



# **Final Outturn Review of Performance 2015/16**

**July 2016**

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

**Anyone wanting to comment can contact the Council at:**

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# Introduction

Financial & Non-Financial performance at Cheshire East Council is strong. It is the third largest Council in the Northwest of England, supporting over 370,000 local people with annual spending of over £720m. The Council continues to achieve improvements in the area, putting residents first in the provision of over 500 services delivering more for less.

A commitment across the public sector to contribute to reducing the high levels of national debt means that local government is going through a period of unprecedented change and financial challenge. Cheshire East Council's response continues to be based on innovation and creativity. The Council is relentless in its pursuit of greater efficiency and productivity, and minimising bureaucracy to enable it to deliver a high level of sustainable, quality services for a lower overall cost.

Our 'Best Fit' approach, to commissioning services, develops better ways to achieve the Council's five stated outcomes by using a mix of delivery mechanisms. The Council's philosophy is about much more than simply reducing costs through arranging cheaper provision or about traditional outsourcing. In 2013/14 the Council completed significant reviews of management structures to divert spending to front line services.

At final outturn, the Council's reserves strategy remains effective, with a modest reported underspend of £0.5m (0.2%) against a budget of £246.6m. This is the 4<sup>th</sup> consecutive year that a favourable outturn position has been reported for the Council.

To support openness and transparency the report has three main sections, to provide background and context, and then twelve supporting appendices with detailed information about allocation and management of public money during 2015/16:

**Section 1** provides a summary of Council performance and brings together service achievement highlights against the 5 Residents First Outcomes in the Council's three year plan.

**Section 2** provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2015/16 is being funded, including the positions on overall service budgets, grants, council tax and business rates, treasury management, centrally held budgets and the management of the Council's reserves.

**Section 3** provides a summary of the issues relating to the Council's workforce development plan.

- **Appendix 1** shows the Three Year Council Plan.
- **Appendix 2** explains Budget changes since Three Quarter Review.
- **Appendix 3** shows the latest position for Corporate Grants.
- **Appendix 4** shows the revised Capital Programme expenditure.
- **Appendix 5** lists approved Supplementary Capital Estimates and Virements up to £250,000.
- **Appendix 6** lists requests for Supplementary Capital Estimates and Virements over £250,000 for Cabinet approval.
- **Appendix 7** lists requests for Supplementary Capital Estimates and Virements over £1,000,000 for Council approval.
- **Appendix 8** lists Capital Budget reductions.
- **Appendix 9** provides details of Treasury Management investments.
- **Appendix 10** lists requests for allocation of additional Grant funding.
- **Appendix 11** analyses the position on Outstanding Debt.
- **Appendix 12** lists details of Earmarked Reserves.

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Chief Operating Officer (Section 151 Officer)

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# 2015/16 Final Outturn - Financial Position

2015/16 Final Outturn (GROSS Revenue Budget £611.0m)	Revised Budget (NET)	Final Outturn Position	Over / (Underspend)	Change from TQR	For further information please see the following sections
	£m	£m	£m	£m	
Children & Families	43.1	45.0	1.9	0.8	Section 1 - Paragraphs 90 - 97
Adult Social Care & Independent Living	95.4	94.9	-0.5	-1.4	Section 1 - Paragraphs 163 - 168
Public Health	0.0	0.0	0.0	0.0	Section 1 - Paragraph 169
Economic Growth & Prosperity	6.6	6.3	-0.3	-0.3	Section 1 - Paragraphs 53 - 58
Chief Operating Officer:					
Commissioning Services:					
Building Control etc	1.7	1.7	0.0	-0.1	Section 1 - Paragraph 102
Environmental (incl Bereavement)	27.3	27.9	0.6	0.3	Section 1 - Paragraphs 118 - 120
Highways	11.2	10.6	-0.6	-0.6	Section 1 - Paragraph 66 - 67
Leisure	2.2	2.4	0.2	0.1	Section 1 - Paragraphs 151 - 152
Transport	14.6	14.9	0.3	0.1	Section 1 - Paragraphs 68
Shared Services	0.0	1.2	1.2	1.2	Section 1 - Paragraph 177
Communities	9.2	8.7	-0.5	-0.5	Section 1 - Paragraphs 44 - 49
Other (e.g Finance, ICT, Legal, Facilities)	39.3	36.6	-2.7	0.3	Section 1 - Paragraphs 170 - 176
<b>Total Services Net Budget</b>	<b>250.6</b>	<b>250.2</b>	<b>-0.4</b>	<b>-0.1</b>	
<b>CENTRAL BUDGETS</b>					
Specific Grants	-19.2	-19.4	-0.2	-0.2	Section 2 - Paragraphs 182 - 190
Capital Financing	13.9	13.9	0.0	0.0	Section 2 - Paragraphs 226 - 230
Transfer to Earmarked Reserves	0.2	2.0	1.8	1.8	Section 2 - Paragraph 238
Transfer from Earmarked Reserves (to balances)	0.0	-1.5	-1.5	-1.5	Section 2 - Paragraph 239
Corporate Contributions / Central Budgets	1.1	0.9	-0.2	-0.2	Section 2 - Paragraphs 236 - 237
<b>Total Central Budgets</b>	<b>-4.0</b>	<b>-4.1</b>	<b>-0.1</b>	<b>-0.1</b>	
<b>TOTAL NET BUDGET</b>	<b>246.6</b>	<b>246.1</b>	<b>-0.5</b>	<b>-0.2</b>	
Planned Contribution 2015/16 £m		Actual Quarter 4 £m	Variance £m	Impact on reserves Final Outturn £m	
Impact on Reserves	-2.2 *		0.5	-1.7	
*Increased from £1.7m by in-year transfers to earmarked reserves					
General Reserves Balance	2015/16 Budget (estimated) £m	2015/16 Actual £m			
Opening Balance April 2015	14.2	14.7			
2015/16 Impact on Reserves (see above)	-1.7	-1.7			
Closing Balance March 2016	12.5	13.0			Section 2 - Paragraphs 243 - 248

# Overview of Performance ~ Putting Residents First

## ACHIEVING THE COUNCIL'S FIVE OUTCOMES

Cheshire East Council provides more than 500 services, supporting over 370,000 residents, and over 17,500 businesses.

Cheshire East has again been recognised as one of the best places to live in the Northwest

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

- Awarding a total of £178,263 in Community Grants to 114 organisations
- Providing litter picking packs for 'Clean for The Queen', involving almost 2,000 people in community activity through litter picking in local areas
- Refurbishing Congleton, Holmes Chapel, Knutsford, Nantwich, Poynton, and Sandbach libraries and introducing Wi-Fi at all libraries
- Migrating Council Tax calls to the contact centre, reducing waiting times by 59% and a 16% reduction in recovery documents issued
- Working in partnership to deliver an award winning, sector-defining digital platform

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

- Engaging with nearly 200 high growth small to medium enterprises in the Science, Energy and Technology sectors
- Securing £940,000 of grant funding for local businesses
- Continuing to make strong progress on the Council's major transport schemes
- Providing fibre broadband to more than 85,000 homes and businesses across Cheshire, Halton & Warrington via Connecting Cheshire
- Continuing to work with businesses to improve Food Hygiene Ratings, with 92% of rated businesses scoring a 3 ('generally satisfactory') or above, and support being provided to improve scores where required

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

- Improving the percentage of primary (now 93%) and secondary (now 86%) schools judged good or outstanding
- Maintaining low NEET figures at 2.8%
- Increasing the percentage of eligible children taking up the two year old offer of free childcare, now 5% above the national rate
- Outperforming statistical neighbours for the second year running in 5+ A\*- C GCSEs (including English and maths). Reducing the gap in GCSE attainment between cared for children and their peers, achieving 10% above the national average

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

- Local Plan Strategy, approved by Council
- Improving turnaround of Major and Minor planning applications
- Achieving a 56% recycling rate which continues to be in the top 10% of all local authorities and well above the national target of 50%
- Realising savings of £1.5m for residents through the Fairerpower scheme, which secured over 5,000 customers in its first full year

### 5 ~ People live well and for longer

- Delivering over 1,800 home adaptations for older and/or disabled residents (ahead of target of 1,700) to support independent living
- Delivering 360 affordable homes (ahead of target of 300)
- Working in partnership through the winter months to protect vulnerable people and reduce excess winter deaths
- Increasing usage of Leisure Services facilities
- Working to deliver the children and young people's improvement plan to meet recommendations from Ofsted's inspection

## FINANCIAL STABILITY

Cheshire East Council is achieving outcomes based on sound financial management. In 2015/16 the Council operated on an annual budget of more than £720m.

- At final outturn an **underspend of £0.5m** is being reported against the Council's net revenue budget of £246.6m
- This is the 4<sup>th</sup> consecutive year that a favourable outturn position has been reported
- **Service Budgets** – an underspend of £0.4m is reported
- **Central Budgets** – have underspent by £0.1m
- The Council is among the top third of Unitary Councils in terms of **Council Tax collection**. Over 99% of Council Tax and Business Rates are collected within three years
- **Council Tax was frozen** for the fifth consecutive year in 2015/16

- Additional **Investment income** and lower external interest charges have largely contributed to a £2.2m underspend on capital financing to be reserved for funding future capital expenditure. The average rate earned on investments (1.09%) is higher than the London Inter Bank 3 month rate
- **General Reserves** - the robust reserves strategy assesses risk at the beginning of the year, and protects the Council against potential overspending. The underspend has had the effect of increasing general reserves above the risk assessed minimum level at £13.0m
- **Capital Programme** - The Council has completed spending of over £90m in the year. Again there has been no requirement for additional external borrowing this financial year
- Outstanding **Debt** (excluding local taxation) is £5.6m. Debt over 6 months old is £2.7m (around 4% of total debt raised annually) and this is covered by provisions to meet potential write-offs

# 1. Summary of Council Performance

## Introduction

1. Cheshire East Council is responsible for delivering more than 500 local public services across an area of over 1,100km<sup>2</sup> for over 370,000 residents. The budget to deliver these services in the period April 2015 to March 2016 is over £720m, which is raised from a combination of local taxes, national taxes (in the form of Government Grants) and payments direct from service users. In terms of spending power per head, Government figures highlight the impact of different levels and sources of funding on total Council spending:

Spending Power per Head Comparisons 2015/16			
	Cheshire East £	Rural East Riding of Yorkshire £	Urban Liverpool £
Grants	335	391	838
Council Tax	453	387	252
Total	788	778	1,090

2. The Council's Three Year plan, which was agreed by Council on 28th February 2013, has five Residents First Outcomes that will focus service delivery in the medium term (see **Appendix 1**). This section of the report highlights progress towards achieving each of the five outcomes, in addition to inward-facing work undertaken during 2015/16 to support the delivery of a responsible, effective and efficient organisation.

3. This report reflects activity that has taken place in the period April 2015 to March 2016. Commentary is also provided on the financial impacts (both revenue and capital) of this activity.

## 1 ~ Our local communities are strong and supportive

### Mutual Respect & Personal Responsibility

4. Data recently published in relation to first time entrants to the youth justice system show that these numbers are continuing on a downward trajectory, reducing gradually from 127 at September 2014 to 111 at September 2015. In October 2015, the 'Divert' programme was introduced across Cheshire East; numbers are therefore expected to reduce further in the next quarter.
5. The Regulatory Services and Health Team successfully prosecuted a local business man for accepting and burning waste material on his land. The defendant pleaded guilty to offences under the Environmental Protection Act 1990 and was given a conditional discharge for two years and ordered to pay fines totalling £550.
6. As part of Operation Henry 2, a national initiative to combat illicit tobacco, the Trading Standards Investigations team raided seven premises in Crewe which intelligence suggested were a source of local sales. The operation was also supported by Cheshire Police and HMRC. On the day 20,000 cigarettes were seized along with 5kg of rolling tobacco worth an estimated £9,000. Items were found within dummy cupboards and a freezer.



