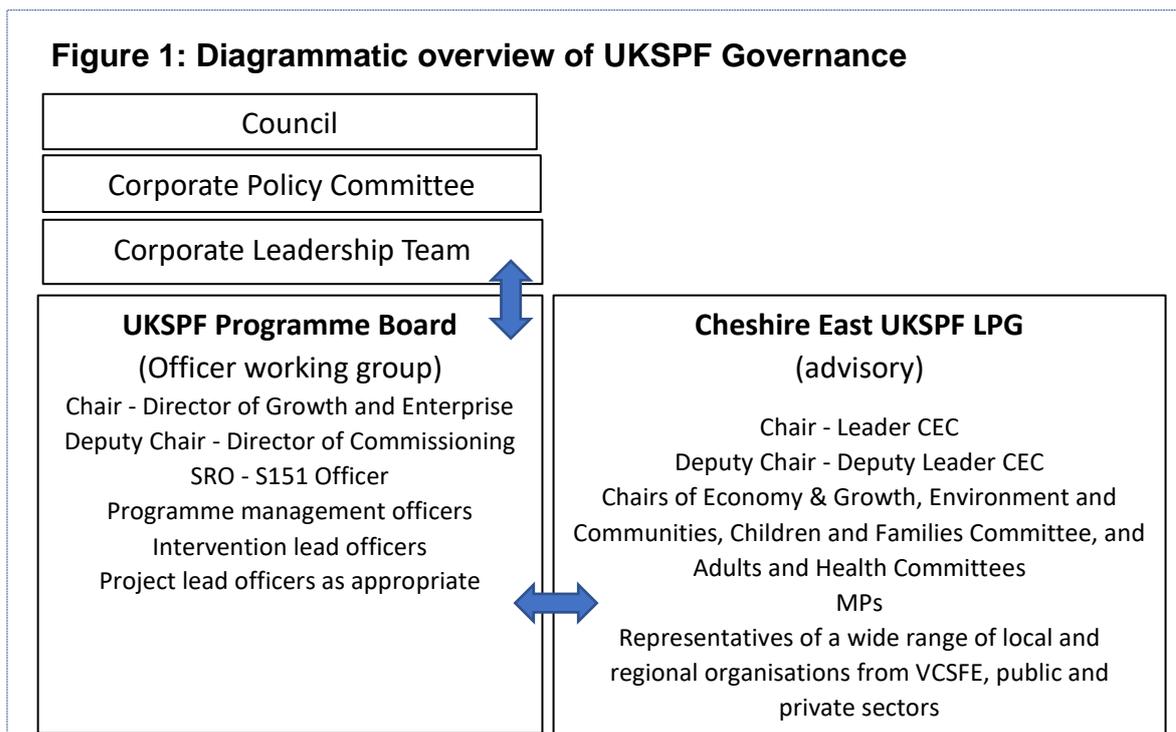
- 6.2.7 The Multiply Investment Plan for the UKSPF allocation ringfenced for the Multiply Adult Numeracy Programme, originally submitted to the DFE on 27th June 2022, has been the subject of clarifications and minor alterations during August 2022, and was signed off by DFE on 23rd August with a minor increase in the Cheshire East allocation to £1,563,749.
- 6.2.8 Whilst it is not anticipated that the core UKSPF Investment Plan will be finalised and signed off by DLUHC until October at the earliest, there is a requirement to spend a proportion of the allocation within the current financial year. To enable this to happen in a planned and managed way officers are working to establish appropriate governance arrangements, resource key roles, establish project selection processes, and to identify interventions and projects for delivery in 22/23.
- 6.2.9 On 20 July 2022 Council delegated authority to the Executive Director - Place to manage the Cheshire East UK Shared Prosperity Fund 2022-25 programme, taking all necessary actions in the interests of maximising the impacts of the fund aligned to the fund parameters and local priorities and aligned to the core UK Shared Prosperity Fund Investment Plan. For information and transparency the emerging intentions around fund management are set out in the remainder of this section.
- 6.2.10 Having submitted the core UKSPF Investment Plan to the UK Government, a new 'Rural Fund' was announced on 3rd September. The Rural Fund is a top-up to the UKSPF and is available to eligible local authorities in England for the two years 23/24 and 24/25. An indicative allocation of an additional £827,627 capital for Cheshire East has been made across these two years for eligible projects in rural areas.
- 6.2.11 The Rural Fund will succeed EU funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England. It will support activities that specifically address the particular challenges rural areas face and is complementary to funding used to support rural areas under the existing allocation for UKSPF and should not replace funding plans for rural areas already made under the UKSPF.
- 6.2.12 To access the allocation under the Rural Fund, additional information will need to be submitted as an addendum to the Cheshire East UKSPF Investment Plan. It is currently assumed that it will be possible to adapt emerging arrangements for the management of the core UKSPF to address this additional element. Further detail on the Rural Fund is expected through September and there will be engagement sessions with local authorities and local partners to support the Rural Fund process.

6.3 Fund Governance

- 6.3.1 **Local Partnership Group** The role of the LPG is specified in broad terms in the UKSPF Prospectus and must play a key role in the governance of the

fund moving forward. As set out in the Terms of Reference for the group at Appendix B, the LPG has been formed as an advisory group to the Council as lead authority for the SPF, to support the Council in achieving the outcomes of the UK SPF. The key responsibilities of the group will be to support the finalisation of the Investment Plan if required, and critically, to provide ongoing oversight on strategic fit throughout the lifetime of the plan, ensuring that the fund complements other activities both within the borough and the sub region. The LPG is not intended to be a decision making body, but it is currently anticipated that proposed projects would be fed through this group to check for strategic fit and complementarity, being careful to avoid potential conflicts of interest.

- 6.3.2 **UKSPF Programme Board** In addition to the LPG, a cross directorate council officer working group was established to project manage the development of the core UKSPF Investment Plan. This collaborative cross directorate working group enabled sharing of knowledge and workload during the intense Investment Plan drafting period. The core UKSPF Investment Plan submitted to DLUHC sets out that it is envisaged a similar officer group will be taken as a UKSPF Programme Board overseeing the core UKSPF work programme. It is anticipated that this officer Board will be chaired by a senior manager from Place Directorate with a senior manager from People Directorate as deputy. It is also envisaged that the Board would be attended by the S151 Officer, Programme Manager, lead officers for each intervention type, and as projects are established, by individual project managers as appropriate. The Programme Board would have oversight of both Council projects and any projects or workstreams to be delivered via third parties.
- 6.3.3 It is envisaged that the UKSPF Programme Board would focus primarily on monitoring: performance; budget; risks and mitigation; deliverables (outputs and outcomes) and stakeholder benefits. Again, it is not envisaged that this Board would be a decision making body but would be involved in an advisory capacity in the selection of any projects to be directly commissioned by the Council.
- 6.3.4 A diagrammatic overview of the current anticipated interrelationship between these groups is shown in Figure 1. The Executive Director of Place may refine and adapt these relationships and group structures as appropriate to ensure effective management of the UKSPF, utilising the delegation granted by Council on 20 July 2022.



6.4 Project Selection Processes

- 6.4.1 Although the core UKSPF Investment Plan did not have to name specific projects to be delivered using the funding, the Council was asked to consider if it wished to name any specific projects within the Investment Plan.
- 6.4.2 As a general rule the Investment Plan did not seek to set out specific projects. As an exception to this general approach, three projects were specifically put forward in the Investment Plan. These were two active travel projects (Flag Lane, Crewe and Black Lane, Macclesfield) and match funding for the Macclesfield Town Centre Public Realm Levelling Up Fund bid. These projects were specifically identified for two specific reasons.
- 6.4.3 In the case of the active travel projects these were identified as capital projects which could deliver necessary capital spend in the first year of the fund, both already incurring capital spend, both facing a shortfall in funding, and both due to deliver outcomes aligned to the fund objectives.
- 6.4.4 In the case of the Macclesfield public realm project the Investment Plan identifies that SPF would be used to take existing match funding up to the 10% suggested by the government for LUF bids. With no other identified source for this match funding, this was included to increase the chances of the Macclesfield LUF bid success. Again the objectives of the LUF Bid clearly align to the UKSPF objectives and intended outputs and outcomes and offer scope to generate very significant match funding. The Investment Plan was clear that in the event the LUF bid is not successful, the SPF allocation would not remain ringfenced for that project but would be made available for other potential town centre projects.

6.4.5 Aside from these three projects, the Investment Plan did not seek to specify individual projects to be funded. The Council was however required to set out its thinking on how projects might be selected. Three different mechanisms for project selection were anticipated in the Investment Plan. The three anticipated methods of project selection are set out below, although these may need to be altered or refined if required by government or to ensure effective fund management including effective management of the Rural Fund element of the UKSPF.

i. Projects to be delivered by CEC or directly commissioned by CEC

It is envisaged that some projects, to be delivered by in house staff or by direct commissioning by CEC would be recommended for funding by the internal UKSPF Programme Board comprising CEC officers. This Board would not be decision making so it is anticipated that all projects put forward would need to be formally agreed by the Executive Director-Place. Consideration is being given to how projects and interventions put forward for selection under this method may be proposed in a standardised format and objectively assessed. It is envisaged that regard would be given to a range of factors such as fit with Investment Plan priorities, outputs and outcomes, value for money and ability to attract match funding, and deliverability within relevant financial year. It is anticipated that projects selected via this route would be regularly reported to the Local Partnership Group to enable that group to provide advice on strategic fit.

ii. Grant schemes

The Investment Plan sets out that it is envisaged a proportion of the allocation will be made available via grant schemes. This includes grant funding to be made available to support voluntary sector and community projects. It is envisaged that any grants would not be automatically awarded but would be subject to application and assessment against pre-defined criteria. Existing mechanisms such as the Cheshire East Crowd grant platform are likely to be used for at least some of the funding although new grants and grant award mechanisms may also be established during the lifetime of the Investment Plan. Any new grant schemes used would be subject to normal approval mechanisms.

iii. Competitively selected projects delivered by third parties

It is envisaged that in addition to the above, as the lead authority, CEC will issue 'call outs' for projects under specific intervention categories. It is anticipated that third party organisations will be invited to submit proposals for projects via a standard proforma to enable objective comparison against pre-determined criteria. It is envisaged that CEC Members would be notified of any such call outs. Any project proposals submitted via this route would then be assessed against the pre-determined criteria. It is envisaged that an independent externally appointed resource would be appointed to ensure objectivity and

appropriate expertise. It is envisaged that projects selected via this route would also be reported to the Local Partnership Group to enable members to input any views on strategic fit and deliverability. The final decision on selected projects will rest with the Executive Director-Place, seeking input from other officers as required.

- 6.5 The above proposals for both governance and project selection processes is shared with Committee in the interests of transparency. Such arrangements will be further developed and refined by officers and may therefore be subject to refinement before being finalised.

7 Consultation and Engagement

- 7.1 The UKSPF Prospectus is quite prescriptive about the sectors of the community that needed to be involved in the newly established SPF Local Partnership Group. An even wider group of stakeholders within Cheshire East were engaged in the development of the Investment Plan as set out in 6.2.1-6.2.3.
- 7.2 An overview of the draft Investment Plan was shared with the new Local Partnership Group on 28th July 2022 and received overwhelming support. Local MPs were asked specifically to confirm their support for the Investment Plan, again as required by the UKSPF Prospectus. Four of the five MPs whose constituencies are within or partially within the borough have confirmed support and none have raised any objections to the Investment Plan.
- 7.3 Local rural partners must be consulted in order to deliver the Rural Fund. The fund prospectus also suggests local authorities work with the UKSPF local partnership group to develop proposals for the Rural Fund element of UKSPF and advises engagement with MPs. In addition, Cheshire East also has access to a Rural Strategy Group, an advisory group drawn from representative rural organisations and businesses to provide guidance and support to Cheshire East, Cheshire West and Chester and Warrington Councils on the long-term physical, social and economic development of the rural area.

8 Implications

8.1 Legal

- 8.1.1 The Terms of Reference have been developed following government guidance. The Committee is being asked to agree the content as accountable body for the UKSPF.
- 8.1.2 In July 2022 Full Council delegated authority to the Executive Director Place to take all necessary actions in relation to the scheme. The proposals are being presented to Committee for noting as is appropriate in the interests of transparency and openness.
- 8.1.3 The decisions associated with the UKSPF are treated as Supplementary

Capital and Revenue Estimates as this funding will support an increase in the Council's approved budget. The government announcement to add a Rural Fund and associated timescales for submission of an IP has resulted in a further recommendation to enable officers to approve the IP for the Rural Fund after consultation with those Members on the Local Partnership Group, and to further delegate authority to the relevant Officers to make any necessary amendments to the IP for the Rural Fund and accept the funds once allocated.

8.2 Finance

- 8.2.1 Funding is confirmed for three financial years – 2022-23, 2023-24 and 2024-25 providing a predictable baseline element of funding subject to approval of the core UKSPF Investment Plan by DLUHC. The overall allocation by year is specified by the government. The Investment Plan as submitted sought to allocate the funding in a way that is realistic and achievable noting that underspends need to be repaid to government each year and there may not be the same flexibilities and freedoms with this funding as there are with other government funds.
- 8.2.2 The expected split of revenue to capital and the split over the 3 year period will be confirmed once the IPs are agreed by government, with the Multiply Investment Plan now confirmed by DFE but the core UKSPF Investment Plan yet to be considered by DLUHC.
- 8.2.3 Consideration will need to be given to capacity within the Council when considering the most appropriate means of delivering the Investment Plan to ensure optimal drawdown and delivery of outcomes within the funding window. Additional roles for the delivery of project outcomes are permissible and would sit outside of the allocation for management of the fund.
- 8.2.4 A proportion of the allocation is by default available to undertake necessary UKSPF administration, such as financial monitoring, procurement support, legal advice, project assessment, contracting and ongoing fund monitoring and evaluation as explained in more detail in 8.5.
- 8.2.5 At Council on 20 July 2022, authority was delegated to the Executive Director Adults, Health and Integration to accept the Multiply funding allocation for Cheshire East and approve a Supplementary Revenue Estimate of up to £1,535,547, and to allocate that funding as set out within the Local Investment Plan over the years 2022-23 to 2024-25; and authority was also delegated to the Executive Director Place to accept the core UK Shared Prosperity Fund allocation for Cheshire East and approve a Supplementary Revenue/Capital Estimate of up to £11,585,762, (split to be confirmed on approval of the Investment Plan) and to allocate the funding as set out within the Local Investment Plan over the years 2022-23 to 2024-25.

8.2.6 By the delegated authority provided by Council and in accordance with the Constitution, and as necessary when the core Investment Plan is approved by DLUHC, Officer Decision Records will be completed by the Executive Director Adults, Health and Integration and the Executive Director Place with regard to the approval of respective supplementary revenue and capital expenditure budgets, as fully funded by the Shared Prosperity Fund grants, for in-year spending in 2022/23, reflecting final grant allocations including the split between revenue and capital funds. With regard to expenditure plans for future years, the required budgets and projects will need to be included in the updating of the Medium Term Financial Strategy (MTFS) for 2023-27 including for the recently announced Rural Fund allocation of £827,627 for 2023/24-2024/25. The MTFS should capture all SPF-related expenditure as well as income, including management and delivery of the programme.

8.3 Policy

8.3.1 The Intervention types selected in the core UKSPF Investment Plan align to Council priorities as set out in the Corporate Plan and other strategic policy documentation. An overview of the broad alignment between interventions and corporate policy is included in Appendix C.

8.4 Equality

8.4.1 The Investment Plans do not have an Equality Impact Assessment (EIA) at this stage. It is envisaged that equality impacts will be a consideration at project selection stage, with individual EIA developed for specific projects as appropriate.

8.5 Human Resources

8.5.1 The new UKSPF will generate additional fund administration and project management requirements which cannot be covered by existing staff. With regard to fund administration, the UKSPF will generate specific new requirements around project assessment, fund governance, data gathering, monitoring of outputs and outcomes, and reporting and performance management regimes etc. Each lead local authority can use up to 4% of their allocation by default to undertake necessary fund administration. In the case of Cheshire 4% of the core UKSPF allocation for Cheshire East broadly equates to two fund administration posts and it is proposed to create a new Programme Manager post (Grade 12) as well as a Senior Support Officer (Grade 10) to be responsible for the general management and administration tasks required associated with the fund.

8.5.2 It has been identified as a risk that year 1 delivery may be threatened if critical administrative posts cannot be advertised and filled swiftly to enable effective management of the fund from the outset. A key next step is therefore to advertise for the two new core UKSPF administrative posts and to recruit as soon as is possible. It is proposed that these temporary posts be positioned within the Economic Development Service and reserves

already identified for that service used to appoint to these positions as soon as possible, with funds to be recouped from the SPF once the funding is received. A specific Job Description for a Multiply Grade 9 Manager has also been created and is also to go out to advert as soon as possible.

8.5.3 It has also been identified that there will be a need to appoint external expertise to appraise projects pre-selection an objective and transparent manner. It is proposed to procure this type of expert support such that the Council has appointed ready for the first round of project selection, again funded from Economic Development Service budgets/reserves and recouped from the fund once funding is received.

8.5.4 In addition to these fund administration roles, to deliver individual projects will also require project management capacity. Whether project delivery falls to CEC or third parties it will necessarily in all to ensure that any project management roles including monitoring or outputs and outcomes are built into project delivery costs on an intervention by intervention basis.

8.6 Risk Management

8.6.1 There is a risk that the core UKSPF Investment Plan does not gain approval from DLUHC and the Council is unable to proceed with the plan and accept the funding. The delegations granted on 20 July 2022 by Council will be utilised to enable officers to make amendments to the Investment Plan swiftly if required by DLUHC to do so.

8.6.2 There is also a clear risk that any delay in approval of the core UKSPF by DLUHC will increase the challenges of spending in accordance with the Investment Plan timetable, particularly the first year's allocation. To mitigate this, officers are working ahead of the approval to plan out work programmes in anticipation of receipt of funds in the autumn.

8.6.3 A detailed risk register will be developed and reviewed regularly as a key aspect of governance controls once individual projects are selected for delivery utilising this fund.

8.7 Rural Communities

8.7.1 Projects to be selected for progression utilising the core fund are not restricted to urban areas. Some intervention types included in the submitted Investment Plan are not geographically specific and would support residents in all areas. There is therefore scope for this core UKSPF funding to support rural communities as it may support urban communities, the extent of impact in different localities depending on the variety of projects selected. The Rural Action Plan considered by Economy and Growth Committee on 13th September identified a range of issues and opportunities that relate rural area. The 'top-up' Rural Fund will help address further needs and challenges facing rural areas.

8.8 Children and Young People/Cared for Children

8.8.1 Some interventions specified with the Investment Plans will likely be directed towards young people and cared for children, under the People and Skills investment priority. It is also possible that additional projects focused on these groups are supported under other categories of interventions such as via community grants.

8.9 Public Health

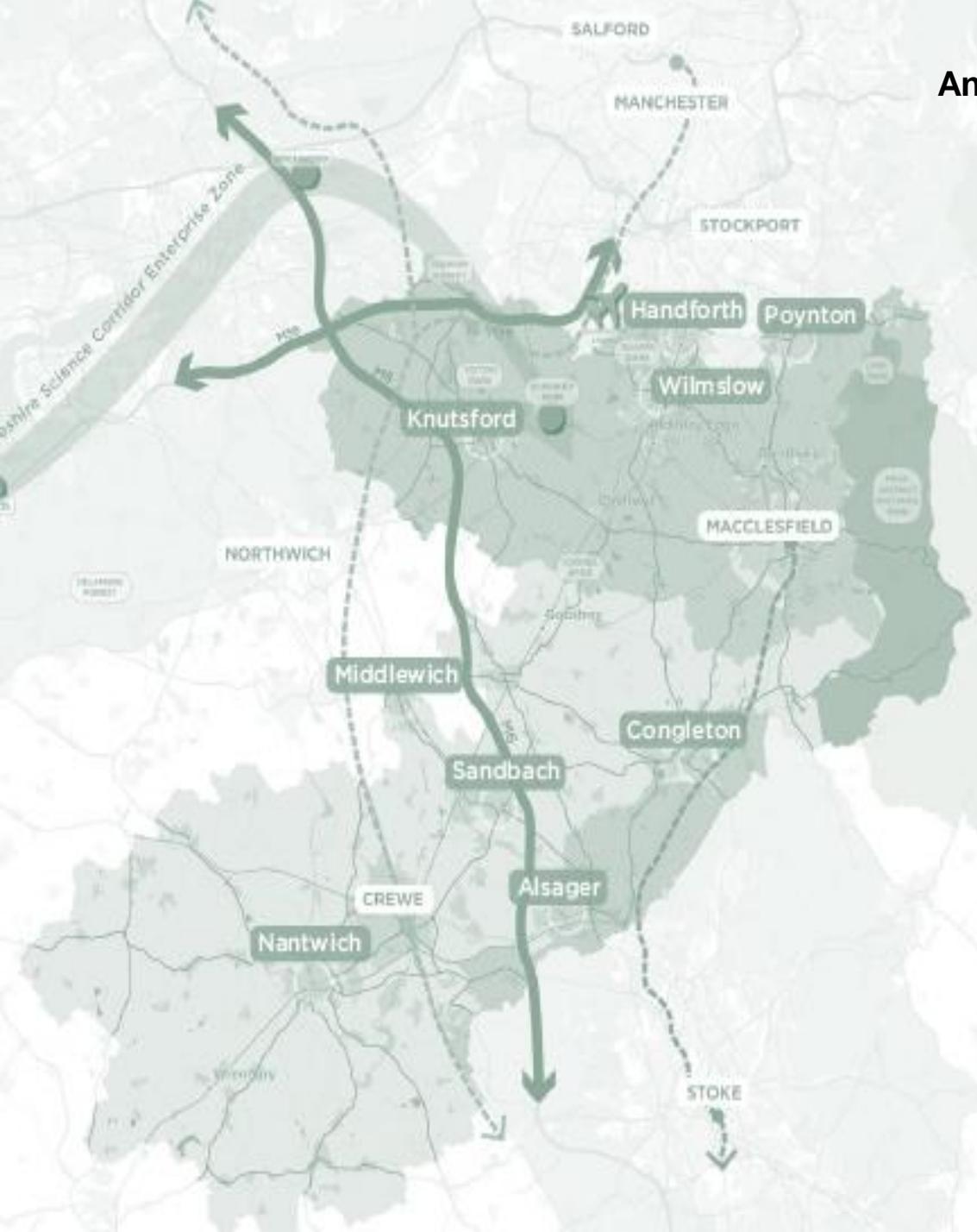
8.9.1 There is clear potential for projects funded using the UKSPF to support residents to live healthier lifestyles. Projects could bring positive health outcomes via a variety of routes, for example, funding might be used to support projects to increase accessibility to open spaces, to help deliver active travel schemes, to support community run social and wellbeing projects, and to provide support into employment which increases life expectancy.

8.10 Climate Change

8.10.1 There is additionally clear scope for this fund to support projects which will further the Council's environmental and sustainability priorities. Intervention types within the core UKSPF Investment Plan include for example funding for type E7 Interventions (Support for active travel enhancements), and type E13 Interventions (Community measures to reduce the cost of living, including through measures to improve energy efficiency, & combat fuel poverty & climate change.) There will also be opportunities to tackle the climate change emergency through a range of other intervention types on a project by project basis.

Access to Information	
Contact Officer:	Jo Wise Development and Regeneration Delivery Manager Jo.wise@cheshireeast.gov.uk 07870 391694
Appendices:	Appendix A – Terms of Reference of the Cheshire East Local Partnership Group Appendix B – Summary of the core UKSPF Investment Plan as submitted for approval to DLUHC Appendix C – Overview of broad alignment of Intervention Types with Corporate Policy.
Background Papers:	SPF Prospectus and supporting documents - UK Shared Prosperity Fund: prospectus - GOV.UK (www.gov.uk) Report to Corporate Policy Committee 14 July 2022

An overview of allocations set out in the draft core UKSPF Investment Plan



Cheshire East UK Shared Prosperity Fund Investment Plan Overview

Aug 2022

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Improved collaboration
between our public and private stakeholders, workers and employers, world class businesses and SMEs, training providers and businesses

Showcase our offer
in terms of our towns, our green and blue assets, visitor attractions and our employment and training opportunities

Reduce inequality
responding to the cost of living crisis, upskilling our population and improving our offer in urban and rural areas

Harness our community and business capacity
to make more of our assets including, green and blue, civic, community, heritage, sports and culture

Reposition our town centres as great places to work, visit and live

Support sustainability
reduce energy usage and promote active travel better connecting our assets

CE SPF Priority Themes

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Current Position

Allocations by Intervention Type (Subject to approval by DLUHC)

SPF Priority	Intervention	3 yr Allocn.
Communities & Place	E1: Funding for improvements to town centres & high streets, including better accessibility for disabled people, including capital spend & running costs	£2.5M
	E6: Support for local arts, cultural, heritage & creative activities	£300K
	E7:Support for active travel enhancements	£900K
	E8: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area	£250K
	E9: Funding for impactful volunteering and/or social action projects to develop social & human capital in local places	£800K
	E11: Investment in capacity building & infrastructure support for local civil society	£200K
	E13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, & combat fuel poverty & climate change	£200K
	E14: Funding to support feasibility studies	£488K
Supporting Local Businesses	E19: Increasing investment in R&D at the local level. Investment to support the diffusion of innovation knowledge & activities. Support the commercialisation of ideas, encouraging collaboration & accelerating the path to market so that more ideas translate into industrial & commercial practices	£600K
	E22: Investing in enterprise infrastructure & employment/innovation site development projects. This can help to unlock site development projects which will support growth in places.	£765K
	E23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow & innovate, including through local networks	£405K
	E24: Funding for new & improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs & start-ups through early stages of development & growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship & access to workspace	£900K
	E29: Supporting decarbonisation & improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods & services to take advantage of the growing global opportunity	£1.1M
	E30: Business support measures to drive employment growth, particularly in areas of higher unemployment	£375K
People & Skills	E33: Employment support for economically inactive people: Intensive & wrap-around one-to-one support to move people closer towards mainstream provision & employment, supplemented by additional &/or specialist life & basic skills (digital, English, maths and ESOL) support where there are local provision gaps	£1.01M
	E34:Courses for people who are unable to access training through the adult education budget or wrap around support. Supplemented by financial support for learners to enrol onto courses and complete qualifications	£444K
	E36:Intervention to increase levels of digital inclusion, with a focus on essential digital skills, communicating the benefits of getting safely online, & in-community support to provide users with confidence and trust to stay online.	£345K
Total		£11.58M

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Current Position

Overall funding split by year

2022-23	2023-24	2024-25	Total
£1,406,039	£2,812,078	£7,367,645	£11,585,762

Overall revenue capital split by year (split per intervention type varies)

	Cap%	Rev%
22/23	14%	86%
23/24	14%	86%
24/25	20%	80%



**CHESHIRE EAST UK SHARED PROSPERITY FUND LOCAL PARTNERSHIP
TERMS OF REFERENCE
JULY 2022**

1.0 Purpose

1.1 The Cheshire East UK Shared Prosperity Fund (SPF) Local Partnership is intended to bring together a diverse range of local and regional stakeholders to act as an advisory group to Cheshire East Council as lead authority for the Cheshire East UKSPF and support the Council in achieving UKSPF outcomes for Cheshire East residents, communities and businesses.

1.2 The principal responsibilities of the group are to:

Support the development and finalisation of the Cheshire East UKSPF Investment Plan by providing insight and expertise to help inform the plan and ensure it is responding to locally identified priorities with appropriate solutions which complement other activities being delivered within the borough and wider sub-region.

Continue to provide advice on strategic fit through the lifetime of the plan, to ensure the fund continues to complement other activities in the area whilst also meeting fund and local objectives.

1.3 More specific responsibilities will be agreed and refined post submission of the UKSPF Investment Plan to government, as the role of UKSPF local partnerships is clarified.

2.0 Membership

2.1 This group has been established by Cheshire East Council, in line with the UKSPF prospectus issued by the Department for Levelling Up, Housing and Communities. [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/UK_Shared_Prosperty_Fund_prospectus_-_GOV.UK_(www.gov.uk).pdf)

2.2 Membership of the group is guided by the UKSPF prospectus and informed by local needs and priorities.

2.3 The group will be Chaired by the Leader of Cheshire East Council with the Deputy Leader as Deputy Chair, subject to ongoing review.

2.4 Membership is intended to include representatives as follows:

Stakeholder description	Current Organisation representation
Lead local authority representatives	Cheshire East Council - Leader
	Cheshire East Council - Deputy Leader
	Cheshire East Council- Chair of Economy and Growth Committee
	Cheshire East Council- Chair of Environment and Communities Committee
	Cheshire East Council - Chair of Children's and Families Committee
	Cheshire East Council - Chair of Adults and Health Committee
Neighbouring authority representatives (where relevant)	Cheshire West and Chester Council
	Warrington Council
Local businesses and investors (large employers and small and medium size employers)	Bird Bellows
	Luminate Ventures
	Tatton Group
	Forest Tribe
Business support providers or representatives, including sectoral representatives relevant to the place (for example- cluster bodies, tourism organisations)	Marketing Cheshire
	Federation of small businesses
	Forum of private business
	South Cheshire Chamber
	East Cheshire Chamber
	North Cheshire Chamber
	Groundwork
Local partnership boards and strategic bodies where relevant (for example, Local Enterprise Partnerships or Local Skills Improvement Partnerships)	LEP
	CEC Place Partnership Board (ICS)
	Town and Parish Councils - CHALC
	Crewe Town Board
Regional representatives of arms-length bodies of government where appropriate	Department for Business, Energy and Industrial Strategy (BEIS)
Prominent local community and faith organisations, voluntary sector, social enterprise and civil society organisations	Social Action Partnership
	Archdeacon of Macclesfield
	Guinness Partnership (RSL Crewe area)
	Plus Dane Housing (RSL Congleton area)
	Peaks and Plains Housing (RSL Macc area)
	Disability Information Bureau
	VCFSE Provider Reps
Rural representatives	Cheshire Action
	CEC Head of Rural
Education and skills providers	Cheshire College South and West
	Reaseheath College
	Macclesfield College

Employment experts and providers- for example JobCentre Plus representatives and employment related service providers	DWP
Nature, environmental or associated representatives	Cheshire Wildlife Trust Canal & River Trust
Public Health representatives	Cheshire East Council - Public Health Public Health
Police and crime representatives (such as Police and Crime commissioners where relevant)	Police and Crime commissioner's office
Members of parliament (where appropriate)	Congleton constituency Crewe and Nantwich constituency Eddisbury constituency Macclesfield constituency Tatton constituency
Town Councils and Key Service Centres	Crewe Town Council Macclesfield Town Council Alsager Town Council Congleton Town Council Handforth Town Council Knutsford Town Council Middlewich Town Council Nantwich Town Council Poynton Town Council Sandbach Town Council Wilmslow Town Council

2.5 Organisations represented on the Board will determine and review their own appointments in accordance with their organisations internal arrangements and will be responsible for the induction of new members representing their organisation.

2.6 Members will all take responsibility for communicating the work of the group. This will include communicating with other partnership and stakeholder groups, for example the Voluntary, Community, Faith and Social Enterprise sector leadership group and Parish Councils.

3.0 Meetings of the local partnership group

3.1 Meetings of the group will normally take place online, via Microsoft Teams to maximise attendance by stakeholders. It is anticipated that meetings will take place every two months, although on occasion meetings may be required more or less frequently.

3.2 To be quorate, 30% of members must be present, including the Chair or Vice Chair.

3.3 Cheshire East Council will provide secretariat support for the meetings of the Board. Agendas, reports and minutes will be published on the Council's website, and will be publicly accessible documents, subject to the requirements of confidentiality.

4.0 Conduct of Members of the Board

- 4.1 All members of the Cheshire East UKSPF Local Partnership will be expected to adhere to the Partnership's Code of Conduct. In agreeing to membership, members are agreeing to adhere to this code of conduct and the wider terms of reference of the group.
- 4.2 Members must take care to avoid any potential conflicts of interest. Members must declare all pecuniary and non-pecuniary interests in any matter under discussion at a meeting to be recorded in the minutes of the meeting. Declaration includes stating the nature of the interest. Where a pecuniary or potential prejudicial interest is declared, the member in question must absent themselves from the meeting for that item and take no part in the discussion.
- 4.3 All members of the subgroup will be expected to follow the 7 Principles of Public Life (also known as the 'Nolan Principles'). The decisions and actions of the Partnership will be informed by these principles, namely:

Selflessness Members should act solely in terms of the public interest.

Integrity Members must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare any interests and relationships.

Objectivity Members must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability Members should expect to be accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness Members should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty Members should be truthful.

Leadership Members should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

5.0 Monitoring and Review

- 5.1 The effectiveness of the local partnership group will be subject to ongoing review and the Terms of Reference will be updated and reviewed periodically. A review will take place, at a minimum, annually.

UKSPF Cheshire East Investment Plan

Interventions linked to challenges, opportunities & strategy

Communities and Place Priority

An overview of the broad alignment between interventions and local policy

Challenges	UK SPF Priority Interventions	Link to Local Strategy	Potential Areas for Action	UK SPF Outputs
<p>Inequalities in life chances</p> <p>Changing role of Town Centres</p> <p>The climate emergency, carbon emissions, energy usage and active travel</p>	<p>E1 - Funding for Improvements to town centres & high streets including better accessibility for disabled people, including capital spend & running costs</p> <p>E6 - Support for local arts, cultural & creative activities</p> <p>E7 - Support for active travel enhancements in the local area</p> <p>E8 - Funding for the development & promotion of wider campaigns which encourage people to visit & explore the local area</p>	<p>The Corporate Plan states that by 2025 we want to deliver strategic regeneration plans for Crewe and Macclesfield and successful town centres in our other key towns. The Draft Cheshire East Economic Strategy 2019-2024 sets as Strategic Objective 1 - Improving quality of place, with a focus on regenerating town centres.</p> <p>The Corporate Plan states that the Council will continue to grow the Cheshire East visitor economy and will deliver a Cultural Strategy and Place Marketing</p> <p>The Corporate Plan sets as a priority "A transport network that ... promotes active travel" and the LTP states that we will continue to reduce barriers for multimodal active travel</p>	<p>Town Centre Marketing and Promotion campaign(s) - funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area</p> <p>Town Centre Public Realm schemes and projects to improve visitor offer - including enhanced maintenance and supporting trials for new outdoor seating areas, pocket parks/town centre greening and introduction of measures to start to support a transition to less car dominated centres</p>	<p>Increased footfall</p> <p>Reduced vacancy rates</p> <p>Increased use of cycleways/paths</p> <p>Improved engagement numbers</p> <p>Increased number of web search for a place</p> <p>Volunteering numbers</p>
<p>Opportunities</p>	<p>E9 - Funding for impactful volunteering and/or social action projects to develop social & human capital in local places.</p> <p>E11 - Investment in capacity building & infrastructure support for local civil society & community groups</p> <p>E13 - Community measures to reduce the cost of living, including through measures to improve energy efficiency, & combat fuel poverty & climate change</p> <p>E14 - Funding to support relevant feasibility studies</p>	<p>The Corporate Plan states that the Council will continue to grow the Cheshire East visitor economy and will deliver a Cultural Strategy and Place Marketing</p> <p>The Corporate Plan states that we want to build trusting and constructive relationships between the council and the voluntary sector, promoting community activities and to develop a strong local social impact structure through the Cheshire East Social Action Partnership, to underpin a thriving Voluntary Community Faith Social Enterprise Sector</p>	<p>Community Grants - supporting volunteering and/or social action projects to develop social and human capital in local places and investment in capacity building and infrastructure support for local civil society</p>	<p>Outcomes</p>
<p>Reclaiming streets for people</p> <p>Boosting the visitor economy and cultural offer</p> <p>Making more of natural assets and green spaces</p> <p>Harnessing Social and Community Infrastructure</p> <p>Active travel</p>		<p>The CEC Environment Strategy recognises that the Council has a role to play as partner and facilitator in reducing borough wide carbon emissions amongst the wider community</p> <p>Without feasibility funding, the deliverability of numerous projects aligned to a variety of Council Strategies cannot be progressed</p>	<p>Active Travel - for the delivery of schemes to support active travel improving access to work, town centre and other key destinations</p> <p>Feasibility Funding - to support the development of a range of projects, including opportunities to improve local pride, sense of belonging, and healthy lifestyles, utilisation of existing community assets and working with communities to unlock affordable housing opportunities</p> <p>Creative Culture Fund - to enhance local pride and generate both economic and wellbeing benefits through culture and arts provision</p> <p>Macclesfield town centre public realm scheme: potential to provide match funding to LUF bid (if successful)</p>	<p>Enhanced vitality of our town centres</p> <p>Increased use of our assets</p> <p>Increased community engagement</p> <p>Increased pride in place and communities</p>

UKSPF Cheshire East Investment Plan

Interventions linked to challenges, opportunities & strategy

Supporting Local Businesses Priority

Challenges	UK SPF Priority Interventions	Link to Local Strategy	Potential Areas for Action	UK SPF Outputs
<p>Limited employment opportunities in town centres</p> <p>Productivity gap in SMEs</p> <p>Lack of an Innovation Eco-System</p> <p>Responding to the Decarbonisation Agenda</p>	<p>E19 - Increasing investment in R&D at the local level. Investment to support the diffusion of innovation knowledge and activities.</p> <p>E22 - Investing in enterprise infrastructure & employment/innovation site development projects.</p> <p>E23 - Strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development including through local networks.</p> <p>E24 - Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise.</p> <p>E29 - Supporting decarbonisation and improving the natural environment whilst growing the local economy.</p> <p>E30 - Business support measures to drive employment growth, particularly in areas of higher unemployment</p>	<p>The Corporate Plan includes a Priority to create 'Thriving urban and rural economies for all'. Cheshire East Economic Strategy 2019-2024 sets as Strategic Objective 8 - Strengthen business support, particularly for our key businesses</p> <p>The Corporate Plan includes a Priority to create 'Thriving urban and rural economies for all'. An Economic & Growth Committee Report in March 2022 set recommendations to develop the business case for public sector investment in new business start-up space and an incubation support offer</p> <p>The Corporate Plan includes a Priority to create 'Thriving urban and rural economies for all'. Cheshire East Economic Strategy 2019-2024 sets as Strategic Objective 8 - Strengthen business support, particularly for our key businesses</p> <p>Cheshire East Digital Strategy includes an action to develop a digital cluster programme and business support offer.</p> <p>The Corporate Plan has an objective to be carbon neutral by 2025 and the C&W Sustainable & Inclusive Growth Commission identifies an aim to improve the natural environment whilst growing the local economy.</p> <p>The Corporate Plan a Priority to create 'Thriving urban and rural economies for all'.</p>	<p>Town Centre Workspaces - Investing in enterprise infrastructure & employment/innovation site development projects & funding for new & improvements to existing training hubs, business support offers, 'incubators' & 'accelerators' for local enterprise to support entrepreneurs & start-ups through the early stages of development & growth</p> <p>Productivity Improvement Programme - could include a Supply Chain Development Programme that would help smaller businesses to improve their processes & systems in order to be able to be ready to bid for contracts with larger companies & institutions making large-scale investments in the borough.</p> <p>Innovation Programme - develop greater links with universities & other knowledge-based institutions to build a collaborative support system & knowledge exchange and encourage greater take up of Knowledge Transfer Partnerships (KTPs), Innovate UK projects, Innovation Grants & R&D Funding etc.</p> <p>Sustainable & Inclusive Growth Programme - This could include development of online tools & resources, best practice information & guidance as well as 1-2-1 consultancy support to help businesses develop sustainable & inclusive growth plans which identify opportunities for growth whilst reducing emissions, improving energy efficiency & providing fair employment practices.</p>	<p>Jobs created</p> <p>New businesses created</p> <p>Businesses supported</p> <p>Improved productivity and innovation</p>
Opportunities			Outcomes	<p>Improved workspace in town centres</p> <p>Improved productivity</p> <p>Increased innovation and R&D</p> <p>Response to climate emergency</p>

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Working for a brighter future together

Corporate Policy Committee

Date of Meeting:	6 th October 2022
Report Title:	Approval of Corporate Grants Policy 2022 – 2025
Report of:	Helen Charlesworth-May, Executive Director of Adults, Health and Integration
Report Reference No:	CP/46/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1.** This report is seeking approval of a revised Corporate Grants Policy (Appendix 1) for the operation of grants schemes in Cheshire East Council for 2022 – 2025.
- 1.2.** There are many different service areas across Cheshire East Council that currently offer grant schemes or may wish to introduce a grant scheme in the future. The Corporate Grants Policy sets out how grants offered by these service areas should be aligned to meet the strategic aims and objectives in the Council's Corporate Plan.
- 1.3.** The Corporate Grants Policy also takes into consideration grant schemes that need to be set up at speed or have been created due to urgent or emerging situations. It also considers where the Council becomes the grant recipient and wishes to set up a scheme to further distribute funding to other partners/organisations for goods and services.

2. Executive Summary

- 2.1** The Council's Constitution, Chapter 3, Part 6, Paragraph 6.26 Page 81 states that Corporate Policy Committee will on a periodic basis, agree a policy setting down the approach to be taken to the allocation of grants, donations and other contributions to outside bodies.

- 2.2 The Corporate Grants Policy has been reviewed and updated and takes into account recent changes to the Council's Constitution and the implementation of the Committee system.
- 2.3 The current Corporate Grants Policy has been in place since 2018. This document is now being updated as part of the incremental review connected with the governance changes and the policy has changed in response to changes in Council aims and to the corporate plan.

3. Recommendations

That the Committee

- 3.1 Approves the updated Corporate Grants Policy 2022 to 2025.
- 3.2 Notes that each individual grant scheme implemented by the Council will have its own process put in place which aligns to the Corporate Grants Policy.
- 3.3 Delegate authority to Corporate Leadership Team/ Executive Director of Adults, Health and Integration to amend the policy as necessary and in the event of contemplated changes to the subsidy control regime detailed in section 9.1.4.

4. Reasons for Recommendations

- 4.1 The Council's Constitution references a Policy setting down the approach to be taken to the allocation of grants, donations and other contributions to outside bodies. The previous Policy was implemented in 2018 and has been reviewed against the Corporate Plan and encompasses changes in the constitution and implementation of the committee system.
- 4.2 Aligning individual grant schemes across the Council with the Corporate Grants Policy allows consistency across the organisation and also creates flexibility for grant schemes to be implemented at speed in response to varying priorities. For example: Covid-19 Community Response and Recovery Fund, Holiday Activity Fund, discretionary business grants and large-scale capital grants through regeneration programmes such as the Towns Fund or UK Shared Prosperity Fund.

5. Other Options Considered

- 5.1 Not to update the Corporate Grants Policy. This would mean that it would not align with changes in the Corporate Plan and to the Constitution and the Council's decision-making processes
- 5.2 Not having a policy in place. This could mean that Council's decision making on grants would risk becoming ad hoc and inconsistent, consequently leaving decisions open to challenge.

5.3

Option	Impact	Risk
Do nothing - Not to update the Corporate Grants Policy	Would not align with changes in the Corporate Plan and to the Constitution and the Council's decision-making processes	Decisions become open to challenge
Not having a policy in place	Council's decision making on grants would risk becoming ad hoc and inconsistent	Decisions become open to challenge

6. Background

- 6.1. The Corporate Grants Policy provides overarching corporate guidance to ensure consistency in application, scoring and monitoring of grants which currently varies widely across the Council. The current document has been in place since 2018 and can be viewed on [Centranet](#).

7. Consultation and Engagement

- 7.1. The Corporate Grants Policy is to be used as an internal tool to support officers and provides guidance around the implementation of new grant schemes.
- 7.2. Services consulted:

Procurement
Growth & Enterprise
Economic Development
Integrated Commissioning
Finance
Legal
Cultural Economy
Communities

8. Implications

8.1. Legal

- 8.1.1. The Council has the power to award grants to organisations using its general power of competence in section 1 of the Localism Act 2011. In exercising the power, the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural

requirements, acted for proper motives and not acted unreasonably. A grant policy is a clear statement of the criteria that the Council is applying as it operates individual grant schemes and is essential in demonstrating open and consistent decision making and reducing risk of challenge.

8.1.2. An overarching Corporate Grants Policy provides a consistent basis upon which grant schemes are created and reviewed regularly.

8.1.3. Following the UK exiting the EU, State Aid rules been replaced by “subsidy control” regulation. When awarding grants the Council is required to comply with subsidy control provisions that are set out in the Trade and Co-operation Agreement between the EU and the UK (“TCA”); World Trade Organisation rules and certain other international commitments (referred to as “Subsidy Control Materials”). This obligation kicks in whenever a “subsidy” (grant) is being awarded by the Council to any organisation.

8.1.4. Prior to any grant award an analysis will need to be made as follows:

- Determine whether the grant is a subsidy and what Subsidy Control Materials are relevant.
- Evaluate whether the grant is a prohibited subsidy.
- If in scope of the TCA, assess the grant against the principles (principles which aim to ensure that subsidies are not granted where they have, or could have, a material effect on investment or trade).
- Assess the likelihood of triggering a dispute under international obligations and agreements.
- Record the award of the grant as a subsidy.

8.1.6 Assuming that any proposed grant award is in scope of the TCA; the Council will need on each occasion that a grant award is being considered to evaluate and model the award based on the principles within the TCA. It is therefore important that Legal Services are engaged at an early stage whenever the award of a grant is being considered.

8.1.7 There are de minimis provisions, but application will depend upon whether in each other subsidies have been awarded to the organisation and if de minimus is relied on it opens the Council up to risk of mis-application or mis-reporting. First consideration should be given to the application of the principles to obviate the need to consider de minimis.

8.1.8 Subsidy control is currently in a state of transition. There is currently a new Subsidy Control Bill passing through Parliament, which when passed will form the backbone of the UK’s subsidy control regime. The subsidy control

aspects of the corporate policy and grants protocol will need to be reviewed and potentially adjusted after the new legislation comes in force.

8.2. Finance

- 8.2.1. The recommendation is to approve an update to the Grants Policy and therefore will not change the MTFs.
- 8.2.2. The policy has been developed in accordance with the Finance Procedural Rules within the constitution. Therefore, it promotes a legal & appropriately authorised use of resources which aims to achieves best value for the organisation.

8.3. Policy

- 8.3.1. The Corporate Grants Policy 2018 will be replaced with the updated Corporate Grants Policy 2022 – 2025.

8.4. Equality

- 8.4.1. An Equality Impact Assessment has not been completed

8.5. Human Resources

- 8.5.1. The corporate grants policy will be managed through existing resources within Communities/Commissioning.

8.6. Risk Management

- 8.6.1. Not updating the Corporate Grants Policy would mean that it would not align with changes in the Corporate Plan and to the Constitution and the Council's decision-making processes.
Not having a policy in place could mean that Council's decision making on grants would risk becoming ad hoc and inconsistent, consequently leaving decisions open to challenge.

8.7. Rural Communities

- 8.7.1. There are no negative implications on the rural community as all of the Council's grants schemes are open to anybody to apply, as long as they meet each specific schemes criterion.

8.8. Children and Young People/Cared for Children

- 8.8.1. In the event that grant funding becomes available for children, young people/Cared for Children focused outcomes, there could be a greater opportunity for organisations to meet the needs of children and young people.

8.9. Public Health

8.9.1. In the event that grant funding becomes available for public health focused outcomes, there could be a greater opportunity for organisations to enhance and develop health services across the borough.

8.10. Climate Change

8.10.1 In the event that grant funding becomes available for climate change focused outcomes, there could be a greater opportunity for organisations to enhance and develop carbon reduction services across the Borough.

Access to Information	
Contact Officer:	Lynsey Cooper, Senior Community Development Officer Lynsey.Cooper@cheshireeast.gov.uk 07814 079411
Appendices:	Appendix 1 – Corporate Grants Policy 2022 – 2025
Background Papers:	NA

Corporate Grants Policy

for the operation of
Grant Funds to Outside Bodies
in Cheshire East Council

2022 to 2025



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1. PURPOSE AND OBJECTIVES

The purpose of the Corporate Grants Policy is to give guidance to officers on how to create and implement an effective grant funding scheme that aligns with the Cheshire East Corporate Plan 2021 - 2025 and Constitution. Further advice can be sought from Procurement and Legal Services.

2. BACKGROUND

- 2.1. This document outlines the approach to be taken for the allocation of grants, donations and other contributions from the Council to a person or an organisation to support a particular purpose or set of objectives, without firm entitlement to specific goods or services in return.
- 2.2. When using the term grants in this Policy it refers to the giving of a fixed amount of Council funds or external funds received by the Council to organisations or individuals through an application and assessment process.
- 2.3. There are different service areas across the Council that currently offer grant schemes or may wish to introduce a grant scheme in the future. This policy covers discretionary grants to outside bodies made by the Council, both in terms of annual grant schemes and ad hoc schemes established to meet a set of objectives.
- 2.4. This Policy sets out how discretionary grants (statutory schemes have their own national requirements, for example, education exemption in relation to capital funding for school places) offered by Council departments should be aligned to meet the [Council's Corporate Plan](#).
- 2.5. Aligning grant schemes with the Corporate Plan provides an opportunity to be more targeted with limited resources in achieving the set priorities of the service area whilst making a difference to people in our communities, which also contribute to the overall priorities of the Council.
- 2.6. This Policy will ensure that all Council grant schemes operate under set criteria and processes, providing a corporate approach to ensure each grant scheme considers all legal and budgetary implications as well as having a clearly defined application, decision making and monitoring process in place. This Policy should be read in conjunction with the When to Grant Fund Guidance that clearly determines the need for establishing a grant scheme and the difference between grants and commissioning a service with a required contract.
- 2.7. Discretionary grant funding should be provided where organisations can meet a set of objectives through their project or activity.
- 2.8. This Policy covers discretionary grants offered by the Council and can also be applied to statutory grants offered to individuals or organisations, community grants offered to the voluntary, community and faith sector and grants to businesses. There may be circumstances when funds are received from external bodies to the Council which are then distributed as grants. These funds will be distributed as per the parameters set by the funding body as per section 5.6.
- 2.9. Large capital grant funding received by the authority is dealt with under the Constitution – Financial Procedure Rules ([Chaper 3, Part 4](#)) and approvals to receive and spend money/act as accountable body.

2.10. Where services wish to undertake an activity not originally identified in the budget or incur additional revenue expenditure on an existing activity, approval must be sought for a supplementary estimate in accordance with the tables below. Approval can only be given where full funding is identified (for example through additional specific grant allocations or developer contributions). The Chief Finance Officer must be consulted in all cases. Directors may make applications for grants, where the application does not create a commitment, financial or otherwise, in consultation with the Chief Finance Officer. However, if the application is for a grant in excess of £1m, or if any match funding will be required, then the Corporate Leadership Team must be consulted in advance. Successful grant applications will require a supplementary estimate to incur spending, in line with the approval limits set out in the table below. If grant application or receipt commits expenditure outside of the Budgetary Framework then a Virement or other Supplementary Estimate will also be required.

Supplementary Estimate Amount	Approval Level
Up to and including £250,000	Relevant Member of CLT
In excess of £250,000 up to and including £500,000	Relevant Member of CLT in consultation with the Chair of the relevant Committee, Chair of Finance Sub-Committee and Chief Finance Officer
In excess of £500,000 up to and including £1,000,000	Committee
Over £1,000,000	Council

3. LEGAL AND BUDGETARY FRAMEWORK

- 3.1. This Policy is approved by Policy Committee and will be reviewed when significant changes are made to the Constitution. The Policy will be refreshed in 2025.
- 3.2. Grants, donations and contributions will be paid by the Council in accordance with each specific grant process which will be determined under this Policy and subject to there being adequate provision in service budgets with the appropriate approvals being sought.
- 3.3. A supporting document, When to Grant Fund Guidance, sets out further guidance on grant funding, consideration of subsidy control implications, the process for allocation and any conditions that should apply to any grant funding.
- 3.4. Heads of Service will report on the outputs and outcomes achieved through the provision of support to outside bodies on an agreed basis to the appropriate committee, with interim reporting on an exception basis or where the sums involved are significant.

4. CHESHIRE EAST COUNCIL POLICIES

- 4.1. The Council has a number of discretionary and statutory grant schemes in place which are managed under this Policy. Statutory Grant schemes will also be operated in line with national requirements.

5. GRANT SCHEMES

- 5.1 As a general principle, a new grant scheme should not be launched unless there is a clearly identified need for a new scheme to operate in preference to any existing scheme. This need could be identified by national priorities or external funding provided to the Council e.g., Shared Prosperity Funding.
- 5.2 Research should be undertaken to understand if outcomes desired under the grant scheme can be delivered either by existing contracts or grant schemes. In this way, the Council can make best use of its finite resources.
- 5.3 Procurement should be informed of any new grant scheme so that they are better able to provide support.
- 5.4 Grant schemes should make reference to the Council's Corporate Plan, unless following statutory requirements as stated in paragraph 2.4 or meeting the objectives as set out in a grant determination document received as part of an external grant award from another funding body.
- 5.5 Each individual grant scheme implemented by the Council should have its own process put in place which aligns to this Policy and approval should align with the decision making process outlined in 7.2. This allows for consistency across the Council and creates flexibility for grant schemes to be implemented at speed in response to varying priorities.
- 5.6 There may be circumstances where the Council becomes the responsible and accountable body for funds, such as funds from Government, where those funds are distributed as grants. The mechanisms, priorities and protocols for allocating such funds are usually set by the funder and grant schemes should strive to meet the objectives as set out in the grant determination document received as part of the external grant award from the funding body.
- 5.6 When the Council is distributing capital grant funding and acting as accountable body, officers should be mindful of the principles set out in the Corporate Grants Policy and should consult the Legal Team on matters of subsidy control, terms and conditions of grant funding, suitable forms of grant agreement and offer letters and should conform to the Council's standards and templates.

6. APPLICATION PROCESS

- 6.1. Each scheme must have an accessible application form and guidance notes which are clearly advertised and available on the Council's website. Template and example documents which can be adapted to meet your particular grant scheme can be obtained by contacting communitygrants2@cheshireeast.gov.uk.
- 6.2. Each service area which offers grants must create a process for each discretionary scheme which sets out when the deadlines for applications are, how people must apply, any documents that must be sent in with the application form and when they are likely to hear the outcome of their application.

6.3. Individual processes must be clear about what the grant scheme can provide funding for, along with examples of what cannot be funded under the scheme. They must also set out who can apply and any criteria that the organisation must meet.

7. DECISION MAKING PROCESS

7.1. Each Grant scheme must state when the grant applications will be assessed and who will make the decision.

7.2. The approval levels for grants, donations and contributions to outside bodies as per the Council's Constitution are:

Approval level	Amount
Officers	Up to and including £50,000 (where grant is within approved grant policy and fully funded)
Relevant Corporate Leadership Team member in consultation with the Chair of the relevant Committee and Chair of Finance Sub-Committee	Between £50,000 and £100,000 (where grant is within approved grant policy and fully funded)
Committee	All Grants of £100,000 or more. All grants which do not fall within existing approved grant policy require Corporate Policy Committee approval.

7.3. When putting in place a grant scheme, consideration should be given to the Council's powers to award grants and advice sought from your Finance and Legal representative, in line with the Financial Scheme of Delegation and Financial Procedure Rules details in the Council's Constitution – [Chapter 3 – Part 4](#)

7.4. Decision makers, when awarding specific grants, should ensure that they follow the application process and criteria which apply to the specific grant scheme and:

- take into account only those considerations which are relevant to the decision being made (the criteria that apply to the specific policy),
- follow the procedural requirements (the processes and procedures set out in the grant scheme and this policy)
- not be unreasonable (the decision is logical and rational).

7.5. Decisions should always be in writing and include reasons for the decision (an explanation about how the decision has been reached) which meets the principles set out above.

7.6. There is no overarching appeals process, individual grants schemes which do include a right to appeal will refer to this in their individual policies. Complaints about any aspect of the Council's

Grants process will be dealt with under the Council's Corporate Complaints Procedure. A copy of the [Council's Corporate Complaints, Compliments and Suggestions Policy](#) is available from the Council's website.

8. MONITORING AND RECORD KEEPING

- 8.1. Following a successful application and in order to ensure that monies are used in an appropriate manner, as set out under each scheme, a monitoring report will be required following completion of the project or activity that was grant funded. Template and example documents which can be adapted to meet your particular grant scheme can be obtained by contacting communitygrants2@cheshireeast.gov.uk.
- 8.2. Services may request copies of invoices or receipts and evidence of how the grant monies were spent.
- 8.3. The Council reserves the right to monitor the use of the grant and ask for evidence to support an application.
- 8.4. The funded organisation must allow reasonable access to premises/accounts upon request from the Council.
- 8.5. Organisations must retain records relating to the grant for an appropriate period (to be advised depending on the grant).
- 8.6. Each scheme must state that if organisations do not supply satisfactory monitoring reports and supporting information in full and within the set time scale, they may be asked to repay the grant funding to the Council. Failure to comply with the conditions of the grant may be taken into account when considering any further applications for grant funding made by the same organisation in the future. Where the scheme provides grants to individuals the process will set out the scheme specific monitoring requirements.



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Corporate Policy Committee

Date of Meeting:	6 October 2022
Report Title:	Registration Service – Ceremony Fees
Report of:	Brian Reed, Head of Democratic Services and Governance
Report Reference No:	CP/51/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. To review the fees that the Registration Service charges for ceremonies and related services.
- 1.2. This report contributes to the Council's objective of being an open and enabling organisation and the objective of having thriving urban and rural economies.

2. Executive Summary

- 2.1 The Registration Service reviews its ceremony fees on a regular basis to ensure that the full cost of the work undertaken is recovered. Bookings for ceremonies in Approved Premises are often made up to three years in advance, as couples appreciate certainty in respect of the fee that they will pay.

3. Recommendations

- 3.1. That the fees set out in the Appendix to the report are agreed.

4. Reasons for Recommendations

- 4.1. Some fees charged by the Registration Service, such as those for copy certificates and marriage notices are set nationally by the Registrar General with Parliamentary approval. Others are set locally to reflect the detail of services provided to the public and the costs of delivering them. Locally set fees are reviewed on a regular basis to ensure that they reflect the full cost to the Council of delivering the service.

5. Other Options Considered

- 5.1. Increasing fees is optional, and the Council could decide not to do so. However, if it did this it would be delivering services at a loss. The proposed fee increases are proportionate and will enable the Council to ensure that its costs are covered.

6. Background

- 6.1 Registration Service fees were last reviewed in 2021 under the Council's former governance arrangements.
- 6.2 Many couples make their decisions over the type and location of ceremonies a number of years in advance of their ceremony., Couples often remind the Registration Service of their need to budget for their ceremony and as such are very anxious to know the level of fee they will be charged. Such requests are often made well in advance of a formal booking being made for a ceremony. In addition, publishing fees for future years helps the Registration Service to predict income levels more accurately. Bookings for ceremonies in Approved Premises (such as hotels, restaurants, and stately homes) can be made up to three years in advance.
- 6.2 During 2022/23 the Registration Service will conduct over 2,000 ceremonies in Approved Premises, projections (backed up by firm bookings) for future years are equally buoyant. Ceremonies in Approved Premises make a significant contribution to the Cheshire East economy. Over half of the ceremonies conducted are for couples who do not live in the Borough, but who choose to come to Cheshire East because of family connections, the enviable choice of venues, and the level of service delivered.
- 6.3 In addition to ceremonies in Approved Premises, a considerable number of ceremonies are conducted in the Mayor's Reception Room and Mayor's Parlour in Crewe, and in rooms at Macclesfield Town Hall. Bookings for these rooms can only be made twelve months in advance. Unlike the majority of Approved Premises these rooms do not offer catering or facilities for a reception, which in the case of some venues can get booked some years in advance. Once booked the venue has no, or only very limited further availability that day, unlike the rooms in the Municipal Buildings and

Macclesfield Town Hall. A Statutory Ceremony Room is provided at the Register Office where a nationally set fee (currently £57) is charged for a ceremony.

- 6.4 The current legislation requires two staff to attend marriage and civil partnership ceremonies. The cost of this is reflected in both the current and proposed fees.
- 6.5 The fees charged to couples reflect not just the cost of delivering a service on the day of the ceremony, but the support and guidance provided to couples from their first contact with the Service, to the day they receive their marriage certificate (since the national introduction of marriage schedules, this is no longer given to couples on the day of their ceremony).
- 6.6 The Service also offers Celebration of Life Ceremonies (similar to a civil funeral but conducted for the family and friends of the deceased at a later date) and Civil Naming Ceremonies. Whilst take - up is low and the Service's primary focus is on marriages and civil partnerships, it is suggested that these services continue to be offered as they do not detrimentally impact the delivery of statutory services. Updated fees for these services are included in the Appendix.
- 6.7 During the Pandemic a great many couples were forced to postpone ceremonies, some as many of four times. In response to requests from a number of the Borough's Approved premises, the Service started to offer a facility where couples had the option of a very small-scale statutory marriage / civil partnership ceremony at an Approved Premise (meaning the couple were legally married or in a civil partnership), followed at a later date, by a much larger scale celebration (non - statutory) ceremony; these were branded "Together Ceremonies". Whilst take up was low and very much related to the pandemic, it is recommended that such services continue to be offered, proposed revised fees are included in the Appendix.

7. Implications

7.1. Legal

- 7.2.1 The specific power to levy fees for Approved Premises is set out in the Marriages (Approved Premises) Regulations 2011. These state that local authorities may charge an amount determined by the authority as reasonably representing all the costs incurred by it of providing a registrar and superintendent registrar to attend at a solemnization ceremony. It is therefore incumbent on the Council to ensure that an assessment of all the costs incurred are made and that the charges levied do not exceed this amount in order to comply with the Regulations.
- 7.2.2 There is a specific power to charge under Section 93 of the Local Government Act 2003, which gives relevant authorities the power to charge for discretionary services. Further the general power of competence

contained in the Localism Act 2011 now sits alongside a local authority's power to trade and charge. In common with the LGA 2003 powers, charging for things done in the exercise of the general power of competence is not a power to make a profit from those activities (unless the local authority specifically sets up a company to trade).

7.2. Finance

7.2.1. Finance colleagues have been consulted over the fee levels recommended in this report and they are satisfied that the proposed fees are likely to recover the full cost of the relevant activity. However, the current high rate of inflation does make it problematic to calculate future costs. The recommended increases (most for 2025/26) are approximately 5 percent (rounded up or down to the nearest £5 where necessary). These increases are seen as proportionate and whilst lower than current inflation rates should ensure that the full costs of delivering services are recovered. If there were to be any significant changes to the assumptions, a further review would be undertaken.

7.2 Legal

7.2.1 There are no legal implications.

7.3. Policy

7.2.1 Other than the recommended changes to the Council's fee charging policy, there are no direct policy implications arising from the recommendations of this report.

7.4. Equality

7.4.1. There are no equality implications related to any of the recommendations. All services outlined in this report are open to all, unless debarred by age or other legal restriction.

7.5. Human Resources

7.5.1. There are no human resource implications which directly arise from the recommendations of this report.

7.6. Risk Management

7.6.1. If fees were not increased the Council would not be recovering the full cost of delivering services, there would be a risk of compromising the delivery of other statutory services, such as the registration of births and deaths.

7.7. Rural Communities

7.7.1. There are no direct implications for rural communities which arise from the recommendations of this report. Approved premises exist all over Cheshire East, many in rural locations, and can make a significant contribution to the local economy.

7.8. Children and Young People/Cared for Children

7.8.1. There are no implications for young people / cared for children

7.9. Public Health

7.9.1. There are no public health implications.

7.10. Climate Change

7.10.1. There are no climate change implications.

Access to Information	
Contact Officer:	Martin Smith, Registration and Civic Services Manager martin.r.smith@cheshireeast.gov.uk 01270 686012
Appendices:	There is one appendix to this report
Background Papers:	There are no background papers

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Appendix

REGISTRATION SERVICE CEREMONY FEES**(Fees in grey box already set)**

	01/04/2022-31/03/2023	01/04/2023-31/03/2024	01/04/2024-31/03/2025	01/04/2025-31/03/2026
Monday to Friday	£600	£625	£650	£680
Saturday & Sunday	£735	£765	£795	£835
Bank Holidays	£860	£895	£930	£975
Christmas Day & Boxing Day	£995	£1035	£1075	£1130
Mayors Rec Room (Crewe) & Silk Room (Macclesfield) Mon to Fri	£375	£390	£410	£430
Mayors Rec Room (Crewe) & Silk Room (Macclesfield) Saturday	£455	£475	£500	£525
Mayors Parlour (Crewe) Mon – Fri	£120	£130	£135	£140
Mayors Parlour (Crewe) Saturday	£185	£195	£205	£215
Statutory Ceremony Fee	£57	National fee	National fee	National fee
Together Ceremony Monday – Friday	£825	£850	£875	£920
Together Ceremony Saturday/Sunday	£925	£950	£975	£1,025
Together Ceremony Bank Holidays	£1,070	£1,095	£1,120	£1,175

Celebration of Life Ceremony and Naming Ceremonies	2022/23	2023/24	2024/25
Mayor's Reception Room (Crewe) Midweek	£150	£155	£160
Mayor's Reception Room (Crewe) Weekend	£195	£205	£215
Approved Premise (Midweek)	£200	£210	£220
Approved Premises (Weekend)	£250	£265	£275
Individual's home or another building (midweek)	£275	£290	£305
Individual's home or another building (weekend)	£325	£340	£355

NOTES

- (i) On making a booking for a ceremony in an Approved premise, couples make a payment of £150, this is part of the overall fee, but is treated as an Admin payment, to cover the cost of the work undertaken at the time of booking. An interim payment of £200 is taken six months before the ceremony, with the balance being paid six weeks before the ceremony.
- (ii) On making a booking for a ceremony in the Mayor's Reception Room (Crewe) or the Silk Room (Macclesfield) a payment of £150 is taken, this is part of the overall fee, but is treated as an Admin payment, to cover the cost of the work undertaken at the time of booking. An interim payment of £110 is taken six months before the ceremony, with the balance being paid six weeks before the ceremony.
- (iii) For a ceremony in the Mayor's Parlour (Crewe) the full fee is taken at the time of booking.
- (iv) For a "Together Ceremony" the same initial and interim payments apply as for an Approved premise. If two ceremonies are on days when a different fee structure applies, the higher payment is made.



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Corporate Policy Committee

Date of Meeting:	6 th October 2022
Report Title:	Integrated Care System – Appointment to Health and Care Partnership
Report of:	David Brown, Director of Governance & Compliance Helen Charlesworth-May, Executive Director Adults, Health & Integration
Report Reference No:	CP/55/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1 The purpose of this report is for members to note the progress on the new governance arrangements for integrated health across Cheshire East, and to agree membership of the new Place Partnership Board (now called the 'Cheshire East Health & Care Partnership').

2. Executive Summary

- 2.1 Adults & Health Committee agreed at their meeting on 14 July 2022 that the Corporate Policy Committee should be asked to appoint three members (one from each of the three main political groups) to the Cheshire East Health & Care Partnership Board (HCP). The Board has been meeting in shadow form, pending its being formally agreed by the C&M Integrated Care Board in September 2022. The nominations for the Health & Care Partnership Board are Cllr. Arthur Moran, Cllr. Rhodes and Cllr. Clowes. All three are members of the Adults & Health Committee, and this will help to ensure that the views of the Committee are taken forward to the Partnership Board. The current focus of the HCP is hospital discharges, and it might be appropriate at a future date, as the work of the HCP evolves, for a representative from the Childrens Committee to be appointed to the HCP.

- 2.2 As part of the wider governance arrangements, the Council agreed at its meeting on 20 July 2022 to take part in the C&M Joint Scrutiny Committee, with the Health Scrutiny Committee taking responsibility for appointing the two members of the Joint Scrutiny Committee. It has nominated Cllr. Barry Burkhill and Cllr. Stephen Carter as the Cheshire East representatives.
- 2.3 Some members of the Cheshire East Health & Care Partnership also sit on the Health & Wellbeing Board, which is responsible for agreeing the health and wellbeing strategies for Cheshire East. The Health & Wellbeing Board is currently reviewing its role to ensure it aligns with the new Integrated Care System and delivers the best outcomes for residents. Membership will be considered as part of that review, and members (and officers) will of course continue to declare any conflicts of interest as a result of their membership of the Health & Care Partnership, if appropriate. Appointments will be reviewed at the Council AGM in May 2023.
- 2.4 The Integrated Care Partnership (ICP), the part of the system which works across the nine authority areas, has not yet been formally set up by the ICB but is currently meeting in shadow form and does not currently have a decision-making role. The Leader, as Chair of the Health & Wellbeing Board, is attending on behalf of the Council. The formation of the ICP and the appointment to it will need approval from all nine Councils making up the ICB area.

3. Recommendation

The Committee is asked:

1. To agree that Cllr. Arthur Moran, Cllr. Rhodes and Cllr. Clowes be appointed to the Cheshire East Health & Care Partnership Board.
2. To note the nominations to the Joint Scrutiny Committee.

4. Reasons for Recommendations

- 4.1 The Cheshire East Health & Care Partnership Board is the agreed governance forum at 'Place' level. The Health & Care Act 2022 and associated guidance sets out the proposed governance structure for Integrated Care Systems and recognises the important role which local authorities play in this.

5. Other Options Considered

- 5.1 Other options have not been considered, as the governance structures and responsibilities have already been agreed by Adults & Health Committee and Council.

6. Background and decisions to date

- 6.1 Adults & Health Committee at its meeting on 18 July 2022 agreed the terms of reference for the Cheshire East Health and Care Partnership Board.
- 6.2 Council at its meeting on 20 July 2022 agreed to the establishment of the C&M Joint Health Scrutiny Committee. Council noted that Corporate Policy Committee decided at its meeting on 4 November 2021 that appointments to the Joint Health Scrutiny Committee should be decided by the Scrutiny Committee.
- 6.3 The agreed decision-making structure of the Integrated Care System is set out as Appendix One.

7. Legal Implications

- 7.1 The Health & Care Partnership Board has been set up as a partnership rather than as a formal joint committee. It does not therefore need to be politically balanced under the proportionality rules set out in the Local Government and Housing Act 1985. Each partner on the board can only make decisions which are within the delegated authority of their own organisation.
- 7.2 The Health & Care Act 2022 requires Integrated Care Systems to set up Integrated Care Partnerships with local authorities, as formal Joint Committees. The primary role of the ICP will be to oversee the development and delivery of a whole system, all encompassing, integrated care strategy and outcome measures to improve health and well-being and support greater social and economic development of the local population. It is a Council function to agree the establishment of Committees and their functions.

8. Financial Implications

There are no direct financial implications as a result of our membership of the Cheshire East Health & Care Partnership Board.

9. Policy Implications

This report and its recommendations are within the Council's existing policy framework, and it supports the priorities set out in the Cheshire East Place Partnership Plan 2019-2024.

10. Equality

There are no direct equality implications as a result of this report.

13. Human Resources

There are no direct human resources implications as a result of this report.

14 Risk Management

The Council has already agreed to enter into the Cheshire East Place Partnership, and no decisions will be made on behalf of the Council which are not already within agreed delegations.

15. Rural Communities

There are no direct implications for rural communities as a result of this report.

16. Children and Young People/Cared for Children

There are no direct implications for Children and Young People/Cared for Children as a result of this report.

17. Public Health

A key purpose of the Integrated Care System is to ensure that all areas consider the wider determinants of health and health inequalities, and as one of its responsibilities, the Partnership is responsible for the delivery of the joint health & wellbeing strategy. The Director of Public Health will be a member of the Partnership Board, and this will ensure the appropriate emphasis is given to these areas.

18. Climate Change

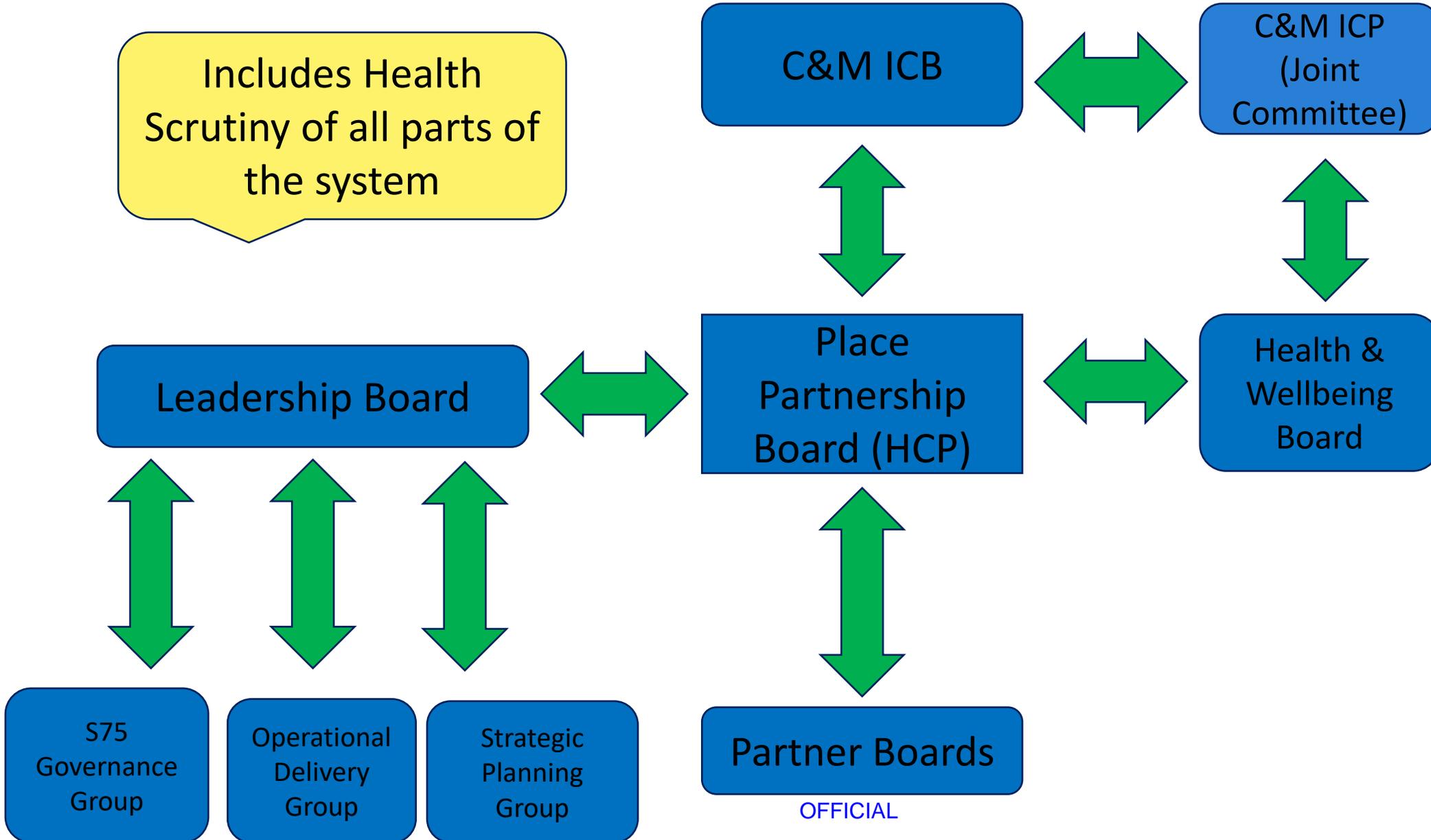
There are no direct implications for climate change as a result of this report.

Access to Information	
Contact Officer:	Deborah Upton, Legal Services deborah.upton@cheshireeast.gov.uk
Appendices:	Appendix 1 – Decision-Making Structure
Background Papers:	Health & Care Act 2022 Report to Adults & Health Committee on 14 July 2022 entitled ' <i>Terms of Reference for the Place Partnership Committee</i> ' Report to Council on 20 July 2022 entitled ' <i>Recommendations arising following meetings of the Adults & Health Committee and Scrutiny Committee</i> '

Integrated Care System – CE Level



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Corporate Policy Committee

Date of Meeting:	6 October 2022
Report Title:	Parental Leave Policy for Councillors
Report of:	David Brown, Director of Governance and Compliance
Report Reference No:	CP/52/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. To consider a proposed parental leave policy for Councillors.

2. Executive Summary

- 2.1 The report invites the Committee to consider the recommendations of the former Constitution Committee, following its consideration of a motion with an attached draft policy on 15 July 2019 that was referred to them by Full Council on 21 February 2019.
- 2.2 The draft policy has been shared with the current Constitution Working Group in respect of a proposed parental leave policy for Councillors.

3. Recommendation

- 3.1 That the Committee recommend to Council that the proposed parental leave policy be adopted (Appendix 1).

4. Reasons for Recommendations

- 4.1. The former Constitution Committee determined that a parental leave policy for Councillors "*should be considered in greater detail as the review of the Council's governance arrangements progressed*". The committee system has been operational for over a year and, as data relating to the first annual review of the committee system was considered by Council in April 2022, consideration of a proposed policy can now take place.
- 4.2. Prior to the introduction of the committee system form of governance, the Constitution Committee had considered and broadly endorsed the

principle of adopting the parental leave policy, referred to it by Council, following a notice of motion.

- 4.3. The original motion and draft policy at Appendix 1 has been revised to use gender neutral language and ensure clarity on Members responsibility to comply with the requirements of Section 85, Local Government Act 1972 which provides for the vacation of office where a member of a local authority fails throughout a period of six consecutive months from the date of the last attendance to attend any meeting of the authority unless previously authorised by Full Council.

5. Other Options Considered

- 5.1. Do nothing: this does not support the policy objective of encouraging new people to consider standing for election as a Councillor.
- 5.2. Recommend the adoption of a policy without provision for payment of a special responsibility allowance.

6. Background

- 6.1. On 15 July 2019, the Constitution Committee considered a Notice of Motion which had been submitted to Council on 21 February 2019 [Notices of Motion \(cheshireeast.gov.uk\)](https://www.cheshireeast.gov.uk) relating to a proposed parental leave policy for Councillors, published by the LGA Labour Group. The Committee noted, and broadly endorsed, the principles contained in the motion with a view to considering the matter in greater detail, as the review of the Council's governance arrangements progressed (Minute 8 15 July 2019 refers).
- 6.2. The objective of the adoption of a parental leave policy is to encourage a broader spectrum of people to consider standing for election and participating in the democratic process. The adoption of such a policy is seen by many as important, in that it removes barriers or the perception of barriers from those who may wish to become parents and who would also be interested in participation in the democratic process.
- 6.3. Many Councils have adopted parental leave policies. Some have adopted the Local Government Association Labour Group's model [Parental leave policy for councils | Local Government Association](#) or variations of this. The appended draft policy is supported by the Constitution Working Group, and has been amended to reflect improvements drawn from policies adopted by other authorities and updated to ensure the policy is gender neutral etc.
- 6.4. The Member taking parental leave will need consider what ward responsibilities they are able to support and to arrange with their political group, other ward members or with neighbouring ward members, appropriate cover for their ward duties, correspondence, public engagement or local surgeries and notifications.

7. Consultation and Engagement

- 7.1** The Independent Remuneration Panel (IRP) previously had sight of the LGA model Parental Leave Policy and wholeheartedly supported the premise upon which the report is based. The recommended policy does not contain any proposal which would change or alter the current value of any allowance and does not create any new remunerated special responsibility allowance. The policy only extends to the basic allowance and/or any special responsibility allowance to a Member who is on parental leave. This concept was supported by the IRP. The IRP will be asked to consider this in more detail at the next review of the wider scheme and the authority must have regard to the recommendations of the IRP before any further amendments its scheme.
- 7.2** The former Constitution Committee indicated their general support for the proposal ([minutes of Meeting held on 15 July 2019](#)) and the Constitution Working Group has also confirmed its support.

8. Implications

8.1. Legal

- 8.1.1.** No direct legal implications have been identified but any legal implications of further reports will be identified in those reports.

8.2. Finance

- 8.2.1.** The approval of a Parental Leave Policy for Councillors might result in additional costs having to be met through the payments of a parental leave Special Responsibility Allowance dependent on the policy adopted but these are not likely to be material and will be managed within the existing budget.

8.3. Policy

- 8.3.1** The review by the Corporate Policy Committee may recommend the introduction of a new policy for Councillors.

8.4. Equality

- 8.4.1.** The proposed parental leave policy for Councillors states that the role of the Councillor should be open to all, regardless of their background. Introducing a parental leave policy would be an important step towards encouraging a wider range of people to become Councillors and may encourage existing Councillors who may want to start a family to remain as Councillors. The policy would apply to parents regardless of their gender and cover adoption leave to support those parents who choose to adopt.

8.5. Human Resources

8.5.1. No human resource implications have been identified.

8.6. Risk Management

8.6.1. No risk management implications have been identified.

8.7. Rural Communities

8.7.1. No rural communities' implications have been identified.

8.8. Children and Young People/Cared for Children

8.8.1. In the context of the recommendations of this report, no direct implications for children and young people/cared for children have been identified.

8.9. Public Health

8.9.1. No public health implications have been identified.

8.10. Climate Change

8.10.1. No climate change implications have been identified.

Access to Information	
Contact Officer:	Brian Reed brian.reed@cheshireeast.gov.uk 01270 686 670
Appendices:	Appendix 1: Draft Parental Leave Policy
Background Papers:	Council Minutes: 22 July 2021 minute extract.pdf (cheshireeast.gov.uk)

Parental Leave Policy for Cheshire East Council - DRAFT

Introduction

This Policy sets out Members' entitlement to parental, shared parental and adoption leave and relevant allowances.

The objective of the policy is to ensure that insofar as possible Members are able to take appropriate leave at the time of birth or adoption, that both parents (if both are Members) are able to take leave, and that reasonable and adequate arrangements are in place to provide cover for those in receipt of Special Responsibility Allowances (SRA) during any period of leave taken.

Improved provision for new parents will contribute towards increasing the diversity of experience, age and background of local authority councillors. It will also assist in retaining experienced councillors and making public office more accessible to individuals who might otherwise feel excluded from it.

There is no legal right to parental leave of any kind for people in elected public office.

(1) Leave Periods

1.1 A Member who is the designated primary carer is entitled to up to 26 weeks parental leave from the date upon which the child is due to be born, or the date upon which the child is adopted, with the option to extend the period of parental leave by a further 26 weeks. Such extension must be agreed by the Council's Chief Executive in consultation with the leader of the political group of which the Member is a member.

1.2 In addition, where the birth is premature, the Member is entitled to take leave during the period between the date of the birth and the due date in addition to the 26 weeks period. In such cases any leave taken to cover prematurity of 28 days or less shall be deducted from any extension beyond the initial 26 weeks.

1.3 In exceptional circumstances, for example in a case of prematurity of 29 days or more, additional leave may be taken by agreement (as per paragraph 1.1), and such exceptional leave shall not be deducted from the total 52 week entitlement.

1.4 A Member who is not the designated carer of the child shall be entitled to take up to 4 weeks parental leave if they are the supporting carer or nominated carer of their partner/spouse following the birth/adoption of their child(ren).

1.5 A Member who has made shared parental leave arrangements through their employment is requested to advise the Council of these at the earliest possible opportunity. Every effort will be made to replicate such arrangements in terms of parental leave by the Council.

1.6 Where both parents are members of the Council, parental leave may be shared up to a maximum of 24 weeks for the first 26 weeks and 26 weeks for any leave agreed thereafter, up to a maximum of 50 weeks. Special and exceptional arrangements (agreed as per paragraph 1.1) may be made in cases of prematurity.

1.7 A Member who adopts a child under compulsory school age shall be entitled to take up to 26 weeks adoption leave from the date of placement, with the option to extend by a further 26 weeks (by agreement as per paragraph 1.1) if required.

1.8 Any Member intending to take parental, shared parental or adoption leave will be responsible for ensuring that they comply with the relevant notice requirements of the Council, both in terms of the point at which the leave starts and the point at which they return.

1.9 Any member taking such leave should ensure that they respond to reasonable requests for information as promptly as possible, and that they keep officers and member colleagues informed and updated in relation to intended dates of return and requests for extension of leave.

1.10 Any member who takes such leave retains their legal duty under the Local Government Act 1972 to attend a meeting of the Council within a six month period unless there is Full Council agreement to an extended leave of absence prior to the expiration of that six month period in accordance with the provisions of legislation. It is the member's responsibility to seek permission from full Council for any absence over six months.

(2) Basic Allowance

2.1 All Members shall continue to receive their Basic Allowance in full whilst on parental, shared parental, or adoption leave.

(3) Special Responsibility Allowances

3.1 Members entitled to a Special Responsibility Allowance shall continue to receive their allowance in full during the period of parental, shared parental or adoption leave.

3.2 Where a replacement member is appointed to cover the period of absence, that person shall receive an equivalent Special Responsibility Allowance for the period of the temporary appointment.

3.4 Should a Member appointed to replace the member on parental, shared parental or adoption leave already hold a remunerated position, the ordinary rules relating to payment of more than one Special Responsibility Allowances shall apply.

3.5 Unless the Member taking leave is removed from their position of special responsibility at an Annual General Meeting of the Council whilst on leave, or unless the political group or administration to which they belong loses control of the Council during their leave period, they shall return at the end of their leave period to the same special responsibility role they held before the leave began.

(4) Resigning from Office and Elections

4.1 If a Member decides not to continue to be a Member of the Council at the end of their parental, shared parental or adoption leave they must notify the Council at the earliest possible opportunity. All allowances will cease from the date of their resignation as a councillor.

4.2 If an election is held during the Member's parental, shared parental or adoption leave and they are not re-elected, or decide not to stand for re-election, their basic allowance and any special responsibility allowance will cease to be paid from the date they cease to be a councillor.

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Working for a brighter future together

Corporate Policy Committee

Date of Meeting:	6 October 2022
Report Title:	ICT Strategy Principles
Report of:	Jane Burns: Executive Director Corporate Services
Report Reference No:	CP/21/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. The purpose of this report is to seek approval from the Corporate Policy Committee for the development of an ICT Strategy for Cheshire East Council, the principles on which the ICT Strategy will be based, and the timeline for that development which enables and underpins many of the digital aims and objectives in the Council's Corporate Plan 2021-25.

2. Executive Summary

- 2.1 Maximising the opportunities that the Digital Revolution provides is a priority for the Council, as outlined within the Corporate Plan 2021-25. 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." Technology and information are fundamental enablers for all digital business solutions.
- 2.2 The Covid pandemic brought this into even greater focus. The digital connectivity, skills, activities, and services that were already a priority, are now an everyday necessity for almost every aspect of most people's daily lives.
- 2.3 Cheshire East Council has already made strong progress towards its digital priorities however this has developed as a series of individual projects and programmes. Some of these programmes include coproduction and

collaboration with our partners. It is therefore recognised that for ICT Services to deliver integrated solutions to the scale, focus and impact required, a cohesive overarching ICT Strategy and action plan must be developed.

- 2.4** The ICT Strategy will set out the Council's strategy for Information Communication and Technology (ICT) over the period 2023 to 2027.
- 2.5** It is acknowledged that the role of ICT Services is essential and underpins the delivery of many Council's services. ICT is also fundamental to most business change programmes across the organisation. With advancements in technologies over the past 3 years, and preferred communication methods used by our residents, this ICT Strategy will aim to ensure that the Council is innovative and progressive, continuing to explore new and better ways that technology can help our residents, staff and members access and use our services, in the ways that are right for them.
- 2.6** This report sets out progress towards the development of the ICT Strategy, the proposed principles and themes to be embedded within the Strategy, a timeline for delivery.

3. Recommendations

- 3.1.** It is recommended that Corporate Policy Committee:
1. Approve the development of an ICT Strategy for Cheshire East Council.
 2. Approve the principles in paragraph 6.6 as the basis for the Cheshire East Council ICT Strategy.
 3. Approve the timeline for development.

4. Reasons for Recommendations

- 4.1.** To enable the development of an ICT Strategy for Cheshire East Council to support the strategic aims and objectives in the Council's Corporate Plan 2021-25.

5. Other Options Considered

- 5.1.** The Council could continue with individual ICT projects and programmes, without a single point of focus. This option is not recommended as there are significant risks of inefficiency through duplication, a lack of business and technical system integrations, as well as limitations to our ability to share expertise and best practice.

6. Background

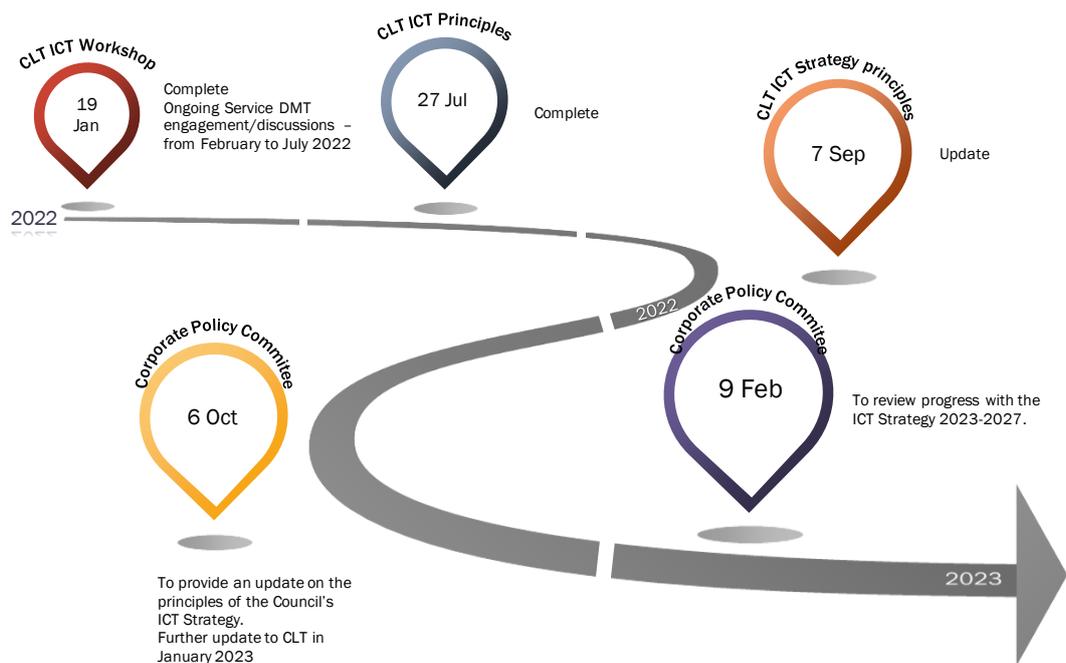
- 6.1. Over the last two years, a significant amount of progress has been made in the delivery of ICT services including:
- the provision of a stable, compliant, and secure technology platform that met the essential replacement needs of the Council,
 - the update of the remaining data centre components, to enable a robust and resilient service connected via reliable local and wide area network services,
 - the creation of a contemporary and performing environment migrating viable applications and products to the Cloud, thereby ensuring remote and new ways of working throughout the pandemic,
 - access to key applications hosted appropriately and in the most cost-effective manner i.e., on premises or in the cloud,
 - the introduction of an improved level of resilience and disaster recovery capability through the delivery of modern infrastructure technology,
 - delivery of the necessary tools and processes, which has enabled ICT services to be more efficient and effective in managing the new environments, and
 - working in more agile and flexible ways, in line with their ambitions for flexible and mobile working which have been business critical and successful during the pandemic.
- 6.2. The ICT Strategy 2023-27 will provide direction and strategic priorities that will continue to shape the council technology environment. It will provide a platform that can exploit innovation in the delivery of new service models, whilst providing a stable and resilient infrastructure which facilitates the most efficient use of resources.
- 6.3. Whilst the strategy will contain broad strategic principles and objectives along with the rationale behind those objectives, including the benefits and deliverables that will be achieved, it does not set out to provide a strict formula. An emerging strategy will therefore exist enabling an agile approach to operational delivery. This will allow the Council to take advantage of technology and digital platforms as they become available and respond quickly to changing times, to better serve our residents, staff, and members in accessing Council services to provide more efficient and economical communication channels.
- 6.4. The ICT Strategy will enable the Council to deliver its Corporate Plan, supporting our Digital Strategy and, providing more 'efficient services' and improving 'the environment'.
- 6.5. The ICT Services vision states that it will 'Exploit information and technology to deliver change and innovation based on a foundation of secure and flexible ICT Services.' Our vision is to invest in people and technology to improve customer experience, increase digital services, and

promote the use of Cloud services to provide resilient and efficient ways of accessing Council services. To create a relationship between people and technology to remove barriers and use technology as an enabler.

6.6. Our ICT Strategy reflects upon the Councils 'Values', and wider supporting strategies. These underpin ICT Services key principles to align with the culture at Cheshire East Borough Council. Those key principles are:

- To provide standard, sustainable, and flexible technology
- Ensure ICT governance and architectural practices are sustainable for the future
- Focus on agile delivery, supporting and communicating with the workforce, to maximise the benefits
- Ensure the Council's information and data is managed effectively with enterprise solutions
- Facilitate sharing of information and partnership working
- Maximise the value of technology enabling financial stability
- Provide Cyber Security and Threat Management

6.7. Timeline:



7. Consultation and Engagement

7.1. To develop our ICT Strategy, we have already engaged with a number of external organisations including Gartner, iESE, Microsoft, Ernst Young, InfoTech, Apptio and Cheshire West and Chester Council. Internally we have collaborated with the Corporate Leadership Team (CLT), Department Management Teams (DMT), Directorate Bronze Cells and the Information Governance Group (IGG).

- 7.2. Further consultation with stakeholders, Trade Union and Staff will also form part of the development of the strategy at existing and ongoing regular meetings.

8. Implications

8.1. Legal

- 8.1.1. Adherence with the Equality Act 2010 will be part of the Information, Communications and Technology (ICT) Strategy 2022-26 as 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 states that public authorities must encourage persons with a protected characteristic to participate where participation by such persons is disproportionately low.
- 8.1.2. Adherence with UK GDPR – Article 5(1)(b) states that 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 users 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.
- 8.1.3. ICT Services continues to work with service-based contract managers to procure ICT contracts and assets on behalf of the Council. The ICT Strategy will continue to ensure that all legal and procurement procedures are followed to maintain Value for Money (VfM) for the authority.

8.2. Finance

- 8.2.1. The development of an ICT strategy will ensure information, communications and technology solutions are integrated and co-ordinated. There is no requirement to amend the existing four-year ICT Services capital and revenue budgets, however as annual High Level Business Cases (HLBC's) are updated, amended, or new proposals come forward, then the financial benefits will be assessed, and any changes could be considered as part of the MTFS.

8.2.2. The ICT Strategy will need to take into consideration and refer to ongoing resourcing difficulties, inflationary pressures, and third-party supplier costs when optional solutions are proposed.

8.3. Policy

8.3.1. The proposed principle and themes are aligned with the Council's vision, priorities and values as outlined in the Corporate Plan 2021-2025.

8.4. Equality

8.4.1. The fundamental principles proposed for the ICT Strategy will ensure that inclusion is at the heart of all proposals. A full EIA will be conducted once the ICT Strategy has been drafted.

8.5. Human Resources

8.5.1. The ICT Strategy does recognise the need for the continued upskilling of the workforce and where there are wider HR implications, trade unions and staff consultations will be undertaken appropriately.

8.6. Risk Management

8.6.1. The ICT Strategy will continue to produce full risk assessments, particularly with respect to information, cyber security and compliance which are managed and reported through the Strategic Information Governance Group (SIGG) and the Strategic Risk Register quarterly update to Corporate Policy Committee.

8.7. Rural Communities

8.7.1. The fundamental principles proposed for the ICT Strategy will ensure that inclusion is at the heart of all proposals including our rural communities.

8.7.2. ICT Services will continue to coproduce and collaborate with the Cheshire and Merseyside regional connectivity teams, the Local Enterprise Partnership and Connected Cheshire programme at both a Cheshire East Place and at the Cheshire and Merseyside regional level to ensure that the ICT Strategy will meet their integration and connectivity needs

8.8. Children and Young People/Cared for Children

8.8.1. ICT Services will continue to work with the Children's Services Transformation Board and Schools to determine ICT requirements for inclusion in the ICT Strategy.

8.9. Public Health

8.9.1. ICT Services will continue to work with the Adults Social Care and Public Health Strategic Departmental Management Team to determine ICT requirements for inclusion in the ICT Strategy.

8.9.2. ICT Services will continue to coproduce and collaborate with Health and Social Care colleagues at both a Cheshire East Place and at the Cheshire and Merseyside regional level to ensure that the ICT Strategy will meet their integration and data sharing needs.

8.9.3. ICT Services will also continue to work with North West Adults Directors of Social Care (NW ADASS) colleagues to coproduce and collaborate at a regional level to ensure that the ICT Strategy will meet their integration and data sharing needs.

8.10. Climate Change

8.10.1. One of the principles of the ICT Strategy is to “ensure ICT governance and architectural practices are sustainable for the future”. The ICT Strategy will enable the Councils commitment to be carbon neutral by 2025 and, by adopting Cloud first technology, influence carbon reduction across the ICT estate.

Access to Information	
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Appendices:	None
Background Papers:	None

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Working for a brighter future together

Corporate Policy Committee

Date of Meeting:	6 October 2022
Report Title:	Shared Services Review Update
Report of:	Jane Burns, Executive Director of Corporate Services
Report Reference No:	CP/10/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1** The Shared Services Joint Committee commissioned a review of the eight services shared by Cheshire East and Cheshire West and Cheshire Councils in 2021. The outcomes of the review have been shared in detail with the Joint Committee and were summarised at the last meeting of this Committee.
- 1.2** The ICT Review concluded that a move away from a shared service to a new hybrid operating model is the preferred approach, is technically feasible and financially viable. However, there are a number of complexities and challenges relating to implementation which officers from both councils agreed to work through to inform a formal decision by Members of both Councils in due course. It had been anticipated that work would be completed by September/October. Whilst a good deal of the work is progressing it is not yet complete. It is also important to take into account the outcomes of the B4B Lessons Learned Review, a report of which is elsewhere on this agenda
- 1.3** The purpose of this report is to inform Members of the progress of the work, and to outline a revised timeline.

2. Executive Summary

- 2.1** Currently there are eight Shared Services between Cheshire East and Cheshire West and Chester Councils which date back to local government reorganisation in 2009. The Shared Services Joint Committee's role is to oversee the management of those services which are provided on a Cheshire-wide basis on behalf of both councils to ensure effective delivery of

such services and to provide strategic direction. The Joint Committee consists of 6 Members: 3 from each Council. It is chaired and administered on alternate years by each Council; it is currently being chaired and administered by Cheshire West and Chester Council.

- 2.2** Cheshire East and Cheshire West and Chester Councils agreed to commission a strategic review of all the existing eight formal shared services in 2021. It was agreed that an external perspective and expertise would be valuable, and a specification was drawn up, a procurement exercise undertaken, and C.Co, the consultancy arm of CIPFA, were appointed to conduct the reviews. This work has been completed and reported to the Joint Committee.
- 2.3** The Joint Committee have accepted the changes. Officers are working up plans to implement them. Consideration is also being given to options to revise the governance arrangements, including for the Joint Committee itself.
- 2.4** The work has been undertaken in 3 phases: in depth reviews of ICT and Transactional Services and desk top reviews of the six smaller services.
- 2.5** The remainder of this report focuses on the ICT Shared Service. The key findings of this review were to move to a more hybrid model where both councils would have their own ICT service and some functions would continue to be shared. The Joint Committee agreed to commission further work on technical and financial assurance and due diligence. Due to the complexity, officers from both councils are working through the detail of how a new model could be implemented, so that Members will have the necessary information to be able to make a decision on the future arrangements.
- 2.6** That work has been undertaken over the summer and is progressing. This would be another complex business change programme, which impacts on both councils. We are therefore mindful of outcomes of the recent Lessons Learned Review of Best4Business which require further detailed consideration in the context of any decision on a more hybrid ICT model. The work will continue over the coming weeks, with the expectation that a further report will be brought to the November meeting of the Shared Services Joint Committee and the December meeting of this Committee.

3. Recommendation

- 3.1** To note the work to date on a new hybrid operating model for ICT Services and the revised timescale.

4. Reasons for Recommendations

- 4.1** The Committee is the parent committee for the shared services between Cheshire East and Cheshire West and Chester Councils. A decision on the implementation of a new hybrid operating model for ICT Services would be for this Committee and Cheshire West and Chester's Cabinet to take, once apprised for the relevant information, costs, and benefits.

5. Other Options Considered

Options were considered as part of the independent review.

6. Background

The background is covered in the previous reports to this Committee and the Shared Services Joint Committee.

7. Consultation and Engagement

7.1 There has been no formal consultation at this stage. Staff from both councils have been informed of the Shared Services Review and timescales.

7.2 Consultation and engagement with the relevant Trade Unions and staff will be arranged to align with formal decision-making.

8. Implications

8.1 Legal

The implementation plan will outline the legal implications. External legal advice is being sought on the implications of any disaggregation of staff between the two councils.

8.2 Finance

The implementation plan will outline the financial implications. We anticipate an 'invest to save' business case will be necessary. In the current financial year, the ICT Shared Service is forecasting an overspend of £2.4m linked to the current funding model which is predicated on the service providing 100,000 hours of project support. At present the estimate is 66,000 hours.

8.3 Policy

8.4 Equality

There are no specific implications at this stage

8.5 Human Resources

At present there are 145 Cheshire East staff and 38 agency staff potentially affected.

8.6 Risk Management

The implementation plan will outline the risk implications.

8.7 Rural Communities

There are no specific implications at this stage.

8.8 Children and Young People/Cared for Children

There are no specific implications at this stage.

8.9 Public Health

There are no specific implications at this stage.

8.10 Climate Change

There are no specific implications at this stage.

Access to Information	
Contact Officer:	Jane Burns, Executive Director of Corporate Services Jane.burns@cheshireeast.gov.uk 01270 686013
Appendices:	None
Background Papers:	Shared Services Joint Committee agendas Browse meetings - Shared Services Joint Committee Cheshire East Council



Working for a brighter future together

Corporate Policy Committee

Date of Meeting:	6 October 2022
Report Title:	Best4Business – Lessons Learned Review
Report of:	Jane Burns, Executive Director of Corporate Services
Report Reference No:	CP/18/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1** The Best4Business Programme was jointly commissioned and implemented by Cheshire East and Cheshire West and Chester Councils. It is a complex business change programme which replaced a legacy Oracle solution with a new system for Finance and Procurement and HR and Payroll, called Unit 4 ERP.
- 2.1** As part of the agreed programme governance, a Lessons Learned Review was commissioned by Members of both councils, to support a recommendation to close the programme and to ensure the lessons learned are captured and taken forward into future schemes. A comprehensive report was considered by the Shared Services Joint Committee on 23 September 2022.
- 2.2** This report provides the Corporate Policy Committee, as the parent committee for the Shared Services Joint Committee for Cheshire East Council, with the outcomes from the review and invites any further reflections and feedback.

2. Executive Summary

- 2.1** The Best4Business programme is a complex, multi-year business change programme commissioned by Cheshire East and Cheshire West and Chester Councils in 2016. It replaced the Oracle e-Business Suite which had been in place for over 15 years, before the two Cheshire unitary councils were set up. This had become heavily customised and increasingly costly to

maintain. The supplier was also planning to cease support for the system. Both councils needed to move to modern web-based technology, externally hosted in the cloud. This new system aimed to be a catalyst for business modernisation through a 'simple, standard, shared, self-service' approach which would realise savings and efficiencies.

- 2.2** Appendix 1 gives a brief history of the B4B Programme.
- 2.3** The governance of the programme has been overseen by Members and officers of both Councils, as outlined in Appendix 2.
- 2.4** The Lessons Learned Review was commissioned by Members. Members and officers participated in a 'scrutiny in a day' event on 1 August 2022 which was facilitated by the Centre for Governance and Scrutiny. This allowed for an intense piece of work to be carried out in depth and at pace. Participants received a comprehensive pre-event briefing to cover key milestones and decisions points.
- 2.5** Participants were encouraged to reflect on the challenges and the successes under four headings: - the procurement decision, Phase 1 and the Programme pause, implementation Phase 2, Go Live and Programme Closure.
- 2.6** The outcomes of the review are attached at Appendix 3. The assurance statement from the Centre for Governance and Scrutiny is attached at Appendix 4.

3. Recommendations

- 3.1** To note the key lessons and recommendations arising from the review;
- 3.2** To note that a final budget reconciliation report will be issued once the outstanding minor commercial and programme closure issues are resolved and final programme costs are confirmed; and
- 3.3** To request a report back on the practical actions being taken to address the lessons learned and recommendations.

4. Reasons for Recommendations

- 4.1** This report provides information to the Committee to enable them to review the lessons learned following completion of the B4B programme to implement a replacement Finance and HR system for both Councils.

5. Other Options Considered

5.1 Not applicable.

6. Background

6.1 As part of the lessons learned review, Members reviewed key elements of the original approved business case, and the experience in delivering these elements as part of the Best4Business programme. These elements are set out in the tables below.

6.2 The first element of the business case was the overall “case for change”, i.e. the rationale for changing the system itself and the anticipated benefits of the new system:

Theme	Original business case	Outcomes
Case for change	<ul style="list-style-type: none"> • Replace aging Oracle solution and associated hardware – “do nothing” option not available • Modernisation opportunity – “cloud first” approach to system hosting and support • Ease of access to information held in system –more engaged workforce • Flexible licencing model • Flexible and mobile working opportunities 	<ul style="list-style-type: none"> • Oracle product and hardware has been replaced • Modern cloud-hosted solution implemented (mainly hosted by Unit4) • Reporting capabilities have improved – but recognised that more work is needed • Support costs are now driven by user numbers with flexibility • Still work to do on mobile working / other modernisation opportunities

6.3 The above table shows that by implementing our chosen system the programme has achieved what was expected in the “case for change” – with some further work, currently in hand, to ensure the reporting requirements are completed. There are also further enhancements to be considered to allow fully modernised and flexible ways of working.

6.4 The second element of the case for change was to consider the approach taken to delivering the business case:

Theme	Original business case	Outcomes
Approach	<ul style="list-style-type: none"> • OJEU-compliant procurement process • Standardised best process solution 	<ul style="list-style-type: none"> • Compliant procurement - albeit with single bidder outcome • Initial supplier-built solution required further changes – minimal differences between East and West Councils

<ul style="list-style-type: none"> • Use of third-party expertise • Strong governance including Members 	<ul style="list-style-type: none"> • Greater use of third-party expertise in second phase led to success • Strong programme governance model
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6.5 Overall the procurement was robustly managed and compliant, but the Councils believe they may wish to give more consideration to any future procurements where the process leads to a single bidder. There was also consideration as to whether, as part of major programmes in the future, third party implementation expertise should be brought in at the outset, as it was felt this approach clearly enhanced the delivery of this programme after the re-set.

6.6 The third element of the case for change was to consider the financial element of the business case:

Theme	Original business case	Outcomes
Financials	<ul style="list-style-type: none"> • Forecast savings: £2.1m annually • Anticipated cost of change resulting from procurement exercise: £11.8m 	<ul style="list-style-type: none"> • Savings achieved: £1.7m annually • Cost of change - £25.1m programme cost (Phase 1: £11.5m & Phase 2: £13.6m)

6.7 Note that the stated programme cost is as at the time of reporting. A final budget reconciliation will be provided during financial year 2022/23 when all cost and commercial/legal elements have been confirmed.

6.8 The main lessons arising from the review can be summarised as follows:

Strategy

- Establish a procurement and implementation strategy which draws on external expertise and which anticipates market and supplier responses to the process.
- Seek feedback from as many sources as possible on prospective suppliers, including evidence of delivery, in a scenario where supply is limited.

Resourcing

- Engage trusted third-party advisors to the Council from the outset of a potentially complex delivery programme. Assess the internal skills which are available, assign internal resources and agree what is needed from third parties to supplement those skills.
- Ensure the role of Members in overseeing a major change programme is clearly defined and that appropriate training is provided where required.

- Ensure appropriate and balanced resourcing of major programmes across all organisations involved.
- Ensure programme plans are adequately resourced to allow team members to contribute appropriately to all delivery workstreams.
- Ensure programme continuity for changes in key personnel.

Requirements

- Ensure defined requirements cover all aspects of the required solution, including functional and technical requirements, implementation requirements, business change requirements, and business as usual support requirements.

Supplier relationship

- Ensure clear definition and understanding of programme delivery roles.
- Build time into programme plans to allow for thorough initial solution validation/expectation exchange between the supplier and the customer, and allow time for changes to the anticipated solution if required before proceeding with delivery.
- Ensure delivery and support contracts anticipate delay, disagreement and failure, and contain pragmatic mechanisms to allow timely resolution without immediate recourse to legal processes.
- Ensure any programme plan is appropriately approved, owned and managed by the Councils, utilising appropriate third-party expertise as required.

Delivery

- Ensure a rigorous focus on go-live critical priorities at all times, while being mindful of the impact of delaying delivery of lower priority outcomes on the business case and on end users.
- When testing a new solution, ensure testing approaches and required resources are defined in advance and agreed with the solution supplier.
- In the case of IT system delivery programmes, ensure key technical processes such as interfaces between systems and data migration are fully understood and tested prior to go-live.

Business change and training

- Ensure the approach to business change, communication and engagement and training is appropriately resourced. Ensure the change team have access to the technical delivery teams as required, and that the change team engage fully with all impacted user groups prior to go-live.
- Ensure that end user training is holistic and addresses all aspects of system and process change that end users need to be aware of, and ensures that the needs of specific user groups are considered when planning content and delivery.

Support

- Where a new solution will require a detailed technical understanding by those providing post go-live support, ensure the programme/ support team are actively involved in the process of building the new solution.
- Ensure support arrangements for end users are communicated well in advance of go-live and are appropriately resourced to allow effective servicing of likely post go-live support demands, particularly if new arrangements contain known defects or issues at go-live.
- Give consideration to the role of Members as a stakeholder group with a role to play during the launch of a major system, process or service, and provide them with appropriate briefing which will allow them to provide appropriate support.

6.9 The detailed report at Appendix 3 sets out, for each phase of the review, the key successes achieved by the programme, the main challenges faced and the lessons learned for future programmes and projects arising from the phase.

6.10 Building on the key lessons identified from this review, the components of a successful programme of this nature which will be built into future best practice can be summarised as follows:

- Use of expert advice from the outset, supplementing internal resources with appropriate third-party skills and experience.
- Robust governance throughout major programmes, including appropriate Member involvement based on best practice.
- Appropriately balanced resources from all organisations involved, at leadership and delivery levels.
- Opportunities to ensure a robust and shared understanding of the nature of the solution required and proposed by all parties.
- Independent readiness / assurance assessments at key decision points, supported by Member briefing and involvement.
- Strong supplier management, with Council resources supported by experienced external advisors.
- Business change embedded from requirements through to completion, with involvement of key stakeholder groups and an approach which delivers cultural change. Relentless communications and engagement.
- On longer-running programmes, mechanisms for managed on-boarding and off-boarding resources to provide continuity and consistency.

6.11 In order to ensure the lessons from this programme and this review are appropriately embedded into the delivery of future programmes of this scale, the Councils will take the following steps:

- Immediately share the lessons documented in this report with Council teams involved in current and future project and programme delivery and require teams to carry out an immediate gap analysis against their current plans and delivery mechanisms, to identify any immediate changes which may be required.

- Provide a report to each Council's senior leadership team, setting out key lessons learned and actions to ensure lessons are embedded in future practice.
- Engage with the teams within each Council responsible for defining best practice in relation to programme delivery, to ensure the lessons from this programme are built into standard guidance which will be utilised by future delivery programmes, ensuring these lessons become part of good practice.
- Engage with the Internal Audit teams within each Council, to share the lessons from this programme and ensure appropriate assurance checks are built into future independent reviews of major programmes by the Audit functions.

7. Consultation and Engagement

- 7.1** There has been engagement with Members of the Shared Services Joint Committee and the B4B Joint Scrutiny Task Group. Officers involved in the programme have contributed towards the review through observations of the challenges and successes.
- 7.2** As set out in paragraphs 6.3 and 6.8, there has been important learning in relation to user experience. We are acutely aware of the impact of the changes brought about by this change. Additional support has been and will continue to be provided to users of Transactional Services who deliver the shared service on behalf of both councils, ASDVs, some schools and academies. Whilst progress has been made since the summer and the system itself is stable, there is more work to do to respond to all outstanding issues, to improve users experience and to build their confidence in using the new system. We will continue to listen to and respond to their feedback over the coming months.

8. Implications

8.1 Legal

Contract and procurement: The legal implications relating to the post go-live relationships between Cheshire East Council, Cheshire West & Chester Council, Agilisys and other organisations are as set out in the previous June 2022 report to the Shared Services Joint Committee.

8.2 Finance

Paragraph 6.6 refers. The financial element of the programme is complex given the duration of the project and the changing nature of the relationship with the implementation supplier. Some key financial milestones and decision points during the programme are set out below:

- At the outset, a detailed financial case was produced that estimated that the cost of implementing the new system was at £5.2m less than the "do nothing" option over the initial seven-year contract term (as reported to both Cabinets in July 2017).

- By the end of the procurement process there was only one eventual bidder, with others withdrawing during the process. A decision to award a contract was taken, with a programme cost of £11.8m estimated (as reported to both Cabinets in July 2017). This took account of external legal advice, the cost of doing nothing which still existed, and the cost of ending the procurement and beginning again, which were assumed to be an additional estimated £1.4m.
- Excluded any potential legal costs arising from the decision to cease what was a compliant procurement process, with bidders incurring costs by participating in it. There was no guarantee at the time that a revised procurement would produce a better outcome,
- The existing provider of our legacy system was still proposing to remove support, reinforcing the fact that a viable “do nothing” option did not exist.
- In the first implementation phase of the programme, some delays occurred in the timelines needed to achieve the programme milestones set out in our contract with the supplier, and extensions to the go live date were agreed, targeting November 2018 and then March 2019, at a contract cost of between £600,000 and £700,00 for each extension.
- Each extension was negotiated between the Councils and the supplier at reduced fees, taking into account an agreed apportionment of the responsibility for each delay and extension. At these points, it was likely that any decision to abandon the programme would result in legal costs arising from the resulting dispute, plus the “do nothing” cost or the cost of restarting the procurement and implementation process from scratch.
- The decision to pause and reset the programme and change the programme management arrangements in November 2019 was a significant and bold decision. It gave the Councils control of the delivery timeline and programme plan, and also importantly it transferred to the Councils ownership of the asset (the system as built at that point) itself. The estimated cost of completing the implementation on the proposed reset basis was £10.7m (as reported to both Cabinets in November/ December 2019). At this point the costs incurred to date, which would have been deemed potentially abortive costs had the programme terminated, would have been £13.9m.
- The reset programme targeted new go live dates on a phased basis rather than as a single implementation, with Finance going live in October 2020 and HR Payroll in February 2021. Programme budget was approved in support of the estimated cost of £10.7m to complete the programme.
- Due to further unanticipated complexity throughout the revised implementation process, these go live dates were extended. The first extension was for Finance to go live in February 2021 and HR Payroll in March 2021, the cost of this extension being £1m. The Finance go live date was achieved, but the HR Payroll go live date was extended again, ultimately to November / December 2021, at an additional cost of £1.5m. Additional budget approvals were secured at each stage and the programme was completed in January 2022 within approved capital and revenue budgets.
- By this stage, due to the revised relationship with the system supplier, the risk of legal challenge arising from a decision to abandon the programme was much lower. However, the sunk cost of the programme at each point

was significant, and the cost of restarting the procurement and implementation process from scratch remained a significant factor.

- As noted above, the programme has delivered £1.7m of permanent savings in the Councils' budgets across ICT, in particular licence cost and corporate services. There is further scope to seek further business efficiencies across the wider Councils, for example standardising practices and further automation in order to increase the return on investment resulting from this programme.

8.3 Policy

Further consideration will be given to procurement and project management.

8.4 Equality

There are no specific implications.

8.5 Human Resources

The programme implemented a new HR and payroll system which has had significant implications for HR and all users.

8.6 Risk Management

The programme risk register has been reviewed and closed, with relevant ongoing risks identified as part of the "transition to business as usual" plan and being managed through ongoing management activity.

8.7 Rural Communities

There are no specific implications.

8.9 Children and Young People/Cared for Children

The system is used by many schools and academies on a buy-back basis. There has been robust feedback about the new system which has been responded to on an individual and sector basis. Additional support sessions have been delivered and more are planned for the Autumn term. Schools have clear routes for escalation of outstanding issues.

8.10 Public Health

No specific implications.

8.11 Climate Change

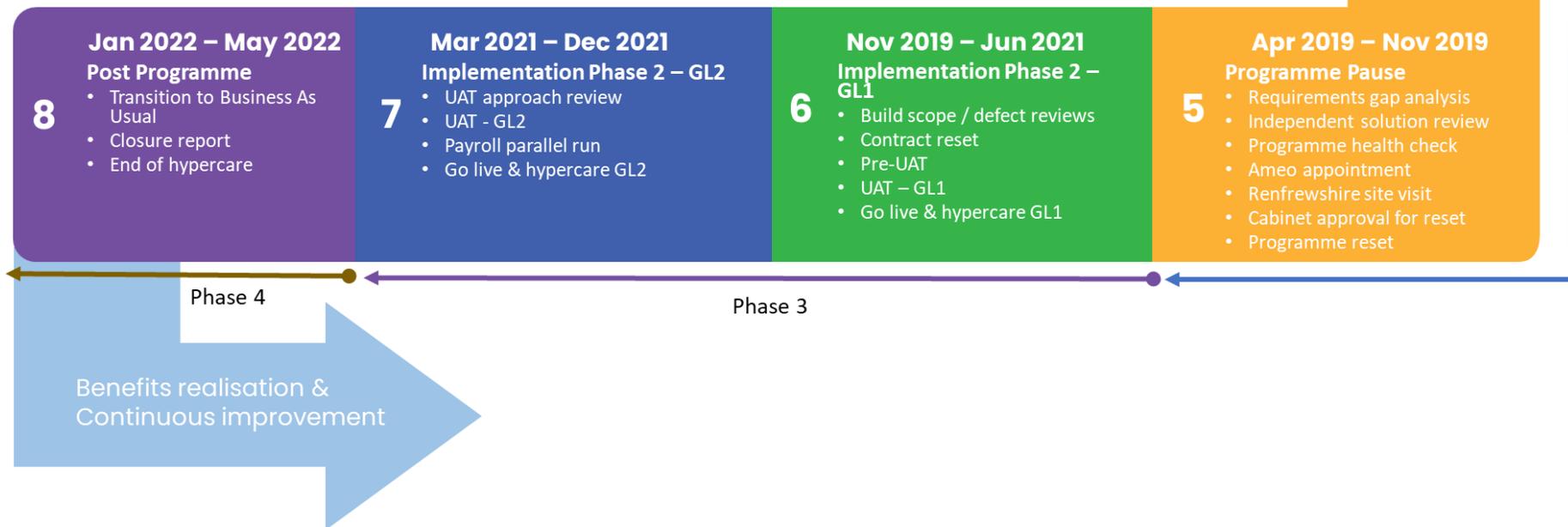
No specific implications.

Access to Information	
Contact Officer:	Jane Burns, Executive Director of Corporate Services Jane.burns@cheshireeast.gov.uk 01270 686013
Appendices:	Appendix 1 – timeline Appendix 2 – governance arrangements Appendix 3 – outcomes report Appendix 4 assurance statement from the Centre for Governance and Scrutiny.
Background Papers:	Regular reports to the Shared Services Joint Committee on B4B can be accessed via the Council's website.

B4B Lessons Learned – Appendix 1 Timeline

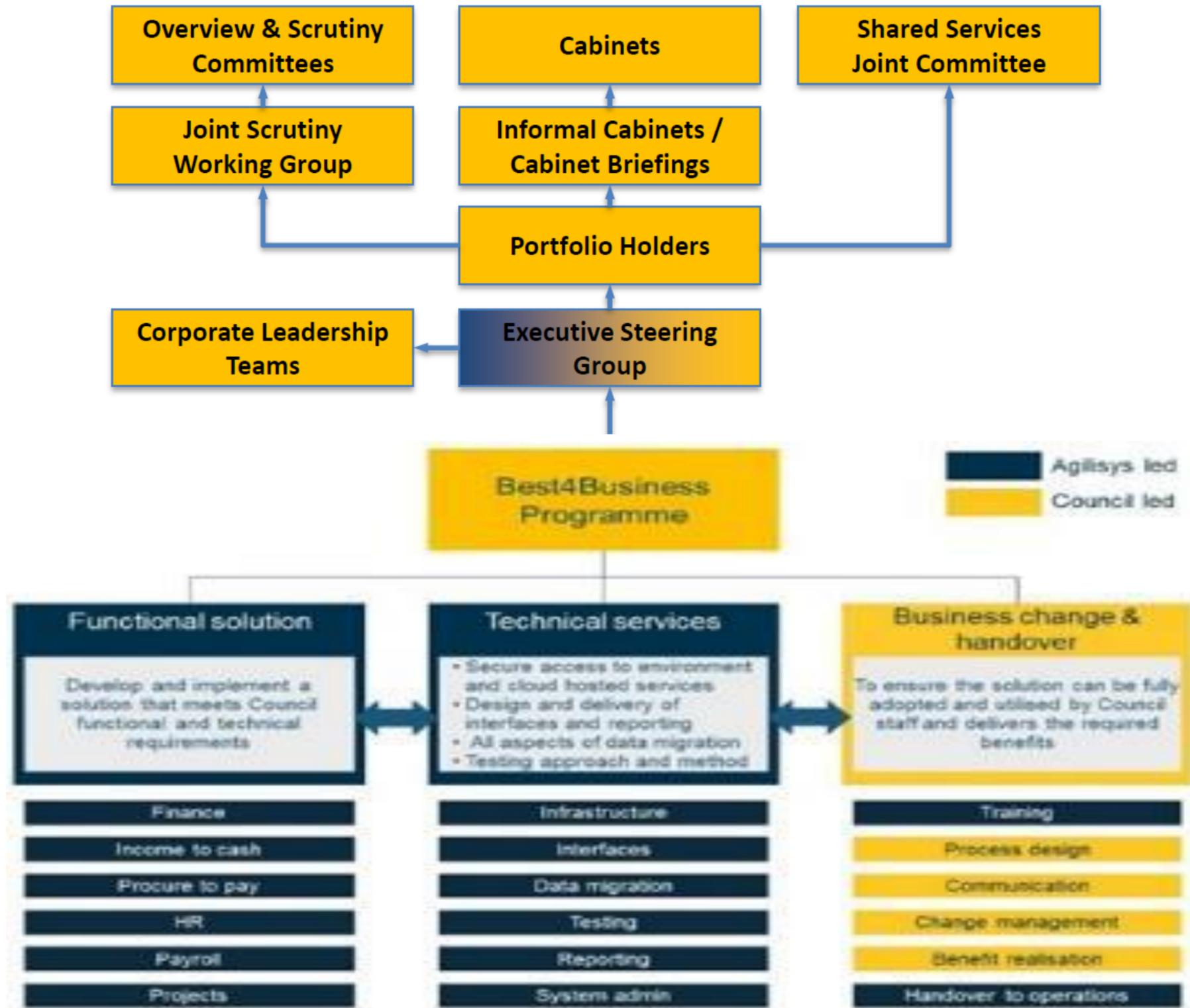


Best4Business Programme Overview



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Governance



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Learning Lessons for the Future

Outcomes report

12th September 2022

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1. Introduction

The Best4Business programme was responsible for the replacement of the Councils' legacy Oracle solution for Finance and HR/Payroll with a replacement called "Unit4 ERP" (or, at earlier stages in the programme, "Business World").

The programme was both complex and challenging –in terms of its scale and ambition. Whilst the programme ultimately achieved the overall objective of introducing a replacement ERP solution, it did so over a significantly longer period, and at substantially higher cost, than originally envisaged.

As a result, those involved will have been exposed to valuable learning about what went well, and what could have been done better. It is important, therefore, that these lessons are captured, shared and used to inform approaches to delivering other major programmes in the future.

As part of agreed programme governance arrangements, a lessons learned review has been commissioned by Members, to support a recommendation to close the programme, and to ensure that future learning from this complex programme are captured and taken forward to inform future similar schemes.

To support members and attendees of the lessons learned day, comprehensive reports and key information to document the history of the programme were gathered and shared as pre-reading for the review. The following report details the output and lessons learned review only.

This report has been produced as the formal output following the Lessons Learned review held on 1 August 2022, which was facilitated by the Centre for Governance and Scrutiny in the format of "Scrutiny in a day". This session aimed to gather information and to allow the attendees to form recommendations to inform this report, which will be considered by relevant Members through appropriate Committee reporting.

The challenges, reflections and future learning contained in this report are formed from a perspective of hindsight, the decisions taken during the programme were based on the best information and evidence available at that time.

The following report outlines in detail all of the learning following this review at each stage of the programme, in addition to this detailed learning, three essential learning points emerged that are key to any future shared programmes:

1. Ensuring that there is clear accountability and effective governance throughout the lifecycle of any programme.
2. Creating and sustaining a shared understanding of the vision for the programme across all stakeholders.
3. Maintaining a balance of skills and resources across each organisation.

2. Overview of this report

The Best4Business programme was a complex multi-year programme, at a high level there were 8 clear stages to the programme:

1. **Pre-procurement activities:** The development of the business case and agreement in both Councils, engagement with providers informally and gaining understanding from other Councils.
2. **Procurement Launch:** The formal procurement phase, development of detailed requirements forming a procurement specification, external readiness assessment and procurement launch.
3. **Procurement Evaluation:** Shortlisting of bidders to the final 4, engaging through detailed dialogue, contract negotiation and award
4. **Implementation Phase 1:** Working with the successful bidder to mobilise, finalise solution design and engagement with the bidders previous customers and user acceptance testing of the solution.
5. **Programme Pause:** Outline of the rationale for the pause, refocussed governance and roles.
6. **Implementation Phase 2 – Go Live 1 (Finance):** Contract reset, Implementation and prioritisation of functionality, User acceptance testing, launch and hypercare.
7. **Implementation Phase 2 – Go Live 2 (HR & Payroll):** Implementation and prioritisation of functionality, User acceptance testing, launch and hypercare.
8. **Programme Closure:** Transitioning Unit4ERP into the business and closure

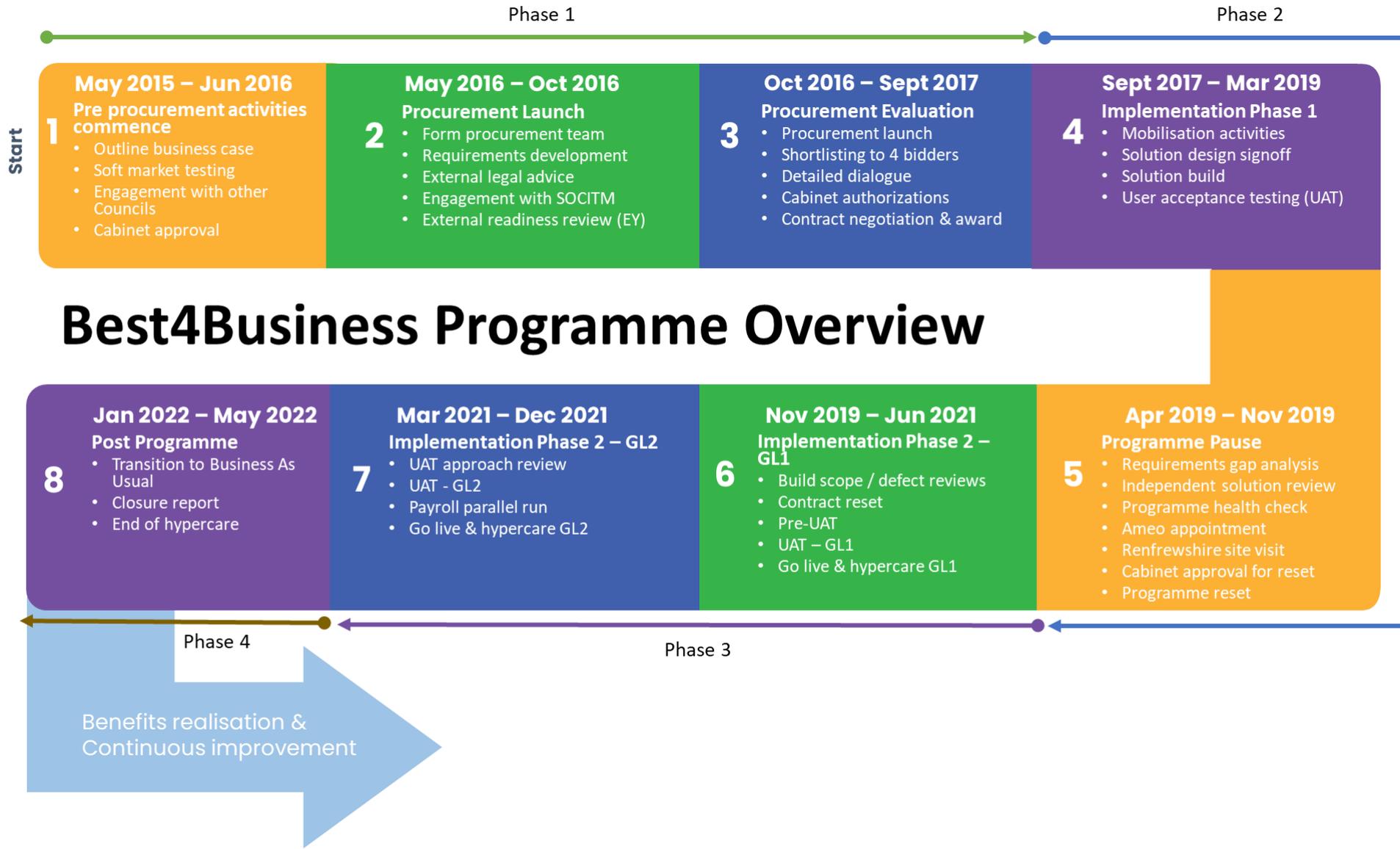
The diagram overleaf at Figure 1 provides a high-level overview of the programme, grouped into the eight stages above, following the timeline of the programme from inception of Best4Business in 2015 through to successful implementation and technical programme closure.

For the purpose of the lessons learned review, the eight stages above were grouped into four logical phases:

- Phase 1: Business case and procurement processes
- Phase 2: Implementation phase 1 and programme pause
- Phase 3: Implementation Phase 2 for Go-live 1 (Finance) and Go-live 2 (HR & Payroll)
- Phase 4: Programme closure and transition to business as usual

The following sections of the report provide more detail about the key events during each stage of the four phases, elements of delivery, the key challenges faced by the programme and the lessons learned from each of the phase with the benefit of hindsight.

Figure 1: Programme timeline overview



3. Phase 1: The business case and procurement process

May 2015 to September 2017 (stages 1, 2 and 3)

Overview of phase 1



The pre-procurement stage covers the key activities leading up to the formal procurement and the Councils’ approvals to launch the procurement process, this includes the production and agreement of the business case

The procurement launch stage focusses on the key activities and external advice that was taken as part of the initial procurement stage which prepared for the formal procurement process.

Procurement evaluation stage focusses on the key activities leading up to and including contract award.

This phase considered lessons learned from the following areas:

- Soft market testing to identify potential future HR and Finance systems and suppliers
- Engagement with other Councils to gather feedback and inform planning
- Development of an outline business case for replacement of our existing HR and Finance system, Oracle, which was approved by both Cabinets
- Development of detailed requirements for a replacement solution
- Engagement with a range of external advisors, including a formal procurement readiness assessment
- Launch of formal OJEU-compliant competitive procurement exercise
- Recommendation of preferred bidder for implementation of a replacement HR and Finance system, which was approved by both Cabinets
- Formal contract award for implementation and operation of the Unit4 ERP system

Phase 1: Key events & Timeline:

Stage	Key events	Time
1	Developed outline business case	From May 2015

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1	Soft market testing – supplier demonstrations	Late 2015 / early 2016
1	Contact with a number of Councils	Multiple events during 2016 and beyond
1	Cabinet approval to launch procurement June 2016	June 2016
2	Requirements development	May to August 2016
2	Appointed of external legal advisors	July 2016
2	Engagement with SOCITM (Society for Innovation, Technology and Modernisation)	July 2016
2	External procurement readiness review (Ernst & Young)	August 2016
2	Bidders' day	September 2016
2	OJEU notice issued (formal procurement launch)	October 2016
3	Evaluation team formed and trained	October 2016
3	Shortlisting (selected four bidders out of 20-30 expressing an interest)	November 2016
3	Detailed dialogue with 4 shortlisted bidders:	November 16 to April 2017
3	Cabinet authorisation to appoint	July 2017
3	Contract negotiation and award	September 2017

Phase 1 - Key delivery

The Best4Business programme during this phase of the programme completed a number of key steps to support a robust procurement process was in place and the Councils were ready to commence with a significant and complex procurement, these included:

- Gathering comprehensive system requirements that were defined and led by functional and technical experts across the Councils.
- Supplementing internal professional advice on the procurement process with external specialists.
- Conducting significant soft market testing with potential suppliers

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- Engaging with six other local authorities to understand their procurement experience prior to the formal procurement launch.
- Gaining external validation of the programme's readiness to begin the procurement through Ernst & Young.
- Engaging Internal Audit early in the process and receiving positive assurance in relation to the procurement process and outcome.
- Gaining Initial interest in the procurement from 14 initial bidders of whom 4 were shortlisted for further assessment but only 1 bid was received.
- Initiating business change workstream early which ran alongside the procurement process.
- Creating comprehensive member reports, setting out the recommendation to proceed with a procurement which included an outline business case, and the recommendation to award a contract to the preferred bidder, which included a detailed business case.

Phase 1 - Key Challenges

Through-out the stages of the business case and procurement phases, the programme faced a number of challenges that were reflected upon with the benefit of hindsight, these have been grouped into the themes below,:

Strategy / approach

- Despite internal and external advice and validation, the intended timeline at the start of the programme was ambitious for a major technology-led change programme across two large complex organisations.
- The business case for best4business reflected what was known at the commencement of the programme but elements such as the commercial case could have been updated to reflect the single bidder scenario.
- There was limited experience to foresee that challenges around the consequences of delay or disagreement during the future implementation phase.
- With hindsight, Members could have been more guidance and training on their role on a major change programme, how best to fulfil it and what guidance and support they required from officers and third party advisors.
- Accountability for the Programme was across both Councils and across several officers.

Resourcing

- The resources & skills supporting the programme in the early stages of the pre-procurement preparation experienced challenges linked to the scale and complexity of the activity.
- The balance of resourcing at this stage of the programme was dis-proportionately weighted to Cheshire West and Chester Council.

Requirements

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- The Councils' requirements, although comprehensive in relation to the required solution, with hindsight were not sufficiently detailed in respect of the approach to implementation. The expectation at this time was that an established solution would be procured, and the expertise and experience of the supplier would bring a best practice approach to implementation.