7. At the end of March a local farmer was imprisoned for non-payment of his Proceeds of Crime confiscation totalling £42,500. This followed a lengthy Animal Health Team investigation and a conviction for animal disease offences.
8. The Trading Standards Investigations Team issued a formal caution and forfeiture for selling counterfeit car parts on e-Bay, including brands such as Bentley and Ferrari.
9. The CCTV camera network was instrumental in dealing with on average 1,200 incidents a month, of which on average 13 were drug-related, giving Police the necessary information to be able to pursue the offenders, resulting in arrests and convictions. CCTV has proved instrumental in both drug crime prevention and detection.
10. The CCTV Service continues to help the Police with the on-going 'Guiding' operation in Crewe town centre, by obtaining images/descriptions of youngsters causing anti social behaviour.
11. 'Live' images from Tipkinder skate park, Crewe can be viewed 24/7 in the control room following the completion of the project by the CCTV Technicians. This area has suffered in the past from drug misuse and anti social behaviour.
12. Civil Enforcement Officers have revised their routine beat patrols in order to direct resources at areas with new Traffic Regulation Orders such as the Macclesfield Forest area in order to educate visitors to the area about the new parking restrictions which enable a sensible and responsible approach to parking alongside the ability to keep the highway clear for access by emergency vehicles. The team have worked closely with Highways and the Open Spaces department so as to be able to intelligently deploy officers at the busiest times such as Bank Holidays and weekends.
13. Civil Enforcement Officers have been undertaking evening patrol visits to target the 'night time economy' of certain towns and villages subject to illegal and irresponsible parking. Drivers have been given appropriate advice about sensible parking, issued with warnings and 'moved on' when parking irresponsibly (such as taking up disabled spaces etc) and where legal and necessary, they have been issued with Penalty Charge Notices.
14. In 2015/16 a total of 16,820 Penalty Charge Notices were issued for parking offences.
15. Channel Panel was established to provide a multi-agency proactive approach to preventing radicalisation occurring within the borough. Key partners are providing a multi-agency approach to the management of individual case work where vulnerability and risk of radicalisation are agreed through the Channel Panel.
16. Following on from a number of Anti Social Behaviour (ASB) reports in and around Congleton Town Centre, via a Multi Agency Action group nomination the ASB team alongside the Police prepared and submitted a file to Crewe Magistrates court containing an application for a Criminal Behaviour Order to target the main ringleader of this behaviour. On attending court, this application was successful and, as the young person had turned 18, the order was granted for three years and the individual was also given a custodial sentence of three months in prison for the offence for which they attended court (related to the application).
17. A working group was set up by the ASB Team for Crewe town centre anti social behaviour. As a result of this, a good working relationship has been established with two main premises in the town centre, who now receive visits from the team, communicate well and inform of incidents much more effectively. They have also agreed to 'design out' some of the areas of their premises which

were attracting the ASB. Both businesses have praised the ASB team for their interaction with them. Figures have gone down dramatically in relation to the Police operation that was run which over its timespan led to over 300 letters home to parents and a number of Acceptable Behaviour Discussions and Acceptable Behaviour Contracts.

18. Youth Notifications and letters sent to parents this year have again been high with a great impact on the rate of those young people that do not return to the team again. Over the entire year 1,182 notifications were inputted, which generated 1,099 letters home to parents/guardians.
19. 66 Acceptable Behaviour Discussions were held, and 29 Acceptable Behaviour Contracts were signed. The ASB Team dealt with 151 cases over this year, of which 129 were closed within this time.
20. ASB Community Questionnaires were delivered across 12 different areas, reaching 331 properties.
21. Training has been undertaken by team members on “SMART Survey”, and six electronic tablets have been purchased to allow the team to more efficiently and effectively survey communities, businesses and members of the community via the tablets/online with reference to upcoming work on:
  - Public Space Protection Orders (PSPO) consultations
  - Fly tipping and side waste work
  - Dog fouling
  - Street safe/ASB Questionnaire work
22. Work on PSPOs is continuing and another area has been identified for action (Macclesfield Forest) around dog control.

23. Funding has been agreed for two additional Community Enforcement Officers to assist and run a side waste/fly tipping programme of work around hotspot areas in Crewe to address increasing issues around bin management and side waste. Recruitment will take place next year and will allow a programme of work to run for 12 months with a view to engage, educate and enforce in the agreed hotspot areas. SMART survey will play a big part in this piece of work.

24. Training has been rolled out to Local Policing Unit Beat managers following on from the success of the training given to Police Community Support Officers in quarter 3. A plan is in place to dedicate a full day of training to ASB based on positive feedback from beat managers who attended the training.

25. 69 Fixed Penalty Notices have been issued addressing littering and dog fouling offences during this year.

### **Communities**

26. The final round of Community Grants for 2015/16 awarded £58,513 to 32 organisations, with projects varying from musical productions to upscaling facilities for those living with dementia.
27. The community grant scheme awarded a total of £178,263 to 114 organisations across all four rounds throughout 2015/16. This has enabled £1,645,622 worth of projects to take place across the Borough, which have involved over 3,000 volunteers and benefitted nearly 300,000 members of the Cheshire East Community.
28. Clean for The Queen saw 100 litter picking packs purchased to support the National clean-up campaign. Due to such high demand an additional 24 packs were purchased enabling 67 groups to get

involved in the campaign. Almost 2,000 people were involved which has generated ongoing interest in community activity and litter picking in local areas.

29. Support for Infrastructure Organisations has ensured that volunteering registrations and opportunities have been made available across Cheshire East and in rural areas via groups and initiatives such as community agents. 314 organisations have been supported with their development through 1,193 advice sessions.
30. Back in Spring 2015, the Citizens' Panel Survey showed that the percentage of residents feeling very or fairly well informed about what to do in the event of a large scale emergency had decreased from 22% in 2013 to 17% in 2015. Consequently, the Joint Cheshire Emergency Planning Team worked with partners throughout 2015/16 to ensure that public awareness levels in Cheshire East and the rest of Cheshire are as high as possible. Examples of this work included a Joint Police/ Fire Open Day at Police HQ in May 2015 where Cheshire Resilience Forum deployed an awareness raising stand, allowing partners to pass on key messages and distribute several hundred Emergency Pocket Leaflets to the public, helping them to prepare for, and respond safely to, potential future major incidents such as severe weather and flooding. Additionally, the Cheshire Resilience Forum website ([www.cheshireresilience.org.uk/](http://www.cheshireresilience.org.uk/)) has continued to provide an enhanced platform providing information and advice on a range of preparedness subjects including severe weather, flooding and, ahead of the summer, tips on how to stay cool during a heatwave. Most importantly, it helps our residents to be as prepared as possible so that they can help to look after themselves, their families, colleagues and neighbours, leaving the responding agencies free to look after the most vulnerable within our community.
31. Community Recovery work in Bosley continues based on a new approach developed with the community to Disaster Recovery. Action plans are based on the Community Impact Assessment, which is being adopted by other areas. Positive feedback has been received from those affected about the support received, and those who are ready to work again are now in new jobs.
32. The Delivering Differently in Neighbourhoods pilot was successfully implemented and developed a positive relationship with DCLG. The 12-month programme of activities started in February and the pilot is successfully engaging local residents in activities and allowing volunteers to shape and lead the delivery of future services.
33. There are currently eight Town partnerships in place with a possible ninth in development.
34. 21 Community Right to Bid nominations were submitted by nominating groups in total since 2013. 11 of those submitted were in 2015.
35. Two Rural Summits were held; Rural Connectivity and Digital Inclusion (July 2015) and Rural Tourism and Connectivity (March 2016) with an average of 35 stakeholders in attendance at each.
36. Crewe Cohesion Group agreed an action plan and development of Multi Cultural Forum.
37. The Welcome Café community consultation was launched in January 2016 to establish best ways of communicating with residents and improve service delivery.
38. Social Café at Dean Row opened in late Spring, providing a space for 50+ to socialise and a point for agencies to provide additional support and signposting.

39. Twista projects started in Alsager High, The Oakes Academy Crewe and Eaton Bank Congleton. Twista is a teen mentoring scheme supported by local businesses and agencies.
40. The Council published its Sustainable Libraries Strategy in 2014 and set the ambition to broaden the role of its libraries to appeal to a wider audience and buck the national trend of declining library usage. It also set the challenge to realise £1m permanent savings by the end of 2015/16, which have been achieved. The number of visitors to our libraries was down 4% compared with 2014/15 but a number of libraries were closed for short periods of refurbishment, and visitor numbers have increased notably at some of the libraries following refurbishment, in particular Nantwich and Poynton. Some of the key developments during 2015/16 to broaden the appeal of our libraries were:
- Refurbishment of Congleton, Holmes Chapel, Knutsford, Nantwich, Poynton, and Sandbach libraries
  - The move of Nantwich Citizens Advice Bureaux into the newly refurbished library
  - Introduction of new Mobile Library vehicle
  - Introduction of Wi-Fi at all libraries and start of PC renewal programme for the People's Network
  - Another record breaking year for the Summer Reading Challenge
  - Opening of new library within the Crewe Lifestyle Centre
41. The key development for customers contacting the Council during 2015/16 has been the migration of Council Tax calls into the Contact Centre. This change re-opened Council Tax lines from four half-days a week to be consistent with the opening hours for all other services (Monday to Friday 08.30-17.00) and removed the complicated IVR system to make it much easier for residents to talk to a Customer Service Advisor. Since the change we have seen a 77% increase in call volumes compared to the same period last year, but a 59% reduction in wait times for customers. We have also seen an unexpected benefit of a 16% reduction in recovery documents (e.g. reminders; summons) issued as customers have been able to resolve their issues more quickly, and a 93% reduction in complaints relating to telephone wait times for Council Tax.
42. There was a 5% reduction in website visits compared with the previous year; however, this should not be considered a negative trend. It is not a like-for-like comparison as some of the Council's ASDV's introduced their own websites during 2014 and 2015, which diverts visits away from the Council's website, in particular Everybody.org.uk.
43. The Council is working in partnership with PwC to deliver an award winning, sector-defining digital platform, designed to put residents first; creating a trusted and reliable digital experience that residents choose as their first choice route into the Council, and that connects communities to support each other to reduce dependency on public services. We recognise, however, that not all residents will be able to or choose to use the new digital services and so we are also designing assisted digital services to provide a safety net for more vulnerable users through face to face and phone assistance where required. The new digital platform will be introduced as the new Beta website for Cheshire East Council during 2016, initially providing access to high demand universal services including Council Tax, Benefits, Waste and Recycling, and Highways. This will increase service quality and improve customer experience as residents will be able to access services on demand, and reduce costs of delivering services by increasing automation and shifting residents to utilise less expensive contact channels.
44. Communities have an under spend of £0.5m at the end of 2015/16 against a budget of £9.2m.