Business change

- Although business change delivery began alongside the procurement, more consideration should have been given to business change requirements throughout life of programme and into "business as usual" required, with supplier proposals being assessed against these requirements.

Final Procurement stage

- Three of the four shortlisted bidders withdrew from the procurement during the dialogue phase of the process.
- The reasons for the withdrawal of three of the bidders could have been used to enhance the dialogue with remaining bidder to used to inform specific additional dialogue with the remaining bidder prior to awarding the contract.

Phase 1 – Future Learning

The identified lessons for future programmes arising from this phase include:

Strategy / approach

- Develop a procurement / implementation strategy, drawing on internal and external advice, which sets out strategic objectives, which anticipates supplier behaviours, and which assesses whether the Councils' requirements and proposals will translate into a viable market proposition and valid procurement outcome.
- Build expectations of slippage / failure into contract design – build appropriate break clauses into contracts - and hold dialogue with bidders to understand how they would respond to delivery challenges.
- Ensure the business case is continually updated and follows leading practice such as the treasury 5 case model.
- Seek and implement advice and training on how best to engage and support Members in complex programme governance and decision-making.
- Ensure there is a clear lead and accountable organisation for shared programmes.
- Build appropriate break clauses into contracts - and hold dialogue with bidders to understand how they would respond to delivery challenges.

Resourcing

- Ensure appropriate levels of skills and resources for complex pre-procurement activities from the outset.
- Ensure appropriately balanced resources from all organisations involved.

Requirements

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- Be more prescriptive about requirements relating to the implementation process as well as the required solution.

Business change

- Develop clear requirements around business change relating to major programmes, based on external advice / best practice, and ensure bidders are able to meet these requirements.
- Involve stakeholders in development and approval of the vision supporting major programmes.

Final Procurement stage

- If complex procurement process leads to limited number or single bidders,
 - Go as far as possible to seek assurances from other customers from multiple areas and industry sectors about the bidders.
 - Consider the viability of the procurement and whether to change the specification and procure differently.
- Gather more detailed information from withdrawing bidders as to what their reasons were for withdrawing, and use this to inform dialogue with remaining bidders.

Best4Business Programme – Future Learning – Outcomes Report

4. Phase 2: Implementation Phase 1 and the ‘programme pause’ decision

September 2017 to November 2019 (stages 4 and 5)



Overview of phase 2

The initial implementation stage covers the activities that the Councils undertook, including engagement with other Councils that had implemented a similar solution, solution design sign off, and the first phases of user acceptance testing (UAT).

During the implementation stage, User Acceptance Testing (UAT) was carried out, which is the process where all the system capabilities are tested by users to ensure they sufficiently support our services. Following the initial UAT a programme pause was needed to clarify expectations between the Councils and their partner.

Through programme pause, external support and further engagement with another local authority was undertaken.

This phase considered lessons learned from the following areas:

- Development and approval of full Solution Design
- Solution build carried out by provider based on the Solution Design
- Business change activities carried out in parallel with system build activity
- A number of phases of “user acceptance testing” seeking to confirm acceptability of the built solution, with unsatisfactory results
- A decision to pause the implementation and carry out an independent solution validation and an analysis of the gaps between our requirements and the built solution
- Completion of a programme health check review
- Appointment of Ameo as strategic advisors to the remainder of the programme
- Development of a proposal to reset the contractual relationship and complete the programme with new management and governance arrangements, which was approved by both Cabinets
- Formal renegotiation of the contract

Best4Business Programme – Future Learning – Outcomes Report

Phase 2: Key events & Timeline:

Stage	Key events	Time
4	Mobilisation	September 2017
4	Visit with 2 Councils	November 2017
4	Solution design signoff	December 2017
4	Visit by LGSS	February 2018
4	Build showcase	March 2018
4	First UAT (became “UAT 0”)	May 2018 to June 2018
4	UAT 1 cycle 1	July 2018 to August 2018
4	UAT 1 cycle 2	Sep 2018 to Dec 2018
4	Independent solution review	January 2019 to March 2019
4	UAT “Final”	January 2019 to April 2019
5	Requirements gap analysis	March 2019 to May 2019
5	Augere programme health check	June 2019
5	Ameo appointment	August 2019
5	Site visit to Council	September 2019
5	Cabinet approval to programme reset	November 2019

Phase 2 - Key delivery

Following on from the procurement phase, the programme entered into the implementation phase assuming a relatively templated solution orientated to local government needs would be implemented. This phase led a divergence of expectations and a decision to pause the programme. There were a number of elements which were put in

Best4Business Programme – Future Learning – Outcomes Report

place during this phase to support implementation and ultimately inform the decision to pause the programme:

- Creating a multidisciplinary Councils team with-in partnership with our supplier with a positive commitment to achieving the agreed programme plan.
- The Council team achieved good continuity over this period – there was some turnover in key roles but overall stability was maintained and a more balanced programme team was achieved between the Councils.
- The Council put in place strong internal governance processes, for example management and reporting of plan delivery, risks, issues, and actions.
- Initial business engagement was positive – numerous business readiness workshops were held, and a team of “Change Champions” were mobilised and trained to support the planned go-live.
- Introduction of a large testing team drawn from multiple areas of the business was formed to support user acceptance testing.
- Applying the agreed contractual acceptance criteria robustly and insisted on delivery of a high-quality product.
- Introducing independent third parties to assist with resolution of the programme impasse, when testing results were not as required, and to drive subsequent commercial negotiations with our supplier leading to a contract reset.
- Taking pragmatic decisions during the contract reset to ensure a sufficient delivery for the Councils.

Phase 2 - Key challenges

Through-out the Implementation and programme pause stage, the programme faced a number of challenges that were reflected upon with the benefit of hindsight and have been grouped into the themes below:

Solution design

- The Councils anticipated a pre-built solution configured to deliver processes suitable for local government – testing cycles identified that the built solution was not compatible with expectations.
- There was limited access to the system through the solution design stages of the programme. The Councils’ first opportunity to examine the built system in detail was during user acceptance testing – at this point the contract was designed with an expectation of successful testing and signoff – but a high number of defects were reported during each phase of testing.
- The supplier and the Councils had significantly different approaches to testing, with the Councils seeking to test processes holistically rather than focussing on individual functions.

Resources

- Teams were allocated to focus on functional area of the system linked to their skills and experience (i.e. Finance, Payments, HR) this led to a challenge in being able to

Best4Business Programme – Future Learning – Outcomes Report

take a more holistic view of the solution and the relationships between the functions.

Business change

- The business change team was well resourced during this phase of the programme – but was unable to engage effectively with the workstreams and teams leading system delivery and testing due to delivery pressures.
- End user feedback could not be routinely catalogued and responded to during the course of the implementation due to the level of failures and time pressure.

Supplier relationship

- Roles and responsibilities around programme management were not clear.
- The contract and the agreed payment milestones did not take account of the possibility of delay – the only available mechanism in the contract in the event of disagreement was the formal contract dispute processes – this created pressure to proceed at every stage, rather than allowing a pause where this would be advantageous to the overall programme.
- The supplier managed the programme plan with a focus on achievement of the agreed payment milestones rather than with a more holistic view of programme delivery and outcomes – this included raising formal dispute notices at key stages of the implementation, which distracted Council resources from programme delivery.

Pause and reset

- When resetting the supplier contract and relationship, the Council team experienced some initial difficulty in letting go of past expectations and focussing on key priorities for future go-live dates.
- When focussing on go-live critical system elements and agreeing to pause delivery of lower priority elements, there was a lack of clarity on how and when the paused items would be picked up and delivered following each go-live.
- With hindsight, Members would have benefitted from more informal briefings on programme delivery challenges and options for resolution, prior to formal decision-making – particularly given the election cycle and some significant changes in Members representation as part of programme governance.

Phase 2 – Future Learning

The identified lessons for future programmes arising from this phase include:

Solution design and delivery

- When working across multiple organisations, ensure focus on delivering shared solution and only allowing organisational variations by exception.
- Build time into the programme plan to allow for thorough initial solution validation / expectation exchange between the supplier and the customer, and allow time for changes to the anticipated solution if required before testing.
- Consider building suitable break clauses into contracts allowing the Councils to cease implementation if proposed solutions are not viable.

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- Ensure the design and build approach requires Council team involvement in the build process (so-called “assisted build”) and takes an agile / prototyping approach to system delivery to ensure issues are identified as quickly as possible.
- Spend more time planning our approach to testing of complex solutions – prepare scenarios and test data in advance, and do not start user testing of a new system until the system build phase is fully complete.

Resources

- Ensure balanced programme team resourcing from all affected organisations at all levels of the programme.
- Plan sufficient time for subject matter experts on a complex programme to take a holistic view of the intended outcomes and to input into all programme workstreams as required.
- Consider how continuity and knowledge transfer can best be maintained in the event of multiple staff changes.

Business change

- Allow sufficient time in the programme plan for the business change team to be able to engage fully with the wider programme delivery team and with key customers.
- Ensure all mechanisms for end users to provide feedback are formally monitored with responses and updates being shared on a regular basis.

Supplier relationship

- Engage trusted third party advisors to the Council from the outset of a potentially complex delivery programme – assess the internal skills which are available, and agree what is needed from third parties to supplement those skills.
- Ensure programme delivery roles are very clearly defined prior to contract award, with appropriate support and skills being secured to ensure strong client-side programme and relationship management.
- Regardless of the outcome of the procurement process and the relationship which has been built with the successful bidder, be prepared for supplier challenge during the delivery programme, and ensure the Council team manages the programme plan accordingly.
- Build mechanisms into the programme plan and the contract to allow for pragmatic management of delay or disagreement without reverting to formal legal procedures, and test these mechanisms through dialogue prior to contract award.

Pause and reset

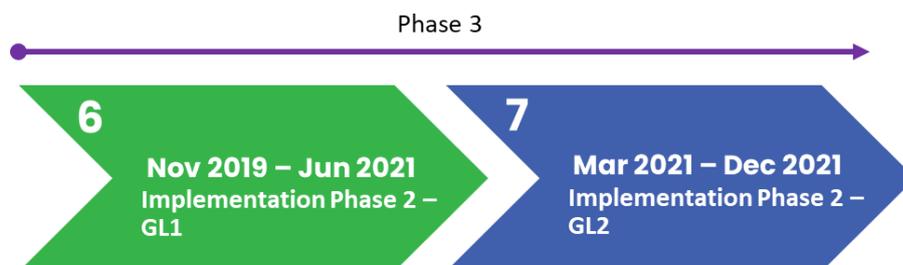
- Where in-scope elements of a programme are parked to maximise focus on core delivery, ensure those parked items have a clear plan for future delivery.
- Ensure active sponsor involvement in prioritisation of changes during the course of a delivery programme, to ensure focus on go-live priorities – be prepared where necessary to let go of programme history and focus entirely on high priority outcomes.
- Ensure an appropriate level of formal and informal briefing of Members, including on a cross-party basis, and in a fully consistent manner across multiple organisations,

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prior to significant decision-making events in the context of complex delivery programmes – including being mindful of timing within the election cycle.

5. Phase 3: Implementation Phase 2 for Go-live 1 (Finance) and Go-live 2(HR & Payroll)

November 2019 to December 2021 (stages 6 and 7)



Overview of phase 3

This phase outlines the activities that took place to reset the programme including the contractual reset that was required, a refreshed programme governance approach and implementation plan.

This led to a revised and split implementation approach to go live, with Go Live 1 (GL1) activities in relation to Finance and the final implementation Go Live 2 (GL2) activities in relation to HR and Payroll.

This phase considered lessons learned from the following areas:

- Go-Live 1 and the Finance functionality:
 - Amendments to built solution
 - Initial system testing
 - User acceptance testing to confirm acceptability of the solution
 - Migration of data from legacy Oracle system
 - Ongoing business engagement and training
 - Finance system “go-live”
 - Post go-live support
- Go Live 2 and the HR and Payroll functionality:
 - Amendments to built solution
 - Initial system testing
 - User acceptance testing to confirm acceptability of the solution
 - Comparison of Unit4 ERP payroll outputs with Oracle outputs to ensure accuracy (“payroll parallel run”)
 - Migration of data from legacy Oracle system
 - Ongoing business engagement and training
 - HR and Payroll system “go-live”
 - Post go-live support

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The programme was split into 2 logical groups for separate go-live events.

- Go live 1 (GL1): Financials and core HR for approvals
- Go live 2 (GL2): HR & Payroll

The benefits of a split go-live approach were:

- Lower risk of remaining implementation issues with Finance modules
- Reputational benefit of delivering Finance solution elements while continuing to develop HR / Payroll
- Earlier delivery of some business benefits
- Phased training programme with reduced impact on business resources
- Any go-live issues would be smaller in scale
- Opportunity for lessons learned prior to second go-live
- An unexpected delay in Finance go-live could be addressed by reverting to a combined go-live

Phase 3: Key events & Timeline:

Stage	Key events	Time
6	“Decision tree” reviews confirming position on defects, solution gaps and required changes	Sept 2019 to Nov 2019
6	Contract reset	March 2020
6	Agree revised training and communications strategy	May / June 2020
6	Pre-UAT (User Acceptance Testing)	July 2020 to November 2020
6	“HRMGR Process” testing issue and timeline impact review	October 2020
6	UAT for GL1	Dec 2020 to Feb 2021
6	GL1	February 2021
6	End of GL1 Hypercare	June 2021
7	UAT for GL2	April 2021 to October 2021
7	UAT approach review	August 2021
7	Payroll Parallel Run (PPR)	June 2021 to November 2021

7	Go Live 2	November 2021
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Phase 3 - Key delivery

The decision to reset and effectively reform the programme governance, roles & responsibilities along with introducing additional external specialist support led to a renewed focus and traction in relation to delivery.

Key changes and delivery achieved by the programme during this phase include:

- The relationship between the Councils and our supplier was successfully reset – clear responsibilities were defined to move forward with implementation.
- The Councils made strong and effective use of experienced external programme management advisors – building on the lessons identified during earlier phases.
- Key roles on the Programme Board and the programme delivery remained well balanced across both Councils and continuity was maintained throughout this period in the main.
- The programme plan was successfully restructured to support a split approach to launching the new system, with a focus initially on Finance functionality and a later focus on HR and Payroll.
- Continued robust challenge to our system supplier was maintained with an insistence on quality through further testing.
- A focus on prioritisation of the most important system changes required to support safe go-lives was adopted.
- With the support of our third party advisors, the Councils maintained a robust commercial relationship with our system supplier, ensuring a fair split of the cost of delivery for this phase of the implementation.
- Greater use of external expertise to support delivery of business engagement and training activities during this period – building on the lessons of the earlier phases
- The programme successfully and quickly responded to the challenge of the COVID-related lockdown period by redesigning and delivering user training in a fully virtual and agile manner.
- Regular reports were provided to Members on this Committee and the Best4Business Joint Scrutiny Working Group, including scrutiny of each of the go-live decisions to launch new functionality.
- The successful implementation of GL1 & GL2.

Phase 3 - Key Challenges

There were a number of challenges linked to the contract reset and new relationships that were introduced over this phase. The pace of delivery needed to increase significantly to ensure the Councils didn't incur significant additional costs from maintaining the existing ERP solution alongside Unit4ERP. The main challenges faced by the programme during this phase that were reflected upon with the benefit of hindsight include:

Best4Business Programme – Future Learning – Outcomes Report**Delivery**

- The Council experienced turnover in some key programme roles, including Cheshire East Executive Sponsor, and the Programme Director.
- There were continued resource conflicts where subject matter experts were required to contribute to multiple areas of activity, their own functional area, technical interface development and business change & training activities.
- Testing phases for each go-live were extremely pressured and continued up to the point of each go-live decision.
- There were many challenges with achieving successful testing of interfaces between Unit4 ERP and other Council systems.
- The process of migrating data from Oracle to Unit4 ERP at the live cutover points was different to earlier testing phases of this activity, and was not clearly understood.
- The subsequent process and sequence of loading additional data into the live system was also not fully understood and required tight management.

Engagement and Training

- The end user community was well engaged and positive about the programme during the first phase of implementation, but this momentum was lost as a result of the pause and reset.
- Training delivery was inevitably impacted by COVID and the ability to deliver face to face classroom training to some groups of users.
- The start of training was repeatedly delayed due to continued work on system testing and resulting resolution of defects.
- The training programme focussed on “how to use the system” rather than “how the process works” and so did not fully convey the extent of changes from existing business processes – this hampered the programme’s intention to “adopt” the processes delivered by the new system rather than to seek to “adapt” processes to align with existing business practice.
- The training programme aimed at end user took a “one size fits all” approach and was not tailored to account for different levels of skill and experience in the use of IT systems.
- Communications around each go-live were frequent, to the point where some users stopped reading them.

Go-live

- At each of the go-live decision points, there was a challenge in balancing the risk of going live (eg asking users to use the system with unresolved defects in place, leading to user dissatisfaction and support challenges) with the risk of continuing testing (eg significant additional programme cost, damage of delay, cost of maintaining legacy systems).
- Not enough resource was set aside to manage the highly complex cutover process – more direction was required for end users – this situation was made more complex by each go-live being mid-year rather than at end of year / start of year.

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- The split go-live approach resulted in programme team focus following Go-live 1 (Finance) on Go-live 2 (HR and Payroll) delivery – this was at the expense of post Go-live 1 (Finance) issues which required resolution.
- Other than those Members closely involved in the programme, Member-specific communications were high level, and did not appropriately brief Members on how to respond to issues relating to the new system highlighted through their own networks and caseloads.

Support

- The Council’s internal support team were not fully trained in all system administration processes at the point of each go-live.
- Following each go-live was a period of enhanced support known as “hypercare” where additional support resources were available to resolve immediate priority defects – in each case the hypercare period lasted longer than expected – with more time and resource required to ensure defects were fixed and user queries were resolved.
- End users did not embrace the preferred “self-service” approach to support or make as much use of Change Champions as anticipated – leading to the support team being inundated after each go-live with requests for assistance.
- End user feedback has been that the resources available to allow users to resolve their own queries, eg online training and guidance, are not presented in an intuitive manner which supports ease of use.

Phase 3 - Future Learning

The identified lessons for future programmes arising from this phase include:

Delivery

- Ensure a fully resourced programme plan including the time required for teams to support each other’s delivery priorities.
- Ensure a clear plan for system testing with resource requirement confirmed – allow sufficient time for testing failures / rework / retesting and also end-to-end / cross system testing and “negative testing” (ie attempting to use the system incorrectly to test error handling) – ensure this time is reflected in key delivery milestones from the outset of the programme.
- Ensure regular proactive cross-team planning and delivery – avoid resource and time pressure leading to working in silos.
- Where a new system is required to exchange data with other existing systems, ensure sufficient time for prototyping / piloting / early testing of interfaces prior to formal user acceptance testing.
- On a system replacement programme, ensure full clarity on the approach to data migration from the legacy system, particularly on how the timeline and approach may vary at the point of go-live.
- On a long running programme team, use roles with continuity to ensure “new starters” are fully and quickly briefed and brought up to speed.

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- Consider how Council business continuity arrangements would be invoked to protect programme delivery in the event of a major incident or disaster.

Engagement and Training

- On a long running programme, particularly if timelines have changed, consider assessing engagement levels at key points and putting in place additional engagement and communications to maintain momentum.
- Do not underestimate the amount of time which is needed to engage with all relevant user groups prior to go-live to ensure their full understanding of changes – take schools as an example of a relevant specific user group for consideration.
- Ensure training addresses all aspects of changes relevant to end users, including culture and expectations, and does not focus on one element such as “how the new system works”.
- Ensure training approaches consider varying levels of skills and experience in the end user community, and offers opportunities for users to engage with training and support activities that builds their confidence.
- Ensure sufficient time is available in the programme plan for testing and subsequent fixing of issues and retesting prior to the launch of user training.

Go-live

- Plan sufficient time and resource for cutover planning and execution as a specific workstream – and recognise the challenges of a mid-period cutover.
- Be sufficiently risk averse in respect of going live with a new system with known defects in place – do not underestimate the impact on users and the support effort required to resolve the issues following go-live – clearly communicate the rationale for a go-live decision.
- Give consideration to the role of Members as a stakeholder group with a role to play during the launch of a major system, process or service, and provide them with appropriate briefing which will allow them to provide appropriate support.

Support

- Put in place a communications plan which ensures end user communications are planned and scheduled rather than reactive, so that users know when to expect relevant communications.
- Communications should be open and honest about any known defects in place when a new system goes live, so that expectations are managed.
- Ensure the support team for any new system are fully trained prior to go-live - allow sufficient time prior to go-live to complete this, and ensure it is a factor in any go-live decision.
- Assume that enhanced support will be required for a reasonable time frame following launch of a new solution – ensure sufficient expert resources are in place to provide that support.
- Where multiple options are available to end users to seek support following the launch of a new solution, and where the aim is to direct users to follow a defined route in order to spread demand, ensure this route is very clearly communicated multiple times prior to the solution go-live.

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- Involve end users in the design of material aimed at encouraging a self-help approach to support as part of a major system or process change, to ensure the material is as accessible and usable as possible.
- Invest sufficient time in establishing a robust network of Change Champions across all affected areas of the business, and ensure they are fully trained and engaged in good time to build their confidence before they become part of live support arrangements – consider the role of Members in this context.

With the benefit of hindsight – it is clear that the decision to pause and reset was a major factor in completing the programme – from this phase onwards the programme governance and delivery improved, all parties had clarity on roles and delivery was broadly in line with timelines and budget

6. Phase 4: Programme closure and transition to business as usual

January 2022 to May 2022 (stage 8)



Overview of phase 4

Following the implementation phases of Go live 1 & Go Live 2 the programme activities outline in this stage covered the transition to “business as usual” and programme closure.

This phase considered lessons learned from the following areas:

- Transition from enhanced post go support (“hypercare”) to business as usual support model
- Establishment of business as usual governance for solution management and closure of programme governance mechanisms
- Completion of technical post implementation reviews for each go-live

Phase 4: Key events & Timeline:

Stage	Key events	Time
8	Transition to BAU plan	February 2022 to May 2022
8	Closure report	April 2022
8	End of Hypercare	May 2022
8	Lessons Learnt – “scrutiny in a day”	Aug 2022

Phase 4 - Key delivery

The transition to business as usual (BAU) of the ERP solution involved a number of key achievements by the programme during this phase:

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- Regular post go-live meetings in place with our supplier to ensure focus on high priority issues.
- A managed handover from programme governance to Business As Usual governance with post-programme governance arrangements signed off by the Programme Board before its closure.
- Continual monitoring of supplier performance, costs and delivery of the outputs they are accountable for.
- Recognition following Go-live 2 that there were a range of post go-live issues which required attention before “business as usual” could be achieved, and development of a tactical plan to deliver the required actions.
- There was a conscious delay to the decision to close the technical programme until transitional issues were resolved satisfactorily.
- End user feedback was monitored closely following go-live with key user issues being a focus for the support team.
- It was identified in the aftermath of go-live that too many issues were being worked on simultaneously leading to a lack of actual issue resolution.
- This led to the creation of a forward looking work programme for the support team to focus on – this provided them with a structured approach to the resolution of priority issues.
- User feedback following each go-live was initially very “noisy” and required the support team to step back and take time to identify and prioritise key issues.
- User feedback has been recognised and gathered during the post go-live period.
- Additional post-programme support reviews are being commissioned to optimise the Unit4 ERP product and the resulting user experience.
- The programme team and the post go-live support team have shown incredible resilience, commitment and dedication to achieving the best possible outcome – the programme would not have succeeded without this dedication over an extended period of time.
- The importance of a formal lessons learned exercise supporting final programme closure was identified well in advance of programme closure, leading to this review exercise taking place.

Phase 4 – Key Challenges

A number of challenges that were reflected upon with the benefit of hindsight and have been grouped into the themes below:

Capacity

- The biggest challenge has been staff capacity and balancing end user expectations with delivery capability – users have expected immediate responses to all issues, which has not been possible or indeed expected to be possible.

Support

- Supplier support processes were not agreed in detail prior to go-live, and have evolved in practice, leading to a lack of clarity - the detailed “service management

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plan” setting out support arrangements with the supplier was not agreed due to a focus on go-live preparations and post go-live issues.

- Some defects which were in place at go-live are still in place (although they are low priority items).
- The support team remains under resource pressure due to continuing demands from end users for rapid resolution of issues regardless of severity / priority.

Users

- User concerns have been raised around the efficiency of the processes supported by the new system and their understanding and use of system reports.
- Feedback from some users remains negative, despite active and ongoing engagement.
- Schools have been a demanding customer group – the risk of increased loss of schools business resulting from dissatisfaction with the new system has been raised – this has resulted in a heightened support response to this group.

Culture

- The demanding programme culture of working long hours to deliver required outcomes within tight deadlines has continued into the support team’s ways of working, which is not sustainable.
- The support team have not always felt empowered to highlight the responsibility of business owners in relation to the effective and correct use of the system.
- There have been occasions where the support team have flexibly offered to complete a task or process on behalf of a business owner as a tactical solution, which has resulted in a perception that the task or process now belongs to the support team as a permanent solution.
- There is a tendency amongst some users to blame others for difficulties in using the system and to avoid taking accountability for their own responsibilities when using the system, including making full use of all available training and guidance material.

Phase 4 - Future Learning

The identified lessons for future programmes arising from this phase include:

Support

- Arrangements for live support should be agreed in detail prior to the commencement of the live support service, including detailed practical arrangements for support provision, and the content of formal supplier contractual performance reports.
- Be more prescriptive about requirements relating to the business as usual support process as well as the required solution.
- Ensure the support team for a new solution has received full training prior to go-live
- Clearly communicate the package of support available to different user groups in advance of the launch of a new solution.

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- Plan central support resources around peak times to better manage demand, continually assess support demands once live, and react as support demand fluctuates.
- Where a partial / split go-live is taking place, ensure sufficient time is made available to spend on resolving first phase issues before the focus moves to the second phase – consider “phase two entry criteria” to ensure the delivery team are in a position to change focus safely.

Users

- Plan and make resources available to support sufficient engagement with all key user groups both before and after go-live – identify key user groups in advance and plan support resource accordingly.
- Ensure users who receive additional focussed training (for example “heavyweight” users, change champions) are able and ready to take queries from their colleagues as part of an overall approach to support.
- Manage end user expectations in relation to post go-live support provision in a positive and realistic way to build confidence and avoid frustration.

Culture

- Ensure training addresses all aspects of changes relevant to end users, and does not focus on one element such as “how the new system works”.
- Put in place a communications plan which ensures end user communications are planned and scheduled rather than reactive, so that users know when to expect relevant communications.
- Where multiple options are available to end users to seek support following the launch of a new solution, and where the aim is to direct users to follow a defined route in order to spread demand (including adoption of a self-service approach where possible), ensure this route is very clearly communicated multiple times prior to the solution go-live and repeatedly reinforced following go-live.

7. Programme Case for Change and business case

As part of the lessons learned review, Members reviewed key elements of the original approved business case, and the experience in delivering these elements as part of the Best4Business programme. These elements were:

- The case for change
- The approach
- Financial case

Further detail is set out below.

Case for change

The first element of the business case was the overall “case for change”, i.e. the rationale for changing the system itself and the anticipated benefits of the new system:

Theme	Original business case	Outcomes
Case for change	<ol style="list-style-type: none"> 1. Replace aging Oracle solution and associated hardware – “do nothing” option not available 2. Modernisation opportunity – “cloud first” approach to system hosting and support 3. Ease of access to information held in system –more engaged workforce 4. Flexible licencing model 5. Flexible and mobile working opportunities 	<ol style="list-style-type: none"> 1. Oracle product and hardware has been replaced 2. Modern cloud-hosted solution implemented (mainly hosted by Unit4) 3. Reporting capabilities have improved – but recognised that more work is needed 4. Support costs are now driven by user numbers with flexibility 5. Still work to do on mobile working / other modernisation opportunities

The above table shows that by implementing our chosen system the programme has achieved what was expected in the “case for change” – with some further work, currently in hand, to ensure the reporting requirements are completed. There are also further enhancements to be considered to allow fully modernised and flexible ways of working.

The approach

The second element of the case for change was to consider the approach taken to delivering the business case:

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Theme	Original business case	Outcomes
Approach	<ol style="list-style-type: none"> 1. OJEU-compliant procurement process 2. Standardised best process solution 3. Use of third party expertise 4. Strong governance including Members 	<ol style="list-style-type: none"> 1. Compliant procurement - albeit with single bidder outcome 2. Initial supplier built solution required further changes – minimal differences between East and West Councils 3. Greater use of third party expertise in second phase led to success 4. Strong programme governance model

Overall the procurement was robustly managed and compliant, but the Councils believe they may wish to give more consideration to any future procurements where the process leads to a limited number of bidders or a single bidder. There was also consideration as to whether, as part of major programmes in the future, third party implementation expertise should be brought in at the outset, as it was felt this approach clearly enhanced the delivery of this programme.

Financial Case

The third element of the case for change was to consider the financial element of the business case.

Theme	Original business case	Outcomes
Financials	<ol style="list-style-type: none"> 1. Forecast savings: £2.1m annually 2. Anticipated cost of change resulting from procurement exercise: £11.8m 	<ol style="list-style-type: none"> 1. Savings achieved: £1.7m annually 2. Cost of change - £25.1m programme cost (Phase 1: £11.5m & Phase 2: £13.6m)

Note that the stated programme cost is as at the time of reporting. A final budget reconciliation will be provided during financial year 2022/23 when all cost and commercial / legal elements have been confirmed. This is not expected to materially change the financial position outlined above as these are small scale outstanding items to be resolved.

The financial element of the programme is complex given the duration of the project, the changing nature of the relationship with the implementation supplier, and the fact that a “do nothing” option did not exist throughout the programme.

Some key financial milestones and decision points during the programme are set out below:

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- At the outset, a detailed financial case was produced that estimated that the cost of implementing the new system was estimated at £5.2m less than the “do nothing” option over the initial seven year contract term (as reported in July 2017).
- By the end of the procurement process there was only one eventual bidder, with others withdrawing during the process. A decision to award a contract was taken, with a programme cost of £11.8m estimated (as reported in July 2017).
- This took account of external legal advice, the cost of doing nothing which still existed, and the cost of ending the procurement and beginning again, which were assumed to be an additional estimated £1.4m, being the cost of the initial procurement exercise. This excluded any potential legal costs arising from the decision to cease what was a compliant procurement process, with bidders incurring costs by participating in it. There was no guarantee at the time that a revised procurement would produce a better outcome, and the existing provider of our legacy system was still proposing to remove support, reinforcing the fact that a viable “do nothing” option did not exist.
- In the first implementation phase of the programme, some delays occurred in the timelines needed to achieve the programme milestones set out in our contract with the supplier, and extensions to the go live date were agreed, targeting November 2018 and then March 2019, at a contract cost of between £600,000 and £700,00 for each extension.
- Each extension was negotiated between the Councils and the supplier at reduced fees, taking into account an agreed apportionment of the responsibility for each delay and extension. At these points, it was assumed that any decision to abandon the programme would result in legal costs arising from the resulting dispute, plus the “do nothing” cost or the cost of restarting the procurement and implementation process from scratch.
- The decision to pause and reset the programme and change the programme management arrangements in November 2019 was a significant and bold decision. It gave the Councils control of the delivery timeline and programme plan, and also importantly it transferred to the Councils ownership of the asset (the system as built at that point) itself.
- If the Councils had stopped at this point the potentially abortive costs would have been £13.9m. Again, at this point, it was considered that any decision to abandon the programme would result in legal costs arising from the resulting dispute, plus the “do nothing” cost or the cost of restarting the procurement and implementation process from scratch. The Councils knowledge of its requirements on implementation also suggested the upgrading cost of the current system may also now be far greater than the £5.2m do nothing option used earlier.
- The estimated cost of completing the implementation on the proposed reset basis with the Councils in control was £10.7m (as reported in November / December 2019) and was considered the better option compared to stopping the current programme.
- The reset programme targeted new go live dates on a phased basis rather than as a single implementation, with Finance going live in October 2020 and HR Payroll in February 2021. Programme budget was approved in support of the estimated cost of £10.7m to complete the programme.
- Due to further unanticipated complexity throughout the revised implementation process, these go live dates were extended. The first extension was for Finance to

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go live in February 2021 and HR Payroll in March 2021, the cost of this extension being £1m. The Finance go live date was achieved, but the HR Payroll go live date was extended again, ultimately to November / December 2021, at an additional cost of £1.5m. Additional budget approvals were secured at each stage and the programme was completed in January 2022 within approved capital and revenue budgets.

- By this stage, due to the revised relationship with the system supplier, the risk of legal challenge arising from a decision to abandon the programme was much lower. However the sunk cost of the programme at each point was significant, and the cost of restarting the procurement and implementation process from scratch remained a significant factor.
- As noted above, the programme has delivered £1.7m of permanent savings in the Councils' budgets across ICT and corporate services. There is further scope to seek further business efficiencies across the wider Councils in order to increase the return on investment resulting from this programme.

8. Taking forward the lessons learned

In order to ensure the lessons from this programme and this review are appropriately embedded into the delivery of future programmes of this scale, the Councils will take the following steps:

- Immediately share the lessons documented in this report with Council teams involved in current and future project and programme delivery, and require teams to carry out an immediate gap analysis against their current plans and delivery mechanisms, to identify any immediate changes which may be required.
- Provide a report to each Council's senior leadership team, setting out key lessons learned and actions to ensure lessons are embedded in future practice.
- Engage with the teams within each Council responsible for defining best practice in relation to programme delivery, to ensure the lessons from this programme are built into standard guidance which will be utilised by future delivery programmes, ensuring these lessons become part of good practice.
- Engage with the Internal Audit teams within each Council, to share the lessons from this programme and ensure appropriate assurance checks are built into future independent reviews of major programmes by the Audit functions.

Cheshire East Council (CEC)
Cheshire West and Chester Council (CW&C)

Sent via email to:
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01 September 2022

Dear councillor and officer colleagues

***Best4Business* programme: Independent facilitation and assurance of ‘Future Lessons’ scrutiny review**

I am writing on behalf of the Centre for Governance and Scrutiny (CfGS) to set out my opinion in relation to a scrutiny review that was recently undertaken following closure of the *Best4Business* (*B4B*) programme. I do so in the capacity of a specialist in governance and scrutiny who was engaged to independently support, facilitate and assure the process in question.

CfGS welcomed the decision taken by CEC and CW&C to jointly review the *B4B* programme, which was ambitious and challenging – both in terms of its scale and complexity. Whilst the programme ultimately achieved the overall objective of introducing a replacement Finance and Human Resource IT system, it did so over a significantly longer period, and at substantially higher cost, than originally envisaged. As a result, those involved will have been exposed to valuable learning about what went well, and what could have been done better. It is important, therefore, that these lessons are captured, shared and used to inform approaches to delivering other major programmes in the future. The joint review set out to achieve this and I was therefore pleased to be engaged in the process for CfGS.

My independent role in the ‘Future Lessons’ scrutiny review was twofold:

1. To ensure that the methodology employed was comprehensive, rigorous, focused on achieving positive impact, and characterised by openness and honesty; and
2. To provide assurance that the report of the review accurately reflects the findings that emerged from the process and any associated actions that were agreed.

The review methodology

I am satisfied that the methodology employed was comprehensive, rigorous, and focused on achieving positive impact, as well as being characterised by openness and honesty.

In support of fulfilling my independent role, I was afforded unfettered access to information associated with all aspects of the *B4B* programme. I was also able to help shape the review methodology and constructively challenge aspects of the process and associated information.

Throughout my involvement in the review, I consistently witnessed a genuine commitment from officers and members to ensure that necessary lessons were learnt from the process. Members were provided with a range of pertinent information about the various stages of the programme and offered the opportunity, as 'critical friends', to explore and challenge it in a facilitated workshop environment.

Outputs from the workshop were focused on translating lessons learned from the *B4B* programme into practical actions for improving major programme delivery in the future. A commitment also emerged to share the learning in question across the broader local government sector, with support from the Local Government Association.

Integrity of the reporting process

Having examined the report of the scrutiny review, I am satisfied that its content accurately reflects the findings that emerged from the process and any associated actions that were agreed.

Yours sincerely



Andy Fry OBE
Senior Associate Consultant - CfGS



Working for a brighter future together

Corporate Policy Committee

Date of Meeting:	6 October 2022
Report Title:	First Financial Review 2022/23
Report of:	Alex Thompson: Director of Finance and Customer Services
Report Reference No:	CP/9/22-23
Ward(s) Affected:	Not applicable

1. Purpose of Report

- 1.1.** This report provides members with an early overview of the Cheshire East Council forecast outturn for the financial year 2022/23. Members are being asked to note the financial challenges being experienced by the Council and to recognise the importance of ongoing activity to minimise the impact on services. The report also requests approval for financial changes taking place during the year that require authorisation in line with the Constitution.
- 1.2.** The report highlights the negative impact of increasing inflationary pressures on the Council's budget since it was set in February 2022. It also highlights ongoing costs of COVID-19 scarring, where expenditure is still increased due to the effects of the pandemic.
- 1.3.** Reporting the financial forecast outturn at this stage, and in this format, supports the Council's vision to be an open Council as set out in the Corporate Plan 2021 to 2025. In particular, the priorities for an open and enabling organisation, ensure that there is transparency in all aspects of council decision making.

2. Executive Summary

- 2.1.** The Council operates a financial cycle of planning, monitoring and reporting. This review is part of the monitoring cycle providing the forecast outturn position and any impacts 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.

- 2.2.** The Council set its 2022/23 annual budget in February 2022. The budget was balanced, as required, and included important planning assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2022 to 2026.
- 2.3.** The provisional financial outturn for 2021/22 was reported in July 2022 and highlighted good financial management in that year, with an overall revenue outturn favourable variance of £1.1m (0.4% of the net budget). The report also recognised emerging pressure within the final quarter of the year, particularly from rising inflation and complexity of demand for care. It was also acknowledged specific risks remained unmitigated in respect of the Council's Private Finance Initiative and High Needs within the Dedicated Schools Grant. The report also highlighted the end of COVID-19 grant funding. The ongoing assumption was that carried forward grant funding would have to be used to fund ongoing COVID-19 related pressure.
- 2.4.** In monitoring the 2022/23 financial year the national increase in inflation, from 0.4% in February 2021 to 10.1% by July 2022, is having a significant impact on the cost of Council services as well as on the cost of living for local residents. Inflation is affecting several critical areas:

 - 2.4.1.** Service demand and contract inflation: Care needs are demand led, but care costs are rising due to increasing complexity of need as well as rising provider costs linked to staff shortages and utility and fuel prices. Fuel prices are also causing increases in transport and waste services.
 - 2.4.2.** Pay inflation: Assumptions about achieving target inflation at a national level are not realistic in the short to medium term. This is creating cost of living increases that are subsequently leading to increasing wage demands. Pay negotiations for Council staff are impacted by this too, but are carried out at a national, not local, level.
 - 2.4.3.** COVID-19 scarring: Although government funding for COVID-19 related costs has ended there remains an ongoing impact on care services and some services funded from fees and charges. Waste services are also experiencing ongoing tonnage increases from changed behaviour linked to the pandemic.
- 2.5.** The findings of this early review present a need to mitigate emerging financial pressures. The MTFS recognises that the Council has relatively low levels of reserves as funding is instead utilised to manage ongoing service demand. Mitigation can focus on several areas:

 - 2.5.1.** Appropriate use of balances: Carried forward COVID-19 funding, MTFS Reserve, General Reserves and specific service and company reserves levels are being reviewed and funding released to support essential services where practical. Flexible use of Capital receipts is also under

review, which can allow eligible one-off revenue transformation expenditure by services to be funded from the proceeds of asset sales.

- 2.5.2.** Efficiencies and Income generation: Services continue to review non-essential spending requirements to release efficiencies, delay spending or generate additional income from key stakeholders.
- 2.6.** The financial pressure being experienced by Cheshire East Council is not unique. Local authorities, including Cheshire East Council, continue to liaise with government departments over the severity of so many emerging financial issues. The Council achieves this liaison either directly or through professional or political networks.
- 2.7.** The report sets out details of an early review of the Council's forecast financial performance for 2022/23:

Annex 1: First Financial Review 2022/23

- **Financial Stability:** Provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 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.
- **Appendices:**
 - Appendix 1** Adults and Health Committee.
 - Appendix 2** Children and Families Committee.
 - Appendix 3** Corporate Policy Committee.
 - Appendix 4** Economy and Growth Committee.
 - Appendix 5** Environment and Communities Committee.
 - Appendix 6** Finance Sub-Committee.
 - Appendix 7** Highways and Transport Committee.
 - Appendix 8** Update to the Treasury Management Strategy.
 - Appendix 9** Update to the Investment Strategy.

3. Recommendations

Corporate Policy Committee is asked to:

- 3.1.1.** Note the forecast adverse Net Revenue financial pressure of £11.6m against a revised budget of £328.4m (3.5%).
- 3.1.2.** Note the forecast Capital Spending of £187.9m against an approved MTFS budget £185.2m due to slippage carried forward from the previous year.
- 3.1.3.** Endorse the approach of Senior Officers to mitigate the adverse forecasts through the activities outlined in each 'Action Plan' contained in Annex 1 (Appendices 1 to 7), which include:
- Managed restriction of in-year spending, whilst retaining essential services, in consultation with the relevant Committee.

- Reviewing the level of spending on key contracts and reviewing the need for contract renewals during 2022/23.
 - Pricing and grant reviews to ensure income is being fully recovered on related activity.
 - Enhanced vacancy forecasting and management.
 - Re-alignment of, and appropriate use of balances, such as earmarked reserves, General Reserves and capital receipts.
 - Review and reprofile the Capital Programme to prevent any impact of related inflation on the revenue budget.
- 3.2.** Note the contents of Annex 1 and each of the appendices, and note that any financial mitigation decisions requiring member approval will be presented to the appropriate Committee.
- 3.3.** 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 Adults and Health Committee, Section 3 Corporate Grants Register, Table 2.**
- 3.4.** Approve capital supplementary estimates up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 6, Section 5 Capital Strategy, Table 5.**
- 3.5.** Approve capital virements up to and including £5,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 6, Section 5 Capital Strategy, Table 5.**
- 3.6.** Note that Council will be asked to approve:
- 3.6.1.** 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 3, Appendix 2, Section 3 Corporate Grants Register, Table 2 and Appendix 3, Section 3 Corporate Grants Register, Table 2.**
- 3.6.2.** Capital virements over £5,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 6, Section 5 Capital Strategy, Table 6.**

4. Reasons for Recommendations

- 4.1.** The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The approach to these responsibilities is captured in the Medium-Term Financial Strategy.
- 4.2.** The budget and policy framework sets out rules for managing the Council's financial affairs and contains the financial limits that apply in various parts of the Constitution. As part of sound financial management and to comply with the constitution any changes to the budgets agreed by Council in the MTFS

require approval in line with the financial limits within the Finance Procedure Rules.

- 4.3. This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.
- 4.4. In approving the Cheshire East Council Medium-Term Financial Strategy members of the Council had regard to the robustness of estimates and adequacy of reserves as reported by the s.151 Officer. The s.151 Officer's report highlighted the importance of each element of the MTFs and the requirement to achieve all the proposals within it. The recommendations of this report highlight the need for ongoing activity to manage the financial pressure being experienced by the Council.

5. Other Options Considered

- 5.1. None. This report is important to ensure members of the Committee are sighted on the financial pressure the Council is facing and the activity to date to try and mitigate this issue. Activity is required to ensure the Council balances its expenditure and income without serious impact on essential Council services.

6. Background

- 6.1. 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 Local Authority in the Northwest of England, responsible for approximately 500 services, supporting over 398,000 local people. Gross annual spending is over £700m, with a revised net revenue budget for 2022/23 of £328.4m.
- 6.2. 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.
- 6.3. The political structure of the Council is organised into six committees, with a single sub-committee, all with financial responsibilities acutely aligned to the management structure. Performance against the 2022/23 Budget within each Committee, and the sub-committee, is outlined in Table 1 below.

6.4. Table 1 – Revenue Outturn Forecast split by the Six Service Committees and the Finance Sub-Committee

2022/23	Revised Budget	Forecast Outturn	Forecast Variance
(GROSS Revenue Budget £474.2m)	(NET)		
	£m	£m	£m
Service Committee			
Adults and Health	120.9	132.6	11.7
Children and Families	74.5	78.0	3.5
Economy and Growth	23.6	23.8	0.2
Environment and Communities	44.3	46.2	1.9
Highways and Transport	13.8	14.3	0.5
Corporate Policy	39.8	40.6	0.8
Sub-Committee			
Finance Sub	(316.9)	(323.9)	(7.0)
TOTAL	-	11.6	11.6

- 6.5.** The Council set a balanced net revenue budget of £327.7m at its meeting in February 2022. Current forecasts against the revised budget of £328.4m, shows a potential net expenditure of £340.0m.
- 6.6.** This position reflects the increase in demand led pressures in social care in both the Children’s Services Directorate and Adults, Health and Integration Directorate. This mirrors national events and the County Council’s Network has recently reported that forecast increases in care costs could be more than double those reported as recently as 2021.
- 6.7.** There are further pressures due to increased costs relating to rising inflation and the current national pay offer. The Council, in line with most public sector organisations, relies on government inflation targets when calculating budgets, target inflation remains at 2% but actual inflation is currently exceeding 10%. The Council actually forecast local pay increases of 2.5% recognising potentially higher increases for local lower paid workers. However, current national pay negotiations could see wages rise in excess of 6% for some lower paid workers.
- 6.8.** General Reserve balances are risk assessed and it was highlighted in the MTFS that emerging risks such as inflation and particularly the DSG deficit, as having no alternative funding. To address the issue of emerging financial pressure Senior Officers at the Council have set up Action Plans, which will continue to be developed to identify activities required to bring spending back in line with the MTFS.
- 6.9.** The emerging Action Plans reflect the Committee Structure to allow member oversight of the activities being carried out to manage in-year spending. Any appropriate decisions required from members will be brought

to the Committee's attention via the Action Plans, to ensure appropriate context is provided.

- 6.10. There is a clear ambition for each Committee to achieve spending in-line with the approved MTF5. However, in some cases, given the seriousness of the financial pressure being put on the Council, Committee members should consider options to exceed financial performance targets to retain an overall balanced position.
- 6.11. Whilst some inflation factors may be temporary, the Action Plans must also consider the medium-term resilience of mitigation activity. For example, the use of one-off balances, to mitigate in-year spend, may be effective in the short term, but would not be effective if spending is likely to recur in later years.
- 6.12. On 23 September the Chancellor announced 'The Growth Plan' which included an ambition to achieve a 2.5% trend of growth whilst securing sustainable funding for public services. There is expected to be of marginal benefit to Cheshire East Council from reductions in employer NICs, and there may be beneficial impacts from energy funding announcements which impact Council suppliers and may help local people with the cost of living. However, wider spending and funding impacts for the Council are unlikely to be known until the Local Government Spending Review due later this year.

7. Consultation and Engagement

- 7.1. 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.

8. Implications

8.1. Legal

- 8.1.1. The legal implications surrounding the process of setting the 2022 to 2026 Medium-Term Financial Strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report for 2022/23.
- 8.1.2. 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.
- 8.1.3. Legal implications that arise when activities funded from the budgets that this report deals with are undertaken, but those implications will be dealt

with in the individual reports to Members or Officer Decision Records that relate.

8.2. Finance

- 8.2.1.** The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
- 8.2.2.** 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 is not contained within original forecasts for such activity it may be necessary to vire funds from reserves.
- 8.2.3.** The unplanned use of financial reserves 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.
- 8.2.4.** 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.
- 8.2.5.** Forecasts contained within this review provide important information in the process of developing the Medium-Term Financial Strategy. Analysis of variances during the year will identify whether such performance is likely to continue, and this enables more robust estimates to be established.

8.3. Policy

- 8.3.1.** This report is a backward look at Council activities and predicts the year-end position.
- 8.3.2.** The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2023 to 2027 Medium-Term Financial Strategy.

8.4. Equality

- 8.4.1.** 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.

8.5. Human Resources

- 8.5.1.** 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.

8.6. Risk Management

8.6.1. 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.

8.6.2. Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2021/22 budget and the level of general reserves were factored into the 2022/23 financial scenario, budget and reserves strategy.

8.7. Rural Communities

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

8.8. Children and Young People/Cared for Children

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

8.9. Public Health

8.9.1. 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.

8.10. Climate Change

8.10.1. There are no direct implications for climate change.

Access to Information	
Contact Officer:	Alex Thompson Director of Finance and Customer Services (Section 151 Officer) alex.thompson@cheshireeast.gov.uk 01270 685876
Appendices:	Annex 1 including: Section 1 provides information on the overall financial stability and resilience of the Council. Further details are contained in the appendices. Appendix 1 Adults and Health Committee. Appendix 2 Children and Families Committee. Appendix 3 Corporate Policy Committee. Appendix 4 Economy and Growth Committee. Appendix 5 Environment and Communities Committee. Appendix 6 Finance Sub-Committee. Appendix 7 Highways and Transport Committee. Appendix 8 Update to the Treasury Management Strategy. Appendix 9 Update to the Investment Strategy.
Background Papers:	The following are links to key background documents: Medium-Term Financial Strategy



First Financial Review 2022/23

October 2022

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

Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 398,000 local people with annual spending of over £470m.

Local government is going through a period of financial challenges, with a combination of the impact of increasing demand for services and rising costs due to inflation. 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 and the national cost of living increases. This demand is resulting in forecast outturn of £340.0m against a net revenue budget of £328.4m, with the most significant impact within the rising complexity of needs in Adult Social Care.

When the 2022/23 budget was set, in February 2022, 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. The forecasts at first review highlight pressures due to demand, inflation and pay negotiations. These will almost certainly affect the medium term finances of the Council. This situation must be addressed now and as part of the MTFS process for 2023 to 2027.

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 2022/23:

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 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** Adults and Health Committee.
- **Appendix 2** Children and Families Committee.
- **Appendix 3** Corporate Policy Committee.
- **Appendix 4** Economy and Growth Committee.
- **Appendix 5** Environment and Communities Committee.
- **Appendix 6** Finance Sub-Committee.
- **Appendix 7** Highways and Transport Committee.
- **Appendix 8** Update to the Treasury Management Strategy.
- **Appendix 9** Update to the Investment Strategy.

Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

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2022/23 Outturn Forecast - Financial Position

2022/23 (GROSS Revenue Budget £474.2m)	Revised Budget (NET) £m	Forecast Outturn £m	Forecast Variance £m	For further information please see the following sections
SERVICE DIRECTORATES				
Adult, Health and Integration	120.9	132.6	11.7	Appendix 1 Section 2
Children's Services	74.5	78.0	3.5	Appendix 2 Section 2
Place	81.7	84.3	2.6	Appendix 4, 5 & 7 Section 2
Corporate Services	39.8	40.6	0.8	Appendix 3 Section 2
CENTRAL BUDGETS				
Capital Financing	18.9	18.9	-	Appendix 6 Section 5
Transfer to/(from) Earmarked Reserves	(2.7)	(8.7)	(6.0)	Appendix 6 Section 6
Corporate Contributions / Central Budgets	(4.7)	(5.7)	(1.0)	Appendix 6 Section 2
TOTAL NET EXPENDITURE	328.4	340.0	11.6	
Business Rates Retention Scheme	(49.1)	(49.1)	-	Section 1 - Paragraphs 19-22
Specific Grants	(24.6)	(24.6)	-	Appendix 6 Section 3
Council Tax	(254.7)	(254.7)	-	Section 1 - Paragraphs 8-18
Net Funding	(328.4)	(328.4)	-	
NET (SURPLUS) / DEFICIT	-	11.6	11.6	

Financial Stability

Introduction

1. The Council has a 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 rapid inflation, the legacy impact of the Coronavirus pandemic and increasing cost of living pressure on households. These issues have the effect of increasing the demand for services and increasing costs of services.
2. Complexity and market sustainability in Adults' and Children's Social Care remains the most significant financial pressure for the Council in the medium term. Rising inflation in fuel, utilities and wage levels are affecting costs across all services.
3. **Table 1** provides a service summary of financial performance. The current forecast is that services will be £18.6m over budget in the current year. The Action Plans provide further details and changes to service net budgets since the Medium Term Financial Strategy are analysed in the **Appendices 1-7**.
4. Further items impacting on the level of the Council's balances are detailed in **Table 2** below on Central Budgets and Funding.

Table 1 - Service Revenue Outturn Forecasts

2022/23	Revised Budget	Forecast Outturn	Forecast Variance	FOR INFO COVID Costs Included in Totals
(GROSS Revenue Budget £474.2m)	(NET)			
	£m	£m	£m	£m
SERVICE DIRECTORATES				
Adult Social Care - Operations	117.5	128.5	11.0	4.9
Commissioning	3.4	4.1	0.7	-
Public Health	-	-	-	-
Adult, Health and Integration	120.9	132.6	11.7	4.9
Directorate	1.0	0.9	(0.1)	-
Children's Social Care	46.6	48.5	1.9	0.1
Strong Start, Family Help and Integration	8.3	8.3	-	0.1
Education & 14-19 Skills	18.6	20.3	1.7	0.5
Children's Services	74.5	78.0	3.5	0.7
Directorate	0.8	0.7	(0.1)	-
Environment & Neighbourhood Services	44.3	46.2	1.9	2.3
Growth & Enterprise	22.8	23.1	0.3	0.1
Highways & Infrastructure	13.8	14.3	0.5	1.6
Place	81.7	84.3	2.6	4.0
Directorate	1.9	1.9	-	-
Finance & Customer Services	11.9	12.3	0.4	-
Governance & Compliance Services	11.7	11.2	(0.5)	-
Communications	0.7	0.7	-	-
HR	2.4	2.2	(0.2)	-
ICT	9.3	10.4	1.1	-
Policy & Change	1.9	1.9	-	-
Corporate Services	39.8	40.6	0.8	-
				<i>For Info</i>
TOTAL SERVICES NET EXPENDITURE	316.9	335.5	18.6	9.6

Table 2 – Central Outturn Forecasts

2022/23	Revised Budget	Forecast Outturn	Forecast Variance
(GROSS Revenue Budget £474.2m)	(NET)		
	£m	£m	£m
CENTRAL BUDGETS			
Capital Financing	18.9	18.9	-
Transfer to/(from) Earmarked Reserves	(2.7)	(8.7)	(6.0)
Corporate Contributions / Central Budgets	(4.7)	(5.7)	(1.0)
Central Budgets	11.5	4.5	(7.0)
Business Rates Retention Scheme	(49.1)	(49.1)	-
Specific Grants	(24.6)	(24.6)	-
Council Tax	(254.7)	(254.7)	-
Net Funding	(328.4)	(328.4)	-

Outturn Impact

- The financial impact of the outturn forecast could decrease balances by £11.6m. This is over 75% of the Council's General Reserves balance, so mitigating actions must be taken to reduce the pressure during the year. Any deficit at the end of the year will be drawn down from the Medium-Term Financial Strategy Earmarked Reserve in the first instance, but drawdowns from that reserve are already factored in to the MTFs to manage the effects of variations in spending and income in specific years.
- The Council will continue to manage and review the financial forecasts in response to emerging pressures and how this affects the Council's revenue budget.

Collecting Local Taxes for Local Expenditure

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

Council Tax

- Council tax is set locally and retained for spending locally. Council tax was set for 2022/23 at £1,626.24 for a Band D property. This is applied to the taxbase.
- 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 2022/23 was agreed at 156,607.48 which, when multiplied by the Band D charge, means that the expected income for the year is £254.7m.
- In addition to this, Cheshire East Council collects council tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £313.8m.
- 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 amount billed will therefore exceed the budget.
- 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 £314.6m.

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

	£m
Cheshire East Council	254.7
Cheshire Police and Crime Commissioner	36.9
Cheshire Fire Authority	12.9
Town and Parish Councils	9.3
Total	313.8

13. **Table 4** shows collection rates within three years, and demonstrates that 99% collection is on target to be achieved within this period.

Table 4 – 99% of Council Tax is collected in three years

Financial Year	CEC Cumulative			
	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
After 1 year	98.2	97.9	97.4	97.8
After 2 years	99.0	98.8	98.3	**
After 3 years	99.2	98.9	**	**

**data not yet available

14. The council tax in-year collection rate for the period up to the end of June 2022 is 29%. This is a small decrease of 0.1% on the previous year, possibly indicating current cost of living pressures. Additionally, significant numbers of council tax staff have been supporting the government's energy rebate

payments which has impacted resource normally involved in collection.

15. Council tax support payments were budgeted at £18.4m for 2022/23 and at the end of June the total council tax support awarded was £19.0m.
16. During 2021/22 there was a consultation and review of the Council Tax Support scheme resulting in some amendments being made. The revised scheme was confirmed by full Council in December 2021.
17. Council tax discounts awarded are £28.3m which are comparable to the same period in 2021/22.
18. Council tax exemptions awarded is £6.9m which is broadly in line with previous years.

Non-Domestic Rates (NDR)

19. 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.
20. The small business multiplier applied to businesses which qualify for the small business relief was set at 49.9p in 2022/23. The non-domestic multiplier was set at 51.2p in the pound for 2022/23.
21. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.
22. The business rates in-year collection rate for the period up to the end of June 2022 is 32.8%. This is a significant increase

on last year and begins to revert collection rates back to pre pandemic figures. A return to standard collection processes and government support through additional reliefs has assisted the recovery in collection.

Table 5 – Over 99% of Business Rates are collected within three years

Financial Year	CEC Cumulative			
	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
After 1 year	98.5	98.2	92.4	95.6
After 2 years	99.4	98.4	97.4	**
After 3 years	99.4	99.2	**	**

**data not yet available

Appendices to First Financial Review 2022/23

October 2022

Appendix 1 : Adults and Health Committee

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1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

2. Action Plan 2022/23

3. Corporate Grants Register

Table 1: Adults and Health Committee Grants

Table 2: Supplementary Estimates for Committee to Approve

Table 3: Supplementary Estimates for Committee to Note

Table 4: Delegated Decisions for Committee to Note

Table 5: Allocation of Additional Grant Expenditure for Committee to Note

Table 6: Urgent decisions for Committee to Note

4. Debt Management

5. Capital Strategy

6. Reserves Strategy (Adults and Health Committee Extract)

Appendix 1

Adults and Health Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Adults and Health				
Adult Social Care Operations	115,959	43	1,513	117,515
Commissioning	4,880	-	(1,461)	3,419
Public Health	-	-	-	-
	120,839	43	52	120,934

Note the additional grant funding column includes the expenditure part of centrally held unringfenced grants.

2. Action Plan 2022/23

Adults and Health Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Adults & Health Committee				Pay Inflation	1.551	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	1.511
Adult Social Care Operations	148.4	-30.9	117.5	Continuing Healthcare Reviews	-1.000	7	Green (on track and should achieve)	Reviews underway of nursing home placements and complex care packages to identify those people who have a primary health need and are therefore eligible for Continuing Healthcare Funding.	0.000
				Productivity and Efficiency in Adult Social Care	-0.500	30	Red (will not achieve)	Unable to achieve in 2022/23, due to current level of demand upon services. The development of the Integrated Care Partnership (ICP) and integration commissioning will enable staff to work differently. New ways of working and integrated posts will be adopted which will result in more efficient ways of working.	0.500
				Investment in Adult Social Care	4.000	34	Red (will not achieve)	Pressures from care costs base budgets. Mitigation already includes staffing vacancies and a £2m income contribution anticipated from NHS discharge funding.	9.302

Adults and Health Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Care Fee Uplifts in Adult Social Care			Green (on track and should achieve)		0.000
				Learning Disabilities (LD) Future Service Development and Review	-1.000	49	Amber (not on track but may still achieve)	Difficulties identified in providers demanding higher fees or threatening to end contracts. We can evidence gross reductions on LD packages from the base line at the start of the financial year. On this measure it is expected that the saving will be met. However, demand and market pressure will result in an overall net increase to the cost of LD care.	0.000
				Direction of travel for the Communities Team to focus more on the Intervention and Prevention Agenda to make cost savings, growth and	-0.500	36	Red (will not achieve)	This has been unachievable due to the team's commitment to Afghan and Homes for Ukraine and COVID response- savings on tracker. Mitigation from associated grants will need to be determined.	0.500

Adults and Health Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				future cost avoidance					
				Mental Health Services Review	-0.500	37	Amber (on track but may not achieve all)	Working with health colleagues to implement 50/50 approach to section 117 cases.	0.000
				Day Care Review	-0.070	38	Green (on track and should achieve)	2022/23 saving was achieved in 2021/22 by contract variation.	0.000
				Electronic Call Monitoring Reclamation	-0.030	39	Red (will not achieve)	Unable to deliver due to the fragility of the care at home market- this is on covid tracker.	0.030
				Market Sustainability and Fair Cost of Care - Grant Income	-0.979	40	Green (on track and should achieve)	Received.	0.000
				Market Sustainability and Fair Cost of Care - Expenditure	0.979	40	Green (on track and should achieve)	Spent on 6% increase to care at home providers.	0.000

Adults and Health Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Staff Travel and related savings	-0.044	29	Green (on track and should achieve)		0.000
				Care Packages		NEW		Savings in year from reviews of current packages. Includes targeted economies through assistive technology and removing low level support (non-personal care tasks).	-0.400
				Care Costs		NEW		Negotiating unit costs down in line with Fair Cost Of Care.	-0.070
				Public Health (PH) Grants		NEW		Allocating PH grant to relevant preventative expenditure.	-0.110
Commissioning	12.6	-9.2	3.4	Reduce Base budget assigned to Community Grants	-0.100	9	Green (on track and should achieve)		0.000
				In Year pressures		New		£80k children's commissioning due to employment activity. £338k due to demand on community equipment and £378k demand on assistive technology. Partially offset by Ukraine settlement grant £500k.	0.392

Adults and Health Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Public Health	17.7	-17.7	0.0	Public Health		NEW		Review use of Public Health grant across wider network of local authorities to test best practice.	
Total	178.7	-57.8	120.9		1.807				11.655

3. Corporate Grants Register (Adults and Health Committee extract)

Table 1 – Corporate Grants Register

Grants 2022/23	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2022/23 £000	2022/23 £000	2022/23 £000	Notes 2 - 5
ADULTS & HEALTH				
Specific Use (Held within Services)	30,739	54,245	23,506	
General Purpose (Held Corporately)				
Social Care Support Grant	11,341	11,341	0	
Independent Living Fund	818	861	43	SRE
Local Reform & Community Voices	213	213	0	
Social Care in Prisons	71	71	0	
War Pension Scheme Disregard	56	56	0	
TOTAL ADULTS & HEALTH	43,238	66,787	23,549	

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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 Early Assessment funding, Journey First and Parents First grant, and increases in Public Health grants. Requests for the

allocation of the additional specific grants received are detailed in **Table 2, Table 3 and Table 4.**

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

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

3.5 **Table 6** shows general purpose grant approvals resulting from urgent decisions.

Table 2 – Recommend to Service Committee to Approve Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) over £500,000 up to £1m

Adults and Health	Early assessment funding allocation Part 1 (Specific Purpose)	585	This grant is from the Department of Health and Social Care with a national allocation of £2.1m. Funding to enable trailblazer local authorities to conduct additional needs and financial assessments of their local population. The funding set out for early assessments in this grant determination represents 50% of the total funding trailblazers would receive under the 2014 formula in the financial year 2022 to 2023. Trailblazer funding grant determination letter - GOV.UK (www.gov.uk)
Total Specific Purpose Allocation for Service Committee Approval		585	

Table 3 – Note that Council will be asked to Approve Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) Over £1m

Committee	Type of Grant	£000	Details
Adults and Health	Journey First and Parents First (Specific Purpose)	2,500	This grant is from the Department for Work and Pensions. Cheshire East Council is the Accountable Body for the delivery of three separate lots of former European Social Fund money (now administered by the Department for Work and Pensions). Two of these lots are under the Journey First banner with the third being Parents First. They aim to break down barriers for hard to reach groups to successfully become part of the employment market. These sub regional projects run over a number of financial years through to 2023/24.
Total Specific Purpose Allocation for Council Approval		2,500	

Table 4 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Adults and Health	DHSC Additional drug and alcohol treatment funding allocations: 2022 to 2023 (Specific Purpose)	347	This grant is from the Department of Health and Social Care with a national allocation of £101.2m. As part of its Public Health responsibilities, Cheshire East Council commissions drug and alcohol treatment and recovery services. This additional grant is to fund improvements to these services in line with the government's drug strategy (launched in 2021). Additional drug and alcohol treatment funding allocations: 2022 to 2023 - GOV.UK (www.gov.uk)
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Adults and Health	ChaMPs Marmot Place Funding - encourage pregnant women to stop smoking (Specific Purpose)	22	This grant is from the Cheshire and Merseyside Health partnership (ChaMPs) to fund a smoking cessation scheme. The trial scheme will aim to incentivise pregnant women and others in their household to quit smoking.
Adults and Health	ChaMPs SMS - inpatient detox (Specific Purpose)	30	This grant is from the ChaMPs Public Health Collaborative with a national allocation of £9.7m to fund substance misuse treatment scheme. The grant will be used to commission enhanced in-patient treatment provision.
Adults and Health	ChaMPs Mouth Care Matters programme (to be confirmed) (Specific Purpose)	15	This grant is from the ChaMPs Public Health Collaborative to support the delivery of the 'Mouth Care Matters in the Community (Cheshire and Merseyside)' programme. This will offer training and a sample pack of mouth care products to residential and nursing homes in Cheshire East.
Adults and Health	PHE grant for HIV pre-exposure prophylaxis (PrEP) drug (Specific Purpose)	59	This grant is from Public Health England. Grant to fund the routine commissioning of pre-exposure prophylaxis. Pre-Exposure Prophylaxis (PrEP) involves the use of an anti-retroviral (ARV) drug, which may be prescribed to HIV negative people who are at high risk of contracting HIV. Using PrEP can prevent them from becoming infected.
Specific Purpose Allocations less than £500,000		473	

Table 5 – Note Allocation of Additional Grant Expenditure from General Purpose Grants Held in Central Budgets

Committee	Type of Grant	£000	Details
Adults and Health	Independent Living Fund (ILF) (General Purpose)	43	Increase on MTFs 2022-26 estimate. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC) with a national allocation of £160.6m. 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 2022 to 2023. Former Independent Living Fund Grant 2022 to 2023 - GOV.UK (www.gov.uk)
General Purposes Allocations less than £500,000		43	

Table 6 – Note Urgent decisions made following Member consultation (Specific Purpose)

Summary of Decision	Decision on behalf of	Members, MO/S151 consulted/ content?	Status
Implementation Support Grant: This grant is from the Department of Health and Social Care with a national allocation of £15.5m. A supplementary revenue estimate for the 2022/23 financial year of £98,230 be approved. Associated with the Adult Social Care charging reform. This is the first tranche of funding to support local authorities in preparation for the charging reforms. It has been provided to	Council	Yes	Decision made and Members notified

Summary of Decision	Decision on behalf of	Members, MO/S151 consulted/ content?	Status
<p>support recruitment activities of assessment staff and the development of IT systems.</p> <p>Adult social care charging reform: implementation support funding grant determination 2022 to 2023 - GOV.UK (www.gov.uk)</p>			
<p>Trailblazer support funding: This grant is from the Department of Health and Social Care with a national allocation of £0.8m. A supplementary revenue estimate for the 2022/23 financial year of £162,211 be approved. As a “Trailblazer”, Cheshire East will implement the adult social care charging reforms 9 months earlier than other local authorities. This funding recognises costs associated with implementing the reforms in an accelerated timeframe and the obligations to work closely with the Department of Health and Social Care in reporting our learning.</p> <p>Trailblazer funding grant determination letter - GOV.UK (www.gov.uk)</p>	Council	Yes	Decision made and Members notified

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Adults and Health Committee		
Adults, Public Health and Communities	8,438	4,931

5. Capital Strategy

Adults and Health											CAPITAL		
CAPITAL PROGRAMME 2022/23 - 2025/26													
Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2022/26	Forecast Funding					Total Funding
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
Committed Schemes												0	
Adults Services													
Electronic Call Monitoring System	389	0	389	0	0	0	389			389		389	
People Planner System	94	38	56	0	0	0	56	56				56	
Replacement Care4CE Devices	93	65	28	0	0		28	28				28	
Total Adults Services Schemes	576	103	473	0	0	0	473	84	0	389	0	473	

6. Reserves Strategy (Adults and Health Committee Extract)

Adults and Health Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Adult Social Care Operations				
Adults Directorate	1,020	(450)	570	To support a number of widespread projects within the Adults and Health Directorate. Connected Community Strategy Developments activity has been delayed due to community team focussing on resettlement schemes. Transformation and Improvement of ASC and Care4ce New Model of Care anticipate phasing of appropriation will match the original business case.
DOL's Assessments	397	(397)	0	Reserve required due to delays in DOLs assessment processing. Anticipated to be fully utilised in 2022/23.
Public Health (LAC funding for 3 years/ Investment in Outcome 5 activities - Adults)	162	(162)	0	Reserve will be fully utilised by the end of 2022-23, matched off against LAC staff as per the original business case.
Adults Social Care Commissioning				
PFI Equalisation - Extra Care Housing	2,715	80	2,795	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009, and the anticipated gap at the end of the agreement.
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.
Public Health				
Public Health	3,220	(488)	2,732	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 2025/26.
ADULTS AND HEALTH TOTAL	7,646	(1,417)	6,229	

Appendix 2 : Children and Families Committee

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6. Reserves Strategy (Children and Families Committee Extract)

Appendix 2

Children and Families Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Children and Families				
Directorate	899	-	107	1,006
Children's Social Care	46,464	187	-	46,651
Education & 14-19 Skills	18,197	311	24	18,532
Strong Start, Family Help and Integration (Previously Prevention & Early Help)	8,217	-	91	8,308
	73,777	498	222	74,497

2. Action Plan 2022/23

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
C&F Committee				Pay Inflation	1.548	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	1.368
				Use of EMRs		New		Additional use of earmarked reserves above MTFS level.	-0.208
				Transformation		New		Flexible use of Capital Receipts.	-1.000
Directorate	1.3	-0.3	1.0						
Strong Start, Family Help and Integration	14.7	-6.3	8.3	A redesign of Early Help Services into a Locality model	-0.424	48	Green (on track and should achieve)	A restructure is scheduled for March 2023. A significant amount of vacancies have been held in the service pending the restructure and they allow the saving to be delivered in 2022/23.	0.000
				Staff Travel and related savings	-0.062	29	Red (will not achieve)	At this stage the service is working to resume pre COVID-19 delivery levels and is not able to deliver savings from less travel or a reduced mileage rate. To be considered as part of wider recruitment and retention issue.	0.050
				Development and		50	Amber (not on track but	Under discussion to confirm any required changes.	0.000

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Partnerships service			may still achieve)		
				Revenue costs for Crewe Youth Zone		43	Green (on track and should achieve)		0.000
				Restructure Early Help budget to fund Crewe Youth Zone (CYZ)		44	Green (on track and should achieve)	Ringfenced reserves from the Supporting Families Programme (SFP) will be used to fund the Crewe youth zone. This will enable shared outcomes from the SFP programme with the outcomes of the Crewe youth zone. This will prevent any need to restructure within the early help budget. Depends on progress of the CYZ.	0.000
				P&S use of Troubled families		New			-0.300
				Use of COMF grant		New		Activity within Strong Start that may be funded from the ringfenced Contain Outbreak Management Fund.	-0.013
				In Year pressures		New		Difference from policy proposals and team plan related to other ongoing mitigation proposals.	-0.080

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Education and 14-19 Skills	61.3	-42.7	18.6	Establish a traded service for non-statutory elements of Attendance Service	-0.035	22	Green (on track and should achieve)	Income is being generated and using it to fund a single post - broadly net nil.	0.000
				Establish an Education Psychologist traded service to enable a proactive early support and intervention offer	-0.025	23	Green (on track and should achieve)	Income is being generated. Need to confirm position related to team capacity.	0.000
				Increase capacity to support Statutory SEND service	0.400	42	Amber (on track but may not achieve all)	Legal costs continue to highlight pressure in this area.	0.000
				Increase capacity to support Statutory Education Psychology Service	0.125	47	Amber (on track but may not achieve all)	Growth is not sufficient to match pressures in 2022/23, but procurement activity has to continue to meet demand. Expectation is that financial pressure could increase.	0.531

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				School Transport	1.200	62	Red (will not achieve)	MTFS identified there might be £1m further pressure to be funded from the MTFS reserve, which is being utilised. Independent review has completed (July 22) with recommendations for potential cost savings. These need to be considered and decisions reached to determine whether growth needs to be built in for future years. Expectation that the SEND growth is increasing each year so additional pressures likely. Need to establish what the transport review outcome will recommend.	1.537
				Staff Travel and related savings	-0.050	29	Red (will not achieve)	This is a challenge to deliver as the reduction in travel is too much and the mileage rate has not been changed. Low numbers of regular user allowances in this service.	0.098
				SEND Staffing – both core services and specialist teams supporting reduction in SEND needs assessments		New		To be established.	
				EP Staffing		New		To be established.	

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				School catering – implications on outcome of external catering review		New		To consider the recommendations of the APSE external review in terms of future delivery models and implications of budgets.	
				Skills agenda – shaping a strategic direction of support for young people		New		To consider the wider implications of how we support young people in terms of skills and preparation for employment.	
				Use of Public Health grant		New		Activity within Education and Skills that may be funded from the ringfenced Public Health Grant	-0.200
				Use of COMF grant		New		Activity within Education and Skills that may be funded from the ringfenced Contain Outbreak Management Fund	-0.110
				E&S Cell		New			-0.030
				In Year pressures		New		Covid expenditure - catering staff absence.	
Children's Social Care	48.2	-1.6	46.7	Children's Social Care Transformation and OFSTED Response	-1.500	2	Green (on track and should achieve)	In light of improvement work needed at pace it would be helpful to extend the timescale for this funding. Balance held in earmarked reserves.	0.000

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Investment in Cared for Children and Care Leavers and other pressures	4.000	41	Amber (not on track but may still achieve)	This has been allocated to the placements budget pressure – with a full review of budgets pending. Regular review / deep dive into placements. Opportunities in the other budgets will be considered but they are under pressure.	2.310
				Safeguarding Children – legacy staffing pressure	0.390	45	Green (on track and should achieve)	This was growth that has corrected a legacy issue.	0.000
				Growth in Children & Families Commissioning Contracts	0.180	46	Green (on track and should achieve)	This was growth that has corrected a legacy issue. The budget has been significantly reduced in earlier years so options for further reductions are limited. Review budgets for 2023/24.	0.000
				Staff Travel and related savings	-0.261	29	Red (will not achieve)	This will be a pressure on the requirement to travel. Impact on workforce to be considered and how savings can be delivered. Review for MTFS 2023/24. Part of the essential user allowance item will be delivered but unlikely that less mileage / lower mileage rate will be achieved.	0.113

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Growth in Children's social care – average 10% per annum growth in spend (on £20m placement budget) less already agreed.		New		Possible scope for this to reduce in line with ambition to refocus activity and realising savings here through roll out of residential children's homes project. But likely to be double spend during transition phase.	
				Continuation of Transformation funding considering July 2022 inspection and wider improvement work.		New		Transformation work ongoing to realise ambition to draw down demand and reduce high cost provision.	
				Removal of high needs DSG contribution to Direct payments and replace with base budget funding.		New			
				Growth in direct payments budget to reflect activity levels.		New			

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Growth in the service to manage resettlement activity – children stay in the system and staff are needed.		New			
				Workforce		New		Revise vacancy forecasts to reflect recruitment difficulties. Slow down in year recruitment where feasible/safe. Use specific reserves for exit costs (per MTFS).	
				Further Mitigations		New		Forensic review of projected deficit budget lines to identify in-year mitigations. Acquire domestic property for Children’s Homes. Review all high cost-low outcome placements.	-0.475
				Use of COMF grant		New		Activity within Childrens Social Care that may be funded from the ringfenced Contain Outbreak Management Fund	-0.044
				Care and Early Intervention		New		Review all high cost-low outcome placements.	

Children and Families Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Other		New		Reduce opening hours or close for under-utilised facilities. Work across partnerships to identify any additional funding streams for use of facilities.	
Total	125.4	-50.9	74.5		5.486				3.547

3. Corporate Grants Register (Children and Families Committee Extract)

Table 1 – Corporate Grants Register

Grants 2022/23	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2022/23 £000	2022/23 £000	2022/23 £000	Notes 2 - 5
CHILDREN & FAMILIES				
Specific Use (Held within Services)¹	146,517	165,406	18,889	
General Purpose (Held Corporately)				
Staying Put Implementation Grant	0	130	130	
Extended Rights to Free Transport (Home to School Transport)	0	250	250	
Extended Personal Adviser Duty Implementation	0	57	57	
Extension of the role of Virtual School Heads	0	61	61	SRE
TOTAL CHILDREN & FAMILIES	146,517	165,904	19,387	

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 the dedicated schools grant reflecting the latest allocations. Other additional

specific grants have been received and are detailed in **Table 2 and 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 2 – Note that Council will be asked to Approve Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) Over £1m

Committee	Type of Grant	£000	Details
Children and Families	Dedicated Schools Grant (DSG) (Specific Purpose)	9,860	<p>Increase on MTFS 2022-26 estimate. This grant is from the Education and Skills Funding Agency with a national allocation of £53.659bn. The DSG allocations for 2022 to 2023 are made up of:</p> <ul style="list-style-type: none"> • The schools block; based on the primary units of funding (PUF), and secondary units of funding (SUF), and premises funding announced in July 2021 and growth funding. • The central school services block (CSSB); based on the units of funding and total historic commitments funding announced in July 2021. • The high needs block; based on the allocations announced in July 2021 with the basic entitlement element of the national funding formula (NFF) updated for the number of pupils in the October 2021 school census; and the additional high needs allocations funding announced in December 2021. • The early years block; based on the early years funding rates published in November 2021 and made up of:

Committee	Type of Grant	£000	Details
			<ul style="list-style-type: none"> - funding for the universal 15-hour entitlement for all 3 and 4-year-olds - funding for the additional 15 hours for 3 and 4-year-old children of eligible working parents - funding for the 15-hour entitlement for disadvantaged 2-year-olds - funding for the early years pupil premium (EYPP) - funding for the disability access fund (DAF) - supplementary funding for maintained nursery schools (MNS) <p>Dedicated schools grant (DSG): 2022 to 2023 - GOV.UK (www.gov.uk)</p>
Total Specific Purpose Allocation for Council Approval		9,860	

Table 3 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Children and Families - Schools	Pupil Premium Grant (Specific Purpose)	38	<p>Increase on MTFs 2022-26 estimate. This grant is from the Department for Education with a national allocation of £2.683bn. 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.</p> <p>Pupil premium: allocations and conditions of grant 2022 to 2023 - GOV.UK (www.gov.uk)</p>

Children and Families - Schools	Sixth Forms Grant (Specific Purpose)	252	Increase on MTFS 2022-26 estimate. This grant is from the Education and Skills Funding Agency. Funding is based on Pupil Numbers which makes up the main funding profile, the MTFS estimate will have been based on pupils in 2021/22 being forecast for the remainder of financial year. This will now have been updated for 2022/23 pupil numbers. Sixth Form providers also receive a High Value Course Premium based on the number of pupils taking high value courses. 16 to 19 education: funding allocations - GOV.UK (www.gov.uk)
Children and Families - Schools	COVID-19 Recovery Premium (Specific Purpose)	267	This grant is from the Department for Education. Recovery premium received on behalf of schools and allocated out as per funding schedule (breakdown by school).
Children and Families - Schools	School Led Tutoring Grant (Specific Purpose)	124	This grant is from the Department for Education. This grant will give schools and academy trusts the flexibility in determining how best to provide tutoring intervention to support catch-up for lost education due to the coronavirus (COVID-19) pandemic. Grant conditions .
Children and Families - Schools	Milk Subsidy (Specific Purpose)	8	Increase on MTFS 2022-26 estimate. This grant is from the Rural Payments Agency. The scheme subsidises the cost of milk, certain milk products and yoghurts for schoolchildren in England, Scotland and Wales. This means that the products can be sold to schoolchildren at a lower price. Schools must offer drinking milk before they can supply other eligible milk products or yoghurts. Schools, local authorities, suppliers or other organisations can claim for the subsidy.
Children and Families - Schools	Senior Mental Health Lead Training Grant (Specific Purpose)	4	This grant is from the Department for Education. The Department for Education (DfE) is offering a grant of £1,200 for eligible state-funded schools and colleges in England to train a senior mental health lead to develop and implement a whole school or college approach to mental

			<p>health and wellbeing. This training is not compulsory, but it is part of the government's commitment to offer this training to all eligible schools and colleges by 2025.</p> <p>Eligible schools and colleges are now able to apply for a senior mental health lead training grant to commence training within the 2022 to 2023 financial year, up to 31 March 2023. Grants will be provided to cover (or contribute to) the cost of attending a quality assured course and may also be used to hire supply staff whilst leads are engaged in learning.</p> <p>Senior mental health lead training: conditions of grant for the 2022 to 2023 financial year - GOV.UK (www.gov.uk)</p>
Children and Families - Schools	<p>Newly Qualified Teachers - Education Recovery 5% Time off Timetable</p> <p>(Specific Purpose)</p>	42	<p>This grant is from the Department for Education. Eligible schools will receive a one-off payment to support NQTs who completed induction between the summer of 2021 and spring 2022. This funding will be made available to cover the cost of providing these teachers an additional 5% off timetable for the 2021 to 2022 academic year so they have additional time to invest in their development.</p> <p>This time off timetable has been designed to be used flexibly so that as many new teachers as possible can benefit from this additional support.</p> <p>Funding has been calculated as equivalent to 5% off timetable every week for an NQT over the academic year 2021 to 2022 and equates to 44 hours.</p>
Children and Families - Schools	<p>Delivering Better Value in SEND</p> <p>(Specific Purpose)</p>	45	<p>This grant is from the Department for Education. The Department for Education recognises that Local Authorities are under pressure and that there are competing demands on staff capacity. This grant aims to support data collection and / or assurance, with particular focus on the</p>

			DSG management plan and underlying data, ensuring that preparation for and participation in phase 1 is not an additional burden.
Children and Families - Schools	COVID-19 Workforce Fund (Specific Purpose)	22	This grant is from the Department for Education. The COVID-19 workforce fund has been re-introduced to provide financial support to settings with the greatest staffing and funding challenges. The fund has been extended to help eligible schools cover the cost of workforce absences experienced from 22 November 2021 until Easter.
Children and Families - Schools	Asylum Seekers (Specific Purpose)	88	Increase on MTFS 2022-26 estimate. This grant is from the Department for Education. 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.
Children and Families	Tackling Troubled Families (Payments by Results) (Specific Purpose)	98	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). 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.

Children and Families	Supporting Families (Payments by Results) Upfront Grant (Specific Purpose)	1	Increase on MTFS 2022-26 estimate. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). 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. Supporting Families Programme: funding allocations by local authority area 2022-2023 - GOV.UK (www.gov.uk)
Children and Families	Adoption Support Fund (Specific Purpose)	20	Increase on MTFS 2022-26 estimate. This grant is from the Department for Education. The adoption support fund (ASF) provides funds to local authorities and regional adoption agencies (RAAs) to pay for essential therapeutic services for eligible adoptive families.
Children and Families	Hong Kong UK Welcome Programme - British Nationals (Specific Purpose)	5	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Funding is being provided as part of the Hong Kong UK Welcome Programme which is intended to provide funding to local authorities in England to provide targeted support to BN(O) status holders who need additional English language support and destitution support for those whose circumstances change.
Children and Families	Early Years Professional Development programme (Specific Purpose)	21	This grant is from the Department for Education. The Early Years Professional Development Programme is a key element of the national government initiative to improve children's outcomes in early language, literacy and mathematics.
Specific Purpose Allocations less than £500,000		1,035	

Table 4 - Note Allocation of Additional Grant Expenditure from General Purpose Grants Held in Central Budgets

Committee	Type of Grant	£000	Details
Children and Families	Extension of the role of Virtual School Heads (General Purpose)	61	This is a grant from the Department for Education. The purpose of this grant is to provide support to local authorities in England to help them to extend the role of the Virtual School Head to promote the educational outcomes of the cohort of children with a social worker. Virtual School Heads should take a strategic leadership role for this cohort of children and work with early years settings, schools, colleges, and social care leaders to create a culture of high aspirations that helps all children with social workers to reach their potential. Virtual school heads: section 31 grant determination letters - GOV.UK (www.gov.uk)
General Purposes Allocations less than £500,000		61	

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Children and Families Committee		
Children's Social Care (Incl. Directorate)	8	6
Education and 14-19 Skills	88	5
Schools	9	-

5. Capital Strategy

Children and Families CAPITAL

CAPITAL PROGRAMME 2022/23-2025/26

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2022/26	Forecast Funding					Total Funding
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
Committed Schemes in progress													
Childrens Social Care													
Foster Carers Capacity Scheme	634	348	0	286	0	0	286					286	286
Crewe Youth Zone	4,800	342	650	2,450	1,358	0	4,458	2,258				2,200	4,458
Strong Start, Family Help & Integration													
Beechwood Nursery Expansion	868	836	33	0	0	0	33			33			33
Early Years Sufficiency Capital Fund	123	0	0	123	0	0	123	123					123
Education and 14-19 Skills													
Adelaide Academy	784	34	150	600	0	0	750	580				170	750
Congleton Planning Area	5,034	44	1,000	3,990	0	0	4,990	2,593	2,397				4,990
Devolved Formula Capital	1,874	45	954	300	290	285	1,829	1,829					1,829
Future Years Basic Need Allocation	2,028	0	1,500	528	0	0	2,028	2,028					2,028
Holmes Chapel Planning Area	3,625	770	1,500	1,355	0	0	2,855	2,480	375				2,855
Macclesfield Planning Area	4,084	1,106	500	2,000	478	0	2,978	2,978					2,978
Malbank High School	1,922	1,856	66	0	0	0	66	66					66
Monks Coppenhall Sen Expansion	127	2	125	0	0	0	125	25				100	125
Nantwich Planning Area (Primary)	7,080	104	500	4,500	1,976	0	6,976	3,787	3,189				6,976
Nantwich Planning Area (Secondary)	700	0	500	200	0	0	700	700					700
Park Lane Expansion	4,400	4,226	174	0	0	0	174	174					174
Provision of Sufficient School Places - SEND	6,006	16	2,490	3,500	0	0	5,990	500				5,490	5,990
Puss Bank SEN Expansion	532	509	23	0	0	0	23					23	23
Sandbach High School - Basic Need	1,704	1,702	2	0	0	0	2	2					2
Sandbach Boys School - Basic Need	1,776	1,773	3	0	0	0	3	3					3
Sandbach Planning Area (secondary)	38	0	38	0	0	0	38	38					38
School Condition Grant	4,356	0	1,595	2,761	0	0	4,356	4,301		55			4,356
Sen/High Needs Grant Allocation	6,351	0	2,531	3,820	0	0	6,351	6,351					6,351
Sen Placement Expn - Phase 2	38	0	38	0	0	0	38					38	38
Shavington Planning Area (1)	3,125	70	1,217	1,838	0	0	3,055	3,055					3,055
Special Provision Grant Allocation	858	46	813	0	0	0	813	807		6			813
Springfield Satellite Site (Dean Row)	4,120	91	2,030	2,000	0	0	4,030	3,230				800	4,030
Little Angels Satellite Sites	1,100	1,074	26	0	0	0	26	26					26
Wilmslow Basic Need Scheme	13,944	1,658	7,069	5,217	0	0	12,286	9,551	2,687			48	12,286
Wilmslow Primary Planning Area	626	1	0	625	0	0	625	125	500				625
													0
Total Committed Schemes	82,659	16,653	25,526	36,092	4,102	285	66,005	47,608	9,149	94	0	9,155	66,005

CAPITAL PROGRAMME 2022/23-2025/26

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2022/26	Forecast Funding					Total Funding
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
New Schemes													
Childrens Social Care													
Children's Home Sufficiency Scheme	2,100		1,000	1,100	0	0	2,100					2,100	2,100
Education and 14-19 Skills													
Congleton Planning Area (1)	2,200		0	1,100	1,100	0	2,200	900	1,300				2,200
Congleton Planning Area (2)	625		100	525	0	0	625	625					625
Congleton Planning Area (3)	7,500		0	500	800	6,200	7,500	4,300	3,200				7,500
Sandbach Planning Area	3,000		700	2,300	0	0	3,000	2,490	510				3,000
Handforth Planning Area	15,000		0	2,000	6,500	6,500	15,000	2,136	12,864				15,000
Haslington Planning Area	1,385		760	625	0	0	1,385	1,385					1,385
Macclesfield Planning Area (1)	4,000		0	0	2,000	2,000	4,000		4,000				4,000
Macclesfield Planning Area (2)	4,000		0	0	4,000	0	4,000	4,000					4,000
Mobberley Primary School	900		450	450	0	0	900	600			300		900
Resource Provision - Wistaston PS	1,400		400	1,000	0	0	1,400	1,100				300	1,400
Shavington Planning Area (2)	8,000		200	800	4,000	3,000	8,000	5,640	2,360				8,000
Total New Schemes	50,110	0	3,610	10,400	18,400	17,700	50,110	23,176	24,234	0	300	2,400	50,110
Total Children and Families Schemes	132,769	16,653	29,136	46,492	22,502	17,985	116,115	70,784	33,383	94	300	11,555	116,115

6. Reserves Strategy (Children and Families Committee Extract)

Children and Families Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Directorate				
Childrens Directorate - Transformation Funding	1,079	(365)	714	Expectation of £200k for CSC Court and Care Planning Service Proposals plus £65k for CSC New Beginnings.
Childrens Directorate - C&F ED	422	(110)	312	Estimated spend of £30k transport review, £50k Chess review and £30k catering review.
Childrens Social Care				
Domestic Abuse Partnership	112	(76)	36	To sustain preventative services to vulnerable people as a result of partnership funding. This is the current budgeted position, however updates will be provided on future reviews. Service will need to consider in year deficit as this would not be sustainable in 2023/24 based on current assumptions.
Education and 14-19 Skills				
Skills and Lifelong Learning	30	(30)	0	To support adult learning, training and improving skills for the workplace. Need to
School Organisation & Capital Service	16	(16)	0	Springfield lease of £28.5k per annum will be a pressure in 2022/23.
SSIF Nexus Programme	9	(9)	0	Reserve will be used towards School Improvement to continue to support schools with high disadvantaged learners - agreed with CWAC.
Strong Start, Family Help and Integration				
Troubled Fams Initiative	2,215	364	2,579	Previously intended to be used towards Prevention restructure. Newly formed
Emotional Healthy Schools	71	(71)	0	Funding by partners to deliver service.
Public Sector Transformation – contribution to Early Youth Inclusion Fund	57	(57)	0	
Complex Dependencies	21	(21)	0	
CHILDREN AND FAMILIES TOTAL	4,032	(391)	3,641	

Appendix 3 : Corporate Policy Committee

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Appendix 3

Corporate Policy Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Corporate Policy				
Directorate	111	-	1,734	1,845
Finance & Customer Services	12,857	111	(1,028)	11,940
Governance and Compliance Services	10,479	-	1,174	11,653
Transformation	14,875	-	(14,875)	-
HR	-	-	2,397	2,397
ICT	-	-	9,348	9,348
Communications	-	-	653	653
Policy and Change	-	-	1,902	1,902
	38,322	111	1,305	39,738

2. Action Plan 2022/23

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Corporate Policy Committee				Pay Inflation	1.315	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	0.872
				Transformation		New		Use flexible receipts to capitalise costs of transformation. Ongoing costs for Implementation work on B4B within ICT Shared Service - REFCUS utilised to support last year. 50% share of £35,000.	-0.017
Corporate Directorate	17.1	-2.8	14.3	Efficiency savings and Restructures within Corporate Services	-0.148	8	Amber (on track but may not achieve all)	Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board.	0.000
				Mitigation of reduction in the Dedicated Schools Grant (ICT element)	0.098	15	Amber (not on track but may still achieve)		0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Infrastructure Investment Programme	0.127	33	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000
				Improving Digital Customer Experience	0.110	1	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000
				Unified IT Communications	0.110	25	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000
				IT Security and Compliance	0.097	26	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000
				IT Procurements and Application Lifecycle Management	0.075	27	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000
				Information Assurance and Data Management Phase 3	0.040	28	Amber (not on track but may still achieve)	Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS.	0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Removal of temporary implementation on budget and investment to run the new Financial System	-0.453	6	Green (on track and should achieve)	£105k of reduction relates to Transactional Service Centre (TSC) additional capacity in 2021/22 - this is reported in Finance & Customer Services, this reduction in Governance & Support team isn't being achieved. Also, some of the ICT pressure reported below includes work still being done on BW implementation.	0.000
				Staff Travel and related savings	0.023	29	Red (will not achieve)	NOTE: £50k saving against HR 2021/22 budget reversed in 2022/23 then replaced by total staff travel saving allocation of £76k for whole of Corporate Services. Savings have been allocated across all services, leaving £23k across HR, ICT, and Communications (£50k-£27k=£23k). 30% reduced mileage element achieved however, element relating to adopting HMRC rate (£18k across Corporate Services) will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23. Corporate Leadership Team (CLT) discussion on Mutually Agreed Resignation Scheme (MARS) as mitigation. MARS payments	0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
								can be met from reserve in 2022/23 if scheme goes ahead.	
				Shared Services Review		8	Amber (not on track but may still achieve)	No cashable savings identified in those services identified. Additional costs being incurred in TSC due to the delayed implementation of B4B and additional pressures on the capacity of the team. Forecast pressure in year. Proposed hybrid model for ICT does deliver more than £200k savings target but requires more investment and payback over 4 years. see item below on ICT hybrid model.	0.000
				In Year pressure/ mitigation		New		Chief Executive and Executive Director of Corporate Services budgets favourable variance £89k, Communications lower income £34k, HR vacancies earlier in the year £280k under, Pressure £1,082k in ICT primarily due to insufficient commissioned project hours.	0.747

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Workforce		New		Revise vacancy forecasts to reflect recruitment difficulties. Slow down recruitment where feasible / safe. Recruit FTE to avoid agency / consultancy costs. Use appropriate reserves to fund exit costs.	
				ICT Reprocurements for Corporate, place and People				Costs of reprocuring and implementing replacement line of business systems have previously been capitalised. No capital budget available in current year but has been agreed these costs will come from Capital financing Reserve. Will be a pressure in future years.	
Finance and Customer Services	60.4	-48.5	11.9	Improved Debt Recovery and correcting budgeted court costs income targets to reflect actual levels	0.337	5	Amber (not on track but may still achieve)	Position for 2022/23 is a budget increase to reflect reduced court costs and to fund debt off loading and single view. Potential for both to be slightly delayed.	0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Transactional Service Centre additional funding	0.238	16	Red (will not achieve)	Further activity should improve later year's forecasts, but there is also wider review of schools costs pending. Latest forecast pressure almost £300k but will be partially mitigated due to frequent vacancies etc.	0.112
				Vendor Management Phase 3	0.175	24	Amber (not on track but may still achieve)	Budget increase for 2022/23 to enable system rollout and change management piece. Budget reduced in 2023/24 to include only system costs. Could be a budget carry forward due to a delay in the system rollout.	0.000
				Brighter Futures Together Programme Customer Experience	-0.133	19	Amber (not on track but may still achieve)	Remaining savings dependant on enabling technologies and procedures. Savings may to be achieved in year through vacancy management but permanent savings potentially delayed until 2023/24.	0.000
				Efficiency savings and Restructures within Corporate Services	-0.098	8	Amber (on track but may not achieve all)	Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board.	0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Staff Travel and related savings	-0.021	29	Red (will not achieve)	30% reduced mileage element achieved however, element relating to adopting HMRC rate will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23.	0.000
				In Year pressure/ mitigation		New		£54k pressure in Accountancy offset by delay to start of Atamis project £21k favourable variance, and administration grant for energy rebate payments £161k.	-0.128
Governance and Compliance Services	15.3	-3.7	11.7	Efficiency savings and Restructures within Corporate Services	-0.078	8	Amber (on track but may not achieve all)	Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board.	0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Staff Travel and related savings	-0.012	29	Red (will not achieve)	30% reduced mileage element generally achieved however, element relating to adopting HMRC rate will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23.	0.000
				Increase in Insurance Premiums		New		Pressure built into forecast but will be met from insurance reserve so nil. Reserve balance needs to be monitored.	0.000
				In Year pressure/mitigation		New		£208k pressure in legal relating to lower income and agency staff offset by favourable variances in Democratic Services mainly from additional income in registrars £581k, Audit & Risk variance from vacancies £348k.	-0.721
Policy & Change	2.8	-0.9	1.9	Mitigation of reduction in the Dedicated Schools Grant (Bus Intel)	0.009	15	Amber (not on track but may still achieve)		0.000

Corporate Policy Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Review of corporate subscriptions	-0.015	12	Green (on track and should achieve)	Existing budget does not fully cover subscriptions to CCN and LGA	0.000
				Staff Travel and related savings	-0.016	29	Red (will not achieve)	30% reduced mileage element achieved however, element relating to adopting HMRC rate will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23.	0.000
				Efficiency savings and Restructures within Corporate Services	-0.026	8	Amber (on track but may not achieve all)	Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board.	0.000
				In Year pressure/ mitigation		New		£91k variance due to vacant posts in policy and change.	-0.091
Total	95.7	-55.9	39.8		1.754				0.774

3. Corporate Grants Register (Corporate Policy Committee Extract)

Table 1 – Corporate Grants Register

Grants 2022/23	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2022/23 £000	2022/23 £000	2022/23 £000	<i>Notes 2 - 5</i>
CORPORATE POLICY				
Specific Use (Held within Services)	47,710	69,720	22,010	
General Purpose (Held Corporately)				
Housing Benefit Administration Subsidy	654	736	82	
Council Tax Support Administration Subsidy	316	345	29	
NNDR Administration Allowance	587	587	0	
Revenue Support Grant	7	7	0	
New Homes Bonus	6,614	6,614	0	
Lower Tier Services Grant	353	360	7	
Services Grant	2,932	2,932	0	
Business Rates Reliefs Grant 2022/23	0	13,890	13,890	
TOTAL CORPORATE POLICY	59,173	95,191	36,018	

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 the Council Tax Energy Rebate Scheme. Requests for the allocation of the additional specific grants received are detailed in **Table 2 and 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 – Note that Council will be asked to Approve Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) Over £1m

Committee	Type of Grant	£000	Details
Corporate Policy	Housing Benefit Subsidy (Specific Purpose)	1,514	Increase on MTFS 2022-26 estimate. This grant is from the Department for Work and Pensions. Payment of claims administration within Housing Benefits.
Total Specific Purpose Allocation for Council Approval		1,514	

Table 3 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Corporate Policy	LADS - New Burdens - Single Fraud Investigation (Specific Purpose)	1	Increase on MTFS 2022-26 estimate. This grant is from the Department for Work and Pensions. This New Burden funding is for costs associated with providing information to the Department for Work and Pensions (DWP) to support fraud investigations. The funding has been allocated on the basis of the FYE March 2023 HB admin subsidy caseloads. S4/2022: Additional New Burdens funding to meet the costs of delivering Welfare Reform changes in the financial year ending March 2023 - GOV.UK (www.gov.uk)

Corporate Policy	LADS - New Burdens - Welfare Reform Changes (S4/2022) (Specific Purpose)	73	This grant is from the Department for Work and Pensions with a national allocation of £19.5m. Additional New Burdens funding to meet the costs of delivering Welfare Reform changes in the financial year ending March 2023.
Corporate Policy	LADS - New Burdens - Supported & Temporary Accommodation Change Request (Specific Purpose)	2	This grant is from the Department for Work and Pensions. Payment to assist with the implementation of the Local Authority Data Sharing (LADS) Programme. The payment is specifically for the work completed so far on changes to CEC benefit processing systems necessary to exchange information with the DWP.
Corporate Policy	LADS - New Burdens - Supported & Temporary Accommodation (Specific Purpose)	5	This grant is from the Department for Work and Pensions. Payment to assist with the implementation of the Local Authority Data Sharing (LADS) Programme. The payment is specifically for the work completed so far on changes to CEC benefit processing systems necessary to exchange information with the DWP.
Corporate Policy	LADS - New Burdens - Single Housing Benefit Extract Automation (Specific Purpose)	5	This grant is from the Department for Work and Pensions. Payment to assist with the implementation of the Local Authority Data Sharing (LADS) Programme. The payment is specifically for the work completed so far on changes to CEC benefit processing systems necessary to exchange information with the DWP.
Corporate Policy	Specified Accommodation (S3/2022) (Specific Purpose)	9	This grant is from the Department for Work and Pensions with a national allocation of £1.6m. From April 2022, there were changes to the appearance of some of the existing front-end fields on LAs' IT systems and some new fields added for recording a new supported accommodation and temporary accommodation HB claim. This funding is to meet the costs of implementing the system changes.

Corporate Policy	Incapacity Benefit Reassessment (S5/2022) (Specific Purpose)	2	This grant is from the Department for Work and Pensions with a national allocation of £0.5m. This New Burden funding supports an increase in LA costs to review and make changes to Housing Benefit (HB) awards following the Incapacity Benefit Reassessment (IBR) LEAP exercise. S5/2022: Additional New Burdens funding to meet the costs of implementing changes following the Incapacity Benefit Reassessment LEAP exercise - GOV.UK (www.gov.uk)
Corporate Policy	Local Council Tax Support (LCTS) 22.23 (Specific Purpose)	345	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC) with a national allocation of £69m. The purpose of the grant is to compensate local authorities for the cost of administering Local Council Tax Support (LCTS) in 2022/23. Local Council Tax Support Administration Subsidy Grant Determination (2022-23): No 31/6145 - GOV.UK (www.gov.uk)
Corporate Policy	COVID-19 Test and Trace Support (Self Isolation Payment) (Specific Purpose)	176	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Test and Trace Support Payment scheme – awards and administration of the scheme to support people self-isolating on a low income.
Corporate Policy	Police and Crime Commissioner's Panel grant (Specific Purpose)	65	This grant is from the Home Office. Reimbursement of administrative costs to the Authority of servicing the Police and Crime Commissioner Panel as well as the direct costs of panel members (training, travel and members allowances).
Specific Purpose Allocations less than £500,000		683	

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Corporate Policy Committee		
Finance and Customer Services	65	34
Governance and Compliance	155	-
Human Resources	19	-
ICT	63	7

5. Capital Strategy

Corporate Policy

CAPITAL

CAPITAL PROGRAMME 2022/23 - 2025/26

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2022/26	Forecast Funding					Total Funding	
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes														
ICT Services														
Care Act Phase 2	2,648	0	1,372	638	638	0	2,648						2,648	2,648
Core Financials	3,948	0	1,746	741	720	741	3,948		500			13	3,435	3,948
Digital Customer - Delivery Programme Phase 1	250	79	171	0	0	0	171						171	171
Digital Customer Enablement	2,874	33	967	1,400	474	0	2,841						2,841	2,841
ICT Device Replacement	120	75	45	0	0	0	45			45				45
Info' Assurance And Data Mgmt	5,324	0	2,234	1,591	1,500	0	5,324						5,324	5,324
Infrastructure Investment(IIP)	7,773	0	2,623	1,680	1,656	1,814	7,773						7,773	7,773
Vendor Management	1,006	730	276	0	0	0	276						276	276
Unified Communications Project	1,206	651	555	0	0	0	555						555	555
Finance & Customer Services														
Strategic Capital Projects	1,897	0	1,897			0	1,897						1,897	1,897
Total Committed Schemes	27,047	1,568	11,886	6,050	4,988	2,555	25,480	0	500	45	13	24,921	25,480	
New Schemes														
Information Communication Technology														
Vendor Management - Phase 2	320	0	170	150	0	0	320						320	320
Total New Schemes	320	0	170	150	0	0	320	0	0	0	0	320	320	
Total Corporate Policy Schemes	27,367	1,568	12,056	6,200	4,988	2,555	25,800	0	500	45	13	25,241	25,800	

6. Reserves Strategy (Corporate Policy Committee Extract)

Corporate Policy Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Directorate				
Corporate Directorate	1,868	(293)	1,575	To support a number of widespread projects within the Corporate Directorate
Finance and Customer Services				
Collection Fund Management	27,424	(15,609)	11,815	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 - Corporate Capital Projects	7,832	1,500	9,332	To provide for financing of capital schemes, other projects and initiatives.
Financing Reserve - People Capital Projects	573	(150)	423	
Financing Reserve - Place Capital Projects	1,125	(250)	875	
Human Resources				
Brighter Future Transformation Programme	1,780	0	1,780	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	(59)	0	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)	584	(278)	306	To fund ongoing changes to pay structure.
Governance and Compliance				
Insurance Reserve - Cheshire County Fund	130	(146)	(16)	To settle insurance claims and manage excess costs.
Insurance Reserve - Cheshire East Fund	5,164	132	5,296	To settle insurance claims and manage excess costs.
Elections General	477	225	702	To provide funds for Election costs every 4 years.
Brexit Funding	13	0	13	
Cross Service:				
MTFS Reserve	10,068	(2,533)	7,535	To support the financial strategy and risk management.
Section 151 Revenue Grants	28	(28)	0	Unspent specific use grant carried forward into 2022/23.
Section 151 Revenue Grants - Covid-19	5,989	(5,989)	0	Covid (Unringfenced) reserve carried forward into 2022/23.
CORPORATE POLICY TOTAL	63,114	(23,478)	39,636	

Appendix 4 : Economy and Growth Committee

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Appendix 4

Economy and Growth Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Economy and Growth				
Directorate	851	-	(17)	834
Growth & Enterprise	22,659	-	102	22,761
	23,510	-	85	23,595

2. Action Plan 2022/23

Economy and Growth Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
E&G Committee				Pay Inflation	0.528	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	0.153
Directorate	2.4	-1.6	0.8	Staff Travel and related savings	-0.082	29	Amber (on track but may not achieve all)		0.000
				Place directorate mitigating actions				Savings on feasibility, travel and consultancy	-0.042
				Transformation				Use flexible receipts to capitalise costs of transformation - Planning Deep Dive.	-0.074
Growth and Enterprise	30.6	-7.8	22.8	Neighbourhood Estate Review	-0.260	31	Red (will not achieve)	Delayed - Awaiting progress on the Leisure Review.	0.219
				Estates Transformation - Office Accommodation	-0.100	32	Red (will not achieve)	Progress of the Estates Transformation. Cledford House is being advanced to enable property to be vacated and then disposal or alternative use sought. Potential Send School.	0.100

Economy and Growth Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Transfer of Congleton Visitor Information Centre	-0.020	11	Green (on track and should achieve)	Previous agreement in place for transfer and phased saving over period.	0.000
				Asset / Service Transfer	-0.030	51	Amber (on track but may not achieve all)	Final agreement and conclusion of legals on property transfers.	0.030
				Tatton Park	-0.006	52	Green (on track and should achieve)	Already built into budget.	0.000
				Investment in Public Rights of Way	0.200	59	Green (on track and should achieve)	Recruitment process underway – however securing a suitable candidate has been difficult.	-0.044
				Utility Costs / Carbon	1.500	57	Green (on track and should achieve)		0.000
				Estates Pressures		New		Reflects increases in maintenance, utility and business rates and a pressure on rental income within the Investment portfolio.	0.820
				Estates mitigating actions		New		Mitigating actions to offset pressures, largely vacancies and better income within Facilities Management.	-0.529

Economy and Growth Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Rural & Culture Pressures		New		Reduction in visitor numbers at Tatton Park of over 20% in addition to inflationary increases in energy, materials as well as increases across supplies and services and premises costs. There is also an ongoing shortfall in Public Path Order income due to Covid.	0.491
				Rural & Culture Mitigating Actions		New		Mitigating actions to offset pressures are largely vacancies across the service and a reserve release for Tatton Park.	-0.359
				Housing Mitigating Actions		New		Small Covid pressure £7,000 due to cleaning costs, offset by mitigating actions including vacancies and drawing down grant from balance sheet.	-0.387
				Economic Development Mitigating Actions		New		Mitigating actions to offset pressures, largely vacancies.	-0.187
Total	33.0	-9.4	23.6		1.730				0.191

3. Corporate Grants Register (Economy and Growth Committee Extract)

Table 1 – Corporate Grants Register

Grants 2022/23	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2022/23 £000	2022/23 £000	2022/23 £000	Notes 2 - 5
ECONOMY & GROWTH				
Specific Use (Held within Services)	2,322	2,392	70	
General Purpose (Held Corporately)				
Neighbourhood Planning Grant for Local Planning Authorities	0	10	10	SRE
TOTAL ECONOMY & GROWTH	2,322	2,402	80	

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.

3.6 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.

3.7 The increase in specific grants relates mainly to increases in the Rough Sleeping and Homelessness Prevention grants, and the COVID-19 Welcome Back Fund.

3.8 Requests for the allocation of the additional specific grants received are detailed in **Table 2**.

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

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

Table 2 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Economy and Growth	Rough Sleeping Initiative (Specific Purpose)	20	Increase on MTFs 2022-26 estimate. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Funding has been used to establish or continue Rough Sleeping Initiative services agreed by the Department for Levelling Up, Housing and Communities (DLUHC) to immediately intervene in, prevent and reduce rough sleeping.
Economy and Growth	Local Enterprise Partnership (LEP): NP (Northern Powerhouse) 11 (Specific Purpose)	20	Increase on MTFs 2022-26 estimate. This grant is from Business Energy and Industrial Strategy. 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	First Trenitalia West Coast Rail Limited (Specific Purpose)	50	This grant is from Avanti West Coast Trains. The grant is for delivery of specific art projects in Macclesfield - 3 projects have been agreed and must be delivered in the current financial year.
Specific Purpose Allocations less than £500,000		90	

Table 3 – Note Allocation of Additional Grant Expenditure from General Purpose Grants Held in Central Budgets

Committee	Type of Grant	£000	Details
Economy and Growth	Neighbourhood Planning Grant (General Purpose)	10	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.
General Purposes Allocations less than £500,000		10	

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Economy and Growth Committee		
Growth and Enterprise	492	193

5. Capital Strategy

Economy and Growth

CAPITAL

CAPITAL PROGRAMME 2022/23- 2025/26

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2022/26	Forecast Funding					Total Funding	
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes														
Culture & Tourism														
Archive Option Development	396	293	103	-	-	-	103						103	103
Countryside Capital Projects	605	601	4	-	-	-	4	4						4
Countryside Vehicles	999	0	-	702	167	130	999						999	999
Public Rights of Way - CMM A6 MARR	100	2	-	98	-	-	98	98						98
Public Rights of Way - Flood Damage Investment	63	15	48	-	-	-	48						48	48
Public Rights of Way - Capital Works	860	770	91	-	-	-	91	91						91
Rural & Green Section 106 Schemes	50	16	34	-	-	-	34		34					34
Tatton Park Investment Phase 2	1,969	0	1,259	710	-	-	1,969						1,969	1,969
Economic Development														
Connecting Cheshire 2020	7,238	0	3,000	2,500	738	1,000	7,238	7,655					-417	7,238
Connecting Cheshire Phase 2	883	0	-	-	-	883	883		313				570	883
Connecting Cheshire	595	0	-	-	-	595	595		48				547	595
Crewe Town Centre Regeneration	32,019	11,940	3,474	14,573	-	2,031	20,078	665					19,413	20,078
Demolition of Crewe Library Site	2,765	13	305	1,077	1,370	-	2,752	1,229					1,523	2,752
Future High Street Funding - CEC Innovation Centre	1,169	58	517	594	-	-	1,111	1,111						1,111
Future High Street Funding - Christ Church Innovation Centre	1,934	71	504	1,359	-	-	1,863	1,863						1,863
Leighton Green	2,096	1,455	75	266	300	-	640						640	640
Macclesfield Town Centre	2,219	1,767	252	200	-	-	452						452	452
North Cheshire Garden Village	48,890	5,491	900	13,994	28,506	-	43,400	21,950					21,450	43,400
Red Roofs Hole Farm Alderley Edge - Acquisition	15	12	3	-	-	-	3						3	3
Public Sector Decarbonisation Fund - Substation	120	60	60	-	-	-	60	60						60
Public Sector Decarbonisation Fund - Cledford	165	160	5	-	-	-	5	5						5
South Macclesfield Development Area	34,630	3,089	895	1,745	19,333	9,568	31,541	10,838	10,000				10,702	31,541
Estates														
Corporate Landlord - Operational	1,027	963	65	-	-	-	65						65	65
Farms Strategy	1,710	0	184	218	218	1,090	1,710						1,710	1,710
Malkins Bank Landfill Site	1,360	511	200	649	-	-	849						849	849
Public Sector Decarbonisation Fund - FM 1	1,855	1,759	96	-	-	-	96	96						96
Public Sector Decarbonisation Fund - FM 2	604	389	216	-	-	-	216	216						216
Premises Capital (FM)	14,663	0	5,032	3,662	3,500	2,469	14,663						14,663	14,663
Schools Capital Maintenance	2,581	0	2,581	-	-	-	2,581	2,291					291	2,581
Septic Tanks	636	250	387	-	-	-	387						387	387

CAPITAL PROGRAMME 2022/23- 2025/26

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget	Forecast Funding					Total Funding	
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes														
Housing														
Astbury Marsh Caravan Park	247	143	104	-	-	-	104						104	104
Disabled Facilities Grant	10,871	0	3,845	2,342	2,342	2,342	10,871	9,943					928	10,871
Future High Street Funding - Chester Street	1,378	3	-	1,375	-	-	1,375	1,375						1,375
Future High Street Funding - Delamere Street	1,459	4	-	1,455	-	-	1,455	1,455						1,455
Green Homes Grants	3,890	769	3,121	-	-	-	3,121	1,452	1,669					3,121
Gypsy and Traveller Sites	3,701	1,246	1,237	1,218	-	-	2,455	700					1,755	2,455
Home Repairs for Vulnerable People	846	0	246	200	200	200	846						846	846
Social Housing Decarbonisation Fund	1,565	0	1,565	-	-	-	1,565	1,565						1,565
Sustainable Warmth - Home Upgrade Grant	3,289	4	3,285	-	-	-	3,285	3,285						3,285
Temporary Accommodation	466	300	-	-	166	-	166						166	166
Warm Homes Fund	239	173	66	-	-	-	66	66						66
Total Committed Schemes	192,167	32,326	33,757	48,938	56,839	20,308	159,841	68,012	12,063	0	0	79,766	159,841	
New Schemes														
Culture & Tourism														
Crewe Towns Fund - History Centre Public Realm	10	0	10	-	-	-	10	10						10
Crewe Towns Fund - Lyceum Powerhouse	260	0	260	-	-	-	260	260						260
New Archive Premises	10,250	0	-	4,100	5,699	451	10,250						10,250	10,250
Rural & Green Section 106 Schemes	24	0	24	-	-	-	24		24					24
Economic Development														
Connecting Cheshire Phase 3	8,000	0	500	1,500	2,000	4,000	8,000		8,000					8,000
Handforth Heat Network	13,710	0	-	9,910	2,000	1,800	13,710	5,420	4,890				3,400	13,710
Public Sector Decarbonisation Fund - FM 3	3,714	0	3,714	-	-	-	3,714	3,714						3,714
Crewe Towns Fund - Mill Street Corridor	140	3	137	-	-	-	137	137						137
Crewe Towns Fund	19,560	0	6,060	6,886	5,404	1,210	19,560	19,560						19,560
Housing														
Crewe Towns Fund - Warm and Health Homes	100	0	20	80	-	-	100	100						100
Total New Schemes	55,768	3	10,724	22,476	15,103	7,461	55,764	29,201	12,914	0	0	13,650	55,764	
Total Economy and Growth Schemes	247,935	32,329	44,481	71,414	71,942	27,769	215,606	97,213	24,976	0	0	93,416	215,606	

6. Reserves Strategy (Economy and Growth Committee Extract)

Economy and Growth Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Directorate				
Place Directorate	1,684	(1,368)	316	To support a number of widespread projects within the Place Directorate. A significant number of these projects are expected to be fully utilised in year, with the remaining reserve to be fully used in 2023-24.
Investment (Sustainability)	680	(219)	461	To support investment that can increase longer term financial independence and stability of the Council.
Growth and Enterprise				
Legal Proceedings	285	(100)	185	To enable legal proceedings on land and property matters. Hard to gauge the pace of cases but this is the anticipated amount based on end of June costs.
Investment Portfolio	155	174	329	Total rent, fee costs and the amount the service are allowed to keep (£250k) all stay the same so anticipating a similar contribution to the reserve. Looked at the investment summary to determine 22-23 MRP and interest costs. Reserve being built up to be used in the future if the site is vacated. Current lease extends beyond 2026.
Homelessness & Housing Options - Revenue Grants	130	(130)	0	To cover costs of purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families. It is anticipated that this will be utilised in 2022-23, however this is dependent on the housing market and the availability of suitable properties.
Tatton Park Trading Reserve	111	(35)	76	Service anticipating utilising some of the funds although a decision on amount will be made later in the year once income trends become clearer. Early estimation it will be utilised for catering equipment renewal of £30k and a Glasshouse survey of £5k. Also available to be used to cover in year pressures outside of base budget in 2022-23 and future years. Note this is a ring fenced reserve.
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. FM pressures will mean that the reserve will be utilised in 2022-23; with costs of £45k at First Finance Review, it is anticipated to be fully drawn down in year.
ECONOMY AND GROWTH TOTAL	3,144	(1,777)	1,367	

Appendix 5 : Environment and Communities Committee

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Appendix 5

Environment and Communities Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Environment and Communities				
Environment & Neighbourhood Service	44,373	10	(18)	44,365
	44,373	10	(18)	44,365

2. Action Plan 2022/23

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Environment and Neighbourhood Services	54.7	-10.4	44.3	Pay Inflation	1.323	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	0.383
				Orbitas income and management fee	0.021	17	Green (on track and should achieve)		0.000
				Strategic Leisure Review	-0.250	18	Amber (on track but may not achieve all)	Engagement with CLT and Everybody to identify options to deliver savings. There are limited options to achieve required savings without reducing scope of services. The financial impact in 2022/23 is mitigated by an equivalent contribution by Public Health to the leisure commissioning budget. This has not been agreed for future years. There does however remain a pressure in Facilities Management (Economy & Growth Committee).	0.000

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Review of governance of ASDVs and seeking increased opportunities for savings / commercial opportunities	-0.100	20	Red (will not achieve)	This proposal is for the Council to receive a share of the profits from commercial activity undertaken by ANSA or Orbitas. This requires further negotiation between the Finance Sub-Committee (acting as shareholder) with the Council's wholly owned companies on payment of a dividend in 2022/23 from the retained earnings. Updated for 2021/22 proposal of £100k not achieved.	0.200
				CCTV migration to wireless networks	-0.085	10	Amber (on track but may not achieve all)	The procurement process has now begun following a 12 month delay. The delayed savings will be mitigated in 2022/23 via favourable variances elsewhere in Regulatory Services.	0.086
				Everybody Sport and Recreation Annual Management Fee	-0.042	21	Green (on track and should achieve)		0.000

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Regulatory Services and Environmental Health ICT procurement	-0.009	13	Amber (on track but may not achieve all)	The implementation of the new system has been delayed but the required savings will be mitigated via favourable variances in Regulatory Services.	0.000
				Waste Contract Inflation and Tonnage Growth	0.644	53	Green (on track and should achieve)		0.000
				Tree Risk Management	0.500	54	Green (on track and should achieve)		0.000
				Environment Strategy and Carbon Neutrality	0.020	56	Green (on track and should achieve)		0.000
				Investment in improving the customer experience in Planning Services	0.500	58	Green (on track and should achieve)	It is likely that not all of the temporary budget will be spent in 2022/23 and so there will be a request to carry forward the residual into 2023/24 to complete the implementation of the Planning Service Improvement Programme.	0.000

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Surplus / loss from CEC Services provided by Ansa		New		Increased waste tonnages as a legacy of Covid. This is resulting in increased crews, increased fuel, and increased disposal costs. It also means that legacy savings from the Route and Rota review following the move to the Environmental Hub are unrealisable. This has been partly mitigated in 2022/23 from higher recycling income. Further analysis is being undertaken to understand whether the rate of new houses being occupied compared to MTFS assumptions is a contributing factor. 22-23 Environment temporary impacts (mainly recycling income) - Temporary benefit in 22-23 only - Recycling income benefit of £1.410m plus HWRC contract benefits. Use of ANSA reserve (£0.3m)	0.457
				Environmental Hub maintenance		New		This reflects the increased costs of operating a modern facility. The shortfall has previously been funded by favourable variances in Facilities Management budgets.	0.306
				Ansa / Orbitas Directors		New		This saving from 2021/22 is not achievable as the Directors of Ansa continue to be remunerated.	0.040

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Renumeration					
				Markets business rates		New		Result of unoccupied market stalls.	0.032
				Orbitas inflation impact		New		In-year pressure.	0.051
				Bereavement Income surplus		New			-0.134
				Environment - other various		New		Commissioner mitigations.	-0.151
				Planning and Building Control income		New		There are proposals under planning reform to increase planning fees by 25-35% that may mitigate this pressure and it is unclear when these increases will take effect. The proposal is subject to consultation and legislative change.	1.080
				Planning and Building Control Mitigations		New		Mitigating actions to cover covid pressures above, predominantly vacancy savings.	-0.081

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Licensing income		New		There is a pressure on licensing income from taxi licensing. This reflects a reduction in the number of drivers following Covid.	0.029
				Public burials		New		Increased numbers of public burials.	0.016
				Regulatory Services mitigating actions		New		Mitigating actions to cover covid pressures above. These include vacancy savings, reduced mileage and increased income. Grants and the balance of a provision have also been released.	-0.224
				Libraries income		New		There has been a change in use of libraries since Covid lockdowns that has resulted in a reduction in income particularly from Adults.	0.165
				Libraries Mitigating Actions		New		Mitigating actions to cover Covid pressures above, predominantly vacancies £150k predicted variance.	-0.164
				Dir /Leisure/ EP/ ASB&CEO		New		Mitigating actions to improve outturn position.	-0.045
				Waste		New		Education on residual waste reduction Review Commissioner / Provider responsibilities (possible access to Ansa reserves / surplus from recyclates).	

Environment and Communities Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Workforce		New		Revise vacancy forecasts to reflect recruitment difficulties. Slow down recruitment where feasible / safe. Use specific reserves for exit costs (per MTFS). Updated staffing forecasts reflecting current recruitment timescales have been built into figures on lines above.	
				Transformation		New		Use flexible receipts to capitalise costs of transformation - Planning Deep Dive	-0.160
Total	54.7	-10.4	44.3		2.522				1.886

3. Corporate Grants Register (Environment and Communities Committee Extract)

Table 1 – Corporate Grants Register

Grants 2022/23	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2022/23 £000	2022/23 £000	2022/23 £000	<i>Notes 2 - 5</i>
ENVIRONMENT & COMMUNITIES				
Specific Use (Held within Services)	0	387	387	
General Purpose (Held Corporately)				
TOTAL ENVIRONMENT & COMMUNITIES	0	387	387	

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 There were various new specific grants received at Financial Review 1, and requests for the allocation of these additional specific grants 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.

Table 2 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Environment and Communities	Bikeability Grant (Specific Purpose)	240	This grant is from the Department for Transport. Bikeability is the Department for Transport’s national cycle training programme for schoolchildren in England, which provides schoolchildren with a life skill and enables them to cycle confidently and competently on today’s roads. The grant funding enables the Council’s leisure trust operator, Everybody Health & Leisure to deliver the training programme for Cheshire East.
Environment and Communities	Air Quality Grant scheme (Specific Purpose)	55	This grant is from the Department for Environment, Food and Rural Affairs. This was a direct grant application to DEFRA to support our air quality work and objectives within our Air Quality Action Plan. The project is based on behavioral change and is covering awareness raising around vehicle idling and domestic burning of coal and wood and their impact on air quality. £11.6m boost for local authorities to tackle air pollution - GOV.UK (www.gov.uk)
Environment and Communities	Offensive weapons (Specific Purpose)	4	This grant is from the Department of Health and Social Care. This is new burdens funding to support additional regulatory activity around the Offensive Weapons Bill which strengthens existing prohibitions on the sale of knives and corrosive substances (both online and offline).
Environment and Communities	Cosmetic fillers (Specific Purpose)	7	This grant is from the Department of Health and Social Care. This is new burdens funding to support additional regulatory activity around prohibitions on the sale/administration of cosmetic fillers to those under 18 years of age. Botulinum Toxin and Cosmetic Fillers (Children’s) Act 2021.

Committee	Type of Grant	£000	Details
			The Botulinum Toxin and Cosmetic Fillers (Children) Act grant determination 2022 to 2023 - GOV.UK (www.gov.uk)
	Food Information Grant - Natasha's Law (Specific Purpose)	10	This grant is from the Department for Environment, Food and Rural Affairs. This grant is to fund enforcement costs associated with the food information amendment England regulations 2022 No 418 and for familiarization on Natasha's Law and allergens labelling. Section 31 grant determination 2022 to 2023: local authority new burdens for the enforcement of legislation relating to allergen labelling changes for prepacked for direct sale food - GOV.UK (www.gov.uk)
Environment and Communities	Section 31 grant - Biodiversity net gain (Specific Purpose)	20	This grant is from the Department for Environment, Food and Rural Affairs. This funding will allow the Planning service to adopt the mandatory Biodiversity Net Gain approach to Development coming into force in 2023, to ensure that natural habitats are extended or improved as part of a project or development.
Environment and Communities	Natural England - Stewardship scheme (Specific Purpose)	2	This grant is from Natural England. This is for grant aided ecological works on various Countryside sites within Cheshire East.
Specific Purpose Allocations less than £500,000		338	

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Environment and Communities Committee		
Environment and Neighbourhood Services	254	222

5. Capital Strategy

Environment and Communities

CAPITAL

CAPITAL PROGRAMME 2022/23-2025/26

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2022/26	Forecast Funding					Total Funding
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes													
Environment Services													
Bereavement Service Data System	35	0	35	0	0	0	35			35			35
Browns Lane, Wilmslow Play Area	570	541	29	0	0	0	29		29				29
Congleton Household Waste Recycling Centre Development	50	20	15	15	0	0	30					30	30
Crewe Towns Fund - Pocket Parks	20	3	18	0	0	0	18	18					18
Energy Improvements at Cledford Lane	985	825	160	0	0	0	160					160	160
Future High Street Funding - Sustainable Energy Network	2,577	150	2,427	0	0	0	2,427					2,427	2,427
Green Investment Scheme (Solar Farm)	3,950	64	3,886	0	0	0	3,886					3,886	3,886
Household Bins Schemes	50		50	0	0	0	50					50	50
Litter and Recycling Bins	152		50	50	52	0	152					152	152
Little Lindow Open Space Improvements		7	62	0	0	0	62		62				62
Macclesfield Cenotaph Planting	1	1	1	0	0	0	1		1				1
Nantwich Cemetery Roadway Extension	75	60	15	0	0	0	15			15			15
Newtown Outdoor Pitch Improvements	51	39	12	0	0	0	12		12				12
Newtown Sports Facilities Improvements	99	81	18	0	0	0	18		18				18
Park Development Fund	580		280	150	150	0	580					580	580
Pastures Wood	51	28	23	0	0	0	23			23			23
Pheasant Walk Play Area Improvements	18	9	9	0	0	0	9		9				9
Queens Park Lake Planting	18	17	1	0	0	0	1		1				1
Queens Park Play Area Improvements	200	100	100	0	0	0	100		100				100
Rotherhead Drive Open Space and Play Area	141	111	30	0	0	0	30		30				30
Victoria Park Pitch Improvements	29	5	24	0	0	0	24		24				24
Victoria Park Improvements	80	7	73	0	0	0	73		73				73
Neighbourhood Services													
Congleton Leisure Centre	12,225	6,272	5,953	0	0	0	5,953					5,953	5,953
Crewe Towns Fund - Cumberland Arena	80		80	0	0	0	80	80					80
Crewe Towns Fund - Valley Brook Green Corridor	100	2	98	0	0	0	98	98					98
Macclesfield Leisure Centre Improvements	3,865	3,398	467	0	0	0	467					467	467
Middlewich Leisure Centre	60	6	54	0	0	0	54					54	54
Nantwich Pool Improvements	2,250	1,923	327	0	0	0	327					327	327
Next Generation - Self Service	52		52	0	0	0	52					52	52
Poynton Leisure Centre	4,606	391		2,000	2,215	0	4,215					4,215	4,215
Planning Services													
Replacement Planning & Building	410	320	90	0	0	0	90					90	90
Regulatory Services & Environmental Health ICT System	273	240	33	0	0	0	33			9		25	33
Replacement CCTV Cameras	205	0	205	0	0	0	205			205			205

CAPITAL PROGRAMME 2022/23-2025/26

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2022/26	Forecast Funding					Total Funding
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
New Schemes													
Environment Services													
Chelford Village Hall Open Space and Sport Improvements	164	0	164	0	0	0	164		164				164
Household Waste Recycling Centres	860	0	500	360	0	0	860					860	860
Carbon Offset Investment	1,000	0	125	125	250	500	1,000					1,000	1,000
Fleet Vehicle Electric Charging	585	0	164	164	141	116	585					585	585
Solar Energy Generation	14,180	0	300	13,880		0	14,180					14,180	14,180
Hield Grove Play Area	21	0	21			0	21		19			2	21
Barony Skate Park Refurbishment	100	0	100			0	100	100					100
Pitch Improvements - Alderley Edge Park and Chorley Hall Lane Playing Fields	25	0	25			0	25		25				25
Woodland South of Coppice Way, Handforth	89	0	89			0	89		89				89
Over Peover Amenity Improvements	10	0	10			0	10		10				10
Total Environment and Communities Schemes	50,892	14,617	16,177	16,744	2,808	616	36,344	296	668	287	0	35,094	36,344

6. Reserves Strategy (Environment and Communities Committee Extract)

Environment and Communities Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Environment and Neighbourhood Services				
Strategic Planning	568	(295)	273	To meet costs associated with the Local Plan - site allocations and minerals and waste DPD.
Trees / Structures Risk Management	202	(52)	150	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.
Spatial Planning - revenue grant	89	(47)	42	
Neighbourhood Planning	82	(71)	11	
Air Quality	36	(36)	0	Air Quality Management - DEFRA Action Plan.
Street Cleansing	26	(26)	0	Committed expenditure on voluntary litter picking equipment and electric blowers, due to be fully utilised in 2022-23.
Custom Build & Brownfield Register	19	(19)	0	
Community Protection	17	(17)	0	
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.
Flood Water Management (Emergency Planning)	2	0	2	Plans to draw down the reserve in 2023/24 relating to Public Information Works.
ENVIRONMENT AND COMMUNITIES TOTAL	1,056	(578)	478	

Appendix 6 : Finance Sub-Committee

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6. Reserves Strategy

Appendix 6

Finance Sub-Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Finance Sub-Committee Central Budgets				
Capital Financing	19,000	-	(57)	18,943
Corporate Contributions / Central Budgets	(5,198)	-	515	(4,683)
Contribution to / from Reserves	1,305	-	(4,081)	(2,776)
	15,107	-	(3,623)	11,484
Finance Sub-Committee - Central Budgets Funding				
Business Rates Retention Scheme	(49,086)	-	-	(49,086)
Specific Grants	(23,962)	(662)	-	(24,624)
Council Tax	(254,682)	-	-	(254,682)
Sourced from Collection Fund	-	-	-	-
TOTAL CENTRAL BUDGETS FUNDING	(327,730)	(662)	-	(328,392)

2. Action Plan 2022/23

Finance Sub Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Central & Funding	16.5	-333.3	-316.9	Minimum Revenue Provision	5.000		Green (on track and should achieve)		0.000
				Central Pension adjustment	-2.500		Green (exceeding)	Additional pension income due to reduced payover.	-0.985
				Bad Debt Provision	0.200		Green (on track and should achieve)		0.000
				Use of Earmarked Reserves	0.030		Green (on track and should achieve)	Use of COVID-19 reserve.	-5.989
				Increased Council Tax Base 2.99% increase	-7.306		Green (on track and should achieve)		0.000
				Increased Council Tax Base – Taxbase changes and New Homes	-4.527		Green (on track and should achieve)		0.000

Finance Sub Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Un-ringfenced grant changes	-4.797		Green (on track and should achieve)		0.000
				Capital Finance Budget		New		Only utilise receipts aligned to MTFS, use excess to fund revenue transformation. Reprofile Capital Programme to absorb inflation. Review Treasury Management Strategy to manage borrowing.	
				Reserves		New		Review transfers between MTFS reserve and General Reserve. Challenge purpose of unused earmarked reserves.	
				Pensions		New		Revise forecast to reflect triennial review and current funding position.	
Total	16.5	-333.3	-316.9		-13.900				-6.974

3. Corporate Grants Register

Government Grant Funding of Local Expenditure

- 3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2022/23 was £251.6m.
- 3.2 In 2022/23 Cheshire East Council's specific use grants held within the services was budgeted to be £227.6m based on Government announcements to February 2022.
- 3.3 The position at Financial Review 1 has seen an increase in specific use grants of £65.9m to £293.5m. The main factors influencing this revised increased position are as follows:
- Dedicated Schools Grant +£9.9m
 - Household Support Fund +£4.5m
 - Homes for Ukraine Scheme +£12.6m
 - Journey First and Parents First +£2.5m
 - COVID-19 Contain Outbreak Management Fund +£5.5m
 - Council Tax Energy Rebate Scheme +£19.9m
 - Housing Benefit Subsidy +£1.5m
- 3.4 Requests for the allocation of the additional specific grants received are detailed in **Table 1**.
- 3.5 Spending in relation to specific use grants must be in line with the purpose for which it is provided.
- 3.6 General purpose grants were budgeted to be £24.0m. Further in-year grant announcements have increased the amount received to £38.5m at Financial Review 1 (an increase of £14.5m).
- 3.7 This increase relates mainly to the Business Rates Reliefs Compensation grant. Requests for the allocation of the additional general purpose grants received are detailed in **Table 2**.
- 3.8 **Table 3** provides a summary of the updated budget position for grants in 2022/23 by type and service.
- 3.9 Further details of general purpose grants are shown in **Table 4**, the Corporate Grants Register.