45. Income forecasts for car parking were understated by £0.2m in 2015/16. This related to increased income from pay and display plus additional income from annual and quarterly car park permits over budget levels.
46. Pressures of £0.1m continued for costs of vehicle testing for taxi licensing. There is ongoing work in this area to overhaul the policy surrounding taxi licensing and a growth item was included in the 2016/17 budgets.
47. There was also a pressure of £0.1m relating to the 2015/16 business planning proposals for Pest Control and Trading Standards Investigations. These were not met fully in year due to the one-off cost of redundancies and a delay in implementing the pest control proposal.
48. These pressures within Regulatory Services & Health have been offset by savings from delays filling vacancies, small savings in supplies and services across the full service and increased income from Animal Health and Taxi Licensing. These savings have resulted in an overall underspend of £0.1m for Regulatory Services & Health.
49. Partnerships and Communities have generated an under spend of £0.1m during 2015/16. This is as a result of delays filling vacancies, reductions in supplies and services spend and additional income generated from CCTV.
50. Year-end results for Business Engagement were positive with the service supporting the creation of 723 new jobs. This includes major investments at Autoliv, Sanofi and Jodrell Bank.
51. The service engaged with nearly 200 high growth small to medium enterprises in the Science, Energy and Technology sectors.
52. The service has secured £0.94m of grant funding for businesses in Cheshire and referred 109 businesses to specialised support programmes to improve their productivity and increase their competitiveness. This is expected to lead to an increase in Gross Value Added of £65m.
53. The 2015/16 full year outturn for Economic Growth and Prosperity is a favourable position, with final net costs of £6.3m showing a £0.3m favourable variance against budget.
54. Significant asset disposal activity has been undertaken this year within the Growth and Regeneration Service, which has helped to generate a favourable outturn position due to the capitalisation of costs associated with asset disposals. Rental income levels were also higher than anticipated, partly due to the collection of rent arrears.
55. This position has facilitated the creation of a £0.5m reserve which will be used to meet an increase in the level of repairs and maintenance required within the Assets service area in the future.
56. The Strategic and Economic Planning Service outturn was a balanced position for 2015/16.
57. This service area has incurred additional costs of £1.1m due to the significant work undertaken on the Local Plan and the need to respond to an increase in the number of planning appeals. These

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

### **Business and Visitor Economy**

costs have been met partially by the Planning Reserve but also by an increase in the expected level of Planning Advice and Application fees, which were £0.4m better than budget.

58. The Investment Service outturn was £0.2m underspend versus Budget. This was in line with the forecast at Third Quarter and largely due to vacancy management within this area.

### **Workforce**

59. The governance structure for the new University Technical College (UTC) continues to be strengthened ahead of the planned opening in September 2016. Work on the Crewe site continues to progress with the intention to open the UTC within the previous Oakley Centre whilst the other buildings are demolished and rebuilt under Phase 2. The Council continues to facilitate ongoing liaison between existing schools and the UTC leadership to promote these positive working relationships.

### **Infrastructure**

60. The Strategic Highways Infrastructure Team continues to make strong progress on the Council's major transport schemes by planning, developing and delivering major highway and transport infrastructure improvements, in conjunction with partner organisations. Current Delivery Schemes include:
- Poynton Relief Road - Work is now progressing to submit a planning application in July 2016. Public consultation took place in October 2015 and a number of exhibitions were also held. The level of positive feedback received was exceptional for a highways scheme.
  - Congleton Link Road – The planning application was successfully made on the 30th September 2015 and an addendum to the planning application was submitted on 2<sup>nd</sup>

March 2016. The planning application is to be determined shortly by Strategic Planning and work continues to be progressed on this scheme in order to successfully deliver the next phase of work.

- Sydney Road Bridge – Work is rapidly progressing with Network Rail and their contractor, Murphy's, to develop and finalise design options in order to determine a final preferred option. Landowner consultations are taking place throughout May and preparation is underway for the planning application.
- The A6 SEMMMS scheme is currently under construction with road/rail bridge interfaces underway at Styal Road. The construction of A6 bridge is progressing and access routes to other bridge sites ongoing. Works on A34 north and south of the A555 are ongoing.
- A500 J16 Pinch Point Scheme – This scheme has been implemented to alleviate congestion on the A500 at junction 16 of the M6 through the addition of a lane to make the section a dual carriageway. Works are now complete at junction 16 and work continues to close this project out and address final payments.
- A556 Knutsford to Bowden (Highways England scheme) – This scheme allows for the construction of a new 4.5 mile dual carriageway between M6 junction 19 (near Knutsford) and the M56 junction 7 (near Bowdon). Construction started in November 2014, is progressing well and the scheme is due to complete in 2017.
- Crewe Green Roundabout – Work has started with option studies currently underway. Crewe Green is a five-arm signalised roundabout, forming a major confluence of roads to the east of Crewe. Peak period congestion is severe and traffic modelling shows the opening of Crewe Green Link Road (South) will add approximately 15% more traffic to the junction. A scheme has been developed to manage the revised traffic flows by remodelling the junction and the diversion of one arm of the

roundabout. A Cabinet report is due to be submitted in July 2016.

- Leighton West Spine Road - Due to the development of Leighton West, new infrastructure is required to enable the additional demands on the network to be handled. Therefore there is a need for the Spine Road to be developed and built. Work is underway to assess the options around the proposed site. Next steps include engaging with key stakeholders, supporting the production of the Bentley Masterplan A and subsequent planning application, in addition to supporting the application for planning permission for Leighton West by Engine of the North.
- Middlewich Bypass – The Feasibility Stage has run to programme and is being used for the DfT funding bid. Progress was reported early to Cabinet to enable wider public and stakeholder consultation on a Transport Plan for the whole Town of which the By-Pass will be a major part.
- Macclesfield Movement Strategy – A package of transport schemes which look to support growth and regeneration within Macclesfield. Work is underway in preparing a bid to the Local Growth Fund for future funding.

61. In addition to the major schemes currently being delivered, the Council is developing an ambitious pipeline of highway and transport infrastructure schemes for future delivery. The schemes under development include Crewe Bus Station, Congleton Public Realm Scheme, M6 Junction 16-19 SMART Motorway (Highways England scheme), and A500 Dualling.
62. In November, Chancellor George Osborne announced that the HS2 line to Crewe will be delivered six years earlier than planned. It was also announced that £5bn of additional investment will be made available to ensure the high speed railway from London to Crewe is open to passengers by 2027. This will bring huge benefits

to Crewe and now makes the location of a HS2 hub station at Crewe a near certainty.

63. HS2 and the location of a hub station at Crewe would help create more than 120,000 jobs by 2040 and inject £10bn a year into the wider region's economy. Seven trains an hour are expected to run from Crewe by 2027, with journey times to London reduced by 45 minutes. The final section of the line to Manchester will be completed by 2033.
64. Connecting Cheshire - Take-up growth continues to remain strong with fibre broadband being provided to more than 85,000 homes and businesses across Cheshire, Halton & Warrington. Connecting Cheshire has one of the highest and fastest take-ups in the UK.
65. Strategic Infrastructure net costs are £0.3m higher than budget at the year end. Higher than anticipated external contract costs as a result of development and planning activity were partially offset through high levels of Section 38 fees from developers and capitalisation of staff costs.
66. Highways has an overall underspend of £0.6m against a net budget of £11.2m. This is a significant improvement on third quarter review due to a variety of factors.
67. These include lower than anticipated costs on the Cheshire East Highways contracts with reduced spend on winter service and salt usage due to the particularly mild winter and reduced flood management costs resulting from recruitment difficulties in this growing service area. There was also an improved position on other fees and charges and a positive movement on the bad debt provision.

68. The final outturn for the Transport commissioning service is £0.3m, a slight increase on that reported at third quarter review. The overspend, as previously reported, relates to non-achievement of £0.15m of commissioner led savings related to Available Walking Routes and increased demand in Special Educational Needs (SEN) of £0.1m.

### **Inward Investment**

69. The Business Engagement & Inward Investment service has had strategic engagements with 41 of the Top 100 accounts in the Cheshire East area. This has led to a significant pipeline of investment opportunities that could lead to the creation of over 500 quality jobs in the area. Total investment for the year will result in an increase in rateable value of £415,000 with a potential increase in floor space of 77,199sqm.
70. Major inward investments include WEX Europe who consolidated their back office operations in the Crewe area creating 60 new high value jobs.
71. Alderley Park secured Enterprise Zone status to provide rate relief for companies relocating or expanding on the site. Alderley Park was also announced as a regional centre for the Precision Medical Catapult project. The GM & Cheshire Lifesciences Investment Fund success continues with a £3m investment in Blueberry Therapeutics announced.

### **Responsible Business**

72. Regulatory business satisfaction remains high with 100% of all businesses who returned a questionnaire stating that they were satisfied with the service they had received.

73. At the end of 2015/16 72% of local food businesses (2,582) were part of the Food Hygiene Rating Scheme. Of these, 92% scored a 3 ('generally satisfactory') or above. The Food Safety service continues to work with and support businesses to improve their scores. The Food Safety Service also undertook over 300 inspections/ interventions of low risk food businesses as part of its focused project in this area.

74. 88% of all high risk Food Standards inspections and 100% of high risk animal health inspections were completed in year.

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

### **Securing the Best Start in Life**

75. 2016 data around the Early Years Foundation stage will be finalised during the summer term; Cheshire East has been supporting schools undertaking moderation processes to ensure valid data is secured for all learners. The 'Making a Big Difference' programme for early years has focussed on closing the achievement gap for our most disadvantaged children. This programme supports schools and settings with a focus on monitoring the progress of the children and providing appropriate support and strategies. The percentage of eligible children taking up the two year old offer of free childcare has increased to 77% at quarter 4, up from 71% at the same time last year, and 5% above the national rate.
76. Work around closing the gap between disadvantaged learners and their peers in primary schools continued during quarter 4. Working through their clusters, most schools have focussed on maths programmes to address the dip in performance in 2014/15. Support for schools has involved funded cluster networks as well as lead conferences using Maths Hub resources/expertise. Quarter 1



of 2016/17 will see the evaluation of these initiatives and impact on overall school performance.

77. Validated data for end of Key Stage 4 was published in quarter 4. In terms of narrowing the gaps for disadvantaged learners and their peers, the validated data showed an increase in overall performance of disadvantaged learners by 2.1 percentage points (ppts) and the closure of the gap to national by 2 ppts. However, Cheshire East's performance is in line with last year; the closure of gaps over the last 12 months between Cheshire East and national is mainly due to lower performance at a national level. In addition, Cheshire East has improved national rankings for disadvantaged young people achieving 5 A\*-C (including English and Maths). Whilst positive progress, expectations were for improved outcomes in 2015; the performance of 3-4 schools significantly affected overall performance. The priorities at key stage 4 going forward include further narrowing of the gap for disadvantaged learners in drawing upon the best practice both nationally and locally. The initiatives put in place are already making a difference and these need embedding especially at key stage 3 in literacy and numeracy skills. Performance in maths is also a priority for all learners in responding to the national drop in outcomes.
78. At quarter 4 primary school persistent absences stood at 2.2% (0.5% lower than the national average of 2.7%). Secondary school persistent absences were at 5.6%, slightly higher than national average of 5.5%, and an increase from 5.1% in 2014-15. Cheshire East will continue to ensure that schools accurately record those learners who are receiving alternative provision, as well as working closely with schools whose attendance rates are below the Cheshire averages.

## Highest Achievements for All Learners

79. There is strong performance across the Borough for key stage 1 phonics, with 81% of learners achieving the required standard at the end of Year 1. This rises to 92% by the end of Year 2. At Level 2 and above in reading and maths, overall performance has remained the same as last year, but in writing it has dropped by 1 ppt. At key stage 1 Cheshire East ranked equal first for mathematics compared to our statistical neighbours. The priorities moving forward are to ensure that the percentage of children meeting the phonics standard at the end of year 2 is at least maintained and to halt the dip in writing, even though only by 1 ppt.
80. At key stage 2 a total of 82% of learners achieved Level 4 and above in reading, writing and maths combined. This is 2 ppts down on the previous year, but is 2 ppts above national. Cheshire East performance at Level 5 and above for the combined indicator is 3 ppts above national. In terms of expected progress, Cheshire East learners perform above national averages in reading, writing and mathematics. When ranked against our statistical neighbours, Cheshire East is equal first for mathematics, equal second for reading and equal sixth for writing. The priorities at Key Stage 2 are to further narrow the achievement gaps between disadvantaged learners and the rest so that the gap is less than the national.
81. Following a small rise of 0.4 ppts in the national 5+A\*-C (including English and maths) measure in 2015, Cheshire East's results improved by 1.8 ppts, significantly above the average for England. Cheshire East stands at 63.3%. This remains above the National figure which is 57.1%. This places the authority first against its statistical neighbours for the second year running. A further positive improvement has been seen in the expected rate of

progress in maths; there was a national improvement of 1.4 ppts across England, whereas Cheshire East schools improved the rates of progress by 3.8 ppts. Expected rates of progress in English - whilst there has been a slight reduction on 2014 data of 0.8 ppts, the local authority has improved its ranking against statistical neighbours by one place leaving us equal second. Both rates are still above the national, as was the case last year.