Table 1 – Note that Council will be asked to Approve 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 (Specific Purpose)	1,514	Increase on MTFs 2022-26 estimate. This grant is from the Department for Work and Pensions. Payment of claims administration within Housing Benefits.
Finance Sub-Committee (Expenditure Children and Families - Schools)	Dedicated Schools Grant (DSG) (Specific Purpose)	9,860	<p>Increase on MTFs 2022-26 estimate. This grant is from the Education and Skills Funding Agency with a national allocation of £53.659bn. The DSG allocations for 2022 to 2023 are made up of:</p> <ul style="list-style-type: none"> • The schools block; based on the primary units of funding (PUF), and secondary units of funding (SUF), and premises funding announced in July 2021 and growth funding. • The central school services block (CSSB); based on the units of funding and total historic commitments funding announced in July 2021. • The high needs block; based on the allocations announced in July 2021 with the basic entitlement element of the national funding formula (NFF) updated for the number of pupils in the October 2021 school census; and the additional high needs allocations funding announced in December 2021. • The early years block; based on the early years funding rates published in November 2021 and made up of: <ul style="list-style-type: none"> - funding for the universal 15-hour entitlement for all 3 and 4-year-olds

Committee / Service Area	Type of Grant	£000	Details
			<ul style="list-style-type: none"> - funding for the additional 15 hours for 3 and 4-year-old children of eligible working parents - funding for the 15-hour entitlement for disadvantaged 2-year-olds - funding for the early years pupil premium (EYPP) - funding for the disability access fund (DAF) - supplementary funding for maintained nursery schools (MNS) <p>Dedicated schools grant (DSG): 2022 to 2023 - GOV.UK (www.gov.uk)</p>
Finance Sub-Committee (Expenditure Adults and Health)	Journey First and Parents First (Specific Purpose)	2,500	This grant is from the Department for Work and Pensions. Cheshire East Council is the Accountable Body for the delivery of 3 separate lots of former European Social Fund money (now administered by the Department for Work and Pensions). Two of these lots are under the Journey First banner with the third being Parents First. They aim to break down barriers for hard to reach groups to successfully become part of the employment market. These sub regional projects run over a number of financial years through to 2023/24.
Total Specific Purpose Allocation for Council Approval		13,874	

Table 2 – Note Delegated Decision - Supplementary Revenue Estimates for Allocation of Additional Grant Funding (General Purpose) £500,000 or less

Committee / Service Area	Type of Grant	£000	Details
Children and Families	Extension of the role of Virtual School Heads (General Purpose)	61	This is a grant from the Department for Education. The purpose of this grant is to provide support to local authorities in England to help them to extend the role of the Virtual School Head to promote the educational outcomes of the cohort of children with a social worker. Virtual School Heads should take a strategic leadership role for this cohort of children and work with early years settings, schools, colleges, and social care leaders to create a culture of high aspirations that helps all children with social workers to reach their potential. Virtual school heads: section 31 grant determination letters - GOV.UK (www.gov.uk)
Adults and Health	Independent Living Fund (General Purpose)	43	Increase on MTFs 2022-26 estimate. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC) with a national allocation of £160.6m. 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 2022 to 2023. Former Independent Living Fund Grant 2022 to 2023 - GOV.UK (www.gov.uk)
Economy and Growth	Neighbourhood Planning Grant (General Purpose)	10	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). 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

Committee / Service Area	Type of Grant	£000	Details
			support a number of Community Neighbourhood Plans across the borough.
General Purposes Allocations less than £500,000		114	

Table 3 - Summary of Grants

Grants 2022/23	Original Budget	Revised Forecast FR1	Change from Original Budget
	2022/23 £m	2022/23 £m	2022/23 £m
SPECIFIC USE (HELD IN SERVICE AREA)			
TOTAL SPECIFIC PURPOSE	227.6	293.5	65.9
GENERAL PURPOSE			
Children and Families	0.0	0.5	0.5
Adults and Health	12.5	12.5	0.0
Economy and Growth	0.0	0.0	0.0
Environment and Communities	0.0	0.0	0.0
Highways and Transport	0.0	0.0	0.0
Corporate Policy	11.5	25.5	14.0
TOTAL GENERAL PURPOSE	24.0	38.5	14.5
TOTAL GRANT FUNDING	251.6	332.0	80.4

Table 4 – Corporate Grants Register

General Purpose Grants 2022/23 (Held Corporately)	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2022/23 £000	2022/23 £000	2022/23 £000	
				<i>Notes 2 - 5</i>
CHILDREN & FAMILIES				
Staying Put Implementation Grant	0	130	130	
Extended Rights to Free Transport (Home to School Transport)	0	250	250	
Extended Personal Adviser Duty Implementation	0	57	57	
Extension of the role of Virtual School Heads	0	61	61	SRE
ADULTS & HEALTH				
Social Care Support Grant	11,341	11,341	0	
Independent Living Fund	818	861	43	SRE
Local Reform & Community Voices	213	213	0	
Social Care in Prisons	71	71	0	
War Pension Scheme Disregard	56	56	0	
ECONOMY & GROWTH				
Neighbourhood Planning Grant for Local Planning Authorities	0	10	10	SRE
CORPORATE POLICY				
Housing Benefit Administration Subsidy	654	736	82	
Council Tax Support Administration Subsidy	316	345	29	
NNDR Administration Allowance	587	587	0	
Revenue Support Grant	7	7	0	
New Homes Bonus	6,614	6,614	0	
Lower Tier Services Grant	353	360	7	
Services Grant	2,932	2,932	0	
Business Rates Reliefs Grant 2022/23	0	13,890	13,890	
TOTAL	23,962	38,521	14,559	

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 £2m since the end of March.
- 4.2 Annually, the Council raises invoices with a total value of over £90m. 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 June 2022 was £10.6m.

- 4.6 The total amount of service debt over six months old is £6.1m; 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
Adults and Health Committee		
Adults, Public Health and Communities	8,438	4,931
Children and Families Committee		
Children's Social Care (Incl. Directorate)	8	6
Education and 14-19 Skills	88	5
Schools	9	-
Highways and Transport Committee		
Highways and Infrastructure	973	730
Economy and Growth Committee		
Growth and Enterprise	492	193
Environment and Communities Committee		
Environment and Neighbourhood Services	254	222
Corporate Policy Committee		
Finance and Customer Services	65	34
Governance and Compliance	155	-
Human Resources	19	-
ICT	63	7
	10,564	6,128

5. Capital Strategy

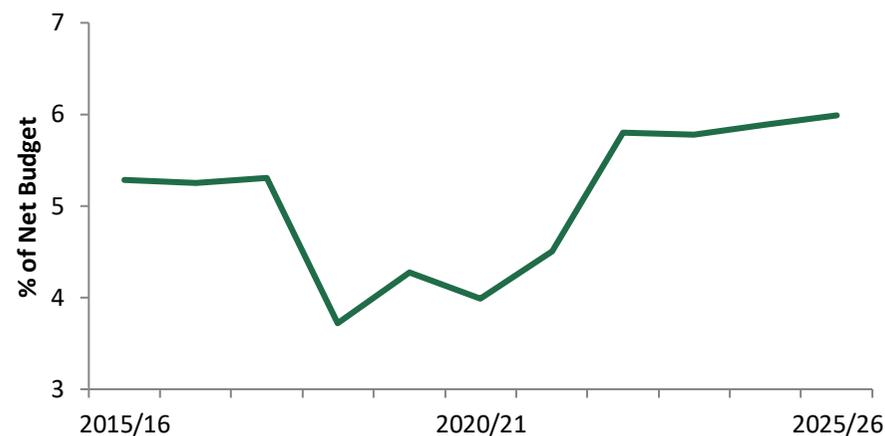
Table 1: Financial Parameters for 2021/22 to 2024/25

Parameter	Value (£m)			
	2022/23	2023/24	2024/25	2025/26
Repayment of Borrowing				
Minimum Revenue Provision*	15.3	18.6	21.5	22.9
External Loan Interest	5.6	5.4	5.4	5.4
Investment Income	(1.9)	(1.8)	(1.8)	(1.8)
Contributions from Services Revenue Budgets	(1.2)	(1.6)	(2.2)	(2.4)
Total Capital Financing Costs	17.8	20.6	22.9	24.1
Use of Financing EMR	1.2	(1.6)	(2.9)	(3.1)
Actual CFB in MTFS	19.0	19.0	20.0	21.0
Capital Receipts targets*	1.0	1.0	1.0	1.0
Flexible use of Capital Receipts	0	0	0	0

*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 £7.4m over the next four financial years to finance the Capital Programme to reduce the overall Capital Financing Budget. These contributions come from: £3.0m from the Investment Portfolio; £1.4m contribution from schools towards the schools transformation programme; £1.3m from Everybody Health and Leisure for the improvements to the Council's leisure facilities; £1.3m electric vehicle charging and the Green Investment schemes, £0.2m from Countryside Services for the vehicle replacement programme upgrade, £0.1m from the Azure Microsoft project and £0.1m from the Children's Home Sufficiency project.

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 variance to 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 £6.4m from the Financing Earmarked Reserve for the period 2022/23 to 2025/26.

Capital Programme – Review Position

- 5.13 Since the Medium Term Financial Strategy was approved in February 2022 the Capital Programme has increased by £70.0m for the next four year period and future years.
- 5.14 The main change to explain the increase, is slippage from 2021/22 into future years of £68.3m, this includes the £60.4m that was reported at the Outturn position and subsequent Supplementary Capital Estimates that have been approved by Committee or Full Council since the MTFS was approved.
- 5.15 There is also a request for a virement of £18.5m to the Middlewich Eastern Bypass project, there are immense inflationary pressures on this project that have been identified and to enable the project to proceed and meet its current obligations of delivering the scheme on time without incurring further costs due to delaying the project this sum is required. The budget is to be vired from existing approved capital budget so there is no overall increase to capital programme at this time.
- 5.16 Other changes reported this quarter totalling are £1.9m of Supplementary Capital Estimates required for additional funding received from external contributions such as Section 106 funding and partner contributions. **Table 2** below shows a summary of the changes.
- 5.17 There are also a small number of budget reductions within Environment and Neighbourhood Services for Section 106 funded schemes where the schemes are now complete and the residual funding can be returned to the respective S106 balance.
- 5.18 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**.
- 5.19 **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.
- 5.20 **Table 5** lists details of Capital Supplementary Estimates over £250,000 and up to £1,000,000 and Capital Virements over £100,000 and up to and including £5,000,000 that requires Committee to approve.
- 5.21 **Table 6** lists details of Capital Supplementary Estimates over £1,000,000 and Capital Virements over £5,000,000 that requires Committee to make a recommendation to Council to approve.
- 5.22 **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.
- 5.23 Prudential Indicators are shown at the end of this section.
- 5.24 Capital programme detail is shown in other service committee **Appendices 1-7, Section 5**.

Table 2: Summary Capital Programme

	MTFS Budget	C/Fwd from 2021/22 Outturn	Budget Reductions	SCEs/ Virements	Revised Budget
	2022/26 £m	2022/26 £m	2022/26 £m	2022/26 £m	2022/26 £m
Adults, Health & Integration	0	0.5	0	0	0.5
Children and Families	96.5	18.3	0	1.3	116.1
Place Directorate	499.0	44.1	(0.2)	0.1	543.0
Corporate Directorate	38.3	5.4	0	0.5	44.2
	633.8	68.3	(0.2)	1.9	703.8

Table 3: Capital Programme Update

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY					
CAPITAL PROGRAMME 2022/23 - 2025/26					
	Forecast 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Total Forecast 2022-26 £000
Committed Schemes - In					
Adults, Health and Integration	473	0	0	0	473
Children and Families	24,876	34,642	2,744	285	62,547
Place	114,835	101,213	105,818	107,271	429,137
Corporate	10,919	4,650	4,514	2,555	22,638
Total Committed Schemes -	151,103	140,505	113,076	110,111	514,795
CAPITAL PROGRAMME 2022/23 - 2025/26					
	Actuals 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Total Forecast 2022-26 £000
New Schemes					
Adults, Health and Integration	0	0	0	0	0
Children's Services	4,260	11,850	19,758	17,700	53,568
Place	31,350	50,844	28,746	21,329	132,269
Corporate	1,137	1,550	474	0	3,161
Total New Schemes	36,747	64,244	48,978	39,029	188,998
Total	187,850	204,749	162,054	149,140	703,793

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2022/23 - 2025/26

	Actuals 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Total Forecast 2022-26 £000
Funding Requirement					
Indicative Funding					
Analysis: (See note 1)					
Government Grants	103,261	100,303	83,302	57,117	343,983
External Contributions	32,465	29,803	28,759	34,992	126,019
Revenue Contributions	1,152	56	0	0	1,208
Capital Receipts	1,000	2,248	23,032	11,835	38,115
Prudential Borrowing (See note 2)	49,972	72,339	26,961	45,196	194,468
Total	187,850	204,749	162,054	149,140	703,793

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 2022-2026 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
Supplementary Capital Estimates that have been made up to £250,000		
Education and 14-19 Skills		
2020-21 - SMS - Rainow Primary School	7,777	An additional revenue contribution from the School to fund the additional costs on the School managed scheme.
Economy & Growth		
Schools Capital Maintenance (FM)	76,500	School contributions towards the condition works on the maintained schools for 2022/23 - managed by the Facilities Management team.
Total Supplementary Capital Estimates Requested	84,277	
Service / Capital Scheme	Amount Requested £	Reason and Funding Source
Capital Budget Virements that have been made up to £100,000		
Education and 14-19 Skills		
2020/21 SMS Lower Park Primary School	20,000	A virement from the School Condition Grant Allocation to fund the additional costs on the School managed scheme.
Monks Coppenhall	25,000	Virement from the SEN/High Needs Block Allocation to fund the rising costs on the school expansion programme due to the increases in the cost of inflation on construction projects
School Condition Grant	7,500	Virement from High Legh Primary School Devolved Formula Capital allocation to fund emergency Lighting works
2020-21 - Sms - Rainow Primary School	7,778	A virement from the School Condition Grant Allocation to fund the additional costs on the School managed scheme.
Total Capital Budget Virements Approved	60,278	
Total Supplementary Capital Estimates and Virements	144,555	

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

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
Finance Sub Committee are asked to approve the Supplementary Capital Estimates and Virements		
Supplementary Capital Estimates above £250,000 up to and including £1,000,000		
Education and 14-19 Skills		
Nantwich Planning Area (Primary)	917,368	Additional S106 funding is available to fund the new primary school at Kingsley Fields, Nantwich.
School Condition Grant	341,057	Additional Grant funding from 2021/22 from the Department of Education not previously approved in the MTFS
Transformation		
Core Financials	500,000	In the Core Financials programme Cheshire East Council will hold a £1 million total capital budget on behalf of both councils, Cheshire East and Cheshire West and Chester, which covers both the monthly change support agreement and one off larger change projects, this will all be invoiced through Cheshire East. This Supplementary Capital Estimate is to add the contribution from Cheshire West and Chester Council.
Total Supplementary Capital Estimates Requested	1,758,425	

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
Finance Sub Committee are asked to approve the Supplementary Capital Estimates and Virements		
Capital Budget Virements above £100,000 up to and including £5,000,000		
Education and 14-19 Skills		
Congleton Planning Area	600,000	Virements from the Basic Need Block Allocation to fund the rising costs on the school expansion programme due to the increases in the cost of inflation on construction projects
Congleton Planning Area (1)	500,000	
Congleton Planning Area (2)	125,000	
Congleton Planning Area (3)	4,300,000	
Holmes Chapel Planning Area	1,000,000	
Macclesfield Planning Area	600,000	
Sandbach Planning Area	1,000,000	
Shavington Planning Area (1)	115,000	
Shavington Planning Area (2)	3,000,000	
Wilmslow Planning Area	125,000	

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
Finance Sub Committee are asked to approve the Supplementary Capital Estimates and Virements		
Capital Budget Virements above £100,000 up to and including £5,000,000		
Education and 14-19 Skills		
Adelaide Academy	150,000	} Virements from the SEN/High Needs Block Allocation to fund the rising costs on the school expansion programme due to the increases in the cost of inflation on construction projects.
Springfield Satellite Site (Dean Row)	500,000	
Provision of Sufficient School Places - SEND	500,000	
Haslington Planning Area - Primary	385,000	Virement from the Basic Need Block Allocation to fund the rising costs on the school expansion programme due to the increases in the cost of inflation on construction projects (£250,000) and a subsequent virement from the School Condition Block of £135,000 for some conditions works that will be completed at the same time as the major expansion scheme.
Future Years Basic Need Allocation	1,499,582	Virement from Middlewich Planning Area - re-couped back to the main block allocation to be re-distributed in future years.
Nantwich Planning Area (Primary)	1,882,632	Virements from the Basic Need Block Allocation (£1.383m) and High Needs Block Allocation (£500k) to fund the rising costs on the school expansion programme due to the increases in the cost of inflation on construction projects.

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
Finance Sub Committee are asked to approve the Supplementary Capital Estimates and Virements		
Capital Budget Virements above £100,000 up to and including £5,000,000		
Education and 14-19 Skills		
Wilmslow High School	750,000	Virement from the Basic Need Block Allocation to fund the rising costs on the school expansion programme due to the increases in the cost of inflation on construction projects (£500,000) and a subsequent virement from the School Condition Block of £250,000 for some conditions works that will be completed at the same time as the major expansion scheme.
Mobberley Primary School	300,000	Virement from the School Condition Block Allocation to fund the rising costs on the school expansion programme due to the increases in the cost of inflation on construction projects.
Growth & Economy		
Schools Capital Maintenance (FM)	738,500	Virement from the School Condition Block allocation grant to fund the 2022/23 condition works carried out on the Council's maintained schools property portfolio managed by the Facilities Management team
Total Capital Virements requested		9,945,714
Total Supplementary Capital Virements		11,704,139

Table 6: Recommendations for Approval for Supplementary Capital Estimates (SCEs) and Virements

Service	Amount Requested £	Reason and Funding Source
Capital Budget Virements over £5,000,000		
Highways & Transport		
Middlewich Eastern Bypass	18,435,000	Due to emerging inflationary pressures that have been identified on the project there is a need to increase the scheme costs to £92.5m in order to deliver the project within the current timeframes and to not incur further costs as a result of delaying the project. The monies are to be vired from the Exceptional Inflation allocation (£6.6m) and the Strategic Projects allocation (£11.8m)
Total Capital Virements requested		18,435,000
Total Supplementary Capital Estimates and Virements		18,435,000

Table 7: Capital Budget Reductions

Service / Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Finance Sub Committee are asked to note the reductions in Approved Budgets				
Strong Start, Family Help & Integration				
Ash Grove Nursery Expansion	230,146	225,040	5,106	The scheme is now complete and no further budget is required.
Environment & Neighbourhood Services				
Arnold Rhodes Public Open Space Improvements Phase 2	94,428	89,020	5,408	These S106 funded schemes are now complete and any surplus funds can be returned to the respective S106 pot
Browns Lane, Wilmslow Play Area	584,674	570,111	14,563	
Church Lane Community Park Development	95,000	92,994	2,006	
Hassall Road Play Area Improvements	76,588	72,898	3,690	
Mere Court Open Space	157,266	155,222	2,044	
Rugby Drive Playing Fields	308,051	238,777	69,274	
Stanley Hall Park Recreation and Sport	1,070	771	299	
Wybunbury Road, Willaston Play Area	62,501	60,310	2,191	Budget for the purchase of replacement bins is no longer required
Wybunbury Parish Open Space	5,000	960	4,040	
Household Bins Schemes	2,392,311	2,342,311	50,000	
	4,007,035	3,848,414	158,621	

Prudential Indicators revisions to: 2021/22 and 2022/23 – 2024/25, and future years

Background

5.23 There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA’s Prudential Code for Capital Finance in Local Authorities (the “CIPFA Prudential Code”) when setting and reviewing their Prudential Indicators.

Estimates of Capital Expenditure

5.24 In 2022/23, the Council is planning capital expenditure of £187.9m as summarised below.

Capital Expenditure	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future years £m
Total	84.5	187.9	204.7	162.1	149.1

Source: Cheshire East Finance

Capital Financing

5.25 All capital expenditure must be financed either from external sources (government grants and other contributions). The Council’s own resources (revenue reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of capital expenditure is as follows.

Capital Financing	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future years £m
Capital receipts	2.6	1.0	2.2	23.3	11.8
Government Grants	37.9	103.3	100.3	83.3	57.1
External Contributions	4.0	32.5	29.8	28.8	35.0
Revenue Contributions	0.6	1.2	0.1	0.0	0.0
Total Financing	45.1	137.9	132.4	135.4	103.9
Prudential Borrowing	39.4	50.0	72.3	26.7	45.2
Total Funding	39.4	50.0	72.3	26.7	45.2
Total Financing and Funding	84.5	187.9	204.7	162.1	149.1

Source: Cheshire East Finance

Replacement of debt finance

5.26 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets may be used to replace debt finance. Planned MRP repayments are as follows.

Replacement of debt finance	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future years Estimate £m
Total	13.5	15.3	18.6	21.5	22.9

Source: Cheshire East Finance

Estimates of Capital Financing Requirement

5.27 The Council’s cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP repayments and capital receipts used to

replace debt. The CFR is expected to increase by £44m during 2022/23. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows.

Capital Financing Requirement	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future Estimate £m
Total	425	469	522	524	538

Source: Cheshire East Finance

Asset disposals

5.28 When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £4.8m of capital receipts from asset sales in the coming financial years as follows.

Capital Receipts	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future Estimate £m
Asset Sales	2.3	1.0	1.0	1.0	1.0
Loans Repaid	0.3	0.2	0.2	0.2	0.2
Total	2.6	1.2	1.2	1.2	1.2

Source: Cheshire East Finance

Gross Debt and the Capital Financing Requirement

5.29 The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting and the Council therefore seeks to strike a balance between cheap short term loans (currently available at around 1.9%) and long term fixed rate loans where the future cost is known but higher (currently 2.8%– 3.20%).

5.30 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement.

Gross Debt and the Capital Financing Requirement	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future Estimate £m
Borrowing	181	77	77	77	77
Finance Leases	0	0	0	0	0
PFI Liabilities	23	19	18	17	17
Total Debt	204	96	95	94	94
Capital Financing Req.	425	469	522	524	538

Source: Cheshire East Finance

5.31 Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. As can be seen from the above table, the Council expects to comply with this in the medium term.

Liability Benchmark

5.32 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 that cash and investment balances are kept to a minimum level of £20m at each year end. This benchmark is currently £142m and is forecast to rise to £372m over the next four years.

Borrowing and the Liability Benchmark	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Future Estimate £m
Outstanding Debt	181	77	77	77	77
Liability Benchmark	142	253	338	351	372

Source: Cheshire East Finance

5.33 The table shows that the Council expects to remain borrowed below its liability benchmark.

Affordable borrowing limit

5.34 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	2021/22 limit £m	2022/23 limit £m	2023/24 limit £m	2024/25 limit £m	2025/26 limit £m
Authorised Limit for Borrowing	435	480	540	540	555
Authorised Limit for Other Long-Term Liabilities	23	19	18	17	17
Authorised Limit for External Debt	458	499	558	557	572
Operational Boundary for Borrowing	425	470	530	530	545
Operational Boundary for Other Long-Term Liabilities	23	19	18	17	17
Operational Boundary for External Debt	448	489	548	547	562

Source: Cheshire East Finance

Investment Strategy

5.35 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

5.36 The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with money market funds, other local authorities or selected high quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in shares and property, to balance the risk of loss against the risk of returns below inflation.

Treasury Management Investments	31/03/22 Actual £m	31/03/23 Estimate £m	31/03/24 Estimate £m	31/03/25 Estimate £m	31/03/26 Estimate £m
Short term	20	20	20	20	20
Long term	34	20	20	20	20
Total Investments	54	40	40	40	40

Source: Cheshire East Finance

5.37 Further details on treasury investments are in pages of the Treasury Management Strategy, **Appendix 8**.

5.38 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Section 151 Officer and staff, who must act in line with the treasury management strategy approved by Council. Quarterly reports on treasury activity are reported to Cabinet as part of the Finance Update reports. The Audit and Governance Committee is responsible for scrutinising treasury management decisions.

5.39 Further details on investments for service purposes and commercial activities are in the Investment Strategy, **Appendix 9**.

5.40 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by an investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.

5.41 Further details on the revenue implications of capital expenditure are on paragraphs 108-129 of the 2022-26 Medium Term Financial Strategy (**Appendix C**).

5.42 Due to the very long term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable. The longer term revenue implications have been considered and built into the revenue budget forecasts post the period of the current Medium Term Financial Strategy.

Ratio of Financing Costs to Net Revenue Stream	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	Future Estimate
Financing Costs (£m)	14.0	19.0	19.0	20.0	21.0
Proportion of net revenue stream %	4.50	5.78	5.77	5.89	5.99

Source: Cheshire East Finance

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 2022 in the Council's General Reserves was £12.6m, as published in the Council's Statement of Accounts for 2021/22.
- 6.3 During 2022/23, an additional £2.3m is forecast to be transferred into the General Reserves to provide further protection against emerging risks such as inflation and particularly the DSG deficit, which was highlighted in the MTFS as having no alternative funding.
- 6.4 The Council also maintains Earmarked Revenue Reserves for specific purposes. At 31 March 2022 balances on these reserves stood at £80.9m, excluding balances held by Schools.
- 6.5 Unspent schools budgets that have been delegated, as laid down in the Schools Standards Framework Act 1998, remain at the disposal of the school and are not available to the Council to use.
- 6.6 The Collection Fund Reserve includes the appropriation of £12.4m S31 grant, received from DLUHC. This increase is as a result of a timing difference, with the grant being received in 2021/22 to fund the deficit that will be released in 2022/23.
- 6.7 During 2022/23, an estimated £28.8m 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 2023 is forecast at £52.1m.

- 6.8 At the end of 2018/19, a central contingency referred to as the MTFS (Medium Term Financial Strategy) Reserve was created to support in-year pressures against the revenue budget. Use of this Earmarked Reserve has been subject to approval of robust business cases.
- 6.9 At 31 March 2022, the opening balance on the MTFS reserve stood at £10.7m. In-year forecasts anticipate £3.2m of this reserve to be utilised in year, resulting in a closing balance at 31 March 2023 of £7.5m.
- 6.10 The first review position presents a pressure of £11.6m (to within budget by 3.5%). Any variation to budget at year-end will be managed through the Council's Medium Term Financial Strategy Earmarked Reserve in the first instance prior to using the General Reserve.

Table 1 – Reserves Position

	£m
General Reserve	14.9
Earmarked Reserves (excluding Schools)	52.1
Total Reserves Balance at 31 March 2021	67.0

- 6.11 Details of individual reserves are shown in the relevant Service Committee appendix.

Appendix 7 : Highways and Transport Committee

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- 2. Action Plan 2022/23**
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- 5. Capital Strategy**
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Appendix 7

Highways and Transport Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

	MTFS Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Highways and Transport				
Highways & Infrastructure	11,802	-	1,977	13,779
	11,802	-	1,977	13,779

2. Action Plan 2022/23

Highways and Transport Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
Highways and Infrastructure	23.7	-9.9	13.8	Pay Inflation	0.183	3&4	Red (will not achieve)	Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award.	0.053
				ASDV Review (TSS)	-0.125	20	Amber (on track but may not achieve all)	TSS transition has been completed, with teams brought in-house. Re-procurement of contract purchasing system in underway. Supplier engagement events as part of market refresh in autumn. Saving deferred pending new procurement system (DPS).	0.250
				Parking service – postponement of review of charges	0.504	60	Green (on track and should achieve)		0.000
				Carbon Reduction - Replacement of existing illuminated signs and bollards with LED units	0.030	55	Amber (on track but may not achieve all)	Roll out of replacement programme via highways contract on track to complete by March 23. Savings of energy costs will reduce due to increased prices. Draw down of reserves within highways.	0.000

Highways and Transport Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Local Supported Buses	0.008	61	Green (on track and should achieve)	Monitoring of concessionary travel payments to operators. Savings on concessionary travel reimbursement.	0.000
				Review split of TSS budget between Place and Childrens services		New		TSS budget split is being reviewed as currently leaves Place with a permanent £1m pressure relating to home to school transport. Whilst under review an allocation of £1m from the MTFS reserve is mitigating the issue in 2022/23.	0.000
				Reduction in parking revenue due to covid changes in customer behaviour		New		Permanent pressure due to reduced number of commuters, people parking all day and reduced sales of annual and quarterly permits.	1.320
				Parking		New		Additional costs of inflation and enhanced cleaning on Multi Storey Car Parks offset by in year staffing vacancies and reduced spend on supplies and services and transport.	-0.110
				HS2		New		£150k favourable variance due to significant internal Council resource being utilised for the Main Petitioning work, this has now been	-0.350

Highways and Transport Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
								submitted to Government - August 2022. £200k release from reserve.	
				Highways Covid pressure		New		Removal of Emergency Active Travel schemes.	0.061
				Highways Mitigating Actions		New		Release of Flooding and Well Managed Highway Infrastructure reserve.	-0.630
				Local Bus Operator Costs		New		Inflationary pressures on operators, mitigated in 2022/23 by reserves but significant impact 2023 onwards - high level estimate £5m.	
				Local Plan Review		New		Transport Modelling Resource requirements for Local Plan Review.	
				Highways		New		Reprofile or remove capital expenditure to improve revenue forecasting. Lobby DfT to recognise construction inflation.	
				Workforce		New		Revise vacancy forecasts to reflect recruitment difficulties. Slow down recruitment where feasible / safe. Updated staffing forecasts take account of revised recruitment timescales, included in Mid-Year forecasts above.	

Highways and Transport Committee	Exp £m	Inc £m	Net Revised Budget £m	MTFS Proposal	Value 2022/23 £m	MTFS Ref	RAG Rating	Comments	Variance from MTFS 2022/23 £m
				Transformation		New		Use flexible receipts to capitalise costs of transformation - Highways redesign.	-0.067
Total	23.7	-9.9	13.8		0.600				0.527

3. Corporate Grants Register (Highways and Transport Committee Extract)

Table 1 – Corporate Grants Register

Grants 2022/23	Original Budget 2022/23 £000	Revised Forecast FR1 2022/23 £000	Change from Original Budget 2022/23 £000	Treatment of Grant <i>Notes 2 - 5</i>
HIGHWAYS & TRANSPORT				
Specific Use (Held within Services)	348	1,316	968	
General Purpose (Held Corporately)				
TOTAL HIGHWAYS & TRANSPORT	348	1,316	968	

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**.

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

Table 2 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Highways and Transport	Bus Capacity Grant (Specific Purpose)	383	This grant is from the Department for Transport. Funding to support Local Transport Authorities in developing local bus proposals as outlined in the National Bus Strategy.
Specific Purpose Allocations less than £500,000		383	

4. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Highways and Transport Committee		
Highways and Infrastructure	973	730

5. Capital Strategy

Highways and Transport

CAPITAL

CAPITAL PROGRAMME 2022/23- 2025/26

Scheme Description	Total Approved Budget	Prior Years £000	Forecast Expenditure				Total Forecast Budget 2022/26 £000	Forecast Funding					Total Funding £000	
			Forecast Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000		
Committed Schemes														
Highways and Infrastructure														
A500 Dualling Scheme	68,701	9,264	2,005	2,339	22,632	32,461	59,436	53,284	4,300				1,852	59,436
A50 / A54 Holmes Chapel	603	81	45	327	150	0	522		522					522
A51/A500 Corridor Nantwich	250	231	19	0	0	0	19						19	19
A532 Safer Road Scheme	1,124	260	682	182	0	0	864	864						864
A536 Safer Road Scheme	2,310	1,461	849	0	2,310	0	849	849						849
A537 Safer Road Scheme	2,490	745	1,745	0	0	0	1,745	1,745						1,745
A54 / A533 Leadsmithy Street, Middlewich	563	134	40	389	0	0	429		429					429
A556 Knutsford to Bowdon	504	361	93	50	0	0	143		143					143
A6 MARR CMM Disley	2,122	1,646	10	466	0	0	476		22			454		476
A6 MARR CMM Handforth	800	492	309	0	0	0	309	226	48			34		309
A6MARR Design Checks & TA	473	271	203	0	0	0	203	70	133					203
Air Quality Action Plan	358	221	137	0	0	0	137	137						137
Alderley Edge Bypass Scheme Implementation	60,611	60,317	294	0	0	0	294					294		294
Bridge Maintenance Minor Wks	14,968	14,570	398	0	0	0	398					398		398
Client Contract and Asset Mgmt	841	510	331	0	0	0	331	331						331
Congleton Link Road	88,443	69,970	3,047	5,913	3,895	5,619	18,473	316	15,169				2,989	18,473
Crewe Green Link Road	26,625	26,170	455	0	0	0	455		455					455
Crewe Green Roundabout	7,500	7,053	188	180	80	0	448		448					448
Crewe Rail Exchange	6,712	6,693	19	0	0	0	19	19						19
Flowerpot Phs 1 & Pinchpoint	10,037	1,271	816	4,069	1,653	2,229	8,767	2,235	726			5,805		8,767
Future High Streets Fund - Highways	5,966	480	1,815	3,672	0	0	5,487	5,487						5,487
Highway Maintenance Minor Works	534	0	534	0	0	0	534					534		534
Highway Pothole / Challenge Fund	11,371	7,925	3,446	0	0	0	3,446					3,446		3,446
Highway S106 Schemes	487	0	487	0	0	0	487	41	446					487
S106 Davenport Lane, Arclid	352	60	292	0	0	0	292	245	48					292
Infrastructure Scheme Development	125	0	50	75	0	0	125	125						125
Jack Mills Way Part 1 Claims	300	278	22	0	0	0	22		22					22
Local Access Transport Studies	300	83	217	0	0	0	217	217						217
Local Area Programme	5,936	5,546	391	0	0	0	391	391						391
Macclesfield Movement Strategy	100	31	69	0	0	0	69	69						69
Middlewich Eastern Bypass	92,493	16,176	7,305	12,589	15,283	41,141	76,318	46,779	11,104			18,435		76,318
Middlewich Rail Study	20	0	20	0	0	0	20	20						20
M6 Junction 19	29	23	6	0	0	0	6		6					6
North-West Crewe Package	40,309	7,446	15,851	16,696	316	0	32,863	9,710	12,250			10,903		32,863
Old Mill Road / The Hill Junction	1,324	145	120	1,059	0	0	1,179		1,179					1,179

CAPITAL PROGRAMME 2022/23- 2025/26

Scheme Description	Total Approved Budget	Prior Years	Forecast Expenditure				Total Forecast Budget 2022/26	Forecast Funding					Total Funding
			Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26		Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes													
Highways and Infrastructure													
Part 1 Claims	113	34	79	0	0	0	79	79					79
Poynton Relief Road	52,657	29,670	16,202	46	1,355	5,385	22,987	8,335	6,200			8,453	22,987
Programme Management	811	784	27	0	0	0	27	27					27
Road Network & Linked Key Inf	83	78	5	0	0	0	5	5					5
Road Safety Schemes Minor Works	5,307	5,056	251	0	0	0	251	251					251
Sydney Road Bridge	10,501	10,103	98	300	0	0	398		398				398
Traffic Signal Maintenance	500	17	483	0	0	0	483	483					483
Traffic Signs and Bollards - LED Replacement	1,250	0	1,250	0	0	0	1,250					1,250	1,250
Winter Service Facility	999	479	130	130	130	130	520					520	520
							0						0
							0						0
Transport & Parking													
Accessibility: Public Transp't	920	907	13	0	0	0	13	13					13
Active Travel Fund (Covid-19)	724	436	288	0	0	0	288	288					288
Active Travel (Cycle/Walking route) Investment	2,450	2,179	271	0	0	0	271	271					271
Broadway Meadow Car Park	48	0	48	0	0	0	48					48	48
Car Parking Improvements (including residents parking)	322	262	30	30	0	0	60					60	60
Digital Car Parking Solutions	140	93	47	0	0	0	47					47	47
National Cycle Network (NCN) Route 55 Middlewood Way in	569	0	569	0	0	0	569	569					569
Pay and Display Parking Meters	620	531	-	49	40	0	89					89	89
Route Planning System	195	188	7	0	0	0	7					7	7
Sustainable Travel Access Prog	3,274	1,552	1,722	0	0	0	1,722	1,175	309			238	1,722
Sustainable Modes of Travel to Schools Strategy (SMOTSS)	510	472	38	0	0	0	38	38					38
Town Studies	450	426	25	0	0	0	25	25					25
HS2 Programme													
Crewe HS2 Hub Project Development	12,700	7,661	2,510	1500	1029	0	5,039					5,039	5,039
Total Committed Schemes - In Progress	550,823	300,837	66,400	50,060	46,562	86,964	249,986	134,718	54,355	0	0	60,913	249,986
													0
New Schemes													
													0
Highways and Infrastructure													
Peacock Roundabout Junction	750	0	163	587	0	0	750		750				750
Integrated Block - LTP	7,925	0	1,916	2,003	2,003	2,003	7,925	7,925					7,925
Maintenance Block - LTP	23,196	0	5,799	5,799	5,799	5,799	23,196	23,196					23,196
Incentive Fund - LTP	5,800	0	1,450	1,450	1,450	1,450	5,800	5,800					5,800
Managing and Maintaining Highways	16,000	0	4,000	4,000	4,000	4,000	16,000					16,000	16,000
Pothole Fund Grant 2022/23	5,799	0	5,799	0	0	0	5,799	5,799					5,799
Total New Schemes	59,470	0	19,127	13,839	13,252	13,252	59,470	42,720	750	0	0	16,000	59,470
Total Capital Schemes	610,293	300,837	85,527	63,899	59,814	100,216	309,456	177,438	55,105	0	0	76,913	309,456

6. Reserves Strategy (Highways and Transport Committee Extract)

Highways and Transport Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Highways and Infrastructure				
HS2	985	(450)	535	To support the Council's ongoing programme in relation to Government's HS2 investment across the borough and Transport for the North's Northern
Flood Recovery Works	400	(400)	0	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	230	(230)	0	Due to the call in of WMHI, the savings proposed relating to winter service cannot be realised and the forecast service costs have increased.
Parking Pay and Display Machines / Parking Studies	178	(28)	150	Purchase of Pay and Display machines and town centre parking studies, and to cover contract inflation on P&D machines in year.
Highways Procurement Proj	104	(28)	76	To finance the development of the next Highway Service Contract.
LEP-Local Transport Body	39	(20)	19	To fund the business case work for re-opening the Middlewich rail line. £20k is anticipated to be utilised in 2022/23, with the remaining £19k required in 2023/24.
HIGHWAYS AND TRANSPORT TOTAL	1,936	(1,156)	780	

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 Code of Practice 2021 Edition (the CIPFA Code). This replaces the 2017 edition but the reporting requirements under the newer code can be deferred until 2023/24 which the Authority has elected to do.
- 1.3 Investments held for service purposes or for commercial profit are considered in the Investment Report (see **Appendix 9**).
- 1.5 The economic backdrop in the April-June quarter was characterised by higher oil, gas and commodity prices, fears of rising and persistent inflation and its damaging impact on consumers' cost of living, little indication of an imminent end to Russia-Ukraine hostilities and supply chain bottlenecks exacerbated by war in Ukraine and lockdowns in China. Added to this was tough rhetoric and action by central bankers globally on fighting inflation through higher interest rates and quantitative tightening even as financial conditions became increasingly difficult for consumers, more so for those whose wages have not kept pace with inflation.
- 1.6 In the UK inflation remained elevated. Ofgem, the energy regulator, increased the energy price cap by 54% in April, equivalent to around £700 for a household with average energy consumption (the cap had already increased 12% back in October 2021). June data showed CPI edging higher to 9.3% while the core CPI rate, which removes energy, fuel and food was 5.8%. RPI rose to 11.8%.

2. External Context

- 1.4 **Economic background:** Following Russia's invasion of Ukraine in February, global inflationary pressures have intensified sharply, leading to a sizeable deterioration in the outlook for world and UK growth.
- 1.7 The labour market continued to show signs of tightness as employers struggled to fill vacancies with workers with skill sets matching their requirements. The unemployment rate 3m/year for May fell to 3.8% and is now below pre-pandemic levels. Pay growth was 6.2% for total pay (including bonuses) and 4.3% for regular

pay; however, adjusted for inflation, growth in total pay fell by 0.9%, whilst regular pay fell 2.8%.

- 1.8 Unsurprisingly, with disposable income squeezed and another energy cap increase due in October, consumer confidence plummeted to the level last seen during the 2008/09 financial crisis. Quarterly GDP growth was 0.8% in the January-March quarter and the Bank of England now expects a decline of 0.3% in quarter 2 2022.
- 1.9 Having increased interest rates by 0.25% in April, the Bank of England's Monetary Policy Committee on the 15 June 2022 voted 6-3 to increase the official Bank Rate by 0.25% to 1.25%. Those members in the minority preferred to increase Bank Rate by 0.5%. Rises in the input and output producer price measures suggest further inflationary pressure is in the pipeline. The Bank of England is therefore unlikely to become complacent, so further rate rises look likely in the near term.
- 1.10 **Financial Markets:** Heightened uncertainty characterised financial market sentiment and bond yields were similarly volatile but with a general upward trend as concern over higher inflation and higher interest rates dominated.
- 1.11 Over the quarter the 5-year UK benchmark gilt yield rose from 1.41% to 1.89%, the 10-year gilt yield rose from 1.61% to 2.35% and the 20-year yield from 1.82%

to 2.60% although these have fallen back slightly in the last few weeks.

- 1.12 **Credit Review:** Having completed its full review of its credit advice on unsecured deposits at UK and non-UK banks, in May Arlingclose extended the maximum duration limit for five UK banks, four Canadian banks and four German banks to six months. The maximum duration for unsecured deposits with other UK and non-UK banks on Arlingclose's recommended list is 100 days.
- 1.13 Arlingclose continued to monitor and assess credit default swap levels for signs of credit stress but made no changes to the counterparty list or recommended durations. Nevertheless, increased market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.
- 1.14 An outlook for the remainder of 2021/22 and interest rate forecast provided by Arlingclose is attached at **Annex A**.

3. Local Context

- 1.15 As at 30 June 2022 the Authority has borrowings of £202m and investments of £40m. 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

	31/03/22 Estimate £m	31/03/23 Estimate £m	31/03/24 Estimate £m	31/03/25 Estimate £m
General Fund CFR	425	469	522	524
Less: Other long term liabilities *	(22)	(19)	(18)	(17)
Loans CFR	403	450	504	507
Less: External borrowing **	(181)	(77)	(77)	(77)
Internal (over) borrowing	222	373	427	430
Less: Usable reserves	(165)	(137)	(111)	(103)
Less: Working capital	(116)	(80)	(75)	(73)
Investments (or New borrowing)	59	(156)	(241)	(254)

* 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

1.16 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.

1.17 CIPFA's Prudential Code for Capital Finance 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 2022/23.

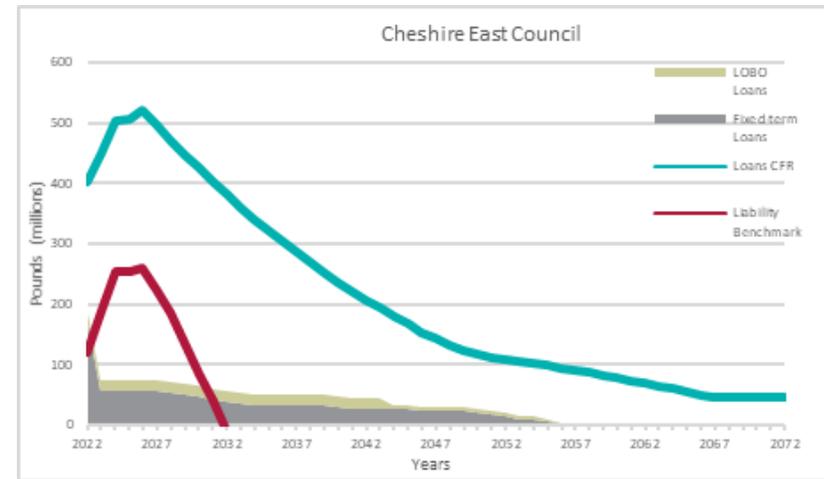
1.18 **Liability Benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as **Table 1** above, but that cash and investment balances are kept to a minimum level of £20m at each year-end to maintain a core strategic Investment.

Table 2: Liability Benchmark

	31/03/22 Estimate £m	31/03/23 Estimate £m	31/03/24 Estimate £m	31/03/25 Estimate £m
Loans CFR	403	450	504	507
Less: Usable reserves	(165)	(137)	(111)	(103)
Less: Working capital	(116)	(80)	(75)	(73)
Plus: Minimum investments	20	20	20	20
Liability Benchmark	142	253	338	351

1.19 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

- 1.20 The Authority currently holds loans of £182m, a decrease of £1m since 31 March 2022. However, this will increase to a higher level, currently forecast as £280m at 31 March 2023.
- 1.21 At the moment, cash shortfalls are 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, many new borrowings from September onwards are for maturity dates extending into 2023/24. The cost (including fees) to 30 June 2022 is around 0.70% although new borrowings are now at higher rates following recent base rate increases and anticipation of future increases. Due to the increasing levels of temporary borrowing, consideration is being given to some longer term fixed rate loans which, although more expensive, provide surety of future interest costs and protects against sudden unexpected future rate increases which could have adverse affects on the Councils budget. 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		0.95	2.9
Middlesbrough	25/02/22	01/07/22	0.57	5.0
Blaenau Gwent CBC	11/04/22	11/07/22	0.70	5.0
Western Isles	14/04/22	14/07/22	0.70	2.0
West Midlands CA	22/04/22	22/07/22	0.70	5.0
Bridgend CBC	25/04/22	25/07/22	0.75	3.0
Torfaen CBC	31/05/22	29/07/22	0.85	5.0
West Yorkshire CA	04/05/22	04/08/22	0.65	5.0
Renfrewshire Council	09/05/22	09/08/22	0.88	3.0
Northumberland	09/05/22	09/08/22	0.79	5.0
Dumfries & Galloway	10/05/22	10/08/22	0.80	5.0
London Borough of Newham	13/05/22	15/08/22	0.80	5.0
Blaenau Gwent CBC	23/05/22	23/08/22	0.86	5.0
Renfrewshire Council	25/04/22	26/09/22	0.85	5.0
Neath Port Talbot CBC	27/06/22	27/09/22	1.21	5.0
West Midlands CA	31/03/22	30/09/22	0.70	5.0
Torbay	31/03/22	30/09/22	0.90	5.0
West Berkshire	30/06/22	30/09/22	1.20	5.0

Lender	Start	Maturity	Rate %	£m
Northern Ireland Housing Executive	13/05/22	14/11/22	1.09	10.0
Carmarthenshire CC	27/05/22	28/11/22	1.09	5.0
West Midlands CA	21/04/22	23/01/23	0.75	5.0
South Derbyshire	16/05/22	16/02/23	1.10	3.0
TOTAL				103.9

1.22 **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 2022/23, 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

1.23 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 for energy grants and other schemes in advance of expenditure has, at times, led to higher balances than expected. The level at 30 June 2022 is £40m.

1.24 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.

1.25 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.

1.26 Treasury Management income to 30 June 2022 is £298,000 which is higher than the budgeted £222,500. Borrowing costs are also lower than budgeted at £235,000 compared to budget of £290,000. However, increasing interest rates combined with an increasing borrowing requirement suggests that net interest cost will be £548,000 higher than budgeted for 2022/23.

- The average daily investment balance including managed funds up to 30 June 2022 is £52.8m
- The average annualised interest rate received on in-house investments up to 30 June 2022 is 0.78%
- The average annualised interest rate received on the externally managed funds up to 30 June 2022 is 4.70%

1.27 The Authority's total average interest rate on all investments in 2022/23 is 2.26%. The returns continue to exceed our own performance target of 1.75% (Base Rate + 0.50%). Previous comparator rates using LIBID are no longer produced. These have been replaced by the Sterling OverNight Index Average (SONIA).

Table 4 – Interest Rate Comparison

Comparator	Average Rate to 30/06/2022
Cheshire East	2.26%
SONIA 7 Day Rate	0.97%
Base Rate	1.25%
Target Rate	1.75%

1.28 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.

1.29 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	9.5
Aegon	Multi Asset	5.0	4.5
Fidelity	Equity - Global	4.0	3.9
Schroders	Equity - UK	2.5	2.2
M & G	Bonds	1.0	0.9
TOTAL		20.0	21.0

1.30 The value of these investments does vary. The effects of high inflation, reduced GDP and supply chain issues on financial markets and values of underlying assets has been considerable. Most funds, although recovered from direct COVID-19 related issues, have fallen in value in recent months, the exception being the Property fund which continues to increase in value due to the nature of the properties in which it is invested. All funds continue to deliver high levels of income return.

Chart 2 – Current Investments by Counterparty Type

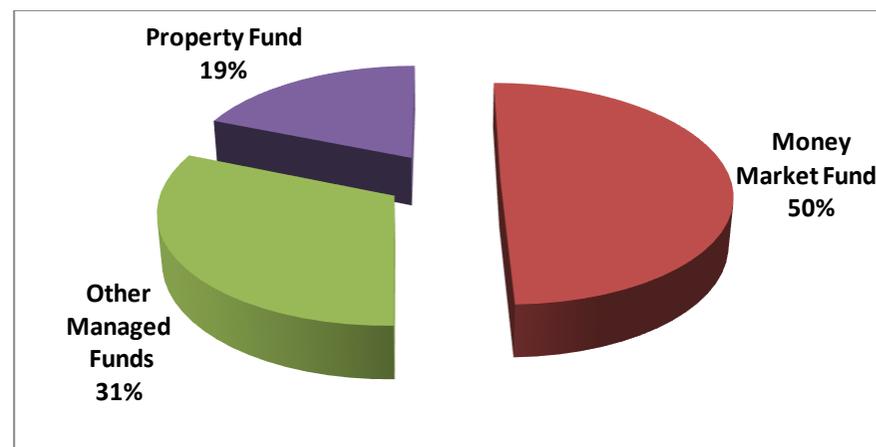


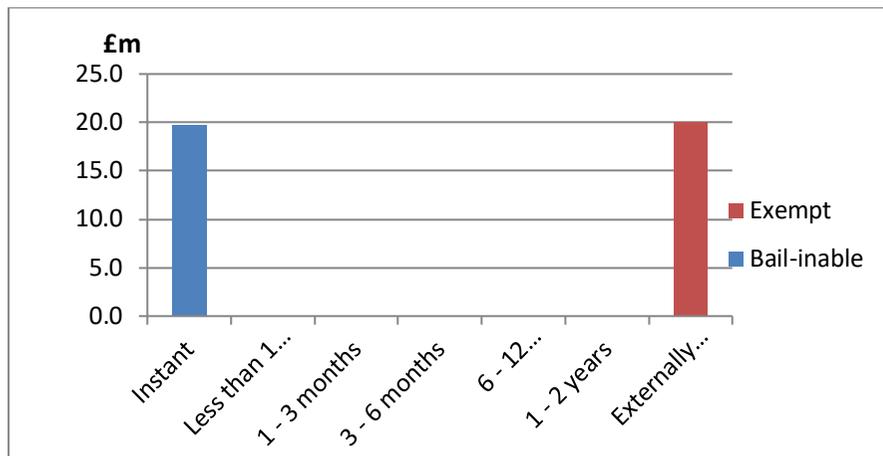
Table 6 – Types of Investments and Current Interest Rates

Instant Access Accounts	Average Rate %	£m
Money Market Funds	1.10	19.7

Externally Managed Funds	£m
Total – see table 5	20.0

Summary of Current Investments	£m
TOTAL	39.7

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

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

1.32 **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% rise in interest rates	£462,500
Likely revenue impact in 2022/23 of a 1% rise in interest rates	£425,000

1.33 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 2022/23 so a fall in rates would lead to savings rather than incurring additional cost so a limit of £0 was set. Rates have already changed by more than 1% and likely to change further so full revenue impact of changing rates is likely to be higher – estimated at £548,000.

1.34 **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 30 June 2022 are:

Refinancing rate risk indicator	Upper Limit	Actual
Under 12 months	70%	66%
12 months and within 24 months	35%	0%
24 months and within 5 years	35%	0%

Refinancing rate risk indicator	Upper Limit	Actual
5 years and within 10 years	75%	10%
10 years and within 20 years	100%	9%
20 years and above	100%	15%

1.35 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.

1.36 **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	2022/23	2023/24	2024/25
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 2022/23

	Current	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Official Bank Rate													
Upside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Arlingclose Central Case	1.25	1.75	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.00	2.00	1.75	1.75
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75

High inflation is dampening global economic growth, raising the chances of regional recessions as policymakers accelerate monetary tightening to reduce the risk of persistently higher long-term inflation expectations.

The invasion of Ukraine exacerbated global inflation trends, particularly around food and energy. The rise in energy and fuel prices has been a significant factor behind the UK CPI moving to over 9% and forecast to be over 10% during 2022.

High sustained inflation is likely to lead to zero or negative GDP growth for quarter 2 2022 onwards in the UK due to negative real household disposable income growth. Fiscal intervention will mitigate some of the financial pain, but will not totally alleviate it. Data suggests that households are curtailing spending in response. Built up savings and more robust wage growth will only partly offset the impact.

The labour market is tight and nominal wage growth is running above pre-COVID levels. Higher wage growth will be a

contributory factor to sustained above target inflation this year, although real wage growth is unlikely for most workers. Weaker economic activity should eventually lead to lower demand for labour and reduce wage pressure.

The Bank of England previously signalled that moderate monetary tightening alongside the sharp fall in real incomes would pull inflation back to target in the medium term. Inflation has, however, exceeded the Bank's expectations. Alongside the tight labour market and fiscal intervention, further rises in Bank Rate are likely.

The MPC minutes indicated that larger upward moves in Bank Rate, more forceful action, are a possibility if high inflation persists. Markets have priced in a much steeper path for Bank Rate in response, but Arlingclose believe the MPC will be more cautious, albeit at a higher level than previously expected.

Bond yields have risen significantly to accommodate tighter

global monetary policy despite increasing recession concerns. The US remains the main driver of global yields; aggressive policy in the US increases the inflation risk for other countries and may be a contributory factor to unnecessary tight policy elsewhere.

With markets seemingly ignoring the downside risks to

growth, further upside movement in bond yields cannot be ruled out, at least until US inflation starts to cool.

Annex B: Existing Investment & Debt Portfolio Position

	30/06/22 Actual Portfolio £m	30/06/22 Average Rate for the year %
External Borrowing:		
PWLB – Fixed Rate	60	4.53%
Local Authorities	101	0.62%
LOBO Loans	17	4.63%
Other	4	1.21%
Total External Borrowing	182	2.60%
Other Long Term Liabilities:		
PFI	20	-
Finance Leases	0	-
Total Gross External Debt	202	-
Investments:		
<i>Managed in-house</i>		
Short-term investments:		
Instant Access	20	1.10%
<i>Managed externally</i>		
Property Fund	7.5	4.03%
Multi Asset Fund	5	6.17%
Equity - Global	4	8.10%
Equity - UK	2.5	5.36%
Bonds	1	2.43%
Total Investments	40	3.30%
Net Debt	162	-

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 reflects subsequent changes in government and CIPFA

thinking on investments. It 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 fluctuates in the course of normal activity.
- 1.6 Full details of the Authority's policies and plans for 2022/23 within treasury management investments are covered via 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:

Table 1: Loans for service purposes in £'000

Category of borrower	31/03/22	As at 30/06/22			2022/23
	Actual	Balance owing	Loss allowance	Net figure in accounts	Balance owing
Subsidiaries	0	0	0	0	0
Suppliers	23	24	1	23	24
Local businesses	6,043	6,276	70	6,043	6,276
Local charities	515	392	51	515	392
TOTAL	6,581	6,692	122	6,581	6,692

- 1.8 Loans have been provided to Everybody Health & Leisure Trust (Everybody) for the purpose of investing in new equipment, with the aim of increasing the usage of leisure centres 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 £4.74m as at 30 June 2022) 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 can lead to short term fluctuations in the notional returns of this loan category. 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. The Authority has decided against committing new funds to a follow up fund for the time being.
- 1.12 Only the Everybody 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 movement in value of our share of the underlying assets which will fluctuate as the site continues its transition from a single user to a multi user campus.
- 1.16 There remains a long term pipeline of investment and refurbishment activity on Alderley Park. The current valuation is based upon the 2022 year end position which had seen a fall in value; reflecting a revaluation and the timing of vacant units, and the not insignificant impact of COVID-19, which the site seems to have weathered. The valuation is still greater than the purchase price and the underlying assets at Alderley Park remain strong.
- 1.17 A gain or loss to the Council's Revenue and Capital Receipts accounts would only crystallise in the event of divesting our equity stake.
- 1.18 The Council also has shares in its subsidiary, wholly owned service delivery companies. However they are of nominal

value, and consequently are not considered material in the context of this Investment Strategy.

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

Category of company	31/03/22 actual	As at 30/06/2022			2022/23
		Amounts invested	Gains or losses	Value in accounts	Approved Limit (cost of investment)
Local Businesses	2,610	1,070	1,540	2,610	10,000
TOTAL	2,610	1,070	1,540	2,610	10,000

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. Whilst this limits the Authority's ability to invest in commercial property for investment purposes they have

recognised that regeneration is a necessary factor which could result in legitimate purchases of such property. 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 81% of the net book value in the accounts at 31 March 2022.

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 2022 and reflect the second year of COVID-19. In the year to March 2021 we noted that the value of retail property held up whilst that of industrial units and enterprise centres was valued downwards. The year to March 2022 saw retail values continue to grow and the other categories have made modest gains. All categories are still valued at more than purchase cost. There has been a reclassification in the year and an office property has been added to the listing as it was deemed appropriate to classify it as an investment asset. This resulted in £533,000 being added to the valuation. * Note that no gain has been deemed to have arisen in the last two years with the gain on the purchase cost occurring in prior years.

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

Property	Actual	31/03/22 actual		30/06/22 actual		2022/23 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	11	1,740	0	1,740	
Enterprise Centres	245	20	340	0	340	
Retail	23,300	371	25,975	0	25,975	
Office	240	* -	533	0	533	
Total	25,277	402	28,588	0	28,588	100,000

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 totalled £8m. One of the loans was subsequently repaid early in the new financial year. Interest is accruing on the remaining loan.

Table 4: Commercial Loans in £'000

Category of borrower	31/03/22	As at 31/03/22			2021/22
	Actual	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Partner Organisations	7,903	4,127	183	3,944	20,000
TOTAL	7,903	4,127	183	3,944	20,000

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.

8. Proportionality

1.30 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

1.31 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.

1.32 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

1.33 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

1.34 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.

1.35 **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 5: Total investment exposure in £'000

Total investment exposure	31/03/21 Actual	31/03/22 Actual	31/03/23 Forecast
Treasury management investments	44,150	54,300	40,000
Service investments: Loans	6,360	6,733	6,844
Service investments: Shares	3,410	2,610	2,610
Commercial investments: Property	28,186	28,588	28,588
Commercial Investments: Loans	8,000	8,271	4,127
TOTAL INVESTMENTS	90,106	100,502	82,169
Commitments to lend	2,439	2,418	2,418
TOTAL EXPOSURE	92,545	102,920	84,587

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

1.37 **Table 6** shows the limited investments funded through prudential borrowing.

Table 6: Investments funded by borrowing in £'000

Investments funded by borrowing	31/03/21 Actual	31/03/22 Actual	31/03/23 Forecast
Commercial investments: Property	22,211	21,517	20,810
Commercial Investments: Loans	8,000	8,000	4,000
TOTAL FUNDED BY BORROWING	30,211	29,517	24,810

- 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 is not a true return but is instead based largely on the % fluctuation in the underlying value of the new assets within the Life Science fund. As such they do not reflect actual cashflows. If Life Science was excluded the 2021/22 actual figure was 1.13% - in itself this is skewed by a non interest bearing loan.
- 1.40 Historically we have shown the % movement in the carrying value of our shareholding in Alderley Park Holdings Limited as a return within the category Service Investments: Shares. However, this is not a real return or cashflow. Typically a

return on a share would be based upon the dividend yield and there have been no dividends paid. Therefore this is now shown as Nil.

- 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 site becomes vacant for a prolonged period.
- 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 previous two years.
- 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. Overall returns are affected by the fact that returns for one of the sites is reduced by the costs required to repay borrowing costs. Additionally, there are isolated instances where some of the other smaller sites are seeing the levels of vacancy rise. These are under review.
- 1.44 The Commercial investments: Loans are at the expected level of return given the rates in place when they were established.

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2020/21 Actual	2021/22 Actual	2022/23 Forecast
Treasury management investments	1.62%	2.13%	2.26%
Service investments: Loans	8.46%	-3.00%	-6.19%
Service investments: Shares	*NIL	*NIL	*NIL
Commercial investments: Property	2.78%	2.95%	2.92%
Commercial investments: Loans	3.20%	3.20%	3.16%

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Working for a brighter future together

Corporate Policy Committee

Date of Meeting:	6 October 2022
Report Title:	Performance Report – Quarter 1 2022/23
Report of:	Jane Burns, Executive Director Corporate Services
Report Reference No:	CP/13/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. The purpose of this report is to provide the Committee with an oversight of organisational performance for the first quarter of 2022/23 against the priorities in the Council's Corporate Plan 2021-25.
- 1.2. This report supports the responsibility of the Corporate Policy Committee to have a co-ordinating role across all other committees and to exercise a corporate oversight of outcomes, performance, budget monitoring and risk management.
- 1.3. Appendix A provides further detail of performance and progress against priorities since 1 April 2022.

2. Executive Summary

- 2.1 This report gives an update on performance against the priorities in the Council's Corporate Plan. It describes performance in Quarter 1 (April – June 2022) against the objectives within the Corporate Plan 2022/23.
- 2.2 The period of Quarter 1 to date has been a period of national uncertainty in terms of policy direction, whilst we have had the election of a new Prime Minister and changes to political leadership of government departments. Both Adults and Children's services have seen demand challenges arising not just from volume, but also from increased complexity of presenting cases. There are increased risks due to a fragile care market and budget pressures, particularly in relation to SEND and adult social care. Increases to costs and supply of materials challenges are also starting to impact on projects and

initiatives across the Council. This partly due to the ongoing situation in Ukraine. Within Cheshire East Council, as with many other local authorities, there are recruitment and retention challenges. Delivery of the Corporate Plan to date has been within the most challenging of circumstances, at the same time of progressing delivery, the Council has also been responding to the coronavirus pandemic, supporting refugees and, more recently, responding to a range of impacts from increases in costs of living. These areas cumulatively provide the most challenging context to delivery of public services and achievement of our corporate plan by 2025. Therefore, the performance monitoring and oversight of our Corporate Plan is more important and supports early identification of areas where mitigations are required.

- 2.3** Despite these increased challenges and risks, progress has been made with delivery of our priorities. At the end of Quarter 1 Cheshire East Council remains on track to achieve the outcomes set out in the Corporate Plan by 2025. However, there are increased risks around several areas, and these will be closely monitored through our performance and risk management arrangements.
- 2.4** At the end of 2021/22, it was stated that the performance management framework will continue to be developed during 2022/23. This has resulted in a basket of key performance measures from across the Council being developed, and national benchmarking data added to the report. National benchmarks are included in the report where they are available. Whilst benchmarks are useful to provide a comparison, these are often only published annually therefore some may reflect activity that has subsequently been affected due to the pandemic.
- 2.5** Throughout the report, there are performance indicators, which are informed by Business Plans created by Directorates and Services. These have 3 lines of data: firstly, the actual performance data, in the majority of cases this covers the period April -June 2022, but in some cases the data is only available as an annual measure. The second line states the target, this is the annual target for the 2022/23 business year. The final line states any national benchmark information (as detailed in paragraph 2.4 above).
- 2.5** The Committee will receive the Quarter 2 report for 2022/23 in December 2022.

3. Recommendations

- 3.1.** That the Committee note performance against Q1 of 2022/23 of delivery of the Corporate Plan.
- 3.2.** That the Committee consider any additional data and intelligence that could and should be included in future performance reports.

4. Reasons for Recommendations

- 4.1. The Corporate Policy Committee is responsible for reviewing and scrutinising performance against the strategic aims and objectives in the Council's Corporate Plan 2021-25.
- 4.2. The performance management framework continues to be developed and seeks to provide a robust, customer focussed view of performance. Member input into this development is valued to ensure that the performance management reports are of value.
- 4.3. Performance management is a tool to allow oversight of the Council's key activities and to enable transparency and understanding around where the Council is performing well, and what are the areas of challenge and improvement.

5. Other Options Considered

- 5.1. Not applicable.

6. Background

- 6.1. The Council's Corporate Plan 2021-25 outlines 20 priorities for the Council, 6 aligned with the "Open" aim, to be an open and enabling organisation, 8 priorities are aligned to the "Fair" aim, a Council which enables and cares about people and 6 priorities are aligned to the "Green" aim, a thriving and sustainable place. The 20 priorities are as follows:

An open and enabling organisation

- Ensure that there is transparency in all aspects of council decision making
- Listen, learn and respond to our residents, promoting opportunities for a two-way conversation
- Support a sustainable financial future for the council, through service development, improvement and transformation
- Look at opportunities to bring more income into the borough
- Support and develop our workforce to be confident, motivated, innovative, resilient and empowered
- Promote and develop the services of the council through regular communication and engagement with all residents

A council which empowers and cares about people

- Work together with residents and partners to support people and communities to be strong and resilient
- Reduce health inequalities across the borough
- Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation
- Be the best Corporate Parents to our children in care
- Support all children to have the best start in life
- Increase opportunities for all children and young adults with additional needs
- Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential
- Reduce the reliance on long term care by improving services closer to home and providing more extra care facilities, including dementia services

A thriving and sustainable place

- A great place for people to live, work and visit
- Welcoming, safe and clean neighbourhoods
- Reduce impact on the environment
- A transport network that is safe and promotes active travel
- Thriving urban and rural economies with opportunities for all
- Be a carbon neutral council by 2025

- 6.2. Cheshire East Council delivers around 500 services to around 398,800 residents. There are 2,915 full time equivalent staff (with over 3,500 actual staff) and just over 3,000 staff in Cheshire East maintained schools. The first data from the Census 2021 has been released and the population of Cheshire East has risen by 28,700 since 2011, now standing at 398,800,

this is a 7.7% increase. This compares with an increase of 6.3% for England and Wales and a 5.2% increase for the North West. Cheshire East remains the third largest authority in the North West (behind Manchester and Liverpool) and the fifteenth largest in England.

- 6.3. This report reviews performance against the priorities in the Corporate Plan and continues to focus upon the “One Council” approach to performance management. This includes a balance of quantitative and qualitative data. The Q1 performance report is at Appendix A. This details progress made against the Corporate Plan during Q1 of 2022/23.
- 6.4. Service Committees receive performance information on a regular basis, specific to the subject of the committee. This performance report offers a strategic view of progress against the corporate plan and should complement the more detailed performance, service specific dashboards that are considered at service Committees.

Open – An open and enabling organisation

Priorities
Ensure that there is transparency in all aspects of council decision making
Listen, learn and respond to our residents, promoting opportunities for a two-way conversation
Support a sustainable financial future for the council, through service development, improvement and transformation
Look at opportunities to bring more income into the borough
Support and develop our workforce to be confident, motivated and empowered
Promote and develop the services of the council through regular communication and engagement with all residents

- 6.5. At the end of Quarter 1 there are 2,915 staff within Cheshire East Council. This is lower than at year end and the Council have 7.49% vacancies (just over 200 FTE posts). During Quarter 1 242 agency staff worked for the Council, with 50% of these (122 FTE) with adults, health and integration. The aspiration is for both the vacancy rate and use of agency staff to be as low as possible. To manage these challenges, a recruitment and retention project group has been established, chaired by the Executive Director of Corporate Services, advised by human resources, who are developing solutions to staffing challenges. Despite these capacity challenges, staff turnover has reduced for Quarter 1, standing at 4.9% for the Council as a whole.

- 6.6.** There are 6 equality, diversity and inclusion staff network groups operating across the council, offering peer support to staff and identifying solutions to any barriers that staff may be facing. All staff network groups work to support delivery of our Equality, Diversity and Inclusion strategy and to create an inclusive workplace. The staff networks are Vibrance, Differently Abled, BAME, The Circle, Women's Network and Early Careers. During Quarter 1, 112 members of staff participated in staff network groups.
- 6.7.** Across the Council, there are approximately 400 apprentices. During Quarter 1 there were 13 new apprenticeships commenced. Whilst this appears low against the target for the year of 165, the data is following a similar trajectory to last year. In Quarter 1 of 2021/22 there were 18 apprentices, and the final outturn figure for the year was 110. Usually there are more apprentices that start in quarters 3 and 4. This continues to be a high priority for the Council and will be covered in future performance reports.
- 6.8.** Performance remains high with regards to responding to requests made under the Freedom of Information Act. 93% of Freedom of Information requests were completed within the statutory timescales, exceeding the Information Commissioners expectations of 90% compliance. There has been no regulatory action from the Information Commissioners Office required during Quarter 1.
- 6.9.** 82% of Stage 1 complaints were resolved within the council policy timescales, and Adults, Health and Integration achieved 100% of complaints resolved within the timescales. During the quarter, 16 complaints were referred to the Local Government and Social Care Ombudsman and 2 of these were upheld. One was in relation to care received by a care home commissioned by Cheshire East Council, for which a remedy has been agreed and changes to contract management have been put in place, and the second was in relation to an anti-social behaviour incident, where the Ombudsman held that the council had dealt with the case correctly but found it could have acted more quickly.
- 6.10.** Work is continuing in relation to the revised approach to consultation and engagement. A regular engagement network between Cheshire East Council and Town and Parish Councils has been agreed and will be introduced in November 2022. Consultations with residents continue to take place over wide range of areas and over 2,000 responses from residents have been received during the quarter. A Highways satisfaction survey has been undertaken with members and Town and Parish Councils with feedback offered and an action plan developed and the Highways Service Customer Experience redesign has progressed, with a

commitment to review how we currently work and how we can improve going forward.

- 6.11.** There have been 92,192 digital transactions during Quarter 1. There are now 116,851 digital accounts, this is an increase of 13,530 since the end of 2021/22 (there were 103,321 digital accounts at year end). There have been increases in use of all digital channels, particularly in use of “Chatbot”. A new performance measure in relation to customer satisfaction with online services is under development. The workforce has also benefited from digital transformation, with new hybrid digital technology installed in council offices in Sandbach, Crewe and Macclesfield.
- 6.12.** Customer satisfaction with corporate customer services is showing an improving position in Quarter 1. Customer satisfaction with the corporate contact centre has increased to 80%, compared to 73% at the end of 2021/22. This data was from a random sample of customers, and 649 customers responded to this request in Q1. In 2021/22 a new performance measure for customer satisfaction was introduced. Customers score their experience out of 10 in relation to the “effort required to complete their request”. During 2021/22 this score dropped from 5.6/10 to 4.12/10. In Quarter 1 of 2022/23, this score has further improved to 3.84. The figure was based on responses from 657 customers.
- 6.13.** An Armed Forces Officer role was established in 2021/22 and this resource has supported Cheshire East Council being awarded the Armed Forces Covenant Silver Award under the Ministry of Defence Employer Recognition Scheme, for our support to defence and the wider armed forces community. During Quarter 1, Cheshire East celebrated Armed Forces Day at a special event held at Queens Park, Crewe. The event was opened by 98-year-old war veteran Sergeant Bernard Morgan RAF VR, was funded by the council and was organised in partnership with Crewe and District Military Vehicle Club and Crewe Town Council. The Council are now working towards achieving the Ministry of Defence Gold Award.
- 6.14.** The financial outturn for Cheshire East Council for 2021/22 (excluding expenditure funded by COVID-19 emergency grants) was an underspend of £1.1m. This is net of specific allocations to useable reserves, in line with the MTFs, of £3.1m. Finances remain under review considering the impacts of increases in costs and demands across services. Further details are contained in the separate Financial Review report.

Fair – a Council which empowers and cares about people

Priorities
Work together with residents and partners to support people and communities to be strong and resilient
Reduce health inequalities across the borough
Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation
Be the best Corporate parents to our children in care
Support all children to have the best start in life
Increase opportunities for all children and young adults with additional needs
Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential
Reduce the reliance on long term care by improving services closer to home and providing more extra care facilities, including dementia service

- 6.15.** A joint targeted area inspection took place in Cheshire East between 27 June and 15 July 2022. This took place at the end of Quarter 1 and beginning of Quarter 2. This focused on the multi-agency identification of risk and need in response to child criminal exploitation, including sexual exploitation. Work is already underway across the Safeguarding Children's Partnership to strengthen the approach to supporting these children and young people. The findings from the inspection will be published on 26 September 2022. These findings will be taken into account in the Quarter 2 performance report.
- 6.16.** A new Director of Strong Start, Family Help and Integration and a new Head of Service for Early Years, Family Help and Prevention have been appointed to drive the continued focus on early help and prevention. A redesign of the service is underway to ensure that it meets our ambitious plans to support the needs of our children and families.
- 6.17.** The number of Cared for Children in Cheshire East is slightly under the national rate. Rates are calculated using the ONS 2020 mid-year estimate of 0–17-year-olds in Cheshire East of 78,068. The number of Children in Need in Quarter 1 is 1,677, a rate of 215. This is lower than the national rate of 321 per 10,000 children. Children in Need are a legally defined group of children (under the Children Act 1989), assessed as needing help and protection as a result of risks to their development or health. This group includes children subject to Child in Need Plans, Child Protection Plans, Looked After Children, young carers and disabled children. Children in Need include young people aged 18 or over who continue to receive care, accommodation or support from children's services and unborn children.
- 6.18.** During the last school term (Easter to summer) there were 39 children missing from education. These are pupils who the attendance and out of school team are actively working with as they are aged between 5 and 16

years (inclusive), they are not on a school role, and they are not being educated at school or anywhere else.

- 6.19.** As at Quarter 1 90% of primary schools, 80% of secondary schools and 75% of special schools are rated good or outstanding. These lie under the national benchmarks of 92%, 83% and 94%. However, it is noted that many schools have not been inspected for several years and school OFSTED inspections were suspended during the coronavirus pandemic and recommenced in September 2021, therefore it is expected that these figures will change as schools receive a more recent OFSTED inspection.
- 6.20.** In Quarter 1 the percentage of assessments completed within 45 days is 70%, compared to a national benchmark of 88%. However the local position is improving, and the percentage of assessments completed within 55 days in Cheshire East is 93.5%
- 6.21.** The rate of children with an education, health and care plan (EHCP) in Quarter 1 is 3.5%, just under the national rate of 3.7% despite the accelerated growth and spend in this area. 42% of plans are completed within 20 weeks, compared to a national benchmark of 58%.
- 6.22.** In Quarter 1, 16.8% of pupils (reception – Year 11) are eligible for free school meals. This indicator will be monitored for changes as a proxy indicator to the impact that increases on the cost of living may be having on families in Cheshire East.
- 6.23.** The take up of eligible children accessing the offers for 2, 3 and 4 year olds, which was high at the end of 2021/22, has further increased and remains above national rates. 96% of 3- and 4-year-olds in Cheshire East have taken up the offer, compared to a national rate of 88%.
- 6.24.** £2,203,892 of household support fund is available to Cheshire East Council to distribute in 2022-23 to support lower income households in the borough with food, utilities, housing costs and other essentials.
- 6.25.** Government funding of £878,640 was used to establish holiday activity clubs for young people eligible for free school meals, including food provision across 61 locations in Cheshire East, to our lowest income families during 2022.
- 6.26.** Cared for children and care leavers have been consulted on what is important to them, and their responses have informed the development of the new Cared for Children and Care Leavers Strategy for 2022-26. This strategy sets out our ambitions as corporate parents and what actions we will take to continue to develop our support.
- 6.27.** Training was provided for elected members in May and July 2022 to improve their understanding of the needs of cared for children and care leavers to enable them to be a good corporate parent. This is delivered annually.
- 6.28.** A new mobile health and wellbeing service was launched in May 2022. This service has transitioned from the covid focussed Swab Squad to the new service, which offers residents blood pressure checks, weight

management advice and general health and wellbeing advice and support. The service was successfully piloted with Council staff as part of the “Spring Back Together” programme earlier this year.

- 6.29.** A new NHS health check contract commenced with GP practices in April 2022. This consists of formal health checks with individuals including blood pressure, body mass index and cholesterol measurement. This contract incentivises the targeting of patients from areas of deprivation.
- 6.30.** In July 2022, the council’s Adults and Health Committee agreed to launch a trial smoking cessation incentive scheme to support pregnant women and others in their household to quit smoking. Smoking is the leading cause of preventable illness and premature death in England, with about half of all lifelong smokers dying prematurely, losing on average around 10 years of life.
- 6.31.** Social value webpages were launched at the end of Quarter 1, in June 2022, to support us to be transparent about our ambition to maximise social value opportunities, and the impact we are making. A social value unit has been developed to support this area of work with specialist skills and expertise, which is now supporting over 20 commissioning activities and projects across the council.
- 6.32.** Cheshire East Council has led the development of the Social Value Award (quality mark) across Cheshire and Merseyside. 46 organisations have achieved the award to date (including the council).
- 6.33.** Cheshire East Council agreed to support individuals brought to the UK under the Afghan Relocation and Assistance Policy (ARAP) and the Afghan Citizens Resettlement Scheme (ACRS). Wrap around support was provided by Cheshire East Council and partner agencies for 390 individuals from 12 August 2021 to 30 August 2022. 5 families were resettled into permanent accommodation in Cheshire East.
- 6.34.** Since 18 March 2022, Cheshire East Council have also supported Ukrainian refugees under the Homes for Ukraine scheme. The council have undertaken safeguarding checks on 302 sponsors and made 370 ‘thank you’ payments, with 515 Ukrainians arriving in Cheshire East and all receiving welcome payments, along with 127 school/ early years placements offered.
- 6.35.** The co-produced Live Well for Longer plan will be received by the Adults and Health Committee in September 2022, which includes addressing loneliness and isolation.
- 6.36.** Cheshire East Council’s online health and wellbeing system MyCareView has achieved national recognition by winning two awards: the Gold Award at the iESE Public Sector Transformation Awards 2022 for the ‘Best Use of Digital and Technology’, and an award at the Health Tech Awards 2021. MyCareView is available through the NHS App and is currently providing nearly 40,000 people in Cheshire East with access to healthcare services and the data held about them in primary and secondary care.

- 6.37.** The Cheshire East Social Action Partnership (CESAP) has established a Voluntary, Community, Faith and Social Enterprise (VCFSE) Leaders Group, to lead on local issues for the sector. CESAP and the VCFSE sector are embedded across the Cheshire East Place Health and Care Partnership at all levels including within our local care communities, which now have a VCFSE representatives who will feed back to the VCFSE Leadership Group. VCFSE reps are also on child health hub project group, home first and learning disability sub-groups.
- 6.38.** Cheshire East Council was successful in its bid for up to £1 million of the government's Family Hubs Transformation Fund to join up services locally, improve the connections between families, professionals, services, and providers, and put relationships at the heart of family help. Family hubs will support children and young people from birth until they reach the age of 19 (or up to 25 for young people with special educational needs and disabilities). The council has until March 2024 to implement the new way of working.
- 6.39.** A new technology enabled care service aiming to help keep people safe and independent in their own homes commenced in July 2022. The new service will enable residents to access support from a greater range of technology such as Alexa, tablets and digital lifeline devices. This service includes support for early discharge from hospital through a free four-week offer for patients.
- 6.40.** A new co-produced All Age Carers Strategy 2021-2025 was agreed in March 2022 and is being implemented in partnership with carers.
- 6.41.** A network of food poverty providers has been developed to support sustainability and coordination of food related activity. During 2022/23 the network will continue to work on supporting residents, particularly with the impact of cost-of-living increases.
- 6.42.** A learning disability conference was held in June 2022 which heard the views and experiences of children, young people and adults with learning disabilities, and the people who support them, on what is good and what needs to get better. The conference has informed our plans for developing services, and we are including the aspirations and needs of our learning disability and Autism community in our future commissioning and contracting arrangements.
- 6.43.** The proportion of adults with a learning disability living in their own home and with their family is 89.1% for Quarter 1, which is higher than the target of 87% and higher than the national benchmark of 78.3%.
- 6.44.** Residential admissions for adults remain low for both 18-64 year olds and 65+ year olds. The national benchmarks for these areas have not been

updated since 2020/21, however at Quarter 1 Cheshire East admissions are significantly below the national benchmark.

- 6.45. The percentage of customers identifying as digitally excluded is a new measure and therefore a target is under development. At Quarter 1 the percentage of customers who identify as digitally excluded is just over a fifth (21%). This is a national figure from an IPSOS survey commissioned by the Department of Education in 2021. The figure was calculated by a sample of over 4,000 participants against seven “digital foundation” tasks, such as how to turn on a device and how to connect a device to WiFi. Using this national figure, it is estimated that around 80,000 Cheshire East residents may be digitally excluded. Work continues across the Council and partners to develop further local intelligence in this area.
- 6.46. For Quarter 1 there is a mixed picture in relation to physical activity. 70.6% of adults are physically active, exceeding the national benchmark of 65.9%, however the figure for children and young people is 40.8%, under the national benchmark of 44.6%.
- 6.47. Breastfeeding rates (at 6-8 weeks) across Cheshire East are 55% for Quarter 1, which is higher than the national rate of 47.6%.

Green – A thriving and sustainable place

Priorities
A great place for people to live, work and visit
Welcoming, safe and clean neighbourhoods
Reduce impact on the environment
A transport network that is safe and promotes active travel
Thriving urban and rural economies with opportunities for all
Be a carbon neutral council by 2025

- 6.48. There are 6 priorities under the “Green” aim for a thriving and sustainable place.
- 6.49. The first priority is in relation to well designed, affordable and safe homes. In Quarter 1 134 new affordable homes have been delivered against an annual target of 355. A communications campaign was launched to increase landlords, tenants, and HMO (houses of multiple occupancy) Manager’s awareness of their rights and responsibilities for a good quality and well managed private rental sector. Social media campaigns were also delivered for Gas Safety Week and Fire Door Safety Week.
- 6.50. There have been 226,882 visitors in libraries during Q1, 4,411 new members enrolled, and over 19,000 subscribers to the Cheshire Libraries

digital newsletter. This indicates increased access compared to last year, where the average quarterly visitor number was 171,144.

- 6.51.** There have been 583,461 visitors to leisure centres in Q1. This has also increased compared to the average quarterly figure of 520,553 during 2021/22. The redevelopment of Congleton Leisure Centre has continued with re-opening due in 2023.
- 6.52.** Planning continues to be a challenge during Quarter 1 of 2022/23. The ‘deep dive’ review into planning is continuing. Performance against the statutory performance measure (including agreed extensions to time) is above target for major applications (93% against a target of 90%) but below (85% against a target of 90%) for minors. Although this appears to be meeting the statutory timescales, these figures do include agreed extensions of time. Work is underway locally to determine how many applications are subject to extensions of time to provide more specific local intelligence in future. The number of planning applications in hand remains high, at 2,684 for Quarter 1, and there is the continued difficulty of staff retention and recruitment across all aspects of the Planning service including Building Control. A further statutory measure considers the quality of planning applications, by reporting on the percentage on decisions which are overturned on appeal. has been introduced to look at the quality of planning applications, which will consider the percentage of decisions that are overturned on appeal. The Place Directorate bringing forward a report to the Environment and Communities Committee which will contain recommendations about the future inclusion and reporting of this indicator and the development of additional local measures to closely monitor performance of the service. These measures are under construction.
- 6.53.** The majority of minor applications are taking 4-6 months to determine. Following the initial deep dive review of the Planning Service by the Executive Director of Place an update report will be presented to the Environment and Communities Committee on 27 October. This will set out the background to the review, will describe a series of measures and changes already undertaken by the service to help address the backlog of applications, as well as describing next steps for the review including proposed updated governance arrangements.
- 6.54.** Progress is continuing during Quarter 1 against the “welcoming, safe and clean neighbourhoods priority”. All appropriate enforcement services have an up-to-date Service Specific Enforcement Policy and there is currently an ongoing review of the Corporate Enforcement Policy which provides our overarching approach to enforcement. The review is scheduled to report to the Environment & Communities Committee in November 2022.

- 6.55.** A procurement exercise has recently been undertaken to secure a provider for new wireless CCTV technology and final administrative procurement processes are in progress before the contract can be formally let. Six new CCTV cameras have been agreed for Crewe through partnership working for identified incident locations and in response to the Violence abuse intimidation against women and girls survey.
- 6.56.** Cheshire East Highways have been shortlisted as a finalist for three Highways awards along with the community enforcement team, which is part of neighbourhood services. The team have been shortlisted for an Association of Public Service Excellence award in the category of 'Best Community and Neighbourhood Initiative. The award is down to the work that has taken place on the Cleaner Crewe project – a scheme into its second year, which is dedicated to reinvigorating the alleyways and streets in Crewe.
- 6.57.** Highways continue to implement their service improvement plan. Following the last NHT Public Satisfaction with Highways and Transport survey the team developed and implemented an improvement plan. The current target of 46% satisfaction was set as an improvement target for the service against the NHT survey findings and is not a final target for the service. In 2023/24 there are proposals to use a localised annual satisfaction survey, which will offer improved data and intelligence in this area and a revised target will be set.
- 6.58.** A total of £77,250 was saved of detriment for residents from rogue trading and scams interventions during Quarter 1.
- 6.59.** In response to crime and data analysis a Serious and Organised Crime 'Day of Action' with partners including Cheshire Police was undertaken in the Upton Priory, The Moss and the Weston and Hurdsfield areas of Macclesfield. The targeted "Day of Action" resulted in a counterfeit wine seizure, a successful stop notice to prevent sales of illegal therapeutic compounds that have similar anabolic properties to anabolic steroids, and guilty pleas for two offenders trading in counterfeit goods to the value of £500,000.
- 6.60.** Funding, subject to conditions, has been secured for the 8 pocket parks in urban areas of Crewe as part of the Crewe Towns Fund to refurbish much used green spaces in areas of dense housing. NHS and Public health prescribed volunteering in urban green spaces has undergone initial recruitment of project leads moving to be fully operational later in the autumn.

- 6.61.** The procurement for the Household Waste Recycling Centre contract is complete with award expected imminently for service commencement from 1 April 2023
- 6.62.** The 2022 Annual Air Quality Status Report has been submitted to Defra for comment in accordance with the statutory deadline. The Cheshire East Air Quality Action Plan includes objectives to improve air quality in specific Air Quality Management Areas and the wider Borough. Ongoing projects include highway network improvements, promotion of cycling in Congleton, and awareness campaigns for vehicle idling and domestic fuel burning.
- 6.63.** Environment and Communities Committee approved an updated Hackney Carriage and Private Hire licensing policy to reflect updated national standards effective from 1 November 2022. The Statement of Gambling Principles is under review and will be presented to Environment and Communities Committee in November 2022.
- 6.64.** Food Safety and Food Standards interventions are being carried out in accordance with the Food Standards Agency Recovery Plan and the Food and Feed Law Enforcement Plan for 2022-2023 has been updated to reflect the current year inspection requirements and planned additional work. Performance data has been returned to the FSA as required – demonstrating that work is on target.
- 6.65.** 45,850 (27 ha) of trees have been planted to date and the service are working to plan next planting season and pipeline to 2025 of urban and rural tree planting.
- 6.66.** During Quarter 1, Ansa adjusted their mowing regimes to allow areas of longer grass though the ‘no mow May’ scheme and are working with community groups to increase wildflower areas in our larger parks.
- 6.67.** The Corporate Plan (page 30) cited an action under the priority “A transport network that is safe and promotes active travel” to develop the surface car park at Broadway Meadow in Wilmslow into a larger capacity multi storey car park. A business case on the financial viability of this development was presented to the Economy and Growth Committee in September 2022. Financial viability cannot be demonstrated at this time. The coronavirus pandemic has seen a change in usage of the current surface car park, which means the anticipated original benefits of the development cannot now be demonstrated. Therefore, the Economy and Growth Committee have supported the recommendation to undertake a further review of in 12 months’ time, which will include consideration of alternative options.
- 6.68.** A Rural Action Plan was approved by the Economy and Growth Committee in September 2022. This provides a rural focus on the authority’s existing strategies and plans. Priorities addressed in the plan

include digital connectivity, access, housing, visitor economy and support for rural based businesses.

- 6.69.** A car club scheme is being introduced to support the use of EV as pool cars for Cheshire East staff, along with an opportunity for residents to use these EV vehicles at times when there will be no corporate need.
- 6.70.** During Quarter 1, 8 new electric vehicle charging points have been installed in Cheshire East. 2,050 LED lightbulbs have been installed.
- 6.71.** Progress against the net zero targets for the Council (by 2025) and for the Borough (by 2045) has been made. 8% of carbon has been reduced from the baseline and 33% of carbon has been inset. Overall, the Council is at 38% progress against the net zero by 2025 target. Performance measures are under development in relation to the commitment to a net zero Cheshire East borough by 2045. Although there continues to be progress towards the net zero target, there are increased risks in relation to delivery of the net zero ambition by 2025. These risks are associated with the fleet and decarbonisation of heat projects, largely because of global electric vehicle costs and supply problems. Additionally, increased ventilation of buildings due to covid is raising the council's gas use above the base line. The programme is working to reduce risk and supply, and is also developing alternative options, if required, to support achievement of the 2025 target.

Conclusion

- 6.72.** In conclusion, Cheshire East Council continues to progress implementation of the Corporate Plan during Q1 2022/2023, progress has been made in all three areas towards achieving our vision of an Open, Fair and Green Cheshire East. However, at Quarter 1, there are increased risks emerging due to the challenging environment in which we are operating, including national uncertainty of policy direction, capacity, increasing costs, and increasing complexity of social care cases. The cumulative impact of this will be closely monitored during Quarter 2.

7. Consultation and Engagement

Not applicable.

8. Implications

8.1. Legal

There are no legal implications arising from this report.

8.2. Finance

There are no direct financial implications arising from this report. Financial implications arising from performance requirements are detailed within the separate financial review report aligned with the Medium-Term Financial Strategy.

8.3. Policy

The report demonstrates progress against the achievement of the Cheshire East Council Corporate Plan 2021-25.

8.4. Equality

The range of Council activities covered in the Corporate Plan aims to meet the Public Sector Equality Duty and the obligations under the Equality Act 2010.

8.5. Human Resources

An officer working group is being established to review recruitment, retention, reward and recognition to address current staffing challenges.

8.6 Risk Management

Performance and risk are intrinsically linked. Where risks are identified, performance data can evidence the likelihood of the risk and can also show if a risk materialises. The performance report identifies areas where performance is strong and areas for development and improvement. This supports the risk management process by providing the opportunity to review progress and identify areas for improvement and any necessary mitigating actions.

8.7 Rural Communities

The Corporate Plan aims to support greater inclusion for rural communities. Implementation of the Corporate Plan will support improved access for rural communities. In September 2022 a Rural Action Plan has been approved by the Economy and Growth Committee, which provides a rural focus on the Council's strategies and plans. Priorities addressed in the plan include digital connectivity, access, housing, visitor economy and support for rural based businesses.

8.8 Children and Young People/Cared for Children

Performance management of the priorities relating to children and young people and cared for children, ensure that there is a focus on children receiving the best start in life and that we deliver on our commitments to children and young people in Cheshire East.

8.9 Public Health

This report supports our Public Health priorities utilising the Joint Strategic Needs Assessment and Tartan rug to ensure that we work with partners to address issues of poor housing, poverty, employment and education across urban and rural communities.

8.10 Climate Change

Performance against the Corporate Plan contributes to several of the strategic goals set out in the Council's Environment Strategy, including:

- Cheshire East Council will be carbon neutral by 2025
- Reduce waste
- Improve Air Quality
- Ensure that new development is sustainable
- Protect and enhance our natural environment

Access to Information	
Contact Officer:	Sarah Bullock, Director of Policy and Change Sarah.bullock@cheshireeast.gov.uk
Appendices:	Appendix A – Q1 Performance report 2022/23
Background Papers:	None

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Cheshire East Council
Corporate Plan 2021-2025
Performance Report – Quarter 1 2022/23



An open and enabling organisation

By 2025 we want:

Performance 2022/2023 – Quarter 1 Update

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

- Following the update to Corporate Policy Committee on the progress made in relation to Open Data and the transparency agenda, a training package is being developed to support member training and awareness of open data.
- 93% of Freedom of Information requested were completed within the statutory timescales during Quarter 1. This performance exceeds the Information Commissioners expectations of 90% compliance.
- There has been no regulatory action from the Information Commissioners Office.

To increase local democracy.

Key actions:

- Working with town and parish councils
- Virtual meetings

- A regular engagement network between Cheshire East Council and Town and Parish Councils will be introduced. The Chief Officer of Cheshire Association of Local Councils has agreed to Chair the new engagement network. The first of these 6 weekly network sessions will take place in November 2022.
- Regular communications continue to be shared with Town and Parish Councils.
- The revised approach to Consultation and Engagement is under development and will report findings to Corporate Policy Committee in December 2022.
- Highways have initiated a survey of maintenance priorities with Town and Parish Councils.

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

Key actions:

- The Joint Emergencies Planning Service (JEPS) continues to provide essential advice and support.
- Cheshire East Council develop flexible plans through a process called Integrated Emergency Management, which enables all responding organisations to deal effectively with a major or serious incident at any time of day or night, 365 days a year.

<ul style="list-style-type: none"> Enhanced emergency preparedness in communities 	
<p>The council is seen by residents as responsive.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Consultation on key plans and strategies 	<ul style="list-style-type: none"> Consultation has continued to take place on a wide range of key plans and strategies with over 2000 responses being submitted by stakeholders during the period. A cross organisational Consultation and Engagement working group is working to develop and release a consultation and engagement toolkit to support the One Council approach to ensure that all stakeholders experience a professional and consistent consultation and engagement process. A Highways satisfaction survey has been undertaken with members and Town and Parish Councils with feedback offered and an action plan developed. Highways Service Customer Experience redesign has been completed and recommended improvement actions are being implemented.
<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"> Review where and how technology can assist and enable 	<ul style="list-style-type: none"> In Q1 2022/2023 there were 92,192 online transactions received. There are now 116,851 digital accounts. This is an increase of 13,530 since the end of 21/22. The total number of accounts was 103,321 at year end. There have been increases across all digital channels, particularly in the use of Chatbot. This is likely to increase further as services expand and functionality is improved.
<p>Receive the Ministry of Defence's (MoD) Employer Recognition Scheme Gold Award.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Award of silver standard prior to award of gold standard 	<ul style="list-style-type: none"> In May 2022, Cheshire East Council achieved the Armed Forces Covenant Silver Award under the Ministry of Defence Employer Recognition Scheme. The plans are now being developed to support achievement of the Gold Award. Cheshire East celebrated Armed Forces Day in June 2022, at a special event held at Queens Park. The event was opened by 98-year-old war veteran Sergeant Bernard Morgan RAF VR, was funded by the council and was organised in partnership with Crewe and District Military Vehicle Club and Crewe Town Council.

A financially sustainable council which has increased levels of reserves.

Key actions:

- Develop a 4-year MTFS
- Develop a sustainable reserves strategy
- Successful delivery of savings programme

- The financial outturn for Cheshire East Council for 2021/22 (excluding expenditure funded by COVID-19 emergency grants) was an underspend of £1.1m. This is net of specific allocations to useable reserves, in line with the Medium-Term Financial Strategy, of £3.1m.
- Financial management is under review considering the impact of increases in costs and demand across council services. Further details are contained within the separate Financial Review report.
- The Council will be audited by Mazars LLP and each of the wholly owned subsidiaries of the Group will be separately audited by Grant Thornton UK LLP. Any findings will be reported to the relevant board or Committee and the Audit and Governance committee and reported on the website of each part of the Group.
- The Estates service is on target to meet its rent roll from its investment portfolio across Assets and Cheshire Farms; and likely to exceed its capital receipt target which will contribute to the Authority's financial sustainability.

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

- Following review by the Finance Sub-committee the contract with Orbitas Bereavement Services contract has been renewed for 5 years from 1st April 2022.
- The review of Ansa Environmental Services has completed and is in the final stages to renew the contract documents with an aim to provide a model outcomes-based contract from 1st April 2023.

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 Best4Business Unit 4 ERP system

- A Pulse Survey on workforce culture was undertaken in April 2022 to provide a baseline for 2022/23. 76% of respondents reported that they enjoyed their job and 76% describe their wellbeing as good (there were a total of 1,679 responses, 47% of employees).
- A Lessons Learned workshop has been undertaken in conjunction with Cheshire West and Chester Council in relation to the implementation of the Best4Business system. Several improvement actions have been implemented in order to resolve identified issues.

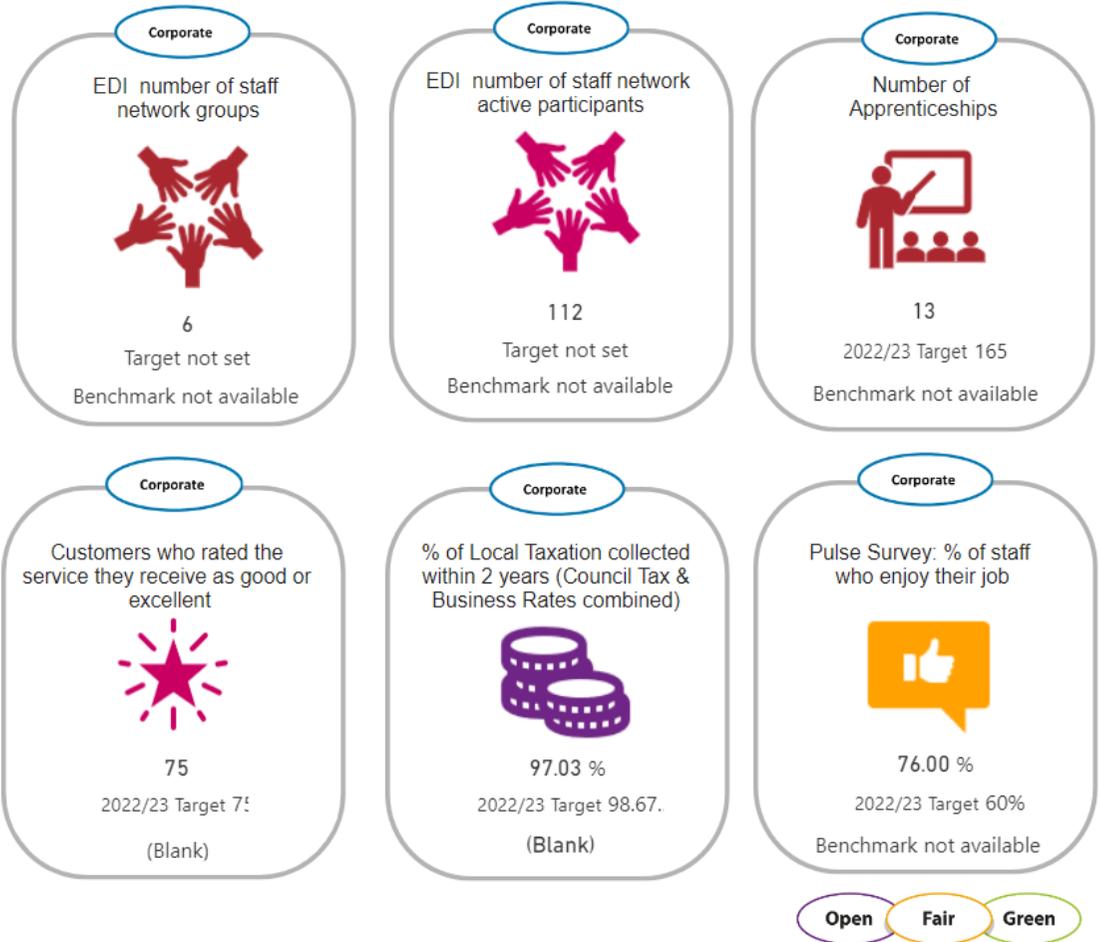
<p>A workforce that can work remotely and flexibly using the latest technology.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Clear guidance and support to staff and managers. • Accelerate roll-out of mobile working 	<ul style="list-style-type: none"> • ICT Services has launched Lighthouse, a SharePoint site serving as a one stop shop for all ICT self-serve information and advice, including online training materials.
<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"> • Review communications plans and style 	<ul style="list-style-type: none"> • A draft Communications Strategy will be implemented during 2022/23.
<p>Resident satisfaction with the council to be in line with similar councils.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Undertake regular communications with residents • Develop new Customer Experience strategy 	<ul style="list-style-type: none"> • In Q1 2022/23 customer satisfaction with the corporate contact centre rose to 80%. This was compared to 73% for 2021/22. • In 2021/22 a new performance measure for satisfaction was introduced. Customers score their experience out of 10 in relation to the “effort required to complete their request”. During 2021/22 this score dropped from 5.6/10 to 4.12/10. In Q1 2022/23, this score further improved to 3.84 (lower the score, the better the performance). • A new measure in relation to customer satisfaction with online services is under development.

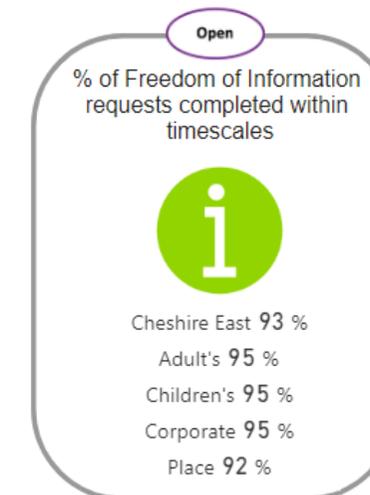
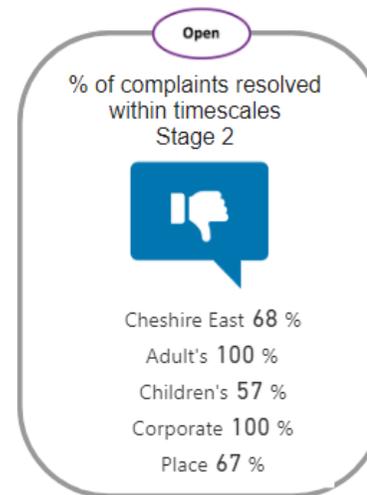
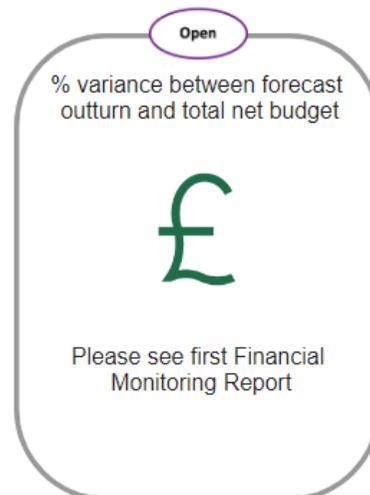
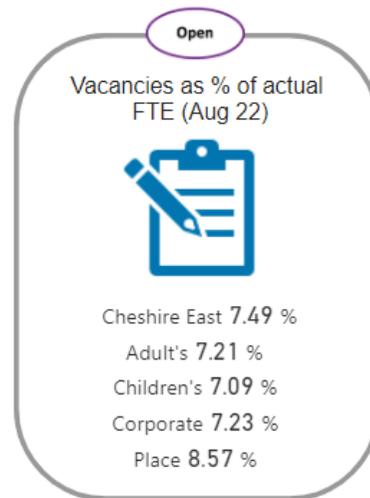
The council to be regarded as a good partner.

- The Council continues to be a key partner in relation to integrated health and social care.
- The Council hosts a regular Cheshire East Leaders Board for key stakeholders.
- A review of key partnerships across the Council is being undertaken during 2022/23. To commence this review a mapping exercise has been completed during Q1 to capture all key partnerships that council officers support.

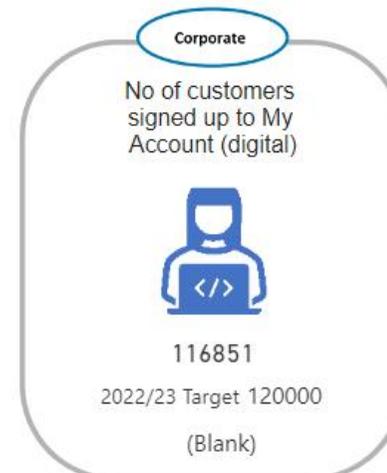
Performance measures supporting An open and enabling organisation

- Ensure that there is transparency in all aspects of council decision making
- Listen, learn and respond to our residents, promoting opportunities for a two-way conversation
- Support a sustainable financial future for the council, through service development, improvement and transformation
- Look at opportunities to bring more income into the borough
- Support and develop our workforce to be confident, motivated, innovative, resilient and empowered
- Promote and develop the services of the council through regular communication and engagement with all residents





OFFICIAL



A council which empowers and cares about people

By 2025 we want:	Performance 2022/23 – Quarter 1 Update
<p>Priority: Work together with our residents and our partners to support people and communities to be strong and resilient</p>	
<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"> • Embed our vision for children and young people, and working together • Work with residents to understand the continuing impact of Covid 	<ul style="list-style-type: none"> • Our expectation is that all services should work together with families and residents as this is how we will achieve the best outcomes. We are continuing to embed a culture of co-production. • During 2021/22 the council divided the former “Peoples” directorate into a Children and Families directorate and an Adults, Health and Integration directorate to allow greater focus in each specialism. During 2021/22 each area established the key areas for transformation and improvement to enable and support residents and communities. • A new children and young people’s plan for 2022-26 was coproduced and launched at a young people’s event in August 2022.
<p>Families and communities are strong and resilient.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Develop a strong, local, social impact structure • Develop a locality model of working 	<ul style="list-style-type: none"> • Cheshire East Council’s online health and wellbeing system MyCareView has achieved national recognition by winning two awards: the Gold Award at the iESE Public Sector Transformation Awards 2022 for the ‘Best Use of Digital and Technology’, and an award at the Health Tech Awards 2021. MyCareView is available through the NHS App and is currently providing nearly 40,000 people in Cheshire East with access to healthcare services and the data held about them in primary and secondary care. • Cheshire East Council’s Test and Trace Team have worked relentlessly over the past two years to protect residents and staff, and the work of the team has been recognised as national best practice. The team implemented one of the first dedicated locally supported contact tracing teams, regularly reaching over 95% of local cases, and often being in the top 10 performers in the country. The Cheshire East ‘Swab Squad’ undertook

By 2025 we want:

Performance 2022/23 – Quarter 1 Update

well over 30,000 tests in the community and supported over 100 businesses during 2021 and were national finalists in the LGC Awards in 2022.

- Cheshire East Council launched an exciting new crowdfunding initiative, Cheshire East Crowd, to encourage and create community led projects that will make a difference. Residents who have ideas on how to improve their community now have the opportunity to gain funding via the crowdfunding platform. Examples of projects supported so far include a community sensory projector in Crewe, a repair café in Macclesfield, the restoration of the footpath along part of the Trent and Mersey canal bank at Wheelock Wharf, and a project to provide adaptive bikes on a local cycle track in Poynton.
- The Cheshire East Social Action Partnership (CESAP) has established a Voluntary, Community, Faith and Social Enterprise (VCFSE) Leaders Group, to lead on local issues for the sector. CESAP and the VCFSE sector are embedded across the Cheshire East Place Health and Care Partnership at all levels including within our local care communities, which now have a VCFSE representatives who will feed back to the VCFSE Leadership Group. VCFSE reps are also on child health hub project group, home first and learning disability sub-groups.
- Cheshire East Council was successful in its bid for up to £1 million of the government’s Family Hubs Transformation Fund to join up services locally, improve the connections between families, professionals, services, and providers, and put relationships at the heart of family help. Family hubs will support children and young people from birth until they reach the age of 19 (or up to 25 for young people with special educational needs and disabilities). The council has until March 2024 to implement the new way of working.

Cheshire East is a welcoming and supportive place, where equality, freedom, fairness and opportunities are available to all.

Key actions:

- Identify a suitable location within the borough and develop a traveller transit site

- A location for a Traveller transit site has been agreed and planning permission has been granted. Welfare checks are undertaken with every unauthorised encampment, ensuring that the families have access to fresh water and any health services. The site is off Cledford Lane in Middlewich.
- Regular engagement sessions with marginalised groups, such as the Gypsy, Roma and Traveller community, and refugee and asylum seeker communities are continuing to take place, led by the Communities team.
- A dedicated officer to support veterans and the armed forces community started in post in 2021/22. This has enabled new links with the armed forces to be created and support groups and hubs.

By 2025 we want:	Performance 2022/23 – Quarter 1 Update
<ul style="list-style-type: none"> • Increase collaboration with marginalised groups • Secure social value benefits 	<ul style="list-style-type: none"> • New social value webpages were launched in June 2022 to maximise social value opportunities and impact. A social value unit has been developed to support this area of work with specialist skills and expertise, which is now supporting over 20 commissioning activities and projects across the council. • Cheshire East Council has led the development of the Social Value Award (quality mark) across Cheshire and Merseyside. 46 organisations have achieved the award to date, including the council.
<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"> • Deliver evidence based early intervention and prevention services • Reduce loneliness and isolation 	<ul style="list-style-type: none"> • Cheshire East Council agreed to support individuals brought to the UK under the Afghan Relocation and Assistance Policy (ARAP) and the Afghan Citizens Resettlement Scheme (ACRS). Wrap around support was provided by Cheshire East Council and partner agencies for 390 individuals from 12 August 2021 to 30 August 2022. 5 families were resettled into permanent accommodation in Cheshire East. • Since 18 March 2021, Cheshire East Council have also supported Ukrainian refugees under the Homes for Ukraine scheme. The council have undertaken safeguarding checks on 302 sponsors and made 370 ‘thank you’ payments, with 515 Ukrainians arriving in Cheshire East and all receiving welcome payments, along with 127 school/ early years placements offered. • The co-produced Live Well for Longer plan will be received by the Adults and Health Committee in September 2022, which includes addressing loneliness and isolation. • Two new mental health crisis cafes opened in February 2022: Crewcial in Crewe and The Weston Hub in Macclesfield. Crisis cafes are warm and welcoming safe spaces for people seeking support whilst in mental health distress. The vision for both cafes has been co-produced with people who use mental health services, families, and communities including the police, social services, the fire service and health and social care professionals. The cafes are the result of a partnership between Cheshire and Wirral Partnership NHS Foundation Trust (CWP), Cheshire East Council, Independence Supported Living (ISL) and East Cheshire Housing Consortium (EHC).
<p>Priority: Reduce health inequalities across the borough</p>	
<p>Work with partners to address the issues of poor housing, poverty, employment and education opportunities across urban and rural areas.</p> <p>Key actions:</p>	<ul style="list-style-type: none"> • Cheshire East Council have continued to implement the government reforms of the NHS including the introduction of the Integrated Care System. Cheshire East has continued to develop a Place Partnership Board to allow for local decision making over health-related functions. • Cheshire and Merseyside have been awarded the Suicide-Safer Community status by Living Works. • A network of food poverty providers has been developed and aims to support the sustainability and coordination of activity. During 2022/23, the network is also considering the impact of the cost-of-living crisis on residents.

By 2025 we want:	Performance 2022/23 – Quarter 1 Update
<ul style="list-style-type: none"> • 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 a zero-suicide approach 	<ul style="list-style-type: none"> • A new mobile health and wellbeing service was launched in May 2022. The service supports residents by offering blood pressure checks, weight management advice and general health and wellbeing advice and support. It aims to reach people who would not normally come forward for formal health services. This service, which builds on the social capital established by the swab squad, has received strong engagement and highly positive feedback from residents. Working in partnership with the NHS, our health and wellbeing service are continuing to offer free health checks across Cheshire East on the mobile health and wellbeing bus. The health check is an assessment to identify risk of developing early signs of stroke, kidney disease, heart disease, type 2 diabetes or dementia over the next ten years. The check takes 20 to 30 minutes and asks simple questions, relating to family history and choices which may put health at risk. The checks record height, weight, age, gender and ethnicity, and a blood pressure reading is taken. • A new NHS health check contract commenced with GP practices in April 2022. This consists of formal health checks with individuals including blood pressure, body mass index and cholesterol measurement. This contract incentivises the targeting of patients from areas of deprivation. • In July 2022, the council's Adults and Health Committee agreed to launch a trial smoking cessation incentive scheme to support pregnant women and others in their household to quit smoking. Smoking is the leading cause of preventable illness and premature death in England, with about half of all lifelong smokers dying prematurely, losing on average around 10 years of life. •
<p>Priority: Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation</p>	
<p>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.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Continued investment in Early Help and Prevention services 	<ul style="list-style-type: none"> • Children's services are continuing to focus on achieving excellence in social work practice and embedding Signs of Safety. Nationally and locally, there are challenges recruiting and retaining staff within specific areas of children's services, which is resulting in some higher caseloads. Children's services are working together with HR to develop a refreshed recruitment and retention strategy to address this. The Executive Director of Children's Services is co-leading a regional Cheshire and Merseyside workstream to look at regional solutions to recruitment and retention within children's services. • A new Neglect Strategy was launched in July 2021, which was co-produced with children, young people and partners. We have continued to embed our partnership neglect strategy to reduce the number of children and young people who experience neglect. There has been an increase in professional early identification of neglect which is enabling early intervention. We also continue to see the number of repeat referrals reduce which is an indicator of sustained change following intervention

By 2025 we want:	Performance 2022/23 – Quarter 1 Update
<ul style="list-style-type: none"> • Work with our partnerships to ensure there is a joined-up approach to safeguarding children 	<ul style="list-style-type: none"> • A joint targeted area inspection took place in Cheshire East between 27 June and 15 July 2022. This focused on the multi-agency identification of risk and need in response to child criminal exploitation, including sexual exploitation. Work is already underway across the Safeguarding Children’s Partnership to strengthen the approach to supporting these children and young people. The findings from the inspection will be published on 26 September 2022. • A new Director of Strong Start, Family Help and Integration and a new Head of Service for Early Years, Family Help and Prevention have been appointed to drive the continued focus on early help and prevention. A redesign of the service is underway to ensure that it meets our ambitious plans to support the needs of our children and families. • £2,203,892 of household support fund is available in Cheshire East in 2022-23 to support lower income households in the borough with food, utilities, housing costs and other essentials. • Government funding of £878,640 was used to establish holiday activity clubs for young people eligible for free school meals, including food provision across 61 locations in Cheshire East, to our lowest income families during 2022.
<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"> • Prevent harm and reduce the risk of abuse and neglect to adults with care and support needs • Safeguard adults at risk • To address causes of abuse, neglect or exploitation 	<ul style="list-style-type: none"> • Work has continued to raise awareness about abuse, neglect and exploitation. • A multi-agency Complex Safeguarding Forum has been established to discuss cases of exploitation and risk management. • The Chanel Panel meets monthly to support and divert vulnerable children and adults from being drawn into terrorism or being groomed into radicalisation. The Prevent Panel has been evaluated by the home office and rated as ‘good’ overall. • Two new mental health crisis cafes opened in February 2022: Crewcial in Crewe and The Weston Hub in Macclesfield. Crisis cafes are warm and welcoming safe spaces for people seeking support whilst in mental health distress. • Cheshire East Council’s housing team received the Domestic Abuse Housing Alliance accreditation in July 2022, meaning they offer a safe and effective response to domestic abuse.

By 2025 we want:	Performance 2022/23 – Quarter 1 Update
<ul style="list-style-type: none"> To ensure that officers are adhering to legislation and promoting best practice 	
<p>Priority: Be the best corporate parents to the children in our care</p>	
<p>Always deliver on our pledges to care for children and young people, and those who are cared for will have an experience, that we will:</p> <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Cared for children and care leavers have been consulted on what is important to them, and their responses have informed the development of the new Cared for Children and Care Leavers Strategy for 2022-26. This strategy sets out our ambitions as corporate parents and what actions we will take to continue to develop our support. Training was provided for elected members in May and July 2022 to improve their understanding of the needs of cared for children and care leavers to enable them to be a good corporate parent. This is delivered annually. A governing board was introduced in 2021 for the virtual school to provide oversight, scrutiny and direction to the education of cared for children. The Board monitored the impact of covid upon children and young people's education and attendance. There are dedicated specialist attendance officers who have robust systems in place to track and monitor attendance daily and can ensure timely support is in place. Targeted and creative approaches have been delivered to prioritise educational outcomes of our children, including a survey to children and young people about their experiences during the pandemic.
<p>Priority: Support all children to have the best start in life</p>	
<p>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.</p> <p>Key actions:</p>	<ul style="list-style-type: none"> 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. For the 2-year-old offer the percentage take up was 77% during Q1 22/23. For the 3- and 4-year-old the figure was 96% take up. These figures have increased when compared with the 2021/22 outturn figures, which were 73% for the 2-year-old offer, and 95% for the 3- and 4-year-old offer.

By 2025 we want:	Performance 2022/23 – Quarter 1 Update
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- Maintain high numbers of children placed in high quality childcare settings
- Promote and improve access to the parenting journey, with additional support offered to the most vulnerable families

Priority: Increase opportunities for children, young adults and adults with additional needs	
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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 that all recommendations from Ofsted inspections 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

- The SEND revisit took place in May 2021, conducted by Ofsted and the Care Quality Commission. This visit found that sufficient progress had been made in addressing the two areas of significant weakness identified in the previous inspection in 2018. However, there is further work to do in order to achieve the quality of support that we aspire to for all our children and young people, and that some timeliness and quality of work is being impacted by the challenges to recruitment and retention.
- Work has continued to deliver the five priorities within our SEND strategy 2021-24 and improve the quality of services. Workstream groups have been established with representatives from across all partners including education, health, social care, and parent carers to ensure improved communication and coproduction.
- Staff capacity has been increased across the SEND service to meet the increase in demand, however recruitment and retention is a significant challenge, as is the financial impact of demand to SEND services. We are participating in the DfE’s delivering better value (DBV) programme to support the council to achieve a more sustainable financial position in relation to SEND.
- The Preparing for Adulthood Strategy has been reviewed and updated together with partners, children and young people and parent carers.
 - We have expanded local provision of SEND places, creating:
 - Six additional enhanced mainstream provisions
 - 24 additional resource provision places.

By 2025 we want:	Performance 2022/23 – Quarter 1 Update
<ul style="list-style-type: none"> Expand the local provision of SEND places to enable more children to attend a school 	<ul style="list-style-type: none"> 225 additional special school places are either in use or in progress. 80 supported internships have been created across the 2021/22 and 2022/23 academic years We are increasing our local SEND educational provision and are on track to deliver over 250 new special school places. We also launched a new strategy to support children and young people experiencing neglect, which has improved identification of neglect across the partnership. Our new Children and Young People’s Plan and Cared for and Care Leavers Strategy are in development with our young people and will be launched in summer 2022.
<p>Provision for young adults to live independently within in the community.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Leisure, life and meaningful employment opportunities are developed to improve life chances for young adults Promote citizen engagement and participation 	<ul style="list-style-type: none"> New supported living schemes are continuing to be developed. A new self-contained 16 unit supported living development in Crewe became operational in April 2022 for people with learning disabilities including those with a physical disability and acquired brain injuries. 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, the promotion and roll out of Kick Start and the creation of a directory of all available services. The new approach to consultation and engagement, which commenced at the end of 2021/22, aims to coordinate all engagement and participation activity, which will offer greater insight and intelligence to develop and improve services. A learning disability conference was held in June 2022 which heard the views and experiences of children, young people and adults with learning disabilities, and the people who support them, on what is good and what needs to get better. The conference has informed our plans for developing services, and we are including the aspirations and needs of our learning disability and Autism community in our future commissioning and contracting arrangements.
<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"> Ensure we have sufficient school places locally to meet the differing 	<ul style="list-style-type: none"> Our priority is to ensure that all children have a high quality, enjoyable education that enables them to achieve their full potential. During Q1 2022/23, 90% of primary schools have been rated good or outstanding, 76% of secondary schools and 75% of special schools. These figures remain under the national benchmarks. Our Education Covid-19 Recovery Group has continued with a robust focus on key areas affecting our schools and colleges, including attendance, mental health and wellbeing, special educational needs and disabilities (SEND) and behaviour. Additional staff were recruited to support families arriving in Cheshire East on the Afghan resettlement programme and Homes for Ukraine scheme. 123 school applications were processed, and direct support was provided to

By 2025 we want:	Performance 2022/23 – Quarter 1 Update
<p>needs of children and respond to our growing population.</p> <ul style="list-style-type: none"> • 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 	<p>children and families to support children to attend school. A resource portal has been created for schools to use when supporting children from overseas.</p> <ul style="list-style-type: none"> • A new Strategic Partnership Board has been established to provide a forum of specialist leads to monitor the ongoing demand for school places. Priority planning areas are identified where there are expected shortages and schemes are underway to address this demand.
<p>Priority: Reduce the reliance on long-term care by improving services closer to home and providing more extra care facilities, including dementia services</p>	
<p>Vulnerable and older people live safely and maintain independence within community settings.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Work with partners to develop appropriate accommodation and extra care housing models 	<ul style="list-style-type: none"> • Extra care housing supports people aged 55 and over who may require 24-hour support to live independently in their own home. Schemes consist of individual apartments; most provide communal facilities and regular social activities. There are currently 5 extra care schemes in Cheshire East run by housing associations, and other schemes that are managed privately. Work is continuing to ensure that there are appropriate accommodation models to meet demand. • An opportunity to develop an additional extra care housing scheme in Crewe town centre is being tendered through the council's housing development framework. • A housing supplementary planning document has been developed which sets out the needs and requirement for extra care housing.

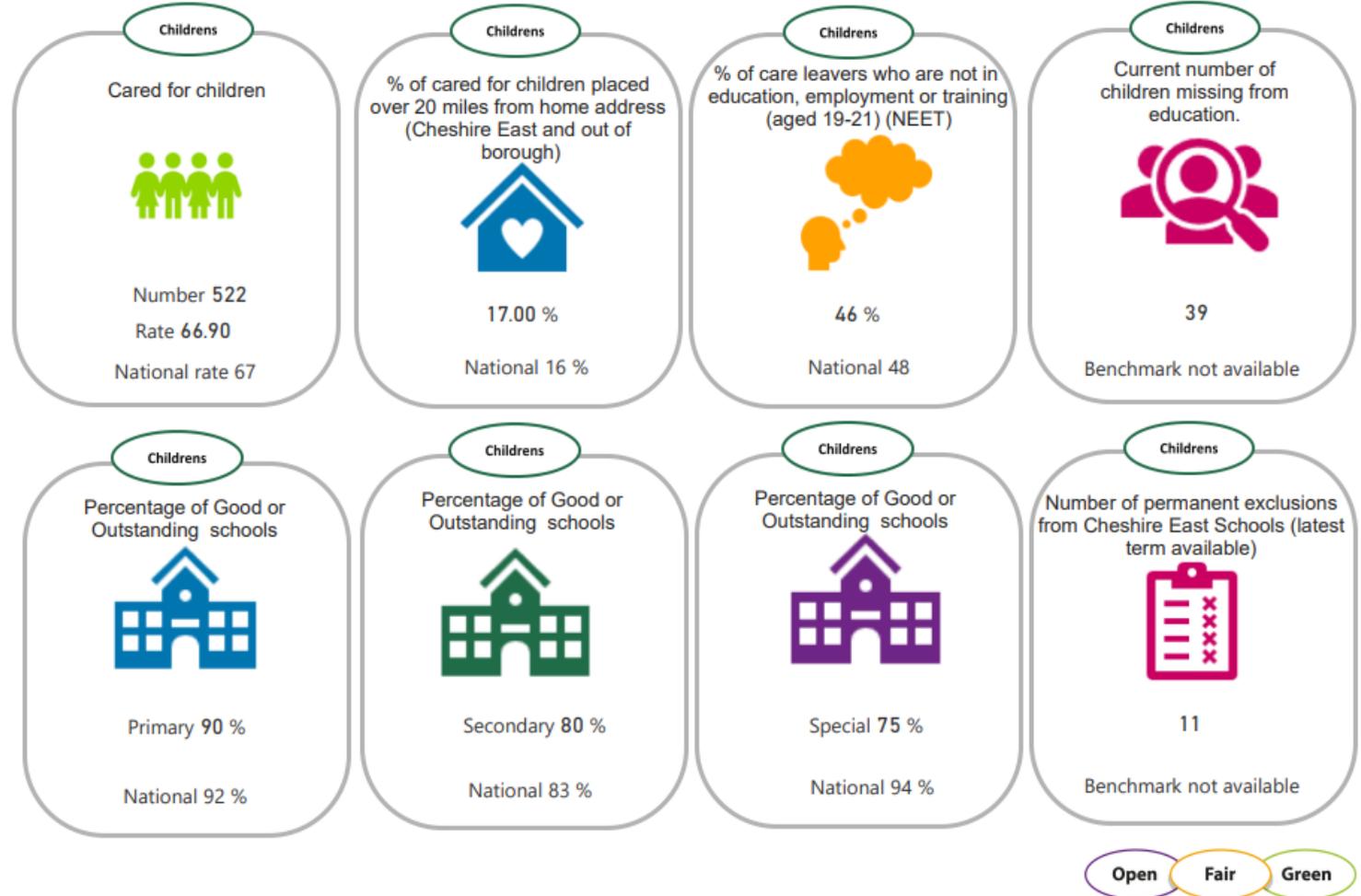
By 2025 we want:	Performance 2022/23 – Quarter 1 Update
<p>People are cared for and valued by a professional and caring workforce.</p> <p>Care4ce to become an exemplar high quality trading company.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Develop a quality trading company • Recruit and train a skilled and motivated workforce. • Provide a professional pathway for progression 	<ul style="list-style-type: none"> • Care4CE, along with many health and social care providers nationally, continues to experience challenges with the recruitment and retention of frontline care staff. Care4CE continues to promote adult social care careers and a project has commenced to explore further recruitment and retention options. • Care4CE staff have continued to support residents throughout the extremely challenging previous two years of the pandemic and continue to provide integral support to individuals and the wider care market to ensure stability and consistency of service.
<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"> • Expand and develop the Home First service to support people to stay at home longer • Work to develop integrated health and social care teams • Carers Strategy to be implemented • Develop the Shared Lives service • Increased use of technology 	<ul style="list-style-type: none"> • A new Home First Programme and Strategy is in the process of being implemented within the newly formed Cheshire East Health and Care Partnership. As part of the programme, work has commenced to recommission care at home services. A variety of alternative models are being explored which seek to achieve greater integration with health services and the voluntary sector and provide a more outcome focused service. • The ongoing impact of recovery from the pandemic and workforce capacity issues have impacted on the home first approach and the ability to support more people to get home from hospital. • Adult social care locality teams are linked with primary care networks. Teams work well virtually, and multi-disciplinary team meetings take place regularly, where learning is shared. • A new technology enabled care service aiming to help keep people safe and independent in their own homes commenced in July 2022. The new service will enable residents to access support from a greater range of technology such as Alexa, tablets and digital lifeline devices. This service includes support for early discharge from hospital through a free four-week offer for patients. • A new co-produced All Age Carers Strategy 2021-2025 was agreed in March 2022 and is being implemented in partnership with carers.

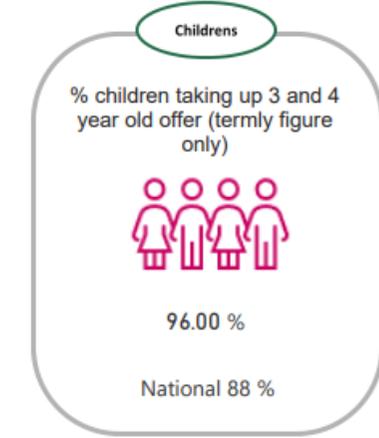
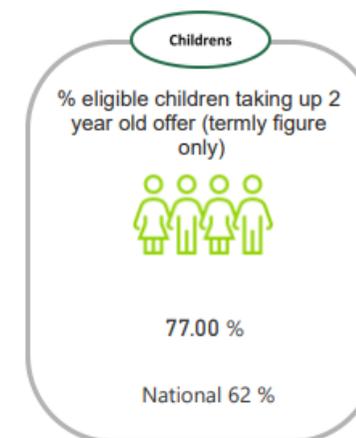
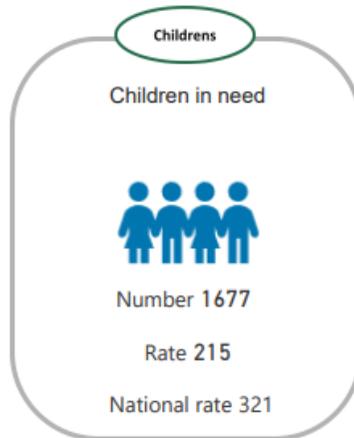
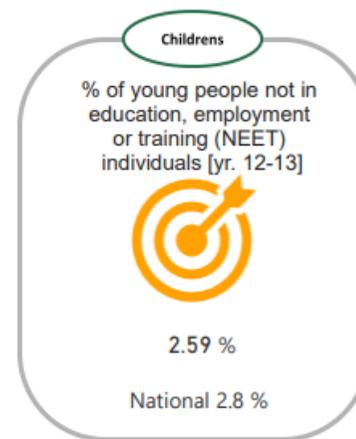
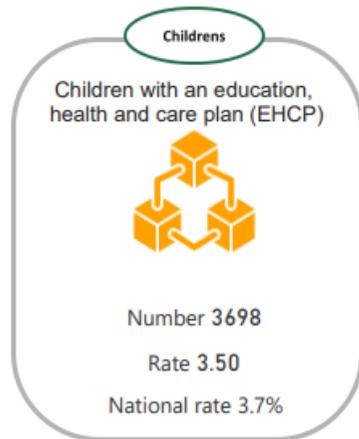
By 2025 we want:	Performance 2022/23 – Quarter 1 Update
<p>Adults receive quality assessments of need and support planning and good quality services to keep them safe and maintain their physical and mental wellbeing.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Fully implement social work practice within adult social care • Maintain and improve the quality of care and support services 	<ul style="list-style-type: none"> • The Safeguarding Adults Board continues to develop, and links with the Safer Cheshire East Partnership, undertaking joint Safeguarding Adult Reviews and Domestic Homicide Reviews. • Adults, health and integration 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. People are involved with all aspects of their assessment and care planning.

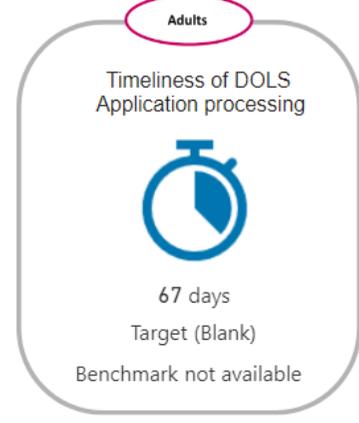
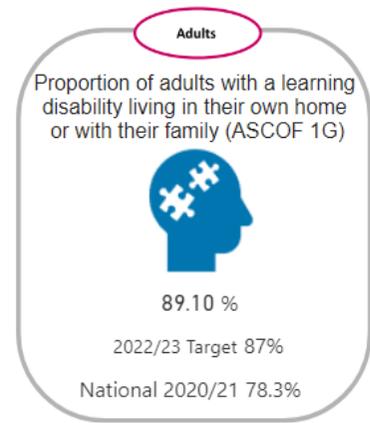
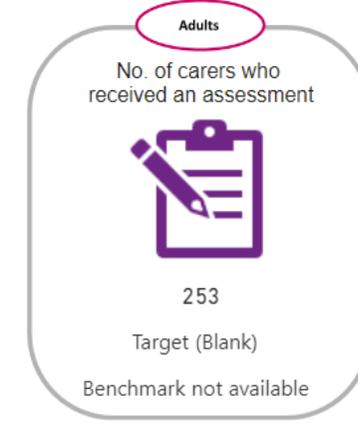
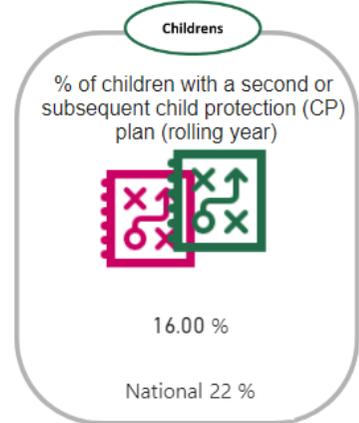
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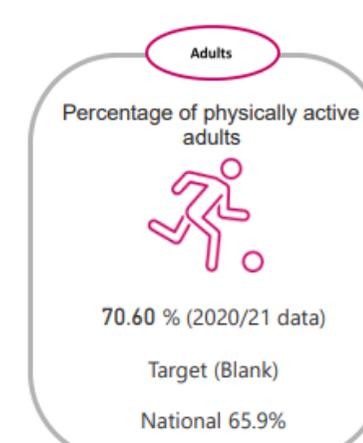
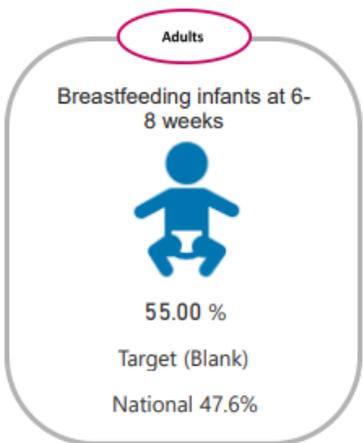
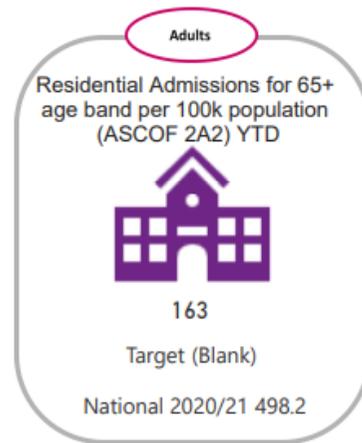
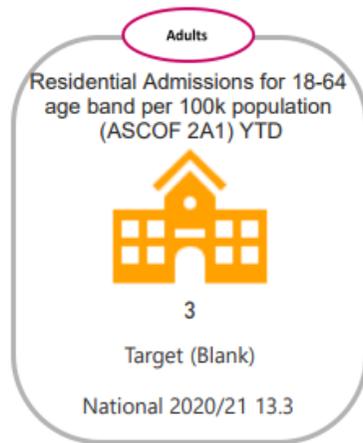
Performance measures supporting A council which empowers and cares about people

- Work together with residents and partners to support people and communities to be strong and resilient
- Reduce health inequalities across the borough
- Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation
- Be the best Corporate Parents to our children in care
- Support all children to have the best start in life
- Increase opportunities for all children and young adults with additional needs
- Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential
- Reduce the reliance on long term care by improving services closer to home and providing more extra care facilities, including dementia services









A thriving and sustainable place

By 2025 we want:	Performance 2022/23 – Quarter 1 update
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"> • Deliver housing to meet the needs of all residents including vulnerable and older people in the borough • Review and evaluate the need for a private rented sector licensing scheme • Ensure affordable homes are “tenure blind” and focussed on quality 	<ul style="list-style-type: none"> • 134 new homes delivered against an annual target of 355 new affordable homes. • Communications campaign launched to increase landlords, agents, and HMO managers awareness of their rights and responsibilities for a good quality and well managed private rented sector. • Social media campaigns delivered for Gas Safety Week and Fire Door Safety Week
<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"> • Improve and adapt our libraries to meet any changing needs which offer value for money 	<ul style="list-style-type: none"> • There have been 226,882 visitors to libraries during Q1. • There are 4,411 library members enrolled, and over 19,000 subscribers to the Cheshire Libraries digital newsletter. • The service is adjusting to the way people access libraries following the pandemic. Children’s usage is growing, and informal learning activities for adults remain popular, but adult book lending is lower than pre-pandemic levels.