82. The percentage of primary and secondary schools judged good or outstanding by the end of 2015-16 has improved over the year. 86.4% of secondary and 92.7% of primary schools were judged good or outstanding by Ofsted in quarter 4, compared to 76.2% and 88.7% respectively, in the same period last year.

### **Achieve Aspirations**

83. Quarter 4 saw figures remain consistent for young people not in education, employment and training (NEET) and, those whose destination is 'not known', remains extremely low at 0.2 %, which is still best in the North West.
84. NEET figures are still being worked on (currently holding at the lowest level of 2.8%). A specific NEET project has been set up with partner agencies and is being delivered in Crewe through Catch 22. Although this is only a small number, (5/6 young people) outcomes are looking positive.
85. We are starting the process of September Guarantee monitoring for 2016 leavers.

### **Inclusion**

86. Further work is planned to ensure that vulnerable young people with special educational needs and disabilities (SEND) are

supported in achieving their aspirations and maximising their learning outcomes. It is planned to establish a 0-25 SEND Partnership Board in 2016/17 to improve good quality local provision for children with SEND and support for their families. This includes the development of a 'Sufficiency Statement' to identify and address gaps in local provision. This is expected to increase in-Borough provision and reduce the reliance on expensive out of area placements and transport costs.

87. Another key area of work underway is an in-depth review of the identification, assessment and planning processes for children and young people with SEND. This will further develop the person-centred approach associated with the new statutory assessment process and provide greater rigour and consistency in decision making.
88. The gap in GCSE attainment between cared for children and their peers reduced last year; the percentage of children gaining 5A\*-C (including English and maths) was 10% above the national average. However, the Virtual School is committed to continuous improvement and so all current year 11 pupils are being supported to gain the best possible GCSE grades and qualifications. All these children have a school place and additional support is being provided through tuition, mentors and developing employability skills.
89. The number of post-16 cared for and care leavers has risen slightly during quarter 4, but the level of engagement with education, employment and training (EET) has remained static for 16-17 year olds at 71%; for older care leavers (age 18 years and above) the level of EET is 50%. Work is ongoing with these young people, including support into apprenticeships. This includes ensuring that all year 10 and 11 pupils are registered on the Apprenticeship website and all those without firm further education plans are

supported to make applications and participate in additional work experience. It is proposed to expand the 'Cygnet' programme in 2016/17 to include work placements outside the local authority to support these young people in traineeships. A dedicated PA has been employed within Children's Social Care to monitor and support care leavers into positive activities and an improved tracking system will enable the PA to identify quickly young people who become NEET and provide support needed.

90. Children and Families forecast an overspend of £1.1m at third-quarter. At outturn this has moved to an overspend of £1.9m.
91. Changes to the assumptions surrounding the use of balances held on earmarked reserves and Dedicated Schools Grant (DSG) have impacted the Directorate's outturn position by £2.3m. Earlier assumptions legitimately included a contribution from DSG to partly meet costs of educating children in care. However, following a review, it was determined that a reduced contribution was ultimately required.
92. This change has been offset by improvements totalling £1.5m around reduced placement costs (£0.5m), additional funding from Public Health (£0.5m) for early help and protection activities and a number of smaller improvements such as reduced licence costs.
93. The overspend is caused by the underlying pressure within Children's Services around the numbers of Children in Care, and the limit to how effectively this can be mitigated against via in year activity.
94. The budget for Children in Care in 2015/16 was set in anticipation of further reductions to this cohort (based on the reduction experienced during both 2013/14 and 2014/15). However the actual numbers have risen over the past twelve months by 8% to

their current level of 387 and admissions to care have risen in the year by 13%. In addition, increasing gatekeeping in the service has resulted in the cases which are coming through being more complex. This directly correlates with the increased costs being incurred by the service.

95. The overspend on care costs is £3.8m (after removal of the DSG contribution of £1.5m factored in at third quarter). The service continues to seek better value for money placements that provide the necessary support for vulnerable children but also reduce cost on an individual basis. Moves of this nature are inevitably resource intensive and time consuming and follow on from more intensive packages of care that are needed at the outset. The financial impact of this work is yet to be seen in the accounts.
96. Following the Ofsted inspection, the department has now reviewed all of its commitments and has clear plans to pare down the level of additional temporary support that was put in place to deliver the requirements of the Improvement Plan, where appropriate to do so.
97. Use of agency staff remains an issue and the service continues to work proactively to permanently recruit Social Workers and Social Work Managers. This is a critical element of our Ofsted improvement plan, and extensive efforts have been made to increase stability in the children's social work teams. Consequently, there has been a significant improvement with only 11% of posts covered by agency social workers.

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

##### **Development Management**

98. Following 12 months of intensive work and receipt of the Inspector's Interim views in December 2015, the amended Local Plan Strategy was approved at Full Council on 26<sup>th</sup> February 2016. Activity in 2016/17 will involve an extensive consultation exercise, with conclusions and revisions sent to the Inspector in July in advance of anticipated further hearings in September/ October 2016. This will be followed by publication of the main modifications to the Plan and its adoption, which the Council anticipates to be in early 2017.
99. 2015/16 performance relating to turnaround of planning applications within timescales were:
- Major applications within 13 weeks – 62% (target of 60%)
  - Minor applications within 8 weeks – 62% (target of 65%)
  - Other Applications – 75% (target of 80%)
100. Overall performance has been maintained at similar levels to that of 2014/15. Performance in dealing with major applications continues to improve overall from a low point in 2013/14 and exceeds the national target of 60%; with minor applications performance has improved overall from 2014/15 and is on track to achieve the national target of 65%; and with other applications performance is maintained at 75% overall for the year against a target of 80%. High workloads for both applications and appeals have continued but in addition the Service has struggled to recruit experienced staff. While recruitment remains a challenge the introduction of new staff should gradually deliver improved performance over the first half of 2015/16.
101. A review of the registration, validation and allocation process for applications with Civicance has resulted in 95% of planning applications being validated within five working days compared with only 3% in 2014/15 and more information being available to customers about what stage an application is at.

102. The Building Control, Land Charges and Planning Administration commissioning service had a year end net nil position against a net budget of £1.7m.

### **Waste Management**

103. **Reduce** – the waste prevention volunteers and our schools waste prevention officer continue to do invaluable work across the Borough.
104. **Reuse** – the Council continues to work with its third sector partner to divert as much waste as possible from landfill and instead to see it refurbished and reused for local residents. Over 1,000 tonnes of materials have been reused this year.
105. **Recycle** – Cheshire East Council's recycling rate continues to be in the top 10% of all local authorities and well above the national target of 50%. Draft figures suggest we have a recycling rate of around 56%.
106. A procurement to enable the authority to collect food waste as part of the garden waste collection has now begun with pre-qualification questionnaires going to contractors by the end of May and preferred bidders being identified by the end of the year. The procurement in two lots would either give access to a suitable processing facility outside Cheshire East or allow the authority to enter in to a 15-year design build and operate contract for a new facility utilising Dry Anaerobic Digestion or similar technology.
107. **Disposal** – reliance on landfilling continues to decline as waste from the north of the Borough is sent to the 'energy from waste' plant in Stoke-on-Trent. The Environmental Hub project at Cledford Lane is progressing well.

108. The construction contract for the Environmental Hub has now been signed with work onsite scheduled for the end of May, completing in spring 2017. The Council has set up a liaison meeting and is working with town councillors to minimise disruption during the construction period.
109. The task and finish group, set up via the Environmental Overview and Scrutiny Committee to review fly tipping across Cheshire East, continues to seek to address fly tipping and side waste issues. Funding has been secured for additional resource in the Crewe area to tackle persistent issues. New staff are being employed and surveys of the pilot areas are being carried out.

### **Environmental Management**

110. Seven 'Green Flags' (a scheme recognising and rewarding the very best green spaces) were achieved in 2015/16: Sandbach Park; Bollington Recreation Ground; The Moor, Knutsford; Congleton Park; Tegg's Nose Country Park; Brereton Heath Local Nature Reserve; and Tatton Park.
111. 89% of the scheduled Environmental Permitting Regulations inspections for 2015/16 were completed – the reduction on the planned 100% is due to a reduced staffing resource and reactive demands on the service.
112. Actions within the Air Quality Strategy continue to be undertaken although a great deal of the year has been focussed towards the implementation of the electric vehicle infrastructure work and the development of a Low Emissions Strategy.

### **Sustainable Energy**

113. The plan to gain energy from the recycling of food and garden waste through the Organic Waste Treatment project is progressing well. Market engagement was completed and the outputs helped

inform the preparation of a tendering process to procure a preferred bidder and proposal by the end of the year.

114. The Fairerpower scheme has secured over 5,000 customers in its first full year, realising savings of £1.5m for residents within the Borough. We continue to have interest from other authorities in the scheme.
115. Cheshire East Energy Limited has been established to oversee the development of our Energy Framework. Its shadow board has decided to defer commencement of the creation of the formal alternative service delivery vehicle (ASDV). Alongside this, we are in the process of finalising a bid for ELENA funding from the European Investment Bank which will enable further investigation of an energy service company for Cheshire East.
116. Cabinet approved a recommendation for a new Joint Venture Partnership with Engie, called Cheshire Energy Networks Ltd, which will seek to progress the deep Geothermal project and district heating schemes across the Borough. Department of Energy and Climate Change funding has been secured for detailed project development in Macclesfield.
117. The construction of the Environmental Hub has led to a re-profiling of the savings associated with the re-letting of the waste disposal contract that was to be delivered in 2015/16 through the existing Crewe Depot. The reprofiling of savings has been fully mitigated by improvements on the household waste recycling centre contract, including non-requirement of planned inflationary growth and an increased bonus.
118. Overall, Environmental Operations, including Bereavement reported a £0.6m overspend for 2015/16 against a net £27.3m

budget, which was an increase from the £0.3m overspend reported at third quarter review.

119. There has been a shortfall in markets income of £0.1m. This continues the trend of a gradual decline in income over the last few years, specifically in Macclesfield, where low rents of vacant shops and a major trader leaving have contributed to the shortfall. Negotiations over the projected transfer of Crewe Markets to Crewe Town Council are continuing.
120. Within Bereavement Services there was a realignment of the original proposed income growth over a period of five years to gradually build market share. This has contributed £0.1m to the overall overspend. Within year, there was a shortfall of core bereavement income of £0.1m against a £2.4m income target. The shortfall is primarily due to a reduced service as a result of the contract refurbishment at Crewe Crematorium between July and December 2015.

## **5 ~ People live well and for longer**

### **Facilitating people to live independent, healthier and more fulfilled lives**

121. 1,831 home adaptations for older and/or disabled residents were delivered in 2015/16 (ahead of our target of 1,700) to support independent living.
122. 360 affordable homes were delivered (against target of 300), and 83 long-term empty homes brought back into use against a target of 70.

123. A training proposal package has now been received based upon the Wigan Deal and this is to be tested and evaluated to determine if it is appropriate for our purposes. An allocation has been set aside as part of the Better Care Fund to invest in the training of the health and care workforce.
124. **Children and Young People's Mental Health** - The Annual Public Health Report 2015 was published in December 2015 and focussed on 'Supporting the Mental Health of Children and Young People in Cheshire East'. The recommendations from this were translated into a strategy to support Outcome 3 of the Children and Young People's Plan. These were presented and approved at the Health and Wellbeing Board (HWB) and Children's Trust in February and April 2016.
125. One of the key priorities is to 'Put front-line mental health care and support into every community' and many of the actions focus on the Emotionally Healthy Schools Programme. The pilot started in January and six secondary schools have developed and started to implement plans. Actions in the plans include: a review of the Personal, Social and Health Education curriculum, universal form tutor sessions, staff training, joint sessions between schools and NHS services, targeted groups with at risk children to support resilience, parent groups and development of systematic processes to identify and respond to mental health needs. The six pilot Emotionally Healthy Schools have been working with Child and Adolescent Mental Health Services (CAMHS) and the CAMHS young advisors on a self-harm pathway. Funding has been identified from the Council and the two Clinical Commissioning Groups to support Emotionally Healthy Schools and the HWB supported this investment. The aim is to quickly expand the programme to all secondary schools, primary schools, colleges and private schools. Preliminary conversations have started with primary schools.

126. Integration work between Public Health, Children's Services and Wirral Community Trust (0-19 provider) is ongoing through the development of the 'Parenting Journey'. This will allow systematic assessment of families needs at regular intervals from pregnancy through to age four, including assessment of maternal mental health and child mental health. Four workshops were held with frontline staff from Children's Services and Wirral Community Trust and development of pathways for maternal mental health and child mental health were identified as two priorities. A draft plan has been written to support this development and two working groups of volunteers from the workshops have been identified to develop the assessments and the pathway for those identified with additional need.
127. Ongoing support is being provided to the CCG to further develop the Local Transformation Plan including investment for 2016/17.
128. The Better Care Fund Plan for 2016/17 has been successfully signed off with a pooled budget of over £25m agreed for investment in schemes that reduce demand on hospitals and increase rates of discharge.
129. The Integrated Sexual Health service, provided by East Cheshire NHS Trust, commenced on 1<sup>st</sup> October 2015. The service is delivered from two "hubs" which deliver the full range of contraception and genito urinary medicine based at Macclesfield Hospital and a newly refurbished site at Eagle Bridge Health and Wellbeing service in Crewe and is supplemented by community clinics at various locations throughout the Borough and targeted outreach services.
130. In the first six months of the service new referral pathways have been developed (around abortion, HIV treatment, psychosexual counselling, fertility awareness and substance misuse services), a new online booking service has been introduced and work has begun to develop a c-card scheme which will improve access to condoms for young people.
131. The past 12 months has seen an increase in the number of young people aged between 15-24 screened for chlamydia. This has resulted in an increase in chlamydia diagnoses to the extent that the authority now exceeds the Public Health England target for chlamydia diagnoses (2,300 per 100,000 of the 15-24 population). This indicates that we are targeting the right population, which will raise awareness, support containment and ultimately benefit longer term prevention.
132. **0-19 Healthy Child Service** – The new 0-19 Healthy Child Service, (incorporating Health Visiting, School Nursing, Breastfeeding support, Family Nurse Partnership and National Child Measurement Programme) commenced on 1<sup>st</sup> October 2015.
133. The new provider, Wirral Community NHS Trust, has undergone a staffing consultation and restructure which places staff in locality teams and includes the appointment of Professional Leads for the Health Visiting and School Health elements of the service. A new IT system, SystemOne has also been introduced and rolled out to staff.
134. A key ambition of the new service is to integrate with Children's Services and jointly deliver the newly launched parenting journey. All relevant staff have received training on the parenting journey and have jointly developed four key priorities for the services moving forward. These are maternal mental health, transition to parenthood, early intervention in safeguarding and emotional health and wellbeing of children and young people. Scoping work to relocate Health staff into the de-designated children's centres is underway. This will enhance service delivery integration and streamline services for children and their families.

135. **Footpaths to fitness (Public Rights of Way)** – Two local circular routes were made accessible in Maw Green and Coppenhall in the north of Crewe through footpath modifications and signposting. Routes were marketed to local communities to encourage physical activity through a large-scale campaign. 13 ranger-led walks have been undertaken, with 93 individuals participating.
136. **Staying Home (Royal Voluntary Service)** – This project involved the use of Home Library staff to perform ‘safe warm and well’ checks with service users who were largely housebound; as well as a telephone befriending service. 1,892 volunteer hours were committed to the project, and 518 personal emergency plans issued. 17,318 separate interactions were made with members of the public.
137. **Diagnose Cancer Early (NHS SCCH)** – The aim was to run a campaign targeted at areas of Crewe where the incidence of lung cancer is currently at its highest and health inequalities the most prevalent. 80 community champions were recruited and trained, and the number of patients able to receive effective treatment for lung cancer rather than support care has increased from 71% to 75% since the inception of the project. There has also been a reduction from 21% to 13% of people diagnosed with lung cancer following emergency admission.
138. **Cheshire Living Well, Dying Well (End of Life Partnership)** – The End of Life Partnership has been named as one of eight pathfinders by Public Health England (PHE) and the National Council of Palliative Care as pioneers of a public health approach to end of life. The work of the team has featured as good practice in two recent PHE reports. 842 individuals have been given training at workshops to promote awareness of end of life planning, with 41 workshops/events held.
139. **Food Dudes in Our Schools** – This project achieved the expected outcomes of offering interventions to a number of classes at schools to promote healthy eating.
140. **My Choice (Catch 22)** – 279 young people participated in a primary school sexual health programme, 548 participated in a secondary school programme, and 295 young people were supported in drop-in sessions.
141. **Stop Smoking Service 2015/16** – The demand for Stop Smoking Services has reduced in recent years, due to a downturn in smoking rates and the related significant increase in the use of electronic cigarettes. However, despite a difficult climate the local service has performed well. To date they have achieved 1,199 4-week quits.
142. We have also seen an improvement in the smoking in pregnancy rates. The final Cheshire East rate is not yet available but Mid Cheshire Hospitals Trust’s (MCHFT) Leighton Maternity Unit has seen a reduction from 17.5% in 2014/15 to 15% in 2015/16. East Cheshire NHS Trust (ECT) have continued to perform well with an end of February rate of 9%.
143. **Cancer** – In response to a recognised need to improve cancer outcomes in the South of the Borough, where one-year survival amongst those diagnosed with cancer is poor, a targeted cancer project focussed on prevention and early diagnosis of cancer has been commissioned. This project will build on the previous success and learning from the Every Breath You Take project which was focussed on early detection of lung cancer and was a previous Public Health Transformation Project. Included within this project is a social marketing campaign aimed at earlier presentation to primary care with signs and symptoms of cancer and will involve



the recruitment of community champions. This will form a key part of a new Cancer Strategy, currently in development, for South Cheshire.

### Early Intervention, Help & Prevention

144. The Alcohol Harm Reduction Position Statement and Forward Plan is drafted. Consultation and engagement will begin in quarter 2 2016/17. Work is ongoing with East Cheshire and Mid Cheshire Trusts and the Police to initiate the Cardiff Model of data sharing.
145. The Winter Wellbeing Partnership worked through the winter months to facilitate activity to protect vulnerable people and reduce excess winter deaths.
146. Public Health are working together with the Communities Directorate to prepare the Council's response to the Syrian Vulnerable People Relocation Scheme / Unaccompanied Syrian Children. A multi-agency working group has been established to co-ordinate this work with statutory bodies and the voluntary and faith communities.
147. **Substance Misuse** – The Stepping Stones Substance Misuse Service is an 'all age' service, supporting Young People and Adults. Catch22 are subcontracted to deliver support to Young People via the Stepping Stones (CWP) contract. 'Admissions for Alcohol-specific conditions among under 18 year olds' is one of the Incentive Indicators within the Stepping Stones contract. Therefore a Development Plan has been co-produced by PH Commissioners and Catch22 to improve Pathways and relationships between A&E and the Substance Misuse Service.
148. The Housing Options Team undertook a Peer Review as part of the Homelessness Gold Standard Accreditation Scheme achieving 68%

(over the required level of 60%) which is recognised nationally as a high score. The team will now progress to the next stage of the process.

### Accessible Services

149. Usage of Leisure Services facilities increased, achieving a year-end total of 2.83 million (against a targeted increase to 2.73 million).
150. Bikeability level 2 or 3 cycle training was delivered to an increasing number of young people aged 8-18 years in the Borough, with training delivered to 6,162 young people (against a target of 3,872).
151. The Leisure commissioning service had a year end net nil position, in respect of base budget spend on client and management fee costs, against a net £2.2m budget.
152. Two one-off payments contributed to an overall £0.2m overspend. As reported at third quarter review, a compensation event of £0.1m was paid to the Leisure Trust, being the loss of income and additional costs due under the contract for the early surrender of the Oakley Centre lease to enable access for the University Technical College project. There was also a one-off Cost of Investment payment to the Trust to cover voluntary severance/efficiency retirement of £0.1m. This will enable an annual saving to the Council of £0.1m.
153. The Connecting Care Programme now has a new care model regarding the integrated teams that are to be established across South Cheshire and Vale Royal. Plans for implementation are being progressed.

154. **Passport to Health** – After an extensive procurement exercise, a total of 126 organisations have now been awarded contracts for Health Checks, Sexual Health, Smoking and Alcohol services. Delivery would begin from 1<sup>st</sup> April 2016. In addition to this, Peaks and Plains have been awarded the contract to manage the assessment and outreach required for Passport to Health, and to offer the Specialist Smoking Service. The awards will see services delivered at a community level allowing local people to access services in places and at times convenient to them to high standards of quality.

### **Public Protection and Safeguarding**

155. Public Health are working with the Communities Directorate to respond to the Prevent & Channel Duties for this council. Channel Panel is established and work on the Panel's collective practice is underway, with a Training Strategy and Prevent Action Plan also informing work. A pan-Cheshire Chairs' meeting is also in place to share best practice and coordinate developments across the Police Force footprint.
156. **Infection Prevention and Control** - Cheshire East Council Public Health have the responsibility for commissioning local Infection Prevention and Control Services, and have recently undertaken a tender process for the service, which provides specialist advice on the prevention and control of infection to the general public (residents, patients, carers, and others) and to non-acute providers of health and social care services across Cheshire East. The contract was awarded to Staffordshire and Stoke-on-Trent Partnership NHS Trust in January 2016 to 'go live' on 1<sup>st</sup> April 2016.
157. Work has continued in quarter 4 around delivering the children and young people's improvement plan to meet the recommendations from Ofsted's inspection of children's services. Whilst the majority of actions within the plan have been completed and there have been some areas of improvement, in particular around the voice of the child, overall there is still a need to improve the quality of practice to provide good services for our most vulnerable children and young people. The plan is subject to regular internal and external scrutiny and challenge, including by the Health and Wellbeing Board, the accountable body for progress of the plan.
158. The Local Safeguarding Children Board (LSCB) also continues to monitor the effectiveness of safeguarding in Cheshire East through implementation of its business plan and quality assurance framework. Work is underway on completing the annual report for 2015/16 that sets out progress and impact against the priorities within the business plan. The Board has also scrutinised progress against the children and young people's improvement plan to address the recommendations from Ofsted's inspection in July 2015.
159. Quarter 4 data for Cheshire East cared for children and young people placed at a distance from the Borough has improved slightly since quarter 3 and is relatively stable when compared to the 2014/15 year end position. A recent decision by Cheshire East Cabinet to a redesign of residential provision will see our internal provision increase in capacity and flexibility, which should help to accommodate more of our children with complex needs within Cheshire East.
160. Data around the percentage of cases taking 45 days or less from the start of the combined assessment continue to be above target (of 85%+) reporting an indicative year end position of 87%; a considerable improvement on 70% for the year in 2014/15. Systematic challenge and focus around timeliness of assessment is continuing to show improved overall completion rates.

161. Child participation and wishes and feelings being incorporated into child protection plans continues to improve and is evident in over 90% of cases on average. In March 2016 a change was implemented to the case management system to capture the participation at child protection conferences under the same criteria that is used for cared for children involvement in reviews. This will allow a much better understanding of how individuals are choosing to participate and, more importantly, understand reasons why individuals may not chose to attend a child protection conference or express a view.
162. Eighteen children were adopted in 2015/16 and there were 31 children with an adoption plan as at the end of quarter 4. There were seven adoption orders granted in quarter 4, with the average number of days between entering care and being placed for adoption being 545 days. This is above the government target of 426 days, but relates to a small cohort of young people which has a significant impact if one is out of timescale for a period, as was the case in quarter 4. The average days between a placement order and match with an adoptive family in Cheshire East was 99 days in quarter 4, better than the government target of 121 days, which is positive.
163. Adults Social Care has produced a positive outturn result for the 3<sup>rd</sup> year running, which is a major achievement when considering the demographic demand being faced both in terms of an ageing population and also, the complexity and cost of younger people coming through transition to Adult services.
164. The improvement in the final outturn position to an underspend of just over £0.5m compared to the small overspend projected at Third Quarter Review is due to a number of factors:
  165. Firstly, negotiations with providers regarding fee levels have led to less being paid out than previously anticipated. As part of the fee level process providers were pragmatic about prioritising fee increases from April 2016 onwards (which have now been implemented) over back-dating in the vast majority of cases. Any back-dating has therefore been agreed as being subjected to an open book accounting exercise, with only one provider to date formally submitting their books.
  166. Secondly, there was a small residual balance on the annual accrual for care costs which has been factored into the outturn position. Income levels have remained buoyant, higher than projected, which is an early cause for optimism when looking at the finances for 2016/17. It should be noted that certain savings targets are still to be delivered and have been covered by one-off remedial measures during 2015/16 which cannot be repeated in 2016/17.
  167. In addition, the outturn for Adult Social Care also masks the current pressure in the Health and Social Care economy, both locally in Cheshire East and the wider position nationally. Demand remains high and Health colleagues are already reporting deficits in 2016/17. Integration work-streams are moving forward with one of the key aims being to reduce the financial gap which is projected to grow going forward to the end of the current parliament.
  168. Locally, Adult Social Care has some very challenging targets in 2016/17 with, for example, the work of the temporary task team who are undertaking reviews being crucial in maintaining a balanced financial position going forward. Investment is needed in a number of key areas, not only the review team, in order to drive the business forward. The First Quarter Review will contain a full update of the latest position and will detail any shortfalls on the savings targets. In addition, work continues with Health colleagues around the ongoing funding issues surrounding some of the

complex service users. Therefore whilst the final outturn for 2015/16 is a resounding success, given the factors that sit behind it, there is still further work to be done to maintain this position going forward and deliver the new financial challenges being faced.

169. Public Health have delivered a balanced budget for 2015/16 as demonstrated by the fact that there is no material change to their ring-fenced reserve of £1.9m. Behind this overall headline there are a number of important factors to be taken into account. The first of these is the 2015/16 in-year reduction of grant imposed on all Public Health functions within Local Government. This reduction was £1m for Cheshire East Council and the successful delivery of this reduction involved extensive remodelling of expenditure plans. Responsibility was taken over part way through the year (1<sup>st</sup> October 2015) in terms of Commissioning services from 0 - 5 years olds with full year responsibility commencing in 2016/17. Extensive developments have taken place during 2015/16, for example, the setting up of an Integrated Wellness Service which will further improve delivery of Outcome 5 and Joint Strategic Needs Assessment targets going forward and allows residents to take more control over their own personal wellbeing. The development of the Emotionally Healthy Schools programme working alongside both key internal partners such as Children's Services alongside external partners such as Health is another major achievement. These investments alongside existing contractual commitment will ensure that the 2016/17 grant monies are fully utilised. These investments sit alongside the delivery of statutory functions which transferred with the service when it came over from the Health sector three years ago.

## 6 ~ A Responsible, Effective and Efficient Organisation

170. The budget for Chief Operating Officer Services was underspent overall by £2.7m. The expected underspend at TQR (£3m) is

reduced by service manager requests to carry forward budget to 2016/17 amounting to £0.4m.

171. Corporate Resources & Stewardship underspent by £2.3m at outturn (£2.6m underspend at TQR). Of this total underspend, £2.0m was within Facilities Management where energy was underspent by £0.8m, National Non-Domestic Rates by £0.5m primarily due to successful rating appeals, and Repairs & Maintenance by £0.1m. The remainder of Facilities Management underspend came from within the departmental and cleaning budgets. In the remainder of Corporate Resources and Stewardship, underspending due to staff vacancies was partially offset by spending on the reintegration of CoSocius and an under-recovery against an income budget for procurement savings; whilst savings were made, not all savings were recouped from other departments' budgets.
172. The HR department underspent by £141,000 at outturn (£264,000 underspend at TQR). This position includes carrying forward £208,000 underspend to fund 2016/17 costs resulting from the restructure of Workforce Development. The underspend primarily resulted from reduced team capacity to develop and take forward a leadership development strategy and an agreed deferral of the Council's staff survey from January 2016 to June 2016. Reductions and adjustments in budgets have been made in 2016/17.
173. Legal Services underspent by £10,000 at outturn (net-nil forecast at TQR). Income from general fees and charges was higher than budgeted but this was offset by increased spend on the supplies and services budget, mainly due to additional costs of external legal advice.
174. The Governance & Democratic service underspent by £81,000 at outturn (net-nil forecast at TQR). The main reason for the

underspend was the achievement of greater income in the Registration Service due to a sustained marketing effort on a regional and national stage and innovative partnership working with Approved Premises. Early indications are that Registration income again looks set to be buoyant in 2016/17. The supplies and transport budgets within Democratic Services also came in under budget due to in year efficiencies made. The total underspend was partly offset by the employees budget being overspent by £57,000. This was due to additional non-funded staff. This has been rectified for 2016/17 with the overall staffing budgets being re-aligned to more accurately reflect staffing establishment.

maintained. The decision was taken in October 2015 to move the services provided back in house, and a comprehensive cost reduction programme has been actioned. This will bring costs in 2016/17 in line with available budgets. The net company overspend is shared with Cheshire West and once adjustments are made to unwind share capital the net cost to Cheshire East is £1.1m.

175. Communications underspent by £74,000 (£20,000 underspend forecast at TQR). Staffing was underspent by £29,000 due to vacancies throughout the year, and income was also £30,000 higher than budgeted due to salary recharges being made to various projects and services as a result of the development and implementation of a new communications business model. The budget has been restructured for 2016/17 to achieve required Business Planning Proposals and better reflect anticipated expenditure.
176. The Strategic Commissioning service underspent by £122,000 at outturn (£87,000 at TQR). The underspend is mainly due to staffing vacancies throughout the year, partially offset by an overspending on supplies and services due to one-off costs relating to systems and reports. The budget has been restructured for 2016/17 to better reflect anticipated expenditure.
177. CoSocius Ltd, which is jointly owned with Cheshire West and Chester, reported a year end overspend of £2.58m. The overspend was caused primarily by a failure of the company to generate new business and income and an overreliance on expensive contractors to fill posts to enable routine services to both Councils to be

## 2. Financial Stability

### Introduction

178. Financial performance has continued to improve compared to previous financial years. Improvements in financial planning, governance and stewardship are having a clear impact on the Council's ability to manage its budget and create greater confidence in the medium term plans.
179. Applying the best fit approach towards commissioning means the Council now wholly owns several supplier companies as well as maintaining relationships with private sector suppliers, charitable trusts and voluntary sector organisations. The financial position of the wholly owned companies has a direct effect on the financial performance of the Council and the Council's share of ongoing surpluses are currently held in the Trading earmarked reserve.
180. **Table 1** provides a service summary of financial performance for 2015/16. For further details please see Section 1 and the notes below the table. Changes to service net budgets since Third Quarter Review are analysed in **Appendix 2**.

**Table 1 - Service Final Revenue Outturn Position 2015/16**

	Revised Net Budget	Final Outturn Position	Over / Underspend)	Change from Quarter 3	Outcome Number 1 - 5
	£000	£000	£000	£000	
Children & Families	43,055	44,996	1,941	804	3,5
Adult Social Care & Independent Living	95,358	94,852	-506	-1,393	5
Public Health	0	0	0	0	5
Economic Growth & Prosperity	6,582	6,322	-260	-219	2
Chief Operating Officer					
Commissioning Services:					
Bldg Control, Land Chges & Planning Support	1,693	1,655	-38	-109	2,4,5
Environmental (incl Bereavement)	27,287	27,848	561	298	2,4,5
Highways	11,214	10,648	-566	-566	2,4,5
Leisure	2,240	2,470	230	90	2,4,5
Transport	14,585	14,882	297	43	2,4,5
Shared Services	0	1,165	1,165	1,165	
Communities	9,248	8,726	-522	-549	1,2
Other (e.g Finance, ICT, Legal, Facilities)	39,304	36,576	-2,728	289	
<b>TOTAL SERVICE OUTTURN</b>	<b>250,566</b>	<b>250,140</b>	<b>-426</b>	<b>-147</b>	

181. The impact of the final service outturn position is to increase balances by £0.4m. Further items impacting on the level of the Council's balances are detailed in the paragraphs below on centrally held budgets.

## Government Grant Funding of Local Expenditure

182. 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 2015/16 was £366.8m.
183. In 2015/16 Cheshire East Council's specific use grants held within the services was budgeted to be £270.6m based on Government announcements to February 2015. This figure has now been reduced to £256.7m.
184. A £4.3m decrease in grant during the last quarter has arisen due to schools having converted to academy status.
185. Spending in relation to specific use grants must be in line with the purpose for which it is provided.
186. Where additional non-ringfenced grant funding is received, services wishing to increase their expenditure budgets are required by Finance Procedure Rules to seek approval to use this additional funding. Additional general purpose grants totalling £518,000 were received during the final quarter of 2015/16. Services are seeking approval to use £320,000 of this additional funding, and this has been transferred to an earmarked reserve.
187. These grants were received too late in 2015/16 to seek approval to spend in year, and therefore this report seeks approval to services' requests to incur expenditure of £320,000 in 2016/17 fully funded by the additional grants. Details of the allocations are contained in **Appendix 10**.
188. Business Rates Retention compensation grants of £4.0m have also been received during 2015/16 to reimburse billing authorities for the extra discounts offered to businesses as announced in the 2013

and 2014 Autumn Statements. This includes the doubling of Small Business Rate relief for a further year and the continuation of the Retail Relief discount. These grants have been transferred to the Collection Fund Management earmarked reserve.

189. Services general purpose grant was originally budgeted at £96.2m. Net additional grant of £5.4m has been received during the year. £0.8m of additional grant has been allocated to services during the year. After allowing for the transfer of £4.4m to earmarked reserves, the net outturn variance is a £0.2m underspend against budget.
190. **Table 2** provides a summary of the updated budget position for all grants in 2015/16. A full list is provided at **Appendix 3**.

**Table 2 – Summary of Grants to date**

	2015/16 Original Budget  £m	2015/16 Revised Forecast TQR  £m	2015/16 Final Outturn  £m	2015/16 Change from TQR  £m
<b>SPECIFIC USE</b>				
Held within Services	270.6	261.0	256.7	-4.3
<b>GENERAL PURPOSE</b>				
Central Funding	77.8	77.8	77.8	0.0
Service Funding:				
Children and Families	0.5	1.1	1.1	0.0
Adult Social Care and Independent Living	3.5	3.3	3.3	0.0
Economic Growth and Prosperity	0.6	1.0	1.3	0.3
Chief Operating Officer: Commissioning	2.2	2.3	2.3	0.0
Chief Operating Officer: Other	11.6	11.6	15.8	4.3
Total Service Funding	18.4	19.3	23.8	4.6
<b>TOTAL GENERAL PURPOSE</b>	<b>96.2</b>	<b>97.0</b>	<b>101.6</b>	<b>4.6</b>
<b>Total Grant Funding</b>	<b>366.8</b>	<b>358.0</b>	<b>358.3</b>	<b>0.3</b>

## Collecting Local Taxes for Local Expenditure

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

### Council Tax

192. Council Tax is set locally and retained for spending locally. Council Tax was frozen for 2015/16 at £1,216.34 for a Band D property. This is applied to the taxbase.

193. 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 2015/16 was agreed at 138,764.49 which, when multiplied by the Band D charge, means that the expected income for the year is £168.8m.

194. 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 £205.8m.



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

	£m
Cheshire East Council	168.8
Cheshire Police and Crime Commissioner	21.7
Cheshire Fire Authority	9.8
Town and Parish Councils	5.5
<b>Total</b>	<b>205.8</b>

195. This figure is based on the assumption that the Council will collect at least 98.75% of the amount billed. However, the Council will always pursue 100% collection, and therefore the actual amount billed will be more than the budget.
196. 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 was £210.8m.
197. **Table 4** shows collection rates for the last three years, and demonstrates that 99% collection is on target to be achieved within this period.

**Table 4 – Over 99% of Council Tax is collected within three years**

Financial Year	CEC Cumulative		
	2013/14	2014/15	2015/16
	%	%	%
After 1 year	98.1	97.9	98.1
After 2 years	99.0	98.9	**
After 3 years	99.2	**	**

\*\*data not yet available

198. The Council Tax in-year collection rate for 2015/16 at 98.1% is up on last year's rate of 97.9%.
199. Council Tax support payments (including Police and Fire) were budgeted at £18.6m for 2015/16 and at the end of the year the total council tax support awarded was £14.9m. The Council Tax Support caseload has reduced since April 2014 and there have been more reductions in the Council Tax Support awards in the year than increased or new awards.
200. Consultation on changes to the Council Tax Support Scheme for 2016/17 was launched in August 2015, with the final scheme agreed by full Council in February.
201. Council Tax discounts awarded are £19.2m which is broadly in line with the same period in 2014/15.
202. Council Tax exemptions currently awarded total £3.7m which is broadly in line with the same period in 2014/15.

## Non-Domestic Rates (NDR)

203. 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. This is the second year that the multiplier increase was capped by the Government at 2%.
204. The small business multiplier applied to businesses which qualify for the small business relief was set at 48.0p in 2015/16. The non-domestic multiplier was set at 49.3p in the pound for 2015/16.
205. Cheshire East Council has entered into a pooling arrangement with the Greater Manchester (GM) Authorities for the purposes of Business Rates Retention. The purpose of the pool is to maximise the retention of locally generated business rates to further support the economic regeneration of Greater Manchester and Cheshire East Councils. As a pool the members will be entitled to retain the levy charge on growth that would normally be paid over to Central Government. Cheshire East will retain 50% of this levy charge locally before paying the remainder over to the pool.
206. The Cheshire East and GM Pool are also taking part in a pilot scheme where the pool is now able to retain locally the 50% of “additional growth” in business rates which in the usual Business Rates Retention Scheme would be paid directly to DCLG.
207. Part of this arrangement means that the baseline for which growth in rates is set against has been reset to match the estimated rates to be collected as reported in January 2015. This level is £139.5m.
208. In year analysis has shown successful appeals have been awarded at a higher level than have currently been provided for. This issue

has been resolved at year end with the business rates retention earmarked reserve being utilised to cover this increased pressure.

209. **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.

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

Financial Year	CEC Cumulative		
	2013/14	2014/15	2015/16
	%	%	%
After 1 year	98.2	98.1	98.4
After 2 years	99.2	99.3	**
After 3 years	99.5	**	**

\*\*data not yet available

210. The business rates in-year collection rate for 2015/16 has increased to 98.4% compared to 98.1% in 2014/15.

## Capital Programme 2016/19

211. Since the Third Quarter Review the overall programme forecast budget has increased by £12.3m to £468.4m, as shown in **Table 6**.

**Table 6 – Summary Capital Programme**

	Revised Total Forecast Budget TQR 2015/19 £m	Amendments to Outturn Forecast Budget 2015/19 £m	Amended Outturn Forecast Budget 2015/19 £m	Budget Reductions £m	SCE's £m	Revised Total Forecast Budget 2015/19 £m
Children & Families	43.3	-0.9	42.4	-0.2	0.2	42.4
Adult Social Care & Independent Living	2.8	0.2	3.0	-1.6	0.0	1.4
Economic Growth & Prosperity	251.8	0.6	252.4	0.0	11.4	263.8
Chief Operating Officer - Commissioning	120.9	0.5	121.4	-0.1	1.9	123.2
Chief Operating Officer - Other	37.3	0.3	37.6	0.0	0.0	37.6
	<b>456.1</b>	<b>0.7</b>	<b>456.8</b>	<b>-1.9</b>	<b>13.5</b>	<b>468.4</b>

212. The amendments since TQR of £13.5m are mainly within the Economic Growth and Prosperity Directorate and relate to a £10.9m Supplementary Capital Estimate for the Congleton Relief Road Scheme. This increase represents the full cost of the scheme from construction through to opening of the new road.

213. There have also been a number of other Supplementary Capital Estimates within the Highways Service totalling £1.661m. These relate to the release of the Community Investment Reserve to fund Highways expenditure in year (£0.542m), additional funding of £0.534m from the Pothole Action Fund and £0.585m from the Government's Incentive Scheme.

214. There have also been a number of budget reductions totalling £1.9m which includes the reduction in the Adults Social Care Grant that has been previously reported for future years but has now ceased as of 2016/17 and will no longer be payable to Cheshire East Council.

215. 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 7**.

**Table 7 – Capital Funding Sources**

	TQR Total Forecast Budget £m	Outturn Total Forecast Budget £m	Variance £m
Grants	201.3	198.4	-2.9
External Contributions	54.0	63.9	9.9
Cheshire East Resources	200.8	206.1	5.3
	456.1	468.4	12.3

## Capital Budget 2015/16

216. At the Outturn stage the Council had spent £90.6m in 2015/16 against an Approved in-year Budget of £122.8m. The Council has contributed expenditure of £9.2m for the SEMMMS relief road with matched grant funding from the Greater Manchester Combined Authority. The new relief road straddles Stockport MBC and Manchester City Council boundaries as well as Cheshire East. As the host council, Stockport MBC includes the full costs within their capital programme.

217. Since the start of 2015/16 slippage on the capital programme has been measured on schemes that are at the Gateway 2 stage and are classed as committed schemes as these schemes should have commenced prior to or during 2015/16 and have a detailed forecast expenditure plan in place. **Table 8** below shows the actual

expenditure incurred on those schemes against the revised Outturn Budget.

**Table 8 – 2015/16 Actual Expenditure compared to Revised Budget**

Committed Schemes	Revised TQR Budget	Revised Outturn Budget	Outturn Expenditure	(Over/ Underspend)
	£m	£m	£m	£m
Children & Families	10.2	9.9	7.2	-2.7
Adult Social Care & Independent Living	0.8	0.6	0.4	-0.2
Economic Growth & Prosperity	26.8	28.6	20.9	-7.7
Chief Operating Officer - Commissioning	43.8	44.0	35.9	-8.1
Chief Operating Officer - Other	14.7	14.7	8.4	-6.3
<b>Total Committed Schemes</b>	<b>96.3</b>	<b>97.8</b>	<b>72.8</b>	<b>-25.0</b>

218. During 2015/16 a number of major projects have either completed or got under way including Crewe Green Link Road £9.0m, Crewe Lifestyle Centre £8.6m, Lighting Column Replacement scheme £4.8m, Schools Improvement Programme £7.9m and the Highways Investment Programme £6.5m.

219. However there has been slippage of £25.0m across several schemes:-

- ICT Projects across the programme have slipped by £6.8m, including the new Care Act Phase two projects.
- Schemes within the Growth and Prosperity Directorate have slipped £8.5m, including the Gypsy Traveller site, Housing Innovation Fund and the Farms Strategy.

- Within Environmental Services schemes have slipped £2.3m including the Waste Hub and the Queens Park Path project.
- Highways services have slipped £3.1m, mainly due to the Alderley Edge Bypass project where the Council is still in the process of settling Part One claims and expenditure was not as high as predicted in 2015/16 based on previous financial years' demands.
- Children and Families Directorate has slippage of £3.1m which is due to the progress of the building works on the schools projects and delays in starting the projects later in the year than had been originally intended.

220. **Appendix 5** details requests of Supplementary Capital Estimates and Virements up to and including £250,000 approved by delegated decision which are included for noting purposes only.

221. **Appendix 6** details requests for three supplementary capital estimates:-

- £542,403 funded by the Community Investment Revenue Reserve and to fund a number of community led Highways schemes and forms part of the Highways Maintenance Minor Works Programme.
- £534,000 is additional funding that has been received to support the Highways Investment Programme to reduce the number of potholes on the borough's highways.
- £585,000 relates to additional funds as part of the Government's Incentive scheme.

222. There are also virements of £450,000 for Disley Primary School expansion funded by the Basic Need Grant block allocation already approved in the capital programme and £425,000 transferred from the central block allocation for supporting strategic projects to

Economic Growth and Prosperity to fund the Investment in Heritage Buildings Programme.

223. **Appendix 7** details a Supplementary Capital Estimate request of £10.9m to increase the Congleton Relief Road project to bring the approved budget in line with the full costs to deliver the scheme. A separate more detailed report on the project will be discussed at the 12<sup>th</sup> July Cabinet meeting also.
224. There are also four virements of over £1m requiring Full Council approval which relate to the allocation of block provisions for major capital schemes in schools.
225. **Appendix 8** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

## Central Adjustments

### Capital Financing Costs and Treasury Management

226. The capital financing budget includes the amount charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long term loans. These costs are partly offset by the interest the Council earns from temporary investment of its cash balances during the year. The capital financing budget of £14m accounts for 6% of the Council's net revenue budget.
227. Cash balances remained stable throughout the year, and no additional external borrowing was undertaken as the Council continued its policy of 'internally' borrowing to finance the capital programme. As a result external interest charges have continued to decrease as external loans are repaid and not replaced.

228. Investment income for 2015/16 is £891,000 which is higher than the budgeted income of £200,000. The average level of cash balances in the year was higher than forecast although market interest rates remained relatively flat. However, investments in the CCLA Investment Management Ltd property fund, longer dated investments and use of corporate bonds has contributed to higher rates of interest earned on investments.

- The average lend position (the 'cash balance') including the property fund during the year was £71m.
- The average annualised interest rate received on in house investments during the year was 0.67%.
- The average annualised interest rate received on the externally managed property fund during the year was 4.97%.

229. The Council's total average interest rate received in the year was 1.09%. The returns continue to exceed our benchmark, the London Inter-bank Bid Rate for 7 days at 0.45%, and our own performance target of 1.00% (Base Rate + 0.50%).

**Table 9 – Interest Rate Comparison**

Comparator	Average Rate
Cheshire East	1.09%
LIBID 7 Day Rate	0.45%
LIBID 3 Month Rate	0.54%
Base Rate	0.50%
Target Rate	1.00%

230. As a result of additional investment income and lower external interest charges overall the budget has underspent by a total of £2.2m. This has been transferred to an earmarked reserve to fund future capital expenditure from revenue contributions. The budget is therefore reporting a net nil variance at outturn.
231. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement approved by Council on 26<sup>th</sup> February 2015. Further details of counterparty limits and current investments are given in **Appendix 9**.
232. During 2015/16 a further investment of £2.5m was made in the CCLA managed property fund bringing our total investment to £7.5m. This property fund continues to grow and has demonstrated consistently high returns over the last few years with underlying capital growth being maintained. However, this fund should be judged over a 5 to 6 year period as returns and the underlying capital value of the fund can be volatile.
233. Over the last year, regulations concerning the security of funds at banks and financial institutions have changed. The effect is that although Government support has been removed, the risk of failure has decreased due to increased capital requirements but the effects of failure to Local Authority investments are more serious due to bail-in requirements. The Council has therefore placed more investments which are outside of the bail-in requirements. This is being achieved through the use of Covered Bonds and Corporate Bonds with maturity dates to tie in with our cash flow forecasts.
234. Covered Bonds provide security as they are backed up by collateral and still provide a good level of return. The Council has two investments in covered bonds totalling £4m due to mature in November 2016.

235. Corporate Bonds are not protected by collateral but are generally exempt from any bail-in requirements. Investment in Corporate Bonds are only made on advice from our Treasury Management advisors who review the company, the market and country in which they operate, the ranking of the bond and the credit worthiness assigned to it. As at 31<sup>st</sup> March 2016 the Council had investments in two Corporate bonds totalling £3.6m. Full details are shown in **Appendix 9**.

### **Central Contingencies and Contributions**

236. A budget of £1.1m is held centrally to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. After allowing for the drawdown of the Pensions earmarked reserve, there is a small overspend of £0.1m against the budget.
237. This has been offset by miscellaneous income and reduction in central bad debt provisions of £0.3m.
238. Following a review of balances on earmarked reserves, £1.5m has been returned to central balances. This happens when specific projects are completed or when the requirement for additional earmarked funding is no longer appropriate.
239. This, together with the favourable outturn position, has allowed the transfer of £1.8m from general balances to specific earmarked reserves to provide for additional costs likely to arise on Insurances and to provide funds to support the further transformation of services within the Council.

## Debt Management

240. The balance of outstanding debt has decreased by £0.6m since Third Quarter Review. Balances remain within forecast levels and adequate provisions have been made. Details of the Council's debt position are contained in **Appendix 11**.

## Outturn Impact

241. The impact of the final service outturn position is to increase balances by £0.4m as reported above (**para 181**).
242. Taken into account with the central budget items detailed above and the approved use of general reserves below (**paras 245-247**), the financial impact described in this report has resulted in an reduction in balances of £1.7m as summarised in **Table 10**.

**Table 10 – Impact on Balances**

	£m
Service Net Budget Outturn	0.4
Central Budgets Outturn	0.1
Use of Reserves approved by Council	-2.2
<b>Total</b>	<b>-1.7</b>

## Management of Council Reserves

243. The Council's Reserves Strategy 2015-18 states that the Council will maintain reserves to protect against risk and support investment. The Strategy forecast that the risk assessed level of reserves is likely to remain at £12.5m throughout the medium term.

244. The opening balance at 1<sup>st</sup> April 2015 in the Council's General Reserves was £14.7m as published in the Council's Statement of Accounts for 2014/15.
245. At the February 2015 meeting, Council approved the use of £1.7m of general reserves in 2015/16, to be transferred to earmarked reserves to meet additional planning costs, potential increased insurance claims, and to support investment in sustainability.
246. At First Quarter Review, Council approved that £0.5m be transferred from balances to an earmarked reserve for Early Intervention initiatives.
247. The overall impact of service budgets, central budgets and Council decisions is identified in **Table 10** above. **Table 11** shows how this impacts on the forecast closing balance of general reserves.

**Table 11 – Change in Reserves Position**

	£m
Opening Balance at 1 <sup>st</sup> April 2015	14.7
Impact on Balances at Final Outturn	-1.7
<b>Closing Balance at March 2016</b>	<b>13.0</b>

248. The balance of £13.0m reflects the fact that risks associated with budget achievement in 2015/16 did not actually materialise due to managed remedial actions and this is slightly above the level planned in the 2015/18 Reserves Strategy. Overall the Council remains in a strong financial position given the major challenges across the public sector.

249. The Council also maintains Earmarked Revenue reserves for specific purposes. At 31<sup>st</sup> March 2015 balances on these reserves stood at £49.1m, excluding balances held by Schools. A contribution of £0.2m to the Emergency Assistance earmarked reserve was approved as part of the 2015/16 budget. Council also approved the transfer of a further £1.7m from general reserves into earmarked reserves in 2015/16 to provide for additional costs in Planning, and on Insurances, and to support investment in sustainability. These items brought the earmarked reserves balance available in 2015/16 to £51.0m. At First Quarter Review, Council approved the transfer of £0.5m to an earmarked reserve for Early Intervention Initiatives.

250. During 2015/16, expenditure drawn down from earmarked reserves has been applied to fund service expenditure specifically provided for. Service outturn positions take account of this expenditure and funding, together with further contributions to earmarked reserves for future spending.

251. Services have made provisions within their outturns to reflect slippage in spending plans, carry forward of grant backed initiatives and provision for specific liabilities. It is proposed that this expenditure be met from carry forward via the service manager earmarked reserve under Finance Procedure Rule A 40, as listed in **Table 12** below.

252. A full list of earmarked reserves and movement in 2015/16 is contained in **Appendix 12**. Cabinet are asked to recommend that Council approve the creation of two new earmarked reserves for Transforming Services and Royal Arcade Crewe as detailed in the appendix.

253. Subject to this approval, the balance on earmarked reserves at 31<sup>st</sup> March 2016 is £53.0m.

**Table 12 – Service Manager Carry Forward Earmarked Reserve**

Service	Description	Amount £000	Total £000
Children & Families	Duke of Edinburgh Award	14	48
	Clerking & Governance Team	34	
Adult Social Care & Independent Living	Social Care Bill implementation	383	1,582
	Respite Placements Review	89	
	Learning Disability / Fees Review	96	
	Adult Integrated Care	158	
	Commissioning Reviews	251	
	Better Care Fund	605	
Environmental	Bereavement	40	462
	New Delivery Model	393	
	Mapping Maintained Assets for Routing	29	
Highways	Flood Management	80	214
	Highways Contract	84	
	NRSWA Permits	50	
Communities	Local Community Services	190	285
	Car Park Strategy	9	
	Licensing Enforcement	24	
	Delivering Differently in Neighbourhoods	62	
Economic Growth & Prosperity	Lifelong Learning	532	592
	Housing - Choice Based Lettings	39	
	Cultural	21	
Chief Operating Officer	Scrutiny / Training	3	3
<b>GRAND TOTAL</b>			<b>3,186</b>



# 3. Workforce Development

254. This section sets out the Council’s activities and progress in relation to HR, Organisational Development, Health and Safety and Workforce Development plans and changes during 2015/16.

## Culture and Values

255. Work has continued to embed the Councils FIRST values. To encourage greater innovation and creativity, a network of “creative facilitators” was established during 2015/16. Following a short training programme the creative facilitators are equipped to help individuals and small groups to define an idea / issue clearly and develop creative solutions. Early feedback has been good with creative breakthroughs on issues being found. This programme will continue during 2016/17.

256. A number of employee engagement events took place through 2015/16 including a series of Big Events for staff, a range of Directorate specific conferences and a programme of four “an audience with” engagement events. Feedback from these events has been positive providing opportunity for staff to gain insights and make connections with colleagues and senior management.

## Building Capability and Capacity

257. The Corporate Training programme and Continuous Professional Development Portfolios ensure that the Council creates a workforce which is safe, knowledgeable and competent in performing their duties to the highest possible standard, providing the best quality services to the residents and businesses.

258. Over 19,864 reservations were successfully arranged for CEC employees to attend a range of regulatory and mandatory learning and development opportunities during 2015/16. With a further 21 employees successfully securing funding approval via the Learning and Development Panel for role specific development, seeing £45,254 investment.

259. Developing management capability at all levels has continued to be a primary focus during 2015/16 with further management development programmes to take place during 2016/17 following CEC executive leadership team approval.

260. The Workforce Development Team continues to work closely with numerous regulatory and professional bodies and link into several local universities and colleges to ensure academia and research based theories are inherent in everything we do, establishing teaching partnerships with Keel University and local FE colleges too. As a recognised centre of excellence, quality assurance measures ensure that all employees and apprentices receive up to date training and surpass expectations of external verification and examination boards and feel fully supported throughout all stages of their career.

## Resourcing and Talent

261. The Council has provided more than 240 work experience sessions for young adults and school children and arranged more than 51 apprenticeship pathways for school and college leavers in employment, introducing a six month work readiness traineeship

programme developed for cared-for young people, entitled the Cygnet Pathway programme.

262. The Council continues to offer Graduate Internships with over 60 applications received and a Graduate Development Programme nominated for several awards during the year. This programme includes both permanent staff, recent graduates and graduate interns and recognises the importance of early career development by providing opportunities to build networks, gain skills and obtain wider insights.

### **Reward and Recognition**

263. The national pay award (often referred to as the cost of living rise) has recently been agreed. The pay increase to be applied is 1% for both 2016/17 and 2017/18 for all staff. Linked to the pay award, the Council introduced a local Living Wage for colleagues on lower pay scales which came into effect on 1<sup>st</sup> November 2015, ahead of the national Living Wage and pay negotiations.
264. The Council's Making a Difference employee recognition scheme has seen more than 1,360 colleagues being recognised in different ways for Putting Residents First in 2015. The Council's "Making a Difference" recognition scheme celebrates and recognises those people who role model the Council's FIRST values and through this have made a positive impact on their team, colleagues or wider community.

### **Education HR Consultancy**

265. The Education HR consultancy have continued to offer and provide two levels of service Gold and Silver, with the Silver Service having a limit on the amount of time that can be spent providing on-site support to schools and academies. Total buy back during 2015/16

equated to 89.4% of Schools and Academies which represents a slight reduction on last year due to a number of Schools joining Multi Academy Trusts which provide their own / alternative HR support.

### **Health and Safety**

266. The Council has recently received two awards; the first is a fourth (consecutive) Gold Royal Society for the Prevention of Accidents (RoSPA) Award for Health & Safety and the second is a Commended Award in the RoSPA Public Service and Local Government competitive sector. The latter award recognises that the Council achieved third place from all portfolios submitted in this sector. This RoSPA award gave us an opportunity to prove our ongoing commitment to raising health and safety standards and means we are part of a long running and highly respected occupational safety awards programme.

### **Staffing Changes**

267. As shown in **Tables 13** and **14**, Cheshire East's employee headcount decreased almost by 6% between March 2015 and March 2016.

**Table 13: March 2015 headcount and FTE figures**

Directorate/Service	Employee FTE Mar-15	Employee Headcount Mar-15
Public Health	19.3	22
Media (Communications and PR)	8	8
Strategic Commissioning	2,053.2	2,845
Adults Social Care & Independent Living	871.3	1,148
Children's Services	742.1	1,169
Commissioning and Client Support	25.8	27
Communities	413	500
Chief Operating Officer	489.8	604
Commissioning	47.2	52
Corporate Resources and Stewardship	254.2	317
Democratic Services and Governance	57.1	92
Legal Services	33.7	38
People and OD	53.7	60
Apprentices	43	44
Economic Growth & Prosperity	325.3	407
Assets	28	29
Investment	79.8	88
Strategic and Economic Planning	100.1	109
Strategic Infrastructure	9.5	10
Visitor Economy, Culture and Tatton Park	103.2	166
<b>Cheshire East Council Total</b>	<b>2,896.6</b>	<b>3,875</b>

Note: in tables 13 and 14 employees with multiple assignments across services will appear in the headcount figures for each service, but will be counted only once in the total (CE) headcount figure. The Chief Executive has not been included in any of the Directorate/Service information, but is counted in the overall Cheshire East Council headcount and FTE figures; similarly Executive/Directors will not appear