By 2025 we want:	Performance 2022/23 – Quarter 1 update
<ul style="list-style-type: none"> Update and refresh the Library Strategy 	
<p>High quality leisure and sports provision across the borough that delivers good value for money.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Improve our leisure centres Provide walking and cycling recreational routes and outdoor recreational space 	<ul style="list-style-type: none"> There have been 583,461 visitors to leisure centres in Q1. The redevelopment of Congleton Leisure Centre is continuing and is due to re-opening in 2023. Everybody Health and Leisure are reporting an encouraging position in terms of new and existing memberships.
<p>To reduce the number of long-term empty dwellings.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Establish baseline and review current strategy and policies 	<ul style="list-style-type: none"> A report on 'Empty Homes – our approach' is identified in the work programme for Economy & Growth Committee in 2022/2023.
<p>New development to be appropriately controlled to protect and support our borough.</p> <p>Key actions:</p> <ul style="list-style-type: none"> To keep the Local Plan Strategy under review Provide an effective Planning Service with capacity to efficiently determine planning applications 	<ul style="list-style-type: none"> Final Inspectors report for Site Allocations and Development Policies Document (SADPD), part 2 of the Local Plan is awaited but adoption for Autumn still expected. A review of the Local Plan Strategy has been agreed. Minerals and Waste Plan agreed to go out to consultation. Planning application performance against statutory performance measures (including agreed extensions to time) is above target for major applications (93%) but below (85%) for minors. However, a backlog of planning applications remains with staff retention and recruitment difficulties across all aspects of the Planning service including Building Control. The majority of minor applications are taking 4-6 months to determine.

By 2025 we want:	Performance 2022/23 – Quarter 1 update
<ul style="list-style-type: none"> • Robust and effective planning enforcement • Implementation and maintenance of additional supplementary policy documents • Effective and competitive Building Control Service • Continued application of CEC Design Guide principles and focus on Place 	<ul style="list-style-type: none"> • Following the initial deep dive review of the Planning Service by the Executive Director of Place an update report will be presented to the Environment and Communities Committee in October 2022. This will set out the background to the review, will describe a series of measures and changes already undertaken by the service to help address reducing the number of applications in hand, as well as describing next steps for the review including proposed updated governance arrangements.
<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"> • Review the community asset transfer policy 	<ul style="list-style-type: none"> • A number of community asset transfers are in consideration currently, and a further update will be provided to Economy & Growth Committee during the 2022/23 work programme
<p>Continue to grow the Cheshire East visitor economy.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Deliver Cultural Strategy and Place Marketing Action Plan • Deliver Tatton Park business plan 	<ul style="list-style-type: none"> • Annual STEAM figures for value of the Cheshire East Visitor economy in 2021 due September 2022. • Tatton Park business plan is being delivered, however visitor numbers across the attractions sector are being impacted by cost-of-living increases. • History Centre RIBA stage 3 design and cost plan completed for Crewe site and in progress for Chester. • Planning permission in place for Lyceum Square LY2

By 2025 we want:	Performance 2022/23 – Quarter 1 update
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Priority: Welcoming, safe and clean neighbourhoods	
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<p>Crime and anti-social activity and anti-social behaviour to be reduced.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • All appropriate enforcement services have an up-to-date Service Specific Enforcement Policy. There is currently an ongoing review of the Corporate Enforcement Policy which provides the overarching approach to enforcement. This is scheduled for Environment & Communities Committee November 2022. • A procurement exercise has recently been undertaken to secure a provider for new wireless CCTV technology. Final administrative procurement processes are in progress before the contract can be formally let. • Six new CCTV cameras have been agreed for Crewe through partnership working for identified incident locations and in response to the violence, abuse and intimidation against women and girls survey. • Cheshire East Highways have been shortlisted as a finalist for three highways awards along with our community enforcement team, which is part of neighbourhood services, has been shortlisted for an Association of Public Service Excellence award in the category of 'Best Community and Neighbourhood Initiative'. The award is down to the terrific work that has taken place on the Cleaner Crewe project – a scheme into its second year, which is dedicated to reinvigorating the alleyways and streets in Crewe. • Cleaner Crewe is a true success story of collaborative working. It has seen Cheshire East colleagues collaborate with Crewe Town Council, (which has also supported with funding as well as personnel), ANSA and other diverse organisations such as Cheshire College South & West and Men in Sheds, not to mention residents who have embraced the work with real enthusiasm setting up working committees to help maintain the impetus of the project.
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<p>Victims of crime and exploitation to be supported effectively by the council and partners through collaboration.</p>	<ul style="list-style-type: none"> • Joint agency operation targeting Manchester Airport parking complaints in the Moss Lane and Altrincham Road (Lode Hill) areas of Styal, Cheshire East. • £77,250 of detriment has been saved for residents from rogue trading and scams interventions.
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By 2025 we want:	Performance 2022/23 – Quarter 1 update
<p>Key actions:</p> <ul style="list-style-type: none"> • 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 <p>Raise awareness around safeguarding and community safety issues</p>	<ul style="list-style-type: none"> • In response to crime and data analysis a Serious and Organised Crime ‘Day of Action’ with partners including Cheshire Police was undertaken in the Upton Priory, The Moss and the Weston and Hurdsfield areas of Macclesfield. • Counterfeit wine seizure, successful stop notice to prevent sales of illegal therapeutic compounds that have similar anabolic properties to anabolic steroids, guilty pleas for two offenders trading in counterfeit goods to the value of £500,000.
<p>To protect residents and improve our environment.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Review local air quality through our Annual Status Reports, taking action to respond to areas of poorer air quality • Air Quality Management Areas have an action plan outlining planned measures to improve quality • A regulatory service that balances advice and education • Provide a robust licensing regime for alcohol, gambling 	<ul style="list-style-type: none"> • The 2022 Annual Air Quality Status Report has been submitted to Defra for comment in accordance with the statutory deadline. The Cheshire East Air Quality Action Plan includes objectives to improve air quality in specific Air Quality Management Areas and the wider Borough. Ongoing projects include highway network improvements, promotion of cycling in Congleton, and awareness campaigns for vehicle idling and domestic fuel burning. • Environment and Communities Committee approved an updated Hackney Carriage and Private Hire licensing policy to reflect updated national standards effective from 1 November 2022. The Statement of Gambling Principles is under review and will be presented to Environment and Communities Committee in November 2022. • The Animal Health and Welfare Team undertake proactive inspections on farm visits to monitor the welfare (including feed) of farmed animals. Through the animal licensing scheme inspections are undertaken to support new and renewal applications and ensure welfare requirements are met. • Food Safety and Food Standards interventions are being carried out in accordance with the Food Standards Agency Recovery Plan. • The Food and Feed Law Enforcement Plan for 2022-2023 has been updated to reflect the current year inspection requirements and planned additional work. Performance data has been returned to the FSA as required – demonstrating that work is on target.

By 2025 we want:	Performance 2022/23 – Quarter 1 update
<p>and hackney carriage private hire vehicles</p> <ul style="list-style-type: none"> Proactive inspection and surveillance programmes 	
<p>Improved green spaces for all. Enabling people to exercise and socialise in our parks and open spaces.</p> <p>Key actions:</p> <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Funding, subject to conditions, has been secured for the 8 pocket parks in urban areas of Crewe as part of the Crewe Towns Fund to refurbish much used green spaces in areas of dense housing. NHS / Public health prescribed volunteering in urban green spaces has undergone initial recruitment of project leads moving to be fully operational later in the autumn. Wider parks development continues with 4 projects completed in the north of the borough and funding secured for Nantwich skate park
Priority: To reduce our impact on our environment	
<p>To have minimised overall waste generated in the borough and maximised our levels of recycling.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Introduction of the Municipal Waste Strategy 	<ul style="list-style-type: none"> The procurement for the Household Waste Recycling Centre contract is complete with award expected imminently for service commencement from 1 April 2023.

By 2025 we want:	Performance 2022/23 – Quarter 1 update
<ul style="list-style-type: none"> • To review and consult on the household waste recycling provision 	
<p>To improve biodiversity and natural habitats in the borough.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Increased rewilding • Embed biodiversity, including offsetting, across Cheshire East Council estate • Deliver the tree planting programme 	<ul style="list-style-type: none"> • 45,850 (27 ha) of trees planted to date and working to plan next planting season and pipeline to 2025 of urban and rural tree planting. • Ansa have adjusted their mowing regimes to allow areas of longer grass through the ‘no mow May’ scheme and are working with community groups to increase wildflower areas in our larger parks
Priority: A transport network that is safe and promotes active travel	
<p>Improvements in the strategic infrastructure that support sustainable and inclusive growth across the borough.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Delivery of major infrastructure programmes 	<ul style="list-style-type: none"> • The Council continues to work with Network Rail and Government to seek necessary investments in Crewe and Macclesfield stations. • Crewe was shortlisted as one of six locations bidding to become the home of Great British Railways. In Q1 a communications and engagement campaign was implemented to raise support for Crewe and to encourage members of the public to engage in the public voting element of the process. This element of the process ended on 15 August 2022. The process is now at Stage 4, which is the Secretary of State to make the final decision, which is due to be announced “later in 2022”. • Petitioning has taken place for HS2 Phase 2b hybrid bill. Preparation is underway for the Select Committee. Detailed discussions are underway regarding Crewe Hub and the Crewe North Connection.

By 2025 we want:	Performance 2022/23 – Quarter 1 update
	<ul style="list-style-type: none"> • Poynton Relief Road is under construction and progressing to a programmed opening in Jan 2023. NW Crewe Highways Package is now moved to the construction phase and is progressing well on site. Both Middlewich Eastern Bypass and the A500 Dualling schemes continue development / land acquisition towards Full Business Case submissions in 2024.
<p>Safer and well-maintained roads.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Deliver planned investment to maintain the highway network • Review of appropriate strategies, such as speed management 	<ul style="list-style-type: none"> • £19m Council capital investment over 3 years now being delivered. • Speed management Strategy has been refreshed following an extensive consultation process and is due for consideration at Committee in September 2022. • Highways Asset Management policies being updated in line with national guidance and to ensure that they remain effective and deliver value for money. • Highways Customer Experience project continues to make significant strides with a host of initiatives being rolled out in terms of customer interface. Various initiatives and surveys also launched specifically with Members, Town and Parish Councils in direct response to recent satisfaction survey. An improvement plan, with improvement targets, continues to be implemented and embedded. • Cheshire East Highways have been shortlisted as a finalist for three Highways Awards: <ul style="list-style-type: none"> ○ <i>Steve Berry Highways Authority Innovation Award</i> – Bollin Grove ○ <i>Winter Maintenance Award</i> ○ Daniel Johnson for the <i>Apprentice of the Year Award</i> • The awards recognise the outstanding achievements of the people, teams and projects that have gone above and beyond in the Highways industry.
<p>Investment in electric vehicle infrastructure in our key service centres</p>	<ul style="list-style-type: none"> • A car club scheme is being introduced to support the use of EV as pool cars for Cheshire East staff, along with an opportunity for residents to use these EV vehicles at times when there will no corporate need. • Funding application for public EV charging points was approved by OZEV in August 2022. Installation of 15 charges in 9 towns will be completed in 2022/23.

By 2025 we want:	Performance 2022/23 – Quarter 1 update
<p>To increase parking provision close to local transport hubs.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Complete Local Transport Plan parking reviews 	<ul style="list-style-type: none"> • An assessment of the financial viability for a Multi Storey Car Park at Broadway Meadows has been completed and presented to the Economy and Growth Committee in September 2022. The business case is not currently viable to progress a Multi-Story Car Park. A further review will take place in 12 months' time.
<p>To promote uptake of cycling in our local service centres.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Installation of cycle storage facilities in Cheshire East car parks • Invest in new cycle routes and improve existing ones • Prohibit parking in existing cycle lanes 	<ul style="list-style-type: none"> • Cycling infrastructure schemes are being implemented in accordance with the Council's adopted Local Cycling and Walking Improvement Plans. Plans for Congleton, Macclesfield, Wilmslow and Crewe are helping to identify interventions to improve the walking and cycling environment and the basis for future development and delivery of schemes. • Delivery of the Wilmslow Strategic Cycle and Walking Route providing a high-quality strategic link through Wilmslow to 'plug' existing gaps from Wilmslow rail station towards the Royal London site. • Improvements to route cycle signage in Congleton • A self-assessment of cycling provision across the Borough has been completed in accordance with the approach adopted by Active Travel England. • A programme for new cycle storage facilities is still to be developed. • 21 KM of new cycle routes have been created • 8 Traffic Regulation Orders introduced to support cycling
<p>To improve the speed and efficiency of public transport and encourage more residents to make fewer car journeys.</p> <ul style="list-style-type: none"> • Feasibility studies into the creation of rapid transit routes connecting existing infrastructure with key employment sites 	<ul style="list-style-type: none"> • Council published a Bus Service Improvement Plan (BSIP), as a response to the National Bus Strategy.

By 2025 we want:	Performance 2022/23 – Quarter 1 update
<p>To reduce areas of the borough not served by public transport.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Submit proposals to Rural Transport Fund • Develop quality bus partnerships with operators and town councils 	<ul style="list-style-type: none"> • Rural Mobility Fund scheme, branded GoToo, is operating in the Southwestern area of the borough. Services commenced in Autumn 2021 and are being monitoring closely to assess how patronage numbers grow. • Enhanced Bus Partnership proposals have been developed jointly with local bus operators. Approved at Highways Committee in July 2022.
<p>To encourage an increase in the use of public transport (especially buses).</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Operators work together to share real time information • Bus routes planned to provide multi-modal connectivity • Cheshire East bus app developed 	<ul style="list-style-type: none"> • Cheshire East Council is subscribing to the national Transport Focus survey to provide a reliable monitor of public satisfaction. • 9 Bus Routes connecting to rail and tram services Service numbers – 3, 6, 12, 37, 38, 42, 85, 130, 188
<p>More residents to use walking routes.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Promote existing routes and nature trails • Create new walking routes between service centres 	<ul style="list-style-type: none"> • Walking infrastructure schemes are being implemented in accordance with the Council’s adopted Local Cycling and Walking Improvement Plans.

By 2025 we want:	Performance 2022/23 – Quarter 1 update
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Priority: Thriving urban and rural economies with opportunities for all	
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<p>Delivery of a strategic regeneration plan for Crewe.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Successful delivery of the regeneration programmes 	<ul style="list-style-type: none"> • The delivery of regeneration projects continues to progress. The derelict bus sheds on Delamere Street are now demolished and the footprint of the new temporary bus station has now been laid out, and that will enable construction of the new permanent bus station a new Multi Storey Car Park to commence in the autumn. Appropriate stopping up orders for highways across the site have been confirmed by National Highways. • The monthly footfall average across the three months of Q1 2022/23 is assessed in the town centre as 1,108,567. This is up 9% for the equivalent period prior to the pandemic, i.e., Q1-2019/20 • A package of 10 projects have been identified to benefit from Crewe’s Towns Fund allocation. The projects focus on community spaces and connected places, town centre regeneration and culture and heritage. • These include Pocket Parks, Warm and Health homes, repurposing high streets, Mill Street corridor, Valley Brook Green corridor, Lyceum Powerhouse, Cumberland Arena, Youth Zone, History Centre Public Space, Flag Lane Baths Community Hub and LY2 at Lyceum Square. • Business cases for the other eight Towns Fund projects have been submitted to government for agreement and sign off. Following final funding offers from government, and approvals such as planning permission have been met, the physical works on projects can begin. • The Flag Lane Baths project is led by the Always Ahead charity and aims to improve the economic, social and environmental wellbeing for the whole of Crewe and its residents for years to come. The project has been granted planning permission and will see the former Crewe swimming pool transformed into a vibrant destination where people will be able to spend leisure time and access support. This will give the building 21st century purpose for the people of Crewe and preserve its heritage.
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By 2025 we want: Performance 2022/23 – Quarter 1 update

Delivery of a strategic regeneration plan for Macclesfield.

Key actions:

- Successful delivery of the regeneration programme for Macclesfield

- The monthly footfall average across the three months of Q1 2022/23 is assessed in the town centre as 1,590,350.
- This is up 6% for the equivalent period prior to the pandemic, i.e., Q1-2019/20

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 Town Centre Vitality Plans are now completed in draft form for member and public consultation in Q2 – these will identify a number of suggested interventions that could support each of the towns’ vitality and recovery.
- Monthly footfall figures are available on the following link [Town Centre Footfall](https://cheshireeast.gov.uk) (cheshireeast.gov.uk)
- Q1 performance is assessed against the equivalent quarter monthly average in 2019/20 - which is the last comparable period pre covid not impacted by lockdown or restrictions.

Footfall	
% Increase - change since Q1: 2019 compared to Q1:2022	*Average across 3 months
Alsager	31%
Congleton	14%
Handforth	58%
Knutsford	6%
Middlewich	19%
Nantwich	8%
Poynton	12%
Sandbach	14%
Wilmslow**	-7%

*Figures can also be influenced by good/bad weather or events held during the compared quarters in the relevant years.

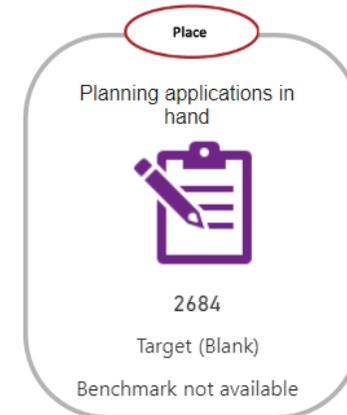
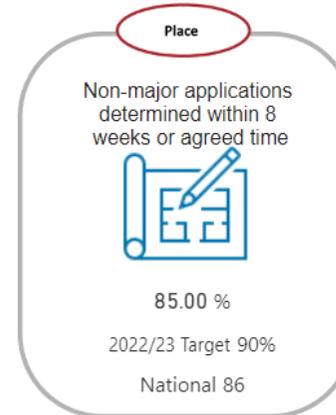
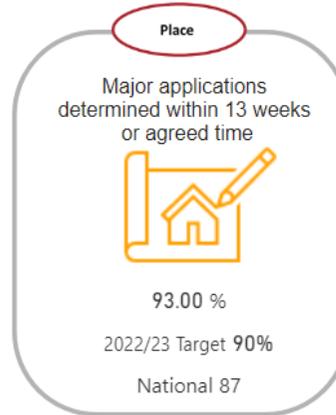
By 2025 we want:	Performance 2022/23 – Quarter 1 update
	<p>** Wilmslow's negative average is likely to be a result of having a significant office core and workforce prior to covid and this may not yet be fully re-occupied for the whole working week</p>
<p>Maximise the commercial and regeneration opportunities associated with HS2 for the whole borough</p>	<ul style="list-style-type: none"> • The Council is represented on the Local Enterprise Partnership Growth Corridors Board, providing oversight of the development of HS2 and associated programmes. • The HS2 Phase 2b Hybrid Bill seeks the powers to construct and operate Phase 2b of HS2 (Crewe to Manchester)- expected to open between 2035 and 2040. It had its Second Reading in the House of Commons on 20 June 2022. In 2021/22, work continued to progress to prepare the petition against this Bill in order to mitigate negative effects on the environment, landscape, ecology and local transport network and to gain compensation for those impacted by the HS2 line between Crewe and Manchester.
<p>Thriving and active rural communities.</p> <p>Key actions:</p> <ul style="list-style-type: none"> - Deliver the Rural action plan 	<ul style="list-style-type: none"> • A Rural Action Plan was approved by the Economy and Growth Committee in September 2022. This provides a rural focus on the authority's existing strategies and plans. Priorities addressed in the plan include digital connectivity, access, housing, visitor economy and support for rural based businesses.
Priority: To be carbon neutral by 2025	
<p>To have delivered the milestones in becoming a carbon neutral council.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Deliver actions in the Cheshire East Council Carbon Action Plan 	<ul style="list-style-type: none"> • Work has been commissioned to provide a detailed measure of Borough wide carbon to assist the council in its 2045 pledge. • Cheshire East Council are working in partnership with Reaseheath College to repeat a Carbon conference for the borough in February 2023 at the College site for the first time. • The 2025 project is reporting risk associated with the fleet and decarbonisation of heat projects largely because of global EV vehicle cost and supply problems and increased ventilation of buildings due to covid raising our gas use above the base line. The program is working to reduce risk and supply if needed alternative options to achieve the 2025 target.

OFFICIAL

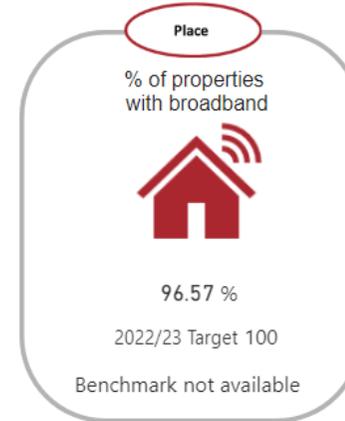
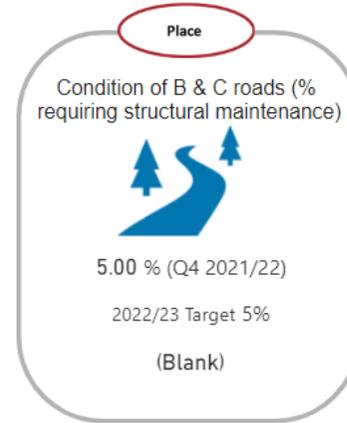
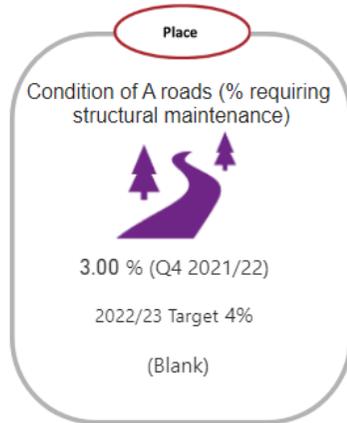
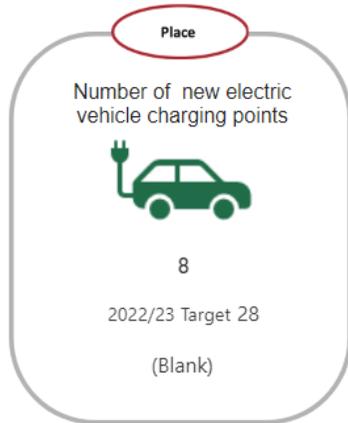
Performance measures supporting A thriving and sustainable place

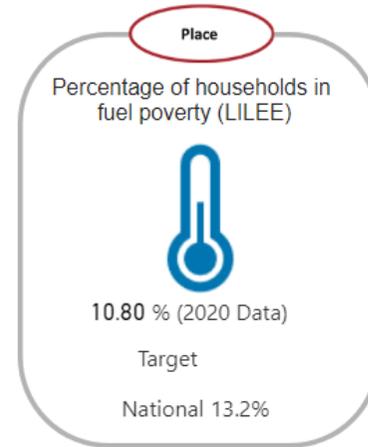
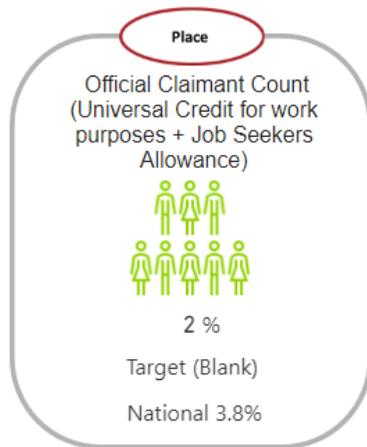
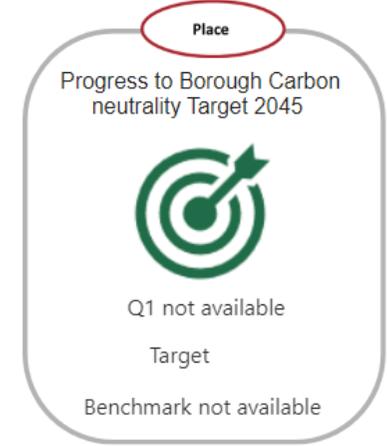
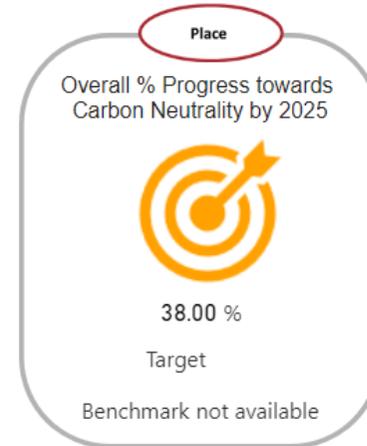
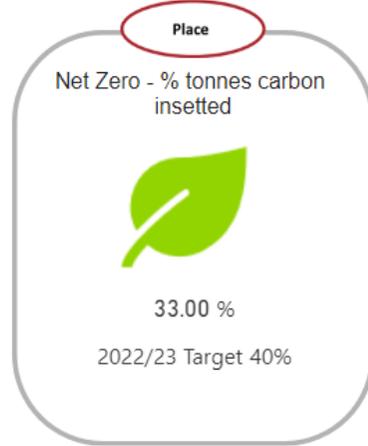
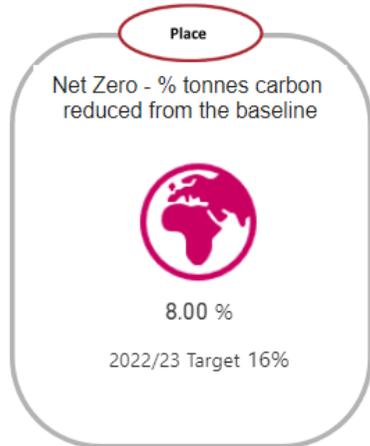


- A great place for people to live, work and visit
- Welcoming, safe and clean neighbourhoods
- Reduce impact on the environment
- A transport network that is safe and promotes active travel
- Thriving urban and rural economies with opportunities for all
- Be a carbon neutral council by 2025



Open Fair Green





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Working for a brighter future together

Corporate Policy Committee

Date of Meeting:	6 th October 2022
Report Title:	Strategic Risk Register Assurance Report 2022/23 Quarter 1
Report of:	Jane Burns, Executive Director Corporate Services David Brown, Director of Governance and Compliance
Report Reference No:	CP/14/22-23
Ward(s) Affected:	All wards

1. Purpose of Report

- 1.1. One of the responsibilities of the Corporate Policy Committee is to have a co-ordinating role across all other committees and exercising a corporate view of outcomes, performance, budget monitoring and risk management.
- 1.2. This report provides an update on the activity of the Council's Strategic Risk Register for Quarter 1 (April – June) 2022-23.
- 1.3. Reporting on the Strategic Risk Register supports effective risk management, is central to good governance and supports the efficient delivery of the Council's corporate plan objectives.

2. Executive Summary

- 2.1. This report provides the Corporate Policy Committee with an update on the activity of the Strategic Risk Register for Quarter 1 2022-23, with the Strategic Risk Register set out in further detail in the report appendix.

3. Recommendation

- 3.1. To note the position of the Strategic Risk Register for Quarter 1 2022/23.

4. Reasons for Recommendation

- 4.1. Risk management is central to facilitating good governance and the achievement of corporate objectives. As a publicly accountable body, the Council must demonstrate effective identification and management of the risks that threaten the achievement of its corporate objectives and the effectiveness of its operations.

5. Other Options Considered

- 5.1. No alternative options considered; this is an update report to support the Committee in meeting its responsibilities under its Terms of Reference.

6. Background

- 6.1. Risks included on the Strategic Risk Register are those which materially threaten the organisation's ability to achieve its strategic goals, in this case our corporate objectives. This could be in the form of an individual threat to a specific objective, or the compound effect of a threat across several areas.
- 6.2. Items on the Strategic Risk Register are "owned" by members of the Corporate Leadership Team and are reviewed on a quarterly basis. Co-ordination and administration of the Strategic Risk Register and the Risk Management Framework is undertaken by the Head of Audit and Risk Management.

Quarter 1

- 6.3. The Quarter 1 period covered significant challenge and change nationally, particularly in relation to political leadership, with the election of a new Prime Minister and Cabinet. The situation in Ukraine has continued, along with further increases in the cost of living, which is presenting challenges to projects and initiatives in the organisation. Demand across Adult and Children Services has increased, not only in volume, but also in the increasing complexity of casework, against existing fragility in the care market and budget pressures. The challenges of Quarter 1 are also described in the performance report and finance updates elsewhere on the Committee's agenda.
- 6.4. Table 1 below sets out the strategic risk register content and the gross and net scores for Q1 22/23; the direction of travel being informed by the net position of the risk at the previous quarter review; Q4 2021/22. A number of the strategic risk descriptions (and scores) have been revised during the first quarter. Details are provided later in the report, but this should be considered in reviewing the direction of travel.

Table 1- Strategic Risk Register Position Quarter 1 2022/23

Ref	Risk	Q4 Net	Q1 Gross	Q1 Net	Target	Travel
SRR1A	Increased Demand for Adult's Services	16	16	16	9	↔
SRR1C	Increased Demand for Children's Services	9	16	12	9	↑
SRR2	NHS Funding	16	16	16	12	↔
SRR3	Financial Management and Control	9	16	9	6	↔
SRR4	Information Security and Cyber Threat	12	16	12	12	↔
SRR5	Business Continuity	9	12	9	9	↔
SRR6	Organisational Capacity and Demand	12	16	12	12	↔
SRR7	Council Funding	12	16	12	6	↔
SRR8A	Governance and Decision Making	9	16	9	4	↔
SRR8B	Political Uncertainty	12	12	12	6	↔
SRR9	Capital Projects	6	16	6	6	↔
SRR10	HS2 Infrastructure Investment	16	16	16	6	↔
SRR11	Pandemic Virus	9	12	9	6	↔
SRR12	Fragility and failure in the Social Care Market	16	16	16	9	↔
SRR13	Reputation	9	16	9	9	↔
SR14	Climate Change (CEC Carbon Neutral 2025)	6	16	9	6	↑
SRR15	Economy Risk	9	16	9	9	↔
SRR16	Integrated Care System (ICS) Integration	-	16	16	8	NEW

Table 2 – Strategic Risk Register Items ordered by net score – highest to lowest

Ref	Risk	Net Score Q1 22/23
SRR1A	Increased Demand for Adult's Services	16
SRR2	NHS Funding	16
SRR10	HS2 Infrastructure Investment	16
SRR12	Fragility and failure in the Social Care Market	16
SRR16	Integrated Care System (ICS) Integration	16
SRR1C	Increased Demand for Children's Services	12
SRR4	Information Security and Cyber Threat	12
SRR6	Organisational Capacity and Demand	12
SRR7	Council Funding	12
SRR8B	Political Uncertainty	12
SRR3	Financial Management and Control	9
SRR5	Business Continuity	9
SRR8A	Governance and Decision Making	9
SRR11	Pandemic Virus	9
SRR13	Reputation	9
SR14	Climate Change (Carbon Neutral 2025)	9
SRR15	Economy Risk	9
SRR9	Capital Projects	6

Summary of Quarter 1 review

- 6.5. Common themes in relation to causes and consequences from the quarterly review are:
- In the post pandemic recovery phase, challenges to capacity in the National Health Service are in turn causing pressures on the delivery of local social care responsibilities and services (SRR1A, SRR2, SRR12 and SRR16). This is happening at a time when socioeconomic factors are also impeding recruitment (SRR1A, SRR1C, SRR2, SRR6, SRR12).
 - The interaction with central government is also flagged as causing uncertainty in several areas (SRR8B, SRR10, SRR16), impacting both services and infrastructure development; and
 - The increase in inflation, and particularly rising energy prices, has also impacted infrastructure development (SRR10, SRR14).
- 6.6. Of the 18 risks now on the Strategic Risk Register; 5 have the highest net score rating possible (16), 3 have the second highest (12), and the net score of two risks that have seen increases since the previous quarter.
- 6.7. Overall, external causes have dominated discussions in reviewing the risks during Quarter 1. While the Council's ability to influence them might be limited, there is a clear message that managing our response is key to mitigating any potential consequences. Based on the Quarter 1 review, the most significant objectives at risk in the short-term relate to adult social care whilst to a lesser degree and in the medium-term, it is the development of the borough's infrastructure and economy.

Changes to individual risk descriptions and scores

- 6.8. The Strategic Risk Register is set out in detail in Appendix A, which includes a commentary for each risk, but key changes are provided in the following section of the report.
- 6.9. SRR1A Increased Demand for Adult's Services Whilst the risk description has been updated, there has been no change to the risk which is still at the highest possible rating. The updated description trials a more prescriptive format, with a clear focus on an objective, the context of the risk and potential impacts and causes described separately. For example, the context of this risk notes that, post pandemic, demand from working age adults has significantly increased by comparison to historical standards.
- 6.10. SRR1C Increased Demand for Children's Services; the net score for this risk has increased due to recruitment difficulties which are impacting service delivery.
- 6.11. Demand for children's services is not increasing, which suggests that we have effective processes in place to prevent need from escalating and

ensure children, young people and families receive the right support at the right time. However, due to difficulties with recruitment and retention, some teams within SEND and children's social care are experiencing higher caseloads than we would want, which is impacting on our ability to deliver timely services to children, young people and families at the high quality we aspire to. This is also impacting on capacity to deliver transformational, innovative and invest to save work, as when capacity is limited, we are required to focus on delivering statutory services.

- 6.12.** Caseloads for social work teams were raised in our recent joint targeted area inspection of child criminal exploitation; some social work teams are carrying 25% vacancies as recruitment is proving very challenging. Whilst these vacancies are covered in the interim by agency staff, difficulties with permanent recruitment and retention is being experienced nationally - but an established and experienced workforce is crucial in delivering effective support to children and young people. Children's services are working together with HR to develop a refreshed recruitment and retention strategy to address this.
- 6.13.** The Executive Director of Children's Services is co-leading a regional Cheshire and Merseyside workstream to look at regional solutions to recruitment and retention within children's services. We are participating in the DfE's delivering better value (DBV) programme to support the council to achieve a more sustainable financial position in relation to SEND. Delivery of our improvement plan in response to the findings from the joint targeted area inspection will also require significant resources which will impact on our capacity to deliver other work.
- 6.14.** SRR2 NHS Funding; this risk has been reviewed and updated, so that the risk arising from the move to the Integrated Care System is captured in a new separate risk; SRR16. The description for SRR2 has been updated, and whilst the score has been reviewed, this has resulted in no change, remaining at a net score of 12.
- 6.15.** The lack of mental health beds this quarter has resulted in service users being placed outside of the borough. This increases the administrative burden required to support each individual. From September 1st this year the NHS is being asked to reduce the number of beds which will add additional pressure to social care services.
- 6.16.** SRR3 Financial Management and Control; again the risk description has been updated, and although the score has been reviewed, it has resulted in no change to the rating. Further updates reflect ongoing roll-out and improvements within Unit 4.
- 6.17.** SRR4 Information Security and Cyber Threat; there has been no change to the risk score for Q1. The Council has secured a new tier of Microsoft licences, these will give ICT greater understanding and visibility of activity

within the infrastructure. This will allow technicians to analyse inappropriate activity and also provide some level of automation to close down vulnerabilities as they occur. The Council continues to receive a large volume of targeted threats against its workforce, training and the enhanced capabilities remain key to prevent that vulnerability being exploited.

- 6.18.** Work has commenced on a plan to realise the benefits from the high-level business case for Security and Compliance. A specialised third party, Info-Tech, has been engaged to direct the council, with the aim of ensuring that planning is in line with best practice and is directed at the most vulnerable technology domains.
- 6.19.** There is on-going activity around security governance and a security focussed operations group to strengthen the council's position on cyber security. The work will also encompass strengthening links with corporate and information governance.
- 6.20.** SRR5 Business Continuity; the description of this risk has been refreshed, with interdependencies and timescales for actions updated, and after review, there has been no change the rating.
- 6.21.** SRR6: Organisational Capacity; there has been no change to the rating of this risk. The labour market nationally remains challenging and additional pressures are being seen from the increases to the cost of living. Staff continue to work flexibly while work continues on designing a future hybrid way of working. The development of an improved approach to recruitment and retention is underway, with targeted actions to address any identified workforce gaps.
- 6.22.** SRR 7 Council Funding; there has been no change to the rating of this risk. Funding is being received in line with forecasts in the MTFS. In-year financial pressure gives on-going cause to liaise with government on the appropriateness of grant funding.
- 6.23.** SRR8A Governance & Decision Making; the description of this risk has been refreshed, and actions and timescales updated. After review, there has been no change the rating.
- 6.24.** SRR8B Political Uncertainty; the risk description has been updated to better describe the potential failures that could affect the council and draw out contributing causes. Controls and actions have also been updated, there has been no change to the rating at this time
- 6.25.** SRR9 Capital Projects; in response to the recent increase in inflation a review of the impact on capital projects has been carried out to assess affordability of the overall capital programme. The existing controls for effective governance and management of major capital projects remain in place. Each major capital scheme has its own project or programme governance in place. Additional governance mechanisms include Assets

Board and Place Board providing oversight on thematic programmes. There has been no change to the rating at this time.

- 6.26.** SRR10 HS2 Infrastructure Investment; this has previously been included as an “opportunity” rather than a “threat” on the strategic risk register. After careful review, this has been changed, recognising the considerable investment prospects which HS2 leverages, and the threat to achieving these, through a change in commitment to HS2, or failure to deliver would have significant consequences to strategic objectives. Controls and actions have been updated and the risk score reviewed, however there was no change, rating remains the highest possible.
- 6.27.** SRR11 Pandemic Virus, During the Quarter 1 review, there was a discussion around broadening the description of this risk to focus on the wider threat of pandemics post Covid-19, but this would be better informed during Quarter 2. It was noted that local wastewater sampling would begin in September. Assessments from other local authorities were reviewed, however no changes to the risk were formalised.
- 6.28.** SRR12 Fragility and Failure in the Social Care Market; the risk description has been updated to better describe the potential failures that could affect the council and draw out contributing causes. Controls and actions have also been updated and there has been no change to the rating at this time.
- 6.29.** SRR13 Reputation; there has been no change to the rating or description of this risk. Technology to enhance the monitoring and analysis of customer contact is being implemented with the first phase is anticipated to be live from October 2022. During this period, we saw particular interest and activity in the following topics:
- Great British Railway HQ bid
 - HS2
 - Road funding and maintenance (including gritting programme)
 - Homes for Ukraine scheme
 - South Macclesfield Development Area
 - Crewe Town Centre regeneration
- 6.30.** SRR14 CEC Carbon Neutral Status; world events have increased the gross likelihood and also resulted in an increase of a more material failure, increasing the net impact. Concerns have been raised over the ability of the Fleet and Heat workstreams in meeting their carbon reduction targets by 2025, putting at risk the overall objective of the council to be carbon neutral by that date.

- 6.31.** SRR15 Economy Risk; there have been no material changes to the risk, with the primary message remaining that the UK's national economic outlook remains fragile.
- 6.32.** SRR16 ICS Integration; this risk was separated from the NHS funding risk to recognise the specific challenges to the council arising from failing to establish effective and timely communication, and decision-making arrangements within the Cheshire and Merseyside ICS. This is expected to be a short-term risk.

Emerging areas

- 6.33.** As we approach the end of Quarter 2, we continue to see challenges to the organisation from increasing cost of living pressures and inflationary rises to supplies and services and expect to see further reflection on those in the quarterly assessments going forwards.
- 6.34.** The outcome of the Joint Targeted Area Inspection will be carefully considered in the review of the Increased Demand for Children's Services risk during its Q2 assessment. As will the on-going work for the planning review following the update report to the Environment and Communities Committee on 27th September.

Horizon Scanning

- 6.35.** The Institute of Internal Auditors has recently published their "On Risk"¹ report identifying their top risks for 2022. Their methodology employed qualitative interviews of 30 board members, 30 executive level employees (Chief Executives, Chief Operating Officers, etc), and 30 Chief Audit Executives from 90 different organisations in North America.
- 6.36.** The report presents the top risks as having 'universal applicability to organisations, regardless of size, industry, or type', although they do acknowledge that some organisations may have specific, key risks related to their industry or circumstances. The table below shows how they map against the council's strategic risks, listed in order of magnitude as per the report:

On Risk 2022 Key Risks	CEC Strategic Risks
Cybersecurity	Information Security and Cyber Threat
Talent Management	Organisational Capacity and Demand
Organisational Governance	Governance and Decision Making
Data Privacy	Information Security and Cyber Threat
Culture	Governance and Decision Making
Economic & Political Volatility	Political Uncertainty Economy Risk
Change in Regulatory Environment	Political Uncertainty
Supplier & Vendor Management	Governance and Decision Making

¹ [OnRisk Report \(theiia.org\)](https://www.theiia.org/)

On Risk 2022 Key Risks	CEC Strategic Risks
Disruptive Innovation	Business Continuity
Social Sustainability	Increased Demand for Adult's Services Increased Demand for Children's Services
Supply Chain Disruption	Business Continuity Governance and Decision Making
Environmental Sustainability	Climate Change

- 6.37.** Despite the sector and geographic differences between the IIA report and the strategic risk register, there is a strong level of correlation, even where some of the report's risks are more specific, e.g. supply chain disruption, there are linkages to the strategic risk register. It is positive that the organisation has already identified similar challenges as the key threats to the achievement of its objectives.

2022/23 Risk Management Approach

- 6.38.** The production of the 2022/23 Service Plans required a related Risk Register to be completed; this required services to capture what they considered the keys risks to their area and operations. These have now been reviewed and have provided insight not only into those area's challenges but also into the maturity of risk reporting.
- 6.39.** Across the four directorates, a total of 32 registers have been returned, with final versions of a further 7 awaited. A total of 297 risks were reviewed across the service level registers from all four directorates and engagement was generally high.
- 6.40.** The majority of services identified risks that focused on emerging or on-going issues, rather than identifying risks to the achievement of existing service delivery responsibilities and objectives.
- 6.41.** Where service risks registers focused on objectives, the coverage and number of risks captured was significantly more by comparison to those that focused more so on specific issues. The majority of registers included detailed information on controls.
- 6.42.** Service registers will be subject to further analysis and feedback during the year to ensure that they are revisited, updated and developed to comprehensively cover risks associated with the service's established responsibilities as well as service development and change.
- 6.43.** Analysis of the issues or to give them their correct risk designation, 'causes', within the service risk registers has provided the opportunity to understand the current, common themes across the organisation.

Common causes of risk	No. of risks	Average rating
Staff resource or structure	46	8.4
Maintaining BAU (inc. COVID-19)	39	8.3

Common causes of risk	No. of risks	Average rating
Lack of compliance with regulatory requirements	15	8.3
Failure to comply with GDPR	6	10.2

- 6.44.** The two most significant causes are not considered completely independent of each other, although there was enough distinction to separate them and obtain better insight than combining them. The following logic was used when classifying the two most common causes:

Cause of risk	Indicators
Staff resource or structure	Difficulty fulfilling positions
	Lack of required skills
	Requirement to restructure
Maintaining BAU (inc. COVID-19)	Increase in workload
	Impact of COVID-19 on productivity

- 6.45.** Regardless of the explicit issues at play, it is clear that a productivity, workload imbalance was by far the strongest theme identified. While very strongly represented, 28.6% of all risks identified, the average rating was 8.4 suggesting it was being managed to an acceptable level. Although it must be acknowledged that some areas will have rated higher than the average. Based on the nature of the areas assessed, operational, this seems like a reasonable but notable outcome.
- 6.46.** This theme is recognised in the strategic risks, SRR 6 Organisational Capacity and Demand which is rated 12 and has a target rating of 12. This indicates that the top-down view is that the risk is being managed adequately.

7. Implications

7.1. Legal

- 7.1.1. There are no direct legal implications arising from the recommendations of this report. This report provides assurance that the Council achieves its strategic aims and operates its business, under general principles of good governance, that it identifies risks which threaten its ability to be legally compliant and operates within the confines of the legislative framework.

7.2. Finance

- 7.2.1. There is no direct impact upon the MTFs from the recommendations of this update report. Costs relating to implementing risk treatment plans are included within service budgets. The need to provide financial security against the impact of risks is considered on a case-by-case basis and either included within specific budgets within the MTFs or considered under the overall assessment of the required level of General Reserves as part of the Reserves Strategy.

7.3. Policy

7.3.1. Cheshire East Council has adopted the Risk Management Framework approved by Cabinet in June 2020. Risk management is integral to the overall management of the authority and, therefore, considerations regarding key policy implications and their effective implementation are considered within departmental risk registers and as part of the risk management framework.

7.4. Equality

7.4.1. There are no direct implications arising from the recommendations of this update report.

7.5. Human Resources

7.5.1. There are no direct implications arising from the recommendations of this update report

7.6. Risk Management

7.6.1. This report relates to overall risk management and provides the Corporate Policy Committee with awareness of the most significant risks facing the Council, where strategic risks are emerging and assuring the Committee on how these are being managed.

7.7. Rural Communities

7.7.1. There are no direct implications arising from the recommendations of this update report.

7.8. Children and Young People/Cared for Children

7.8.1. There are no direct implications arising from the recommendations of this update report.

7.9. Public Health

7.9.1. There are no direct implications arising from the recommendations of this update report.

7.10. Climate Change

7.10.1. There are no direct implications arising from the recommendations of this update report.

Access to Information	
Contact Officer:	Josie Griffiths Head of Audit and Risk Management Email: Josie.Griffiths@cheshireeast.gov.uk
Appendices:	Strategic Risk Register – Appendix A
Background Papers:	None

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Risk Ref: SR 1A		Risk Name: Increased Demand for Adult Services	
Risk Owner: Executive Director of Adults, Health, and Integration		Risk Manager: Executive Director of Adults, Health, and Integration	
Risk Description: An increase in demand for adult social services that cannot be met within the existing budget			
<p>Since the COVID-19 pandemic the demand for adult social care has increased in both volume and complexity. There is currently a historically high demand for services from young adults right through to the elderly. This has been caused by an overall decrease in national adult health and wellbeing.</p> <p><u>Detailed consequences:</u> A failure in one area of social care, either internal or external to the council, has knock-on effects and increases pressure on other services. This can cause an on-going downwards trend in adult health and wellbeing. In addition, the council may fail in its duty of care and its objective of supporting its most vulnerable individuals. Specific failures that have been seen are a reduction in preventative measure and early intervention, which ultimately increase demand. Increased pressure on practitioners causes stress related issues and reduces the appeal of working in the sector.</p> <p><u>Detailed causes:</u> Due to the additional wellbeing pressures placed on residents, council staff, third-party providers and the NHS, the volume and complexity of demand for adult services has increased materially. As have political factors such as changes in legislation and resettlement agreements. Due to several different socio-economic factors recruitment and retention of staff is difficult resulting in increased use of agency staff.</p>			
Gross Risk Assessment:		Net Risk Assessment:	Target Risk Rating:
Impact = 4 Likelihood = 4 Rating = 16		Impact = 4 Likelihood = 4 Rating = 16	Impact = 3 Likelihood = 3 Rating = 9
Interdependencies (risks): NHS Funding Pressure, Financial resilience, Fragility in the social care market			
Comments this quarter: Risk description updated, no change to the risk, still at the highest possible rating.			
Actions (Monitoring):			
ASC/ Commissioning and Communities, together with Public Health one Directorate continuing to work jointly to respond to challenges pertaining to prevention, health inequalities and our workforce.			
ASC/Commissioning and Communities developed a Standard Set of Fit for the Future Contracts – that set out specific measurable outcomes pertaining to each service area in driving prevention and key performance indicators that test the providers ability to retain a viable and sustainable business in responding to a population of changing need – higher levels of resident satisfaction and improved control.			
Continue to monitor and review preventative and support service activity.			
Continue to develop improved monitoring of people’s outcomes			
Improved utilisation of public health JSNA and wider regional data sets informing future commissioning plans.			
Develop engagement with community groups and 3rd sector.			
Strengthen liquid logic and contract solutions to better map trend and demand.			
To monitor and review thresholds and gatekeeping processes.			
Review and strengthen partnership working with wider agencies.			

Risk Ref: SR 1A	Risk Name: Increased Demand for Adult Services
Restructured teams to ensure better integration with key partners.	
Continue to engage with leaders across teams – informing and influencing change.	
Continue with Connecting Leaders – through strong forward thinking visible leadership.	
Continued engagement with people who access services and the involvement of Healthwatch and independent advocacy	
Proactive engagement with the new Integrated Care Partnership (includes health partners)	
Ongoing response measures to COVID 19 pandemic	
Maintaining Business Continuity across inhouse and external providers.	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • ASC/Commissioning and Communities is engaged in the facilitation and forward planning of market engagement events, so to keep providers / people informed of preventative change as we progress with our People Live Well, for Longer Transformation Programme of Work. • ASC/Commissioning have in place a robust Contracts and Quality Monitoring Policy Framework – that makes clear – how quality is monitored in a person-centred way with a vast range of partners, when to activate a suspension protocol working with care quality commission and when/ how we are decommissioning services – keeping people at the centre of decision making regarding any service disruption or period of market failure. • ASC/Commissioning operate a monthly quality monitoring partnership forum that includes Police, Safeguarding, Care Quality Commission, ASC operations, Legal, CCG's and ASC lead commissioner – in the ongoing monitoring of quality and reporting and alerting of risk escalation that can be effectively managed – reports into relevant DMT's and Safeguarding Board. • ASC/Commissioning hold a provider risk register whereby we monitor and review risk pertaining to specific providers as part of our role working with Care Quality Commission pertaining to Market oversight. • ASC/Commissioning care sourcing/brokerage team support service and a local area co-ordination services- supporting vulnerable people to access wider community/ third sector services and wider more universal offers – diverting people away from care where appropriate. • ASC/Commissioning finance and planning resource allocation system to promote and engage more people to take direct payments and will enable people to identify against changing needs – an indicative robust budget thus reducing people reliance on traditional models of care. • ASC/Commissioning preventative policy framework that standardise of approach to prevention across adult social care “front door – whereby people will be directed away from traditional services towards a more empowering community solution, those accessing services will be fully assured working with providers – what our clear aim, vision and intentions are over the next three years. • ASC/Commissioning provider financial self-assessment accreditation tool – to assist with the monitoring and management of potential uplift and or additional funding. This will ensure that funding is robustly based on clear evidence, against demand / trends in market development and impact on provider/ council and people accessing the service. • ASC/Quarterly staff engagement groups are developed through leadership forums so to keep people informed and abreast of change as we progress to respond to demand and growth in the sector. Services operate regular staff conferences to address service specific developments and challenges. • ASC/Commissioning are involved in the North-West regional and local programme of work pertaining to health and care staff recruitment, retention, and selection – resulting in a robust career path being developed with key partners and in being clear pertaining to local strategy. • ASC/Commissioning influencing and working with Cheshire CCG pertaining to development of ICS and ICP plans • ASC/Commissioning/communities have developed a robust and responsive policy framework (People Helping People) with a vast range of third sector providers – thus reducing demand on adult social care. 	

Risk Ref: SR 1A	Risk Name: Increased Demand for Adult Services
<ul style="list-style-type: none"> • To continue to develop with Children/families services joint commissioning and cross department work with adults – whereby risks can be better reduced together through a new joint commissioning management monthly working group. • ASC/Commissioning monitor performance and demand against capacity to ensure service meets demand where possible, developing robust action plans for service/market failure. • ASC performance monitoring reported on regular basis to CLT and Adult and Health Committee • Additional risks escalated as appropriate. 	
Lead Service Committee: Adults and Health Committee	

Risk Ref: SR 1C	Risk Name: Increased demand for Children’s Services	
Risk Owner: Executive Director of Children’s Services	Risk Manager Children’s Services Directorate Management Team	
<p>Risk Description: That Cheshire East’s local social, economic and demographic factors, including the impact of the pandemic, lead to an increase in the level of need and demand for children’s services, resulting in the capacity of the council’s systems relevant to these areas being unable to continue to respond/ absorb the pressures presented. Nationally and locally, there are challenges recruiting and retaining staff within specific areas of children’s services, which is resulting in higher-than-average caseloads.</p> <p>There is a risk that this could result in children experiencing delays in receiving support leading to escalation of need and increased risk of poorer outcomes - including risk of harm and risk to life, a lack of continuity of workers for children and young people, and increased costs to the council. There is also a risk that if the number of cared for children and young people increase, or if the complexity of children’s needs increases, or the availability of placements decreases, this could result in increased pressure on placements, which could lead to difficulty providing the right homes for children and increased financial cost to the council.</p> <p>There is a risk that the demand for education placements for children and young people with special educational needs and/ or disabilities (SEND) outstrips the number available in the borough, leading to children and young people needing to travel further, increasing travel costs, and requiring the use of more expensive provision. Changes proposed in the SEND Review could also have an impact on pressures within the SEND service if significant changes are required to working practices. This would mean that we would not achieve the council’s desired outcomes for children and young people.</p>		
<p>Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16</p>	<p>Net Risk Assessment: Impact = 4 Likelihood = 3 Rating = 12</p>	<p>Target Risk Rating: Impact = 3 Likelihood = 3 Rating = 9</p>
<p>Interdependencies (risks): This risk shares an interdependency with the risk relating to demand to adult social care and health services. If NHS services experience an increase in demand this could impact on demand to children’s services or could impact on the quality of support delivered by children’s services, as services rely on health input to ensure children’s needs are assessed and met. The same social, economic and demographic factors will also impact on the demand to adult and health services so it is possible that both risks would escalate at similar points. This risk is also affected by the risk to the council’s financial resilience and lack of certainty about future funding, as increased funding may be required to enable services to meet increased demand. If the risk as a result of increased demand is not effectively managed, this could cause damage to the council’s reputation.</p>		
<p>Comments this quarter: Net score increased due to recruitment difficulties which are impacting service delivery.</p> <p>Demand to services is not increasing, which suggests that we have effective processes in place to prevent need from escalating and ensure children, young people and families receive the right support at the right time. However, due to difficulties with recruitment and retention, some teams within SEND and children’s social care are experiencing higher caseloads than we would want, which is impacting on our ability to deliver timely services to children, young people and families at the high quality we aspire to. This is also impacting on capacity to deliver transformational, innovative and invest to save work, as when capacity is limited, we are required to focus on delivering statutory services.</p> <p>Caseloads for social work teams were raised in our recent joint targeted area inspection of child criminal exploitation; some social work teams are carrying 25% vacancies as recruitment is proving very challenging. Whilst these vacancies are covered in the interim by agency staff, difficulties with recruitment and retention is being experienced nationally - but an established and experienced workforce is crucial in delivering effective support to children and young people. Children’s services are working together with HR to develop a refreshed recruitment and retention strategy to address this. The Executive Director of Children’s Services is co-leading a regional</p>		

Risk Ref: SR 1C	Risk Name: Increased demand for Children’s Services
Cheshire and Merseyside workstream to look at regional solutions to recruitment and retention within children’s services. We are participating in the DfE’s delivering better value (DBV) programme to support the council to achieve a more sustainable financial position in relation to SEND. Delivery of our improvement plan in response to the findings from the joint targeted area inspection will also require significant resources which will impact on our capacity to deliver other work.	
Actions (Monitoring):	
Continue to deliver our Sustainable Futures Strategy and improve the quality of social work practice. (Review through new ED led Children’s Transformation Board, and quarterly as part of the audit of quality of practice)	
We are exploring expanding our in-house residential provision and fostering sufficiency, learning from North Yorkshire’s ‘No Wrong Door’ model. We have been granted a small amount of innovation seed funding to support developing this model locally. (Children’s Transformation Board to be developed to monitor progress in this area)	
Develop and launch a new partnership Early Help Strategy to support good quality early help and prevention services. (Progress against the strategy to be reviewed on a quarterly basis by the Early Help partnership. Impact on practice reviewed quarterly as part of the audit of quality of practice)	
Continuing to support vulnerable children and young people through the Household Support Fund and the Holiday Activity Fund. (Impact reports are produced on a regular basis)	
Continue to deliver the High Needs management plan to manage demand to SEND and the financial impact of demand. (Progress against the plan reviewed on a quarterly basis by the SEND management group)	
Participation in the DfE’s delivering better value (DBV) programme to support the council to achieve a more sustainable financial position in relation to SEND.	
Deliver specialist training to educational settings and other services to ensure professionals are skilled at providing SEN Support. (Progress reviewed on a quarterly basis by the SEND management group)	
Continue to increase SEND provision in Cheshire East. (Reviewed quarterly)	
Continue to develop Bespoke Children’s Homes and Mockingbird fostering model. (Reviewed quarterly through the Fostering Development Board and Social Care Leadership meetings)	
Cheshire and Merseyside workstream to look at regional solutions to recruitment and retention within children’s services. (Reviewed by workstream group)	
HR and service areas are working together to develop a refreshed recruitment and retention strategy. (Directorate management team meetings)	
Key Mitigating Controls:	
<ul style="list-style-type: none"> • In 2021/22, the council committed to growth bids for Children’s Social Care, and for increased capacity in the SEND service to meet the continuing demands of the service. Additional business cases were agreed within the Medium-Term Financial Strategy for further funding from 2022 onwards in these two areas to continue to meet the rising demand • We are closely monitoring the demand to services and the reasons that are driving demand so that we can be responsive and mitigate any risks to service delivery. Performance is monitored on a monthly basis by services. The Children and Families quarterly scorecard is reviewed at the Children and Families Committee and the Safeguarding Review meeting attended by the Chief Executive and Lead Member for Children and Families. The Safeguarding Review meeting includes discussion of workforce pressures and risks • The Early Help Brokerage Service was established in October 2015 to ensure demand for low level cases are appropriately allocated, reducing the demand on the Children’s Social Care team in the front door • We have a range of support available to families through early help and prevention services, including council, partner, voluntary, community, faith sector and commissioned services. These services support families and help prevent needs from escalating and requiring higher level intervention. We are continuing to develop our service offer through developing our partnership working and joint commissioning. We are currently reviewing our Early Help Strategy to ensure that we continue to strengthen our partnership offer moving forwards 	

Risk Ref: SR 1C	Risk Name: Increased demand for Children’s Services
<ul style="list-style-type: none"> • The Cheshire East Safeguarding Children’s Partnership and the 0-25 SEND Partnership Board meet on a regular basis and are sighted on changes to demand for services so there can be a partnership approach to meeting children and young people’s needs • A strategy is in place to ensure only the right children come into care; this approach will reduce demand to Children’s Social Care services • Our partnership Neglect Strategy was launched in July 2021 to ensure children at risk of neglect are identified early, which will reduce higher cost demand at a later stage • A strategy is in place to manage increasing demand and reinforce SEN Support in settings through our ‘Access to SEND Services’ strategy • A robust governance structure is established for SEND. A new SEND strategy was launched in November 2021 which is driving the continued improvement of support to children and young people with special educational needs and disabilities • Significant investment in local SEND provision to meets children’s needs more locally but also reduce dependency on high-cost independent school placements • We are reviewing the early intervention support to children prior to the request for an education health and care plan to ensure children and young people get the right support at the right time to prevent needs from increasing • High needs management plan in place to monitor the impact of demand to SEND services on financial pressures and monitor the delivery and impact of mitigations that have been put in place • We have supported children and young people who were most vulnerable through the pandemic through the Covid Grant Scheme/ Household Support Fund and the Holiday Activity Fund • We are developing our in-house placement options through our Bespoke Children’s Homes and Mockingbird fostering model 	
Lead Service Committee: Children and Families Committee	

Risk Ref: SR 2		Risk Name: NHS Funding	
Risk Owner: Executive Director of Adults, Health and Integration		Risk Manager: Director of Commissioning	
Risk Description: An NHS funding deficit reduces their health service delivery and places additional strain on the council's provision of adult social care			
The ability to meet the council's target of residents living well for longer can only be achieved by an effective and comprehensive joint programme of health and social care services.			
Detailed consequences: Additional pressure on social care may be realised in diverse and unexpected ways due to the complex and volume of interactions between the two services. Their symbiotic relationship means that one partner under or over performing has a corresponding effect on the other. An effective relationship would see reductions in health inequality and reduce the requirement for long-term care.			
Potential causes: A funding deficit would be caused by a mismatch in resource and demand. The relatively poor levels of national public health and wellbeing following the pandemic and limited expectations for economic growth are potential drivers of a mismatch. Ultimately however NHS funding is a political decision, currently an area of uncertainty.			
Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16		Net Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16	Target Risk Rating: Impact = 4 Likelihood = 3 Rating = 12
Interdependencies (risks): Increased demand for Adult's Services, Increased demand for Children's Services, Financial Resilience, Pandemic Virus			
Comments this quarter: NHS funding risk has been split out from the integration of the ICS risk; description updated but no change to the rating. The lack of mental health beds this quarter has resulted in service users being placed outside of the borough. This increases the administrative burden required to support each individual. From September 1st this year the NHS being asked to reduce the number of beds which will add additional pressure to social care services.			
Actions (Monitoring):			
To continue to be a key player in the development of the integrated care system at a regional and local level (Adults and Health Committee)			
Key Mitigating Controls:			
<ul style="list-style-type: none"> • A Health and Wellbeing Board is established with representation from Clinical Commissioning Groups and the Council, which provides a forum for these challenges to be addressed at a strategic level. In addition, a Cheshire East Partnership Board has been created where system leaders are looking at integration and how to make the system more financially sustainable to achieve better outcomes for the residents of the Borough. • Contract clauses are in place to address cessation of service and performance management arrangements should any failing performance materialise. • Partnership working is in place and commissioning is informed through the JSNA. The H&WB is working with Cheshire Fire and Rescue, NHS and other partners on various schemes of intervention and prevention which are intended to decrease demand. The Adults, Health and Community Directorate has introduced a new model for helping people to retain control and maintain their independence and reduce additional strain on services. • The Cheshire East Integrated Care Partnership has been in place since October 2020 and is developing implementation plans across a number of work streams designed to achieve quality improvement and financial efficiencies across the system. 			
Lead Service Committee: Adults and Health Committee			

Risk Ref SR3		Risk Name: Financial Management and Control	
Risk Owner: Executive Director of Corporate Services		Risk Manager: Director of Finance and Customer Services (s151 Officer)	
Risk Description: Ineffective financial management and controls, such as a lack of oversight by properly strained staff, leads to misleading financial information and inadequate protection of Council funds. The Council's balanced funding position may not be spent in-line with approved plans and lead to poor decision making, fraud or error and a failure to adequately fund essential services to residents.			
Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16		Net Risk Assessment: Impact = 3 Likelihood = 3 Rating = 9	Target Risk Rating: Impact = 3 Likelihood = 2 Rating = 6
Interdependencies (risks): Economy, External Funding			
Comments this quarter: Risk description updated, no change to the ratings, further updates reflect ongoing roll-out and improvements within Unit 4.			
Actions (Monitoring):			
Training and briefing to Councillors (Committee Work Programmes)			
Education and training on Finance and Contract Procedure rules for Officers and Councillors (Committee Work Programmes)			
Roll-out of Unit4 self-serve requirements (Finance Service Plan)			
Action Plan on adherence to FM Code (Finance & Customer Services Departmental Plan)			
Engagement with government departments related to financial models and consultation (Finance sub-committee work programme)			
Key Mitigating Controls:			
<ul style="list-style-type: none"> • Financial planning arrangements include preparation by the finance team, in liaison with senior operational managers, of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice • Use of quality financial systems, with appropriate training and subsequent audit of their effectiveness to provide management and control of the Council's finances • Balanced budget to put into effect the council's service plans for the forthcoming year, matched by available funding and including a risk assessment of the adequacy of general reserves • MTFs sets out how the Council will deliver the Council's corporate plan including identification of budget gaps • Use of a report format and report clearance process which ensures provision of relevant information on financial impact and risk exposure to the decision makers. • Clear and effective communication of changes or updates to Finance and Contract Procedure Rules • Sources of specialist advice and guidance • Budget monitoring, comparing actual performance against approved budget, is undertaken throughout the financial year and reported to service committees. • Outturn reporting and audit of statements supports in-year monitoring and future year planning • Risk-based approach to the use of reserves, identifying appropriate reserve levels and ensuring that reserves are not depleted without first identifying a strategy to restore them to risk-assessed levels during the MTFs period. • Where a residual deficit is forecast, a number of actions will be explored including: <ul style="list-style-type: none"> ○ use of any service or non-specific underspends to offset pressures elsewhere within the budget ○ accessing external funding ensuring compliance with any funding conditions ○ use of reserves 			

- use of general balances
- Treasury management strategy to manage the council's cash flows, including an investment strategy focused on the security of principal sums and a borrowing strategy to manage interest payable and other charges
- A capital strategy that prioritises capital investment programmes, identifies the financial impact of investment in schemes and limits the amount of unsupported borrowing to be taken

Lead Service Committee: Corporate Policy Committee

Risk Ref: SR4		Risk Name: Information Security and Cyber Threat	
Risk Owner: Executive Director of Corporate Services		Risk Manager: Head of Information Communication Technology and CIO	
Risk Description: (Cause) There is a risk that as the Council continues to move towards using new technology systems to reduce costs and fulfil communication, accessibility, and transaction requirements, (threat) it becomes increasingly vulnerable to a security breach, either maliciously or inadvertently from within the Council or from external attacks by cyber-criminals. (Impact) This could result in many negative impacts, such as distress to individuals, legal, financial, and reputational damage to the Council, in addition to the possible penetration and crippling of the Council's IT systems preventing it from delivering its Corporate Outcomes.			
Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16		Net Risk Assessment: Impact = 3 Likelihood = 4 Rating = 12	Target Risk Rating: Impact = 3 Likelihood = 4 Rating = 12
Interdependencies: This risk has interdependencies with corporate risk SR5 Business Continuity and SR13 Reputation. It also has links to the Financial Resilience risk, as funds for maintenance and replacement will be stretched, placing additional strain on assets and resilience of information security controls.			
Comments this quarter: The Council has secured a new tier of Microsoft licences, these will give ICT greater understanding and visibility of activity within the infrastructure. This will allow the technicians to analysis inappropriate activity and also provide some level of automation to close down vulnerabilities as they occur. The Council continues to receive a large volume of targeted threats against its workforce, training and the enhanced capabilities will be key to prevent these vulnerabilities being exploited. Work has commenced on a plan to realise the benefits from the High Level Business Case for Security and Compliance. A specialised company Info-Tech has been procured to direct the council so any planning is in line with best practice and is directed at the most vulnerable technology domains. There is ongoing activity around security governance and a security focussed operations group to strengthen the council's position on cyber security. The work will also encompass strengthening links with corporate and information governance.			
Actions (Monitoring):			
Review policies and guidance materials to strengthen advice to staff on how to manage various information types (Annual review)			
Continue with education and communication programme (Published guidance can be reviewed and completion data is logged via the publishing platform)			
Update to WLT on cyber security and the recommendation of the insurance assessment (CLT Committee)			
Undertake regular compliance reviews (External reviews including the annual PSN assessment)			
Simplify and consolidate the ICT infrastructure (TDA runs on a weekly basis to ensure that solution adhere to ICT principles of standardisation)			
Reduction of the information storage, removal of duplicates information and validate that the asset register is being adhered to (The Information Asset Register (IAR) is continually under review, the Records Management Team contact services via the Virtual Information Governance Group to request the services review their areas on the IAR. Services voluntarily contact the team to make amendments)			
Roll-out the revised/ updated e-learning (Published guidance can be reviewed and completion data is logged via the publishing platform)			
Enhancement of the Data Classification and technical controls to further protect information, project has re-scope with the introduction of e% licensing (Peer review)			
Enable Data Quality consistency across multiple service areas. Master Data Management which will standardise the format and structure of corporate data fields which are prevalent across the Authority relating to Resident, Employee, Address and Business Records. Phase 1 MDM scheduled live date end of December (use of and assessment against the IADM national data quality standards)			
Key Mitigating Controls:			

Risk Ref: SR4	Risk Name: Information Security and Cyber Threat
<ul style="list-style-type: none"> • The CIO is an advocate of and reports on Information Risk to the Corporate Leadership Team and the Audit and Governance Committee and makes the Annual Statement of Internal Control of Information Risk. • The Council has a number of Information and Data Security policies which are published on the Centranet and help to protect from the Council from inappropriate and unauthorised access and communicates what to do in the case of an incident. • Progress on Information Risk and Information Security is monitored through the Strategic Information Governance Group (SIGG), Operational Information Governance Group (IGG) and the Virtual IGG Task and Finish Group. • The Council has an Incident Reporting process which has been communicated to staff, all incidents are scored and assessed by IGG to ensure that the breaches are minimised, and future breaches are reduced. • The Council complies with the Public Services Network PSN Code of Connection, NHS Data Security and Protection Toolkit, DWP's MOU and NHS Digital controls, work continues with the consolidation and enhancement of elements of the security estate to meet the ever-developing threat profiles. This includes third party IT hardware and software tests undertaken by accredited security vendors, these validate that the network and hardware are secure and robust, if any vulnerabilities are found then a mitigation plan is drawn up and actioned. • The Council has an Information Asset Register which is reviewed on an annual basis and has been published on the open data portal. • There is also an Information Assurance Data Management (IADM) programme of activity to increase awareness and maturity of information assurance and governance across the Council. The programme is tasked with guiding the organisation to manage its information in a compliant and efficient way. • Data Classification has been rolled out to the organisation; this allows the categorisation of information so that appropriate controls can be employed to protect the information. • The Council provides security and compliance e-learning courses (which are mandatory for all employees) on the Learning Lounge and Metacompliance portal. This includes several modules of Data handling, Security, and Information Assurance. • Controls are in place to restrict access to the data centres and network equipment and risk assessments of existing systems and networks are on-going. • The Council has a Data Protection Officer who assists in ensuring compliance with GDPR and to specify the procedures to be adopted. • The Council's ICT Services have a strategic direction to move to a "Cloud First" principle, whilst this enables an evergreen environment which is always up to date, additional controls are needed to prevent compromise or inappropriate use and access. This includes contract compliance and monitoring to ensure ongoing protection of information. In addition, the Council is looking to move to Zero Trust architecture, this is a direct result of increased threats posed to the working infrastructure. This shift is in line with the latest thinking and guidelines issued by the NCSC. In support of this a high-level business case was submitted and subsequently approved. This additional funding will be used to develop the necessary tools to start the implementation. • An assessment was completed using the Council's insurance broker to understand current and future risks and whether any risks needed treating or could be offset through insurance cover. 	
Lead Service Committee: Corporate Policy Committee	

Risk Ref: SR 5		Risk Name: Business Continuity	
Risk Owner: Executive Director of Corporate Services		Risk Manager: Head of Audit & Risk	
<p>Risk Description: Failure to maintain business continuity after an unusual or unexpected, disruptive event or events</p> <p>The risk that, some or all, of the council's services, projects or initiatives are unable to resume operations within the expected timeframes after a disruption. A disruptive event, or multiple events, may occur either in isolation, or across the whole organisation.</p> <p>Detailed consequences: The council has a number of safeguarding obligations to its residents, a failure could result in it being unable to fulfil those obligations, and as such not protect them from mental or physical harm. Failures may also cause an unacceptable loss of local services.</p> <p>Detailed causes: The unavailability of staff, ICT systems, equipment or a suitable working environment are the most common causes of a material failure. Many different social, economic, environmental or public health factors can drive these causes to manifest themselves. Underlying this may also be a failure to reasonably allocate resources to eliminate single points of failure in these areas.</p>			
<p>Gross Risk Assessment: Impact = 4 Likelihood = 3 Rating = 12</p>		<p>Net Risk Assessment: Impact = 3 Likelihood = 3 Rating = 9</p>	
<p>Target Risk Rating: Impact = 3 Likelihood = 2 Rating = 6</p>			
Interdependencies (risks): Information Security and Cyber Threat, Pandemic Virus, Fragility in the Social Care Market, Council Funding, Organisational Capacity & Demand			
Comments this quarter: Risk description, interdependencies and timescales for actions updated, no change the rating. Agency resource has been obtained and assessment of future software solution options will be undertaken ahead of current contract expiry.			
Actions (Monitoring):			
Co-ordinate refresh of BC plans with specific focus on ICT systems (One off action)			
Review and refresh of the Business Continuity Framework (2-year review cycle)			
Development of training materials on Learning Lounge to support staff training and awareness (2-year review cycle)			
Introduce moderation of BC plans across a working group for internal challenge and support			
Work with Emergency Planning to hold regular scenario testing			
Assessment of BC software with ongoing organisational needs			
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Implementation of Clearview; Business Continuity Software for business continuity planning; Clearview provides the process in an easily understandable format to identify critical and serious priority activities • Executive Directors, Directors and Heads of Service have received training in developing Business continuity plans First round completed Feb 2020 • Awareness raising campaign by undertaking a Cyber Attack • Awareness Exercise and fire in a public building (in addition to emergency planning colleagues and also included a community flooding and a fire scenario which had business continuity implications and the council's response) with colleagues from across various areas of the Council • The Clearview system enabled staff to review and revise their BC plans for both Departmental and Service Level Plans with relevant templates for appendices (in line with the structure formats) 			

Risk Ref: SR 5	Risk Name: Business Continuity
<ul style="list-style-type: none">• All BC plans were uploaded to the system by March 2020 and have been asked to review in light of second wave COVID• High level course on Business Continuity Management has been added to the Council’s Learning Lounge• ICT Shared Service also have a Crisis Recovery Plan that has been updated to take account of lessons learned as a result of ICT outage incidents. This Crisis recovery plan overview contains key information for the ICT Shared Service disaster recovery• A corporate business continuity plan has been developed and is contained within Clearview	
Lead Service Committee: Corporate Policy Committee	

Risk Ref: SR 6		Risk Name: Organisational Capacity and Demand	
Risk Owner: Executive Director of Corporate Services		Risk Manager: Head of HR	
Risk Description: Local demographic and external factors (including COVID and EU Exit) lead to increasing and changing demands on services. This, combined with ongoing financial pressures, an ageing workforce, staff turnover and skills shortages in key areas of the workforce, result in insufficient capacity and an inability to retain or attract staff. This results in a detrimental impact upon physical, emotional and mental wellbeing of staff, and impacts negatively on the Council's ability to deliver all of its intended objectives and outcomes. Recent increases to the cost of living also present risks to the resilience and wellbeing of our workforce and therefore the capacity to respond to demand.			
Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16		Net Risk Assessment: Impact = 4 Likelihood = 3 Rating = 12	
Target Risk Rating: Impact = 4 Likelihood = 3 Rating = 12			
Interdependencies (risks): Business Continuity, Pandemic Virus, Increased demand for Adults Services, Increased demand for Children's Services, Financial Resilience			
Comments this quarter: Gross scores remain the same, the labour market nationally remains challenging and additional pressures are being seen from the increases to the cost of living. Staff continue to work flexibly, alongside designing a future hybrid way of working. The development of a recruitment and retention is underway, with targeted actions to address any identified workforce gaps.			
Actions (Monitoring):			
Revised Council wide Workforce Strategy and Directorate /Service Workforce Plans (3-year strategy then rolling coverage and review)			
Equality, Diversity and Inclusion Strategy (3-year strategy then rolling coverage and review)			
Recruitment and Retention Strategy (3-year strategy then rolling coverage and review)			
Key Mitigating Controls:			
<ul style="list-style-type: none"> In terms of the demand, work planning in advance has been improved. Significant increases in work pressures are being raised in advance, so that additional resource can be sourced for commissioned work. Improved HR data is being used to identify potential issues and service workforce plans developed to mitigate. The apprenticeship levy and talent management and succession planning frameworks are under development to help mitigate Work on a recruitment and retention strategy progresses at pace to put in place any additional measures available to attract staff to those areas that have identified gaps. This is alongside consideration being given to identifying controls and support that can be provided to retain existing staff Ongoing work to reduce work on reliance on agency staff, for a more stable permanent workforce base and reduced costs A range of comprehensive measures are in place to support staff wellbeing and resilience and additional measures to offset cost of living pressures are being considered. Labour markets are now seeing significant movement due to the impacts of Covid19, including the end of the furlough scheme. Locally, there are particular pressures, for example, on the care sector, social workers, planning and ICT with some neighbouring authorities are offering higher salaries which impacts on staff retention Agency staff are not always available to fill the roles. Additional work programmes and recruitment campaigns are also in place for areas such as Care4CE and social work Redeployment of staff is being considered where services are stretched and agency staff are not available The council is moving to agile working as a permanent feature of future ways of working, which may attract a wider pool of candidates. Alongside service workforce plans, a recruitment and retention strategy is under development to ensure the Council addresses identified shortfalls with agreed actions and service specific solutions The Head of HR considers that the measures reduce the likelihood but not the impact 			

Risk Ref: SR 6	Risk Name: Organisational Capacity and Demand
Lead Service Committee: Corporate Policy Committee	

Risk Ref: SR 7		Risk Name: Council Funding	
Risk Owner: Executive Director of Corporate Services		Risk Manager: Director of Finance and Customer Services (s151 Officer)	
Risk Description: Significant detriment to the Council's funding streams as a result of changes to grant funding, reductions in the collection of council tax, business rates or fees and charges and changes in the local economic circumstances increase pressure on the Council's financial position and ability to deliver corporate priorities within the planned medium term financial strategy.			
Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16		Net Risk Assessment: Impact = 4 Likelihood = 3 Rating = 12	
Target Risk Rating: Impact = 3 Likelihood = 2 Rating = 6			
Interdependencies (risks): Financial Management and Control			
Comments this quarter: Funding is being received in line with forecasts within the MTFS. In-Year financial pressure gives ongoing cause to liaise with government on the appropriateness of grant funding			
Actions (Monitoring):			
Engage with consultation on changes to local government financing (CLT and appropriate committee(s) as appropriate)			
Review compliance with Financial Management Code (CLT and appropriate committee(s) as appropriate)			
Key Mitigating Controls:			
<ul style="list-style-type: none"> Financial planning arrangements include preparation by the finance team of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice Balanced budget to put into effect the council's service plans for the forthcoming year, matched by available funding and including a risk assessment of the adequacy of general reserves Monitoring of grant funding formula, and engagement with consultants and government representatives to enhance local forecasting. 			
Lead Service Committee: Corporate Policy Committee			

Risk Ref: SR 8A		Risk Name: Governance & Decision Making	
Risk Owner: Executive Director of Corporate Services		Risk Manager: Director of Governance and Compliance	
<p>Risk Description: Failure to develop a robust corporate governance infrastructure and ensure aligned decision-making throughout the organisation</p> <p>The council is a complex public sector organisation with a broad range of objectives, some of which it is legally obligated to deliver, others are identified within its Corporate Plan. Formal reporting and decision-making within the council is prescribed by local authority regulation. The decision-making process at all levels, must comply regulatory requirements while also delivering those stated objectives.</p> <p>Detailed consequences: Without a robust system of regular reporting, oversight and challenge, stated objectives may not be delivered. Ultimately this can result in a reduction of living standards, physical health and mental wellbeing of residents. Failure to provide a reasonable level of service to residents, or to follow legal decision-making protocols, can result in regulatory intervention. Possible outcomes may be public censure, financial penalties or central government intervention.</p> <p>Detailed causes: The volume and complexity of the council’s services and objectives, coupled with finite resources and differing stakeholder views, make the application of the Corporate Plan into ‘good’ decision-making a challenge. Interpretation of ‘good’ decision-making is likely to be inconsistent throughout the organisation without a holistic approach to reporting. Without comprehensive vertical reporting, senior management cannot effectively challenge and drive positive change in their areas of responsibility.</p>			
<p>Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16</p>		<p>Net Risk Assessment: Impact = 3 Likelihood = 3 Rating = 9</p>	
<p>Target Risk Rating: Impact = 2 Likelihood = 2 Rating = 4</p>			
Interdependencies (risks): Financial Resilience, Reputation, Capacity and demand, Political uncertainty			
Comments this quarter: Risk description updated but no change in the rating, controls and actions also updated.			
Actions (Monitoring):			
Constitution update (Annual review)			
Decision making records, reports and delegations (Post each committee cycle)			
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Council’s Constitution covers decision making processes, including finance and contract procedure rules. Following the change to Committee system, mechanisms are in place to capture learning form the use of the committee system from Members (Constitution Working Group) • Constitution is a publicly available document; guidance on the use of the decision-making processes is provided by enabling services including Legal, Finance, Democratic Services, and Audit and Risk • Reports to Committees are developed and reviewed by senior officers and enabler sign off, briefings are arranged with Committee Members to address any further knowledge requirements ahead of the relevant meeting • Schemes of delegation; local and financial are in place to provide clarity on responsibilities ensure separation of duties is in place where required, and minimise the risk of management override • Assurance mechanisms on the organisations’ compliance with its decision-making processes are provided through the external audit (Statement of Accounts) and the work of the internal audit team. There are other external inspections, such as Ofsted, which may examine elements of our decision-making processes through their work, although this I not usually the primary focus 			

Risk Ref: SR 8A	Risk Name: Governance & Decision Making
<ul style="list-style-type: none">The organisation publishes an Annual Governance Statement identifying significant governance issues which have occurred, any known areas which may cause issues if not managed effectively and updates on issues previously identified	
Lead Service Committee: Corporate Policy Committee	

Risk Ref: SR 8B		Risk Name: Political Uncertainty
Risk Owner: Corporate Leadership Team		Risk Manager: Corporate Services
Risk Description: Failure to anticipate and manage local and national political uncertainty		
<p>The Corporate Plan guides the council’s decision-making, it informs what is considered a ‘good’ outcome and areas of priority. Political changes may result in stakeholders no longer being aligned with that current plan. Central government policy decisions can materially impact the council in many ways, while other risks might draw out specific changes and capture their direct impact, this risk brings together the total effect of political uncertainty for consideration.</p> <p>Detailed consequences: Unplanned changes in priorities or the introduction of new goals are likely to result in a budgetary overspend or previously agreed targets not to be met. A high level of uncertainty can create confusion, increased administrative overhead or delay planned initiatives.</p> <p>Detailed causes: The ever-changing social and economic situation in the UK and globally can result in swift changes in political views, leadership, public sentiment or regulatory requirements. National macroeconomic factors, such as interest rates and productivity, are key drivers of uncertainty.</p>		
<p>Gross Risk Assessment: Impact = 4 Likelihood = 3 Rating = 12</p>	<p>Net Risk Assessment: Impact = 4 Likelihood = 3 Rating = 12</p>	<p>Target Risk Rating: Impact = 3 Likelihood = 2 Rating = 6</p>
Interdependencies (risks): Reputation, Council Funding		
Comments this quarter: Risk description updated to better describe the potential failures that could affect the council and draw out possible causes. No change to the rating at this time, controls and actions also updated.		
Actions (Monitoring):		
System for briefing and information exchange on white papers, levelling up, ICS and devolution solutions		
Preparation Elections 2023 and delivery of Corporate Plan Reprioritisation/new plan after elections.		
Key Mitigating Controls:		
<ul style="list-style-type: none"> • Engagement with political administration of CEBC • Engagement with group leaders of CEBC parties • Training and briefing to CEBC members • Service Committee support and briefings for members and senior officers 		
Lead Service Committee: Corporate Policy Committee		

Risk Ref: SR 9		Risk Name: Capital Projects - Place	
Risk Owner: Executive Director of Place		Risk Manager: Place Directors and Business Managers	
Risk Description: Risk that the Council's major capital projects are insufficiently managed to ensure that they are delivered on time, on budget and at the required quality level.			
Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16		Net Risk Assessment: Impact = 3 Likelihood = 2 Rating = 6	
Target Risk Rating: Impact = 3 Likelihood = 2 Rating = 6			
Interdependencies (risks): Climate change, Infrastructure Investment, Economy, Council Funding			
Comments this quarter: In response to the recent increase in inflation a review of the impact on capital projects have been carried out to assess affordability of the overall capital programme. The existing controls for effective governance and management of major capital projects remain in place. Each major capital scheme has its own project or programme governance in place. Additional governance mechanisms include Assets Board and Place Board providing oversight on thematic programmes.			
Actions (Monitoring):			
A new module within the Unit4 ERP system will improve financial monitoring to provide more regular information on actual and forecast spend			
Key Mitigating Controls:			
<ul style="list-style-type: none"> • The Capital Strategy and overall Capital Programme is presented annually as part of the Medium-Term Financial Strategy at full Council • New projects and schemes are subject to the approval of detailed business cases in accordance with the Finance Procedure Rules • The Assets Board provides strategic oversight of the Council's land and property assets including recommendations and reports on acquisition, disposal and development • The Capital Programme Board undertakes detailed appraisals of projects and business cases; undertakes gateway reviews and risk management reviews of major capital projects; and receives post project completion reports to assess benefit realisation and lessons learnt • Appropriate and proportionate governance has been established to oversee project delivery, including risk registers. This includes project boards to manage individual projects and thematic programme boards to provide additional strategic oversight and manage interdependencies, e.g. Carbon Neutral Programme Board, Leisure Investment programme Board, Place Board • The Place Board provides strategic oversight of all the major Crewe-centric and Macclesfield-centric projects, including HS2 and strategic housing sites, to ensure individual projects are fully aligned to the overarching vision and delivery plan for each town • Financial monitoring undertaken quarterly, with summary data reported to Finance Sub-Committee and appropriate service committee twice a year • High level progress updates are reported to the appropriate service committee twice a year. More detailed progress reports on individual projects or programmes are provided on a periodic basis • Regular 121s between Executive Director and Directors which includes updates on major projects 			
Lead Service Committee: Economy and Growth, Environment and Communities, Highways and Transport			

Risk Ref: SR 10		Risk Name: HS2 Infrastructure Investment	
Risk Owner: Executive Director of Place		Risk Manager: Director of Highways and Transport	
<p>Risk Description: HS2 is a government led scheme, impacting Cheshire East Borough. HS2 services will call at Crewe station when Phase 2a opens between 2029 and 2033 with 2 HS2 trains per hour. Plans for Phase 2b include the Crewe North Connection that could enable up to 5/7 HS2 trains per hour calling at Crewe, in each direction. However, the business case for Phase 2b does not include any additional services, from the 2 HS2 trains per hour, calling at Crewe when Phase 2b opens between 2035 and 2040.</p> <p>Government’s proposals for Crewe hub station fall far below those of other HS2 hubs and don’t reflect its role as a rail super-hub and the first HS2 hub in the North. Current proposals are unlikely to unlock the regeneration, growth and levelling up potential for Crewe from the investment in HS2. Securing the required investment for the Crewe station is critical to the Council in delivering its Crewe hub vision.</p> <p>The government is in control of the HS2 programme and timescales with timely delays to the scheme recently announced in the Integrated Rail Plan, published in November 2021. This puts delays and uncertainty on the delivery of the Council’s wider ambitions for the Crewe hub. The Council has been developing its vision and plans for the Crewe hub alongside partners for several years, at significant cost to the Council, lack of firm commitments and uncertainties on the programme delivery and scope puts increasing risk on these costs being abortive</p>			
<p>Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16</p>		<p>Net Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16</p>	
<p>Target Risk Rating: Impact = 2 Likelihood = 3 Rating = 6</p>			
Interdependencies (risks): Economy and World Events, Organisational Capacity and demand, Council funding, Capital Projects			
Comments this quarter: Risk description updated to draw out that the risk is HS2 specific and now recognised as a risk, rather than an opportunity. No change to the rating (already the highest), controls and actions updated. Government delays are creating uncertainty around the council’s plans for the Crewe Hub.			
Actions (Monitoring):			
Tactical lobbying to Government, gaining support from local politician, MPs and neighbouring authorities (Business Case and Investment Integration Programme Board)			
Seeking necessary Crewe hub investments via petitioning of the Phase 2b hybrid bill (HS2 and Crewe Superhub Programme Board and Place Board)			
Decoupling investments from HS2 programme and seek funding from existing government funds			
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> This risk will be reviewed by the Place Board (chaired by the Executive Director of Place) and the Business Case and Investment Integration Board (chaired by the Director of Finance) on a monthly basis and the chairs inform CLT accordingly. Day to day management of the actions in place to reduce the risk is a combination of the BCII: Business Case and Investment Integration, the Programme Director and the Programme Manager. The controls above will be used to monitor the risk. There have been no control failures to date. In fact, the controls in place today are probably stronger than at any point in achieving the objective. This is commensurate to the closing window of opportunity and the increase in work required by the Council to turn the outputs of the consultants Business Case work. Future issues may arise if the dedicated resource currently requested is not quickly put in place to release the efficiencies of working a close dedicated team brings. Ultimately, while the Council can control the technical evidence, business case formation and the technical level negotiation with Government Departments, the risk may be impacted on by changes Government policy and prevailing global economic factors. 			

Risk Ref: SR 10	Risk Name: HS2 Infrastructure Investment
<ul style="list-style-type: none">• Value engineering of design and development of projects and Early Contractor Involvement where appropriate.• Bringing forward elements of the vision through existing funding sources such as Levelling Up Fund• Liaison with the contracting industry to identify the most efficient design solutions.• Constant review and effective management arrangements of capital projects and programme budgets.• Managing outward facing expectations on the scheme• Ongoing cost review based on latest construction inflation forecasts	
Lead Service Committee: Highways and Transport, Environment and Communities, Economy and Growth	

Risk Ref: SR 11		Risk Name: Pandemic Virus	
Risk Owner: Executive Director of Adults, Health and Integration		Risk Manager: Director of Public Health	
<p>Risk Description: Ongoing risk of genetic shift resulting in rapidly spreading strain of influenza and other diseases previously unseen in humans for which there may be multiple Variants and no guaranteed preventative treatment available. In addition to the human health risks pandemic illnesses poses a risk to healthcare capacity and CEC business continuity.</p> <p>(Cause) The world-wide spread of COVID-19 in the early part of 2020 and the ongoing spread of the virus within the population, and the measures being introduced or in place to try to contain that spread and manage the impact of the virus, (threat) have a negative impact upon the health and wellbeing of the Cheshire East population, place significant pressures upon the health and care system and its workforce, threaten the viability of local business and further exacerbate the financial pressures faced by health and care organisations and the Council, (impact) resulting in serious illness and in some cases death, unmet health and care needs, interruption to education, economic down turn and business failure and a widening financial gap in health and care organisations.</p>			
<p>Gross Risk Assessment: Impact = 4 Likelihood = 3 Rating = 12</p>		<p>Net Risk Assessment: Impact = 3 Likelihood = 3 Rating = 9</p>	
<p>Target Risk Rating: Impact = 3 Likelihood = 2 Rating = 6</p>			
Interdependencies (risks): Fragility in the social care market, Business continuity, Financial resilience			
Comments this quarter: There was a discussion around broadening the description of this risk and also a possible increase to the rating. It was noted that local wastewater sampling would begin in September. Assessments from other local authorities were reviewed, however no change to the risk was formalised.			
Actions (Monitoring):			
Initiating flu vaccination programme for all staff and communications supporting need for public vaccinations (reviewed monthly)			
Development of regional 'business as usual' approach for Cheshire and Merseyside (reviewed quarterly)			
Horizon scanning to understand long-term management of Covid-19, including the development of a Covid-19 'Early Warning System' and wastewater monitoring project with UKHSA (reviewed monthly)			
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Limited National Government advisory measures • National Vaccine roll out • Sub-regional collaboration co-ordinated by the CHaMPS Public Health Collaborative • Cheshire East Emergency Planning activity • Advice and guidance to schools, businesses and residents • Track and Trace Team activity • Cheshire East organisational activity • Vaccination tracing to target individuals not vaccinated to promote uptake • Supporting NHS roll out of COVID 19 vaccination programme • Initiating flu vaccination programme for all staff and communications supporting need for public vaccinations 			
Lead Service Committee: Adults and Health Committee			

Risk Ref: SR 12		Risk Name: Fragility and Failure in the Social Care Market	
Risk Owner: Executive Director of Adults, Health and Integration		Risk Manager: Director of Adult Social Care, Director of Commissioning	
Risk Description: A failure of the local social care market			
The impact of the COVID-19 pandemic has exposed weaknesses in the national social care market which have yet to be resolved.			
Detailed consequences: The council is unable to deliver a robust adult social care package without the use of third-party providers, without these outsourced services the overall social adult care package would fail, and the council would not be able to achieve its objective of people living well and for longer.			
Detailed causes: The adult social care sector continues to experience financial strain, staffing costs are a high proportion of their overall expenditure while recruitment and retention remain a challenge. Traditionally the market suffers from small margins and has suffered from systemic challenges for years, which were further exposed by the COVID-19 pandemic. The impacts of inflation and the fair cost of care regulations have yet to be fully realised, although it is clear that additional costs will be passed on to the council.			
Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16		Net Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16	
		Target Risk Rating: Impact = 3 Likelihood = 3 Rating = 9	
Interdependencies (risks): NHS Funding Pressure, Financial resilience, Business Continuity, Pandemic Virus			
Comments this quarter: Risk description updated, no change to the risk, still at the highest possible rating.			
Actions (Monitoring):			
Identify short term funding to support care providers to maintain sufficiently qualified workforce to meet need and reduce pressure on hospitals (Weekly via Market Oversight meetings)			
Establish a CEC crisis response team who can be called on at short notice to deliver care (Weekly via Market Oversight meetings)			
Expand the existing British Red Cross service to respond to crisis situations in the community by providing low level support over a 7-day period (Weekly via Market Oversight meetings)			
Undertake a review of care fees for all sectors of the market (Weekly meetings with contractor, findings reported to Health and Adult Committee)			
ASC/ Commissioning continues to respond to significant challenges pertaining to the acceleration of prevention (Twice weekly ASC meetings)			
ASC/Commissioning and Communities have a Standard Set of Fit for the Future Contracts – that set out specific measurable outcomes pertaining to each service area in driving prevention and key performance indicators that will test the providers ability to retain a viable and sustainable business in responding to a population of changing need – higher levels of resident satisfaction and improved control (Quarterly contract management meetings)			
Continue to monitor and review preventative and support service activity (Twice weekly ASC meetings)			
Improved utilisation of public health JSNA and wider regional data sets informing future commissioning plans (Monthly JSNA steering group)			
Develop engagement with community groups and 3rd sector (Twice weekly ASC meetings)			
Liquid logic and contrOCC solutions to better map trend and demand (Twice weekly ASC meetings)			
To monitor and review thresholds and gatekeeping processes (Twice weekly ASC meetings)			
Review and strengthen partnership working with wider agencies (Monthly Quality Monitoring Partnership Forum)			

Risk Ref: SR 12	Risk Name: Fragility and Failure in the Social Care Market
Data intelligence is used to understand where and what kind of service demand needs are in order to commission appropriately and effectively (Monthly Care at Home Commissioning meetings)	
Continue to engage with leaders across teams – informing and influencing change (Twice weekly ASC meetings)	
Continued engagement with people who access services and the involvement of Healthwatch and independent advocacy (Twice weekly ASC meetings)	
Joint working with 'skills for care' to encourage individuals to take up employment within the care sector (Weekly via Market Oversight meetings)	
Ongoing support for care providers to assist in their response to the COVID-19 outbreak (Fortnightly Mutual Aid calls with providers)	
'Hidden Carer's' initiative launched through Carer's Hub to help identify and support carers not known to the system (Weekly via Market Oversight meetings)	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • ASC/Commissioning comply with the Care Act 2014, in holding a provider risk register whereby we monitor and review risk pertaining to specific providers as part of our role working with Care Quality Commissioning pertaining to Market oversight • ASC/Commissioning have in place a robust Care Act compliant – Contracts and Quality Monitoring Policy Framework – that makes clear – how quality is monitored in a person-centred way with a vast range of partners, when to activate a suspension protocol working with care quality commission and when/ how we are decommissioning services – keeping people at the centre of decision making regarding any service disruption or period of market failure • ASC/Commissioning operate a monthly quality monitoring partnership forum that includes Police, Safeguarding, Care Quality Commission, ASC operations, Legal, CCG's and ASC lead commissioner – in the ongoing monitoring of quality and reporting and alerting of risk escalation that can be effectively managed – reports into relevant DMT's and Safeguarding Board • ASC/Commissioning have a care sourcing/brokerage team support service and a local area co-ordination services- supporting vulnerable people to access wider community/ third sector services and wider more universal offers – diverting people away from care where appropriate utilising People Healing People services • ASC/Commissioning provider financial self-assessment accreditation tool – to assist with the monitoring and management of potential uplift and or additional funding. This will ensure that funding is robustly based on clear evidence, against demand / trends in market development and impact on provider/ council and people accessing the service. For providers at risk we are offering an open book accounting exercise to ascertain the level of risk within that service • ASC/Quarterly staff engagement groups are developed through leadership forums so to keep people informed and abreast of change as we progress in order to respond to demand and growth in the sector • ASC/Commissioning are influencing and working with Cheshire CCG pertaining to local ICS and ICP plans regarding the overall reduction in demand and systems redesign work supporting an improved community offer and redesigned front door • ASC/Commissioning with communities are developing a robust and responsive policy framework (People Helping People) with a vast range of third sector providers – thus reducing demand on adult social care • ASC/Commissioning working with partners across the North-West via ADASS to address the future market capacity and workforce issues. • The Council is working with skills for care to see what support it can give to the market in terms of recruitment and retention and build knowledge. • As part of the contract management and quality assurance processes we check each provider's Business Continuity plan for robustness and make recommendations for improvement if required • The Council has commissioned a new offer for informal and formal carers to ensure the right level of support is received for them to maintain their caring duties • An on-call rota has been established to address any issues that may arise at weekends such as external provider staffing shortages impacting on the ability to undertake care calls • The Council has written to service users to advise of the current situation and to request their patience and understanding if there is some disruption to their usual routine of care calls 	

Risk Ref: SR 12	Risk Name: Fragility and Failure in the Social Care Market
<ul style="list-style-type: none">• Care providers are RAG rated according to the risk of business disruption and have been asked to RAG rate service users according to their level of need• Weekly market oversight and risk management meetings have been established within the Contracts and Quality team to update the risk register and oversight report and escalate issues as appropriate	
Lead Service Committee: Adults and Health Committee	

Risk Ref: SR 13		Risk Name: Reputation	
Risk Owner: Chief Executive		Risk Manager: Head of Communications	
Risk Description: That consideration is not given, and management action is not taken, to effectively manage the reputation of the Council, leading to a loss of public confidence, threatening the stability of the Council and our ability to meet the corporate priorities.			
Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16		Net Risk Assessment: Impact = 3 Likelihood = 3 Rating = 9	
Target Risk Rating: Impact = 3 Likelihood = 3 Rating = 9			
Interdependencies: The emergence of any issue highlighted as a strategic risk has the potential to represent a strategic risk to reputation			
Comments this quarter: The Residents survey has been postponed until 23/24 so the ability to measure levels of satisfaction with the Council will have been impacted as a result. Other metrics will be assessed to explore any alternatives and where possible these will be reported. A one council approach to consultation and engagement is being developed to ensure that the experience is the same for all stakeholders regardless of where the interaction occurs. This will see the development of a toolkit and supporting documentation – anticipated to be available in October/ November 2022.			
Technology to enhance the monitoring and analysis of customer contact is being implemented with the first phase anticipated to be live from October 2022. During this period (Q1) we saw particular interest and activity in the following topics: <ul style="list-style-type: none"> • Great British Railway HQ bid • HS2 • Road funding and maintenance (including gritting programme) • Homes for Ukraine scheme • South Macclesfield Development Area • Crewe Town Centre regeneration 			
Actions (Monitoring):			
Explore development of communication strategies to influence public awareness of and informedness about key universal services, inc: planning, highways, waste and recycling (Quarterly review)			
Further development of the communications approach to supporting decision making under the ctte system (On-going reviews)			
Review Media Relations Protocol (Annual review)			
Align developing communications strategy to customer experience and digital strategies and approach to consultation and engagement (Quarterly review)			
Continue to develop proactive direct comms to be issued via e-mail / SMS – we currently have 34,000 subscribers for ‘push’ notifications across a range of topics (On-going review)			
Include customer contact centre enquiries, MES and MP correspondence in reputation monitoring (On-going review)			
Undertake a survey of residents to understand how they want to get information about council services, policies etc. To inform communications strategy(ies) and plans (Bi-annual review)			
Use performance management reports for council services and programmes to identify reputational opportunities and risks at an early stage (On-going review)			
Improve the monitoring and analysis of customer contact and complaints to identify and resolve issues at an early stage			
Key Mitigating Controls: <ul style="list-style-type: none"> • Effective monitoring and reporting of organisational reputation and sentiment. 			

Risk Ref: SR 13	Risk Name: Reputation
<ul style="list-style-type: none"> • Weekly reputation reporting to senior managers • Monitoring of social and traditional media • Communications and media function advised at an early stage of all future demand and emerging issues to enable effective planning • Providing a 24/7 emergency communications on call function • Communications strategies for key projects and issues developed agreed and reviewed with senior stakeholders and decision makers • Positive proactive communication across multiple channels to celebrate the council’s successes and achievements, building positive reputation. • Comms programme planned and reviewed over short-term (daily) and long-term (monthly / annually) • Review communications business continuity, priorities and emergency / crisis comms protocols and plans • Media protocol and approvals process • Media training programme for key spokespersons • Senior member overview of COVID-specific communications activity through Local Outbreak Engagement Board • Regular COVID-specific comms activity reporting and planning as part of CEMART • Regular meetings with comms leads from public sector partner organisations to collaborate, share plans and intelligence • Values and behaviours for officers and members are established and organisational culture is monitored and supported through a range of initiatives under the culture programme. • Ensure that information about the Council, its services and how to access them is easily available in a range of formats for a wide range of audiences • Ensure that consultation is undertaken when any proposals are still at a formative stage • Consultation must give sufficient reasons for any proposal or change to permit stakeholders to undertake intelligent consideration and response to the options • Ensure consultation and engagement activity informs our evidence-based decision-making approach and that adequate time is given between the end of a consultation to allow for consideration of and where required, a response to, the output of a consultation or engagement • Ensure that Equality Impact Assessments (EIA) are signed off before any consultation can begin. • When communicating about decisions, make it clear HOW consultation and engagement activity, EIA and other intelligence has been conscientiously taken into account when finalising the decision. • Monitor public sector press (e.g. MJ and LGC) and maintain and develop relationships with these media outlets to maximise opportunities for positive coverage. 	
<p>Lead Service Committee: Corporate Policy Committee</p>	

Risk Ref: SR 14		Risk Name: Climate Change (CEC Carbon Neutral Status 2025)	
Risk Owner: Executive Director of Place		Risk Manager: Director of Environment & Neighbourhood Services, Head of Environmental Services	
Risk Description: Failure to achieve Carbon Neutral status for the Council by the 2025 milestone target as a result of ineffective planning and delivery of actions, will result in non-delivery of a key priority in the Council's Corporate Plan. It will also contribute to climate change temperature rise and severe weather events which could have an impact on public health and safety. It could also have financial implications with increased need for adaptation of key infrastructure for severe weather events across the borough.			
Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16	Net Risk Assessment: Impact = 3 Likelihood = 3 Rating = 9	Target Risk Rating: Impact = 3 Likelihood = 2 Rating = 6	
Interdependencies (risks): Economy and World Events, Organisational Capacity and demand, Council funding, Capital Projects			
Comments this quarter: Emerging world events have increased the gross likelihood and also resulted in an increase of a more material failure (net impact increased). The Fleet and Heat workstreams meeting their carbon reduction targets by 2025 putting at risk the overall objective for the Council.			
Fleet emissions have increased, mainly as a result of additional refuse vehicle movement, this is required due to an increased recycling and waste volumes as a result of increased home working. These vehicles represent nearly 50% of the Council's emissions, it is not possible to electrify them using current technology in a rural context like Cheshire East, due to distances involved. Although Hydrogen technology is being trialled by the Council it is unlikely to be available at fleet scale by 2025 due to the current cost and lack of supply of suitable hydrogen. At the same time electric cars and vans has increased in cost and supply timescales have lengthened reducing the likelihood of a transition to electric within current service budgets and timescales. The team are assessing the scale of the problem and opportunities with services but there may be a requirement for additional offset.			
COVID air ventilation requirements have increased gas usage at leisure centres and libraries. Facilities are working with new technologies to reduce the problem but there may be a requirement for additional offset to mitigate the problem by 2025. Solutions under consideration are bio diesel, moving the authority to a biogas certified tariff and increasing the size of solar offset.			
Actions (Monitoring):			
Secure land for tree planting and solar farm development for 2023/24 and 2024/25 planting seasons. (Final land agreements to be agreed with Assets and Rural Economy)			
Assess mitigation for risk of Fleet and Heat decarbonisation projects failing to meet targets. (Annual progress update presented to Economy & Growth committee)			
Key Mitigating Controls:			
<ul style="list-style-type: none"> • Risk is reviewed as part of the brighter futures transformation projects board, operational board and member steering group. • Carbon Neutral programme established with Programme Board reviewing progress and risks monthly • Member Advisory group overseeing its delivery • Annual update on progress reported to relevant committee • Climate change is a key consideration as part of our statutory planning duties as an authority and within the development of local planning policy • Planned natural offset set at 10% more than required to reduce risk of non-delivery in any one project area. 			
Lead Service Committee: Environment and Communities			

Risk Ref: SRR15		Risk Name: Economy Risk	
Risk Owner: Executive Director of Place		Risk Manager: Director of Growth and Enterprise	
Risk Description: On-going and future changes to the financial framework, including several changes to national funding regimes, has increased the Council's reliance on self-financing			
The combined external national economic shocks of EU transition and COVID -19 will have a severe detrimental impact on Cheshire East economy resulting in a protracted reduction in economic growth. This recession is expected to increase the number of local business failures resulting in a loss of business, employment and consumer confidence in Cheshire East; and severe impacts on the Councils income and exert pressure on its revenue and capital programmes.			
Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16		Net Risk Assessment: Impact = 3 Likelihood = 3 Rating = 9	
Target Risk Rating: Impact = 3 Likelihood = 3 Rating = 9			
Interdependencies (risks): N/A			
Comments this quarter: There was a discussion around broadening the description of this risk and also a possible increase to the rating; this will be reviewed again during the Quarter 2 review. It was noted that local wastewater sampling would begin in September. Assessments from other local authorities were reviewed, however no change to the risk was formalised.			
Actions (Monitoring):			
N/A			
Key Mitigating Controls:			
<ul style="list-style-type: none"> • Business Support and Grants • Economic Recovery • Meet the buyer event for HS2 • Employment support • Business forum to engage and plan future support • Investment plans to support regeneration and development • Place marketing and inward investment 			
Lead Service Committee: Economy and Growth			

Risk Ref: SRR16		Risk Name: Integrated Care System (ICS) Integration	
Risk Owner: Executive Director of Adults, Health and Integration		Risk Manager: Director of Growth and Enterprise	
Risk Description: The failure to integrate communication and decision-making with the local ICS partnership			
The ICS develops strategies that improve public health, reduce health inequalities and ensure the health and care system across Cheshire and Merseyside is sustainable.			
Potential consequences: Without effective and timely communication to support decision-making all partners could struggle to deliver their services to the best of their ability. Public health and wellbeing would suffer in the Cheshire and Merseyside areas.			
Potential causes: Poor or incomplete governance arrangements and delayed transfer of care assessments impact on the efficiency of the council services.			
Gross Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16		Net Risk Assessment: Impact = 4 Likelihood = 4 Rating = 16	
Target Risk Rating: Impact = 4 Likelihood = 2 Rating = 8			
Interdependencies (risks): Increased demand for Adult's Services, Increased demand for Children's Services, Pandemic Virus			
Comments this quarter: New addition this quarter, integration with the ICS has been separated from the NHS funding risk. Expected to be a short-term risk. The lack of communication is making decision-making difficult for adult services.			
Actions (Monitoring):			
To continue to be a key player in the development of the integrated care system at a regional and local level (Adults and Health Committee)			
Key Mitigating Controls:			
<ul style="list-style-type: none"> The Cheshire East Integrated Care Partnership has been in place since October 2020 and is developing implementation plans across a number of work streams designed to achieve quality improvement and financial efficiencies across the system. Progress on the ICP is reported to the Health and Wellbeing Board. 			
Lead Service Committee: Adults and Health Committee			

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Work Programme – Corporate Policy Committee – 2022/23

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/54/22-23	1 Dec 2022	Afghan Citizens Resettlement Scheme	To receive an update.	Director of Commissioning	N/A	No	Yes	Work together with residents and partners to support people and communities to be strong and resilient	No
CP/57/22-23	1 Dec 2022	HS2 Qualifying Authority and Schedule 17 Decision-Making	To ensure that the Council becomes a Qualifying Authority for HS2 (Phase 2b) which will allow the Council to assess and determine such applications as set out in the HS2 Bill.	Executive Director Place	N/A	No	No	Ensure that there is transparency in all aspects of council decision making	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/15/22-23	1 Dec 2022	Second Financial Monitoring Report for 2022/23	<p>To provide information on performance against the financial strategy during the 2022/23 Financial Year in relation to the Committee's responsibilities.</p> <p>The Committee will be asked to:</p> <ul style="list-style-type: none"> - Note the financial performance in 2022/23 as it relates to: income and expenditure of Revenue and Capital budgets; movement in reserves; achievement of MTFS proposals. - Note or approve any mitigating action as a consequence of the performance in 2022/23. - Note or Approve items to be considered as part of the 2023 to 2027 MTFS - Note or approve financial management transactions, such as virement and supplementary estimates, as required by the Constitution. 	Director of Finance and Customer Services (s151 Officer)	N/A	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/16/22-23	1 Dec 2022	Communications Strategy update following Public Consultation	To approve the communications strategy following consideration of the outcome of public consultation.	Executive Director Corporate Services	Public consultation	Yes	No	Ensure that there is transparency in all aspects of council decision making	No
CP/48/22-23	1 Dec 2022	Approach to Consultation and Engagement	To approve the consultation and engagement toolkit and programme of activities.	Executive Director Corporate Services	N/A	No	Yes	Listen, learn and respond to our residents, promoting opportunities for a two-way conversation	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/24/22-23	1 Dec 2022	Workforce Strategy Update	To receive an update on the Strategy. To include an update on the review of terms and conditions and a review of the programme of activities supporting organisational culture.	Head of Strategic HR	N/A	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/25/22-23	1 Dec 2022	Strategic Risk Register Assurance Report 2022/23 Quarter 2	To provide update on Strategic Risk Register following a review of content at Q2.	Director of Governance and Compliance (Monitoring Officer)	Service area updates Early Nov 2022.	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/26/22-23	1 Dec 2022	Performance Outturn 2022/23 Report Quarter 2	To report on Performance Outturn Q2.	Director of Policy and Change	N/A	No	No	A council which empowers and cares about people	No
CP/30/22-23	1 Dec 2022	Financial Planning: Medium Term Financial Strategy 2023 to 2027 Consultation	To allow the Committee to engage in the MTFS 2023 to 2027 consultation process The Committee will be asked to: - Note the 2023 to 2027 MTFS proposals as related to the Committees responsibilities. - Provide feedback on the proposals as consultees	Director of Finance and Customer Services (s151 Officer)	N/A	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/43/22-23	1 Dec 2022	Domestic Taxbase 2023-24	To approve the Council Tax base for 2023-24.	Director of Finance and Customer Services (s151 Officer)	N/A	Yes	Yes	Ensure that there is transparency in all aspects of council decision making	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/41/22-23	1 Dec 2022	Review of Outside Organisations	To receive the recommendations of the working group and make recommendations to Council. Note: The member working group appointed to conduct the review believe that because of the amount of work involved, a final report to the Corporate Policy Committee in December will be challenging.	Director of Governance and Compliance (Monitoring Officer)	TBC	TBC	TBC	Ensure that there is transparency in all aspects of council decision making	No
CP/56/22-23	1 Dec 2022	Health and Safety Update - 2022/23	To consider a report which provides a summary of accident and information data for the Council and maintained schools for the first two quarters of 2022/23.	Executive Director Corporate Services	N/A	No	No	Ensure that there is transparency in all aspects of council decision making	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/31/22-23	9 Feb 2023	Third Financial Monitoring Report for 2022/23 - Part A: Summary and Narrative	<p>To provide information on the Council's performance against the financial strategy during the 2022/23 Financial Year.</p> <p>The Committee will be asked to:</p> <ul style="list-style-type: none"> - Note the financial performance in 2022/23 as it relates to: income and expenditure of Revenue and Capital budgets; movement in reserves; achievement of MTFS proposals across all Committees. - Note or approve any mitigating action as a consequence of the performance in 2022/23 in relation to the Committees responsibilities. - Note or Approve items being considered as part of the 2023 to 2027 MTFS - Note or approve financial management transactions, such as virement and supplementary estimates, as required by the Constitution. 	Director of Finance and Customer Services (s151 Officer)	N/A	No	Yes	Ensure that there is transparency in all aspects of council decision making	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/32/22-23	9 Feb 2023	Medium Term Financial Strategy 2023 to 2027	<p>To recommend the Medium-Term Financial Strategy for 2023 to 2027 to Council for approval. The report will incorporate the Council's Priorities, Budget, Policy Proposals and Capital Programme. The report will also include the Capital, Treasury Management, Investment and Reserves Strategies.</p> <p>The Committee will be asked to:</p> <ul style="list-style-type: none"> - Have regard to the report of the Chief Financial Officer on the robustness of financial estimates and adequacy of reserves. - Recommend the MTFS 2023 to 2027 to Council for approval - Note or approve financial management transactions, such as virement and supplementary estimates, as required by the Constitution. 	Director of Finance and Customer Services (s151 Officer)	Public Consultation December 2022 to January 2023.	Yes	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/33/22-23	9 Feb 2023	Annual Pay Policy Statement	To seek approval of the Pay Policy Statement 2023/24 – changes from 2022/23 will be highlighted in the report. Report then approved at Council.	Head of Strategic HR	N/A	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/34/22-23	9 Feb 2023	Media relations protocol review	To approve an updated media relations protocol.	Executive Director Corporate Services	Informal consultation with internal stakeholders prior to consideration by Committee.	No	No	Ensure that there is transparency in all aspects of council decision making	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/35/22-23	9 Feb 2023	ICT Strategy Update	To review progress with the ICT Strategy 2022-2025.	Executive Director Corporate Services	Yes	Yes	No	Ensure that there is transparency in all aspects of council decision making	No
CP/28/22-23	9 Feb 2023	Transformation Programme Update	To receive a report on the outcomes achieved by the Brighter Futures Transformation Programme and agree a refreshed Transformation Programme.	Director of Policy and Change	To be informed by the Residents Survey.	Yes	No	Ensure that there is transparency in all aspects of council decision making	No
CP/29/22-23	9 Feb 2023	Reporting proposed changes in governance	Report from Constitution Working Group - Routine constitutional updates for Council 14 Dec 2022.	Director of Governance and Compliance (Monitoring Officer)	Throughout the year.	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/53/22-23	23 Mar 2023	Annual Review of Committee Decisions	To report on the decisions made by Service Committees during 2021/22.	Director of Finance and Customer Services (s151 Officer)	N/A	No	No	Ensure that there is transparency in all aspects of council decision making	No
CP/36/22-23	23 Mar 2023	Performance Outturn 2022/23 Report Quarter 3	To review the Performance Outturn for Q3.	Director of Policy and Change	N/A	No	No	A council which empowers and cares about people	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/44/22-23	23 Mar 2023	Third Financial Monitoring Report for 2022/23 - Part B: Full Report	<p>To provide information on the Council's performance against the financial strategy during the 2022/23 Financial Year.</p> <p>The Committee will be asked to:</p> <ul style="list-style-type: none"> - Note the financial performance in 2022/23 as it relates to: income and expenditure of Revenue and Capital budgets; movement in reserves; achievement of MTFS proposals across all Committees. - Note or approve any mitigating action as a consequence of the performance in 2022/23 in relation to the Committees responsibilities. - Note or Approve items being considered as part of the 2023 to 2027 MTFS - Note or approve financial management transactions, such as virement and supplementary estimates, as required by the Constitution. 	Director of Finance and Customer Services (s151 Officer)	N/A	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/37/22-23	23 Mar 2023	Strategic Risk Register Assurance Report 2022/23 Quarter 3	To provide update on Strategic Risk Register following a review of content at Q3.	Director of Governance and Compliance (Monitoring Officer)	Service area updates Early Feb 2022.	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/38/22-23	23 Mar 2023	Annual Cyber Security Update	To provide an update on Cyber Security, outlining key aspects and ongoing measures to protect against threats to CEC.	Executive Director Corporate Services	N/A	No	No	Ensure that there is transparency in all aspects of council decision making	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/27/22-23	23 Mar 2023	Equality, Diversity, and Inclusion - annual report and progress against strategy	To review progress with the Equality and Diversity and Inclusion Strategy.	Director of Policy and Change	TBC	Yes	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/40/22-23	23 Mar 2023	Census Data	To receive a report of the key Cheshire East data from the 2021 Census, subject to it being available.	Director of Policy and Change	N/A	Yes	No	Ensure that there is transparency in all aspects of council decision making	No
CP/42/21-22	TBC	Commercial/Enterprise Strategy	To approve a new strategy as part of the BTFP.	Executive Director Corporate Services	Yes	Yes	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/45/21-22	TBC	MoD Employer Recognition Award - Gold and Silver Schemes	TBC	Director of Commissioning	TBC	TBC	Yes	Ensure that there is transparency in all aspects of council decision making	No
CP/48/21-22	TBC	Corporate Peer Challenge Update	Further discussion is being had with the LGA.	Executive Director Corporate Services	TBC	TBC	Yes	Ensure that there is transparency in all aspects of council decision making	No
TBC	TBC	Great British Rail Headquarters	TBC	Executive Director Place	TBC	TBC	TBC	Ensure that there is transparency in all aspects of council decision making	TBC

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TBC	TBC	Levelling Up/Devolution	TBC	Executive Director Place	TBC	TBC	TBC	Ensure that there is transparency in all aspects of council decision making	TBC
TBC	TBC	ASDV	TBC	Executive Director Place	TBC	TBC	TBC	Ensure that there is transparency in all aspects of council decision making	TBC
TBC	TBC	Locality Working	To consider an approach to improving the quality of life within the community and the way services are provided. The report will incorporate ways of working with parish and town councils and local Members' say in local decision.	Executive Director Adults, Health and Integration	TBC	TBC	TBC	A council which empowers and cares about people	TBC

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **General Appeals Sub Committee**
held on Tuesday, 5th July, 2022 in the Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor S Edgar (Chair)

Councillors P Butterill, H Faddes and J Weatherill

OFFICERS IN ATTENDANCE

Sarah Baxter, Democratic Services

Joanne Bowkett, Admissions, Transport and Fair Access Team Manager

Susan Kenyon, Solicitor, Adults and Education, People Team

Ian Marshall, Operations Support Manager, Transport

1 APPOINTMENT OF CHAIR**RESOLVED**

That Councillor S Edgar be appointed as Chair of the meeting.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor D Murphy.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present.

5 EXCLUSION OF THE PRESS AND PUBLIC**RESOLVED**

That the press and public be excluded from the virtual meeting during consideration of the following item pursuant to Section 100(A)4 of the Local Government Act 1972 as amended on the grounds that it involves the likely discussion of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

6 SCHOOL TRANSPORT APPEAL

The Sub-Committee considered an appeal against a decision of the Council not to offer assisted school transport.

The Sub-Committee heard the appeal based on the written and oral evidence of the Presenting Officer, who detailed the local authority's case, and the written and oral evidence of the appellant and the appellant's supporters. Members of the Sub-Committee asked questions by way of clarification.

The Presenting Officer, the appellant and the appellant's supporters withdrew from the meeting, following which the Sub-Committee reached its decision.

RESOLVED

That the appeal be upheld with travel assistance awarded until the end of the 2022 Autumn Term.

The meeting commenced at 10.00 am and concluded at 11.10 am

Councillor S Edgar (Chair)

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Wednesday, 6th July, 2022 in Committee Suite 1, 2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

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

Councillors C Browne (for Cllr Warren), J Clowes, S Gardiner, N Mannion and
B Puddicombe

OFFICERS

Alex Thompson, Director of Finance and Customer Services
David Brown, Director of Governance and Compliance
Deborah Nickson, Legal Team Manager (People)
Lianne Halliday, Senior Manager – Procurement
Paul Mountford, Democratic Services

APOLOGIES

Councillors D Brown and M Warren

The Chair announced that Councillor Mark Goldsmith had ceased to be a member of the Sub-Committee owing to his recent appointment as a Director of Orbitas. Councillor Mick Warren had been appointed in his place but had been unable to attend this meeting.

12 DECLARATIONS OF INTEREST

There were no declarations of interest.

13 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

14 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 1st June 2022 be approved as a correct record.

15 PROVISIONAL FINANCIAL OUTTURN 2021/22

The Sub-Committee considered a report providing the pre-audited overview of the Cheshire East Council outturn for the financial year 2021/22. The report also proposed treatment of year-end balances that

reflected risks identified in the Medium-Term Financial Strategy approved by Council in February 2022.

The report included a narrative from the Council's Draft Group Accounts, to highlight financial performance within the year, as well as associated appendices to show how the Council had achieved against the priorities contained within the Corporate Plan as well as other important financial matters.

The Chair placed on record her thanks and appreciation to the Director of Finance and Customer Services and the Finance Team for their work in producing the outturn report.

Members commented as follows in relation to the report:

- There was concern that whilst the Council's finances were being managed in an efficient and transparent way, there were numerous projects within the capital programme that were not proceeding as planned. The Director of Finance and Customer Services advised that, owing to the upheaval of the pandemic and subsequent movements within the labour market, both the Council and its contractors were facing capacity issues at the present time, as had been highlighted previously. There was also a need to reprofile planned projects in view of the current high rate of inflation. Each service committee would be asked to review its programmes and priorities with a view to officers updating committees in the September/October cycle. On the specific question of staff recruitment and retention, the Director undertook to take the matter away for further consideration and report back both to this and other service committees.
- Whilst the proposed increase in the level of General Reserves was welcomed, members asked if there was a benchmark to which councils should work based on a specific number of days' operating costs, as happened in certain other sectors. The Director of Finance and Customer Services responded that there had never been a benchmark for councils in relation to reserves but that the Corporate Plan had set a target of £20M for General Reserves. He undertook to ascertain how the Council was benchmarking against neighbouring and comparator authorities and report back.

RESOLVED (unanimously)

That the Sub-Committee

1. notes the overall financial performance of the Council in the 2021/22 financial year, as contained within the report, as follows:
 - (a) a Net Revenue Underspend of £1.1m against a revised budget of £297.4m (0.4%);
 - (b) an increase in General Reserves from £11.5m to £12.6m (further recommendation at 3.5.3); and

(c) Capital Spending of £84.5m against an approved programme of £144.9m (58.4%);

2. notes the contents of each of the following appendices:

Appendix 1 – Narrative from the Draft Group Accounts – providing context of the area and its people, commentary on performance and introduces the financial statements of the Council and the wider Group of Companies for the period 1 April 2021 to 31 March 2022;

Appendix 2 – Grants and Requests for Supplementary Revenue Estimates – including details of revenue grants received during 2021/22 and providing supplementary revenue requests relating to grants received in addition to existing budget;

Appendix 3 - Debt Management – providing a debt summary by directorate;

Appendix 4 – Capital Outturn and Requests for Supplementary Capital Estimates and Virements – including an update on the capital programme and details requests for supplementary capital estimates and virements;

Appendix 5 – Reserves Strategy – which details the reserve outturn position;

Appendix 6 – Treasury Management Strategy – year-end Treasury Management report including an economic outlook, borrowing and investing strategies and treasury management indicators; and

Appendix 7 – Investment Strategy – providing details about different types of investments that the Council holds;

3. approves supplementary revenue estimates up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in Appendix 2, Table 1;

4. approves supplementary capital estimates up to and including £1,000,000 and Capital Virements up to and including £5,000,000 in accordance with Financial Procedure Rules as detailed in Appendix 4, Annex C; and

5. recommends to Council approval of:

(a) fully-funded supplementary revenue estimates over £1,000,000 in accordance with Financial Procedure Rules as detailed in Appendix 2, Table 1; and

- (b) the virement of £2.3m in 2022/23 from the Medium-Term Financial Strategy Reserve to the General Reserve as detailed in Appendix 5, paragraph 4.

16 UK SHARED PROSPERITY FUND - CHESHIRE EAST ALLOCATION

The Sub-Committee received an oral report from the Director of Finance and Customer Services in relation to the UK Shared Prosperity Fund and the funding allocation to Cheshire East Council.

The matter was due to be considered by the Corporate Policy Committee on 14th July 2022 and the report to that Committee had been circulated to members of the Finance Sub-Committee for information. The report sought recommendations to Council on 20th July 2022 to provide delegated authorities to approve a UK Shared Prosperity Fund Investment Plan for 2022-25 for submission to Government, accept the Cheshire East allocation of up to £13,121,309 and approve any amendments to the Investment Plan as required to deliver the programme.

Members commented as follows in relation to the report:

- In noting the proposed delegations to officers, members expressed the wish to see details of the projects that came forward under the scheme.
- Members asked if there was a specific scoring mechanism for determining the allocation of funds. The Director of Finance and Customer Services undertook to pursue this with a view to officers providing further details at the Corporate Policy Committee meeting.
- There was a need to ensure that the officer team set up to administer the scheme was properly resourced.
- Members asked how the funding allocation to the Council compared with the funding the Council received previously under the European Social Fund. The Director of Finance and Customer Services undertook to provide a written response to members of the Sub-Committee.
- In devising projects under the Fund, consideration needed to be given to issues such as rural deprivation which was significant in scale but widely dispersed geographically.

RESOLVED

That the report be noted.

17 WORK PROGRAMME

The Sub-Committee considered its work programme for 2022/23.

In noting that there were currently only two items on the work programme for September, the Director of Finance and Customer Services advised that it may be possible to bring forward the following currently unscheduled reports to the September meeting:

Review of the Impact of Public Interest Reports
Review of the Medium Term Financial Strategy Reserve

Members commented as follows in relation to the report:

- It was hoped that the unscheduled item on S.106 / CIL Oversight would be brought forward at the earliest opportunity.
- It was suggested that a progress report/update on the UK Shared Prosperity Fund be brought to a future meeting. The Director of Finance and Customer Services advised that this could form part of a comprehensive report on The Grants Register and could be scheduled for September or the following cycle.

RESOLVED (unanimously)

That subject to the proposed amendments and additional items discussed at the meeting, the work programme be noted.

18 PROCUREMENT PIPELINE

The Sub-Committee considered an update report on the procurement pipeline for the Council, the contracts awarded since April 2022 and procurement activity.

The Sub-Committee had requested the establishment of a Procurement Working Group to review several completed procurements and report back to the Sub-Committee. To ensure that the Procurement Working Group was provided with sufficient scope and guidance, the Sub-Committee was asked to confirm formal terms of reference as set out in the report.

Members commented as follows in relation to the report:

- It was hoped that there would be a significant reduction in the numbers of waivers in the future in line with pre-pandemic levels.
- Members again asked if there were any implications for the procurement process arising from the Procurement Bill which was currently before Parliament. Officers advised that it was too early to say at this stage but the progress of the Bill was being closely monitored.

RESOLVED (unanimously)

That the Sub-Committee

1. notes the procurement pipeline of activity in Appendix 1 to the report;
2. approves the 3 new pipeline projects in Appendix 1 as business as usual;
3. notes the contracts awarded by the Council since April 2022 in Appendix 2;

4. approves the Terms of Reference for the Procurement Working Group as set out in Appendix 3, subject to the Group normally consisting of 5 members, including 3 elected members drawn from the Finance Sub-Committee;
5. appoints the following members of the Finance Sub-Committee to the Procurement Working Group:

Councillor S Carter
Councillor J Clowes
Councillor N Mannion
6. notes the reason for 11 waivers approved between 1st February 2022 and 31st May 2022 (37 in total in 2021/22, 6 in total in 2022/23).

19 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

20 PROCUREMENT PIPELINE

The Sub-Committee considered details of the waivers referred to in the Procurement Pipeline report.

RESOLVED

That the details of individual waivers be noted.

21 WHOLLY-OWNED COMPANIES MATTERS

The Sub-Committee received an oral update from the Director of Governance and Compliance on a number of issues relating to the Council's wholly-owned companies.

RESOLVED

That the update be noted.

The meeting commenced at 2.00 pm and concluded at 3.45 pm

Councillor A Stott (Chair)

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Wednesday, 7th September, 2022 in Committee Suite 1, 2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

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

Councillors D Brown, J Clowes, S Gardiner, N Mannion, B Puddicombe and
M Warren

OFFICERS

Alex Thompson, Director of Finance and Customer Services
David Brown, Director of Governance and Compliance
Julie Gregory, Legal Team Manager – Place/Corporate
Lianne Halliday, Senior Manager – Procurement
Paul Mountford, Democratic Services

22 DECLARATIONS OF INTEREST

There were no declarations of interest.

23 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

24 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 6th July 2022 be approved as a correct record.

25 REVIEW THE MEDIUM-TERM FINANCIAL STRATEGY RESERVE

The Sub-Committee considered a report on the use of the Medium-Term Financial Strategy (MTFS) reserve to date and its forecast use within the MTFS 2022 to 2026. The purpose of the report was to improve the Sub-Committee's awareness of the approach to managing the Council's MTFS Reserve, including its creation and ongoing governance.

RESOLVED (unanimously)

That the Sub-Committee

1. notes the reporting to date in respect of the MTFS reserve;

2. notes the forecast movements within the reserve over the next four years; and
3. notes the level of the reserve as part of the overall Reserves Strategy, having regard to the s.25 Report of the Chief Financial Officer (Annex A to the report).

26 **WORK PROGRAMME**

The Sub-Committee reviewed its work programme for 2022/23.

Officers reported that an item would be added to the work programme for the November meeting to appoint a working group to review the business plans of the wholly-owned companies.

Members discussed whether an item should be added to the work programme to consider the impact on the Council's finances and services of the developing cost of living crisis. On reflection, it was agreed that this would be a cross-cutting issue affecting all Council services and should probably sit with the Corporate Policy Committee. The Chair suggested that this should perhaps be addressed as part of the MTFs process rather than as a discrete agenda item.

With regard to the currently unallocated item relating to Section 106/CIL Oversight, members commented on the need for this to be allocated to a meeting as soon as possible and for information on S106 monies to be readily available.

RESOLVED (unanimously)

That subject to the proposed amendments and additional items discussed at the meeting, the work programme be noted.

27 **PROCUREMENT PIPELINE**

The Sub-Committee considered an update report on the procurement pipeline for the Council, the contracts awarded since April 2022 and procurement activity. The detailed waivers referred to in the report would be considered in Part 2 of the meeting.

At its meeting on 6th July 2022, the Sub-Committee had appointed a working group comprising Councillors Councillor S Carter, J Clowes and N Mannion to review several completed procurements and report back to the Sub-Committee. The working group had met on 5th August, with Councillor Mannion acting as chair. Councillor Mannion reported that the working group had considered an overview of the current procurement process, preparations for changes required by new legislation currently going through Parliament, and a close look at a small range of varied procurement exercises. The quality and clarity of the process was seen to be very good, with consistent application and compliance across the

authority. The group was also satisfied that the lessons learned were being accepted and that preparation for the forthcoming post-Brexit changes were well understood and implemented. The working group felt that there would be potential value in holding another such review at a future date. Councillor Clowes added that any changes to the procurement process would need to be reflected in the Constitution.

The Chair thanked the working group for its work.

RESOLVED (unanimously)

That the Sub-Committee

1. notes the procurement pipeline of activity in Appendix 1 to the report;
2. approves the two new pipeline projects in Appendix 1 as business as usual;
3. notes the contracts awarded by the Council since April 2022, Appendix 2;
4. notes the reason for seven waivers approved between 1st June 2022 and 31st August 2022 (13 in total in 2022/23); and
5. notes the report of the procurement working group.

28 COMMENCEMENT ASDV GOVERNANCE REVIEW

The Sub-Committee considered a report proposing immediate changes to governance and reporting arrangements of the Council's wholly-owned companies following a review of recently-published CIPFA good practice guidance on local authority-owned companies and the findings of Public Interest Reports on the governance arrangements of various local authority companies. Appendix 4 to the report contained exempt information and would be considered in Part 2 of the meeting.

Kevin Melling, Managing Director of Ansa and Orbitas, attended the meeting and, at the invitation of the Chair, spoke on this matter.

Members commented that the review of governance arrangements should include Tatton Park Enterprises.

RESOLVED (unanimously)

That the Sub-Committee

1. supports the contents of the CIPFA Guidance (Local Authority Companies: a good practice guide, 2022), Public Interest Reports and the Governance reports (Appendix 3 to the report);

2. agrees the appointment of a member of the Finance Sub-Committee as a shareholder representative and an observer to the board of each company, with access to all information, the members appointed being:

Councillor A Stott - Ansa
Councillor D Brown - Orbitas
Councillor S Gardiner - Tatton Park Enterprises

3. agrees that all Directors of wholly-owned companies immediately receive formal training and that both Cheshire East Council and each company provides the shareholder with a programme of training and implementation dates;
4. agrees that arrangements be put in place for:
 - (a) quarterly reporting of Company Accounts to the Corporate Leadership Team (CLT) and the Shareholder (via the Shareholder Working Group); and
 - (b) annual reporting of Company Accounts to the Audit and Governance Committee;
5. agrees the terms of reference for the governance review at Appendix 2, subject to an amendment to provide that a working Group of 7, comprising 5 elected members and 2 officers (the latter representing the Finance and Legal services respectively), be appointed to undertake a full review of the structure and governance of the Council's wholly-owned companies in line with the Guidance (and toolkit for undertaking strategic and governance reviews), following which a further report will be brought before the Committee;
6. agrees that the working group referred to in resolution 5 comprise the following elected members:

Councillor D Brown
Councillor S Carter
Councillor S Handley
Councillor S Pochin
Councillor L Smetham
7. confirms the closure of Cheshire East Residents First (CERF) and delegates authority to the Director of Governance and Compliance, in consultation with the working group where appropriate, to make any consequential changes to the governance structure of the Council's ASDVs, their respective governance documents (including the Shareholders Agreements) and the Constitution of the Council as necessary in order to implement the revised arrangements.

29 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

30 COMMENCEMENT ASDV GOVERNANCE REVIEW

The Sub-Committee considered Appendix 4 to the ASDV Governance Review report.

RESOLVED

That the Appendix be noted.

31 PROCUREMENT PIPELINE

The Sub-Committee considered details of the waivers referred to in the Procurement Pipeline report.

With regard to a waiver referred to on page 295 of the agenda, members asked if there was funding from the CCG. Officers undertook to provide a written response.

RESOLVED

That the details of individual waivers be noted.

The meeting commenced at 2.00 pm and concluded at 3.36 pm

Councillor A Stott (Chair)

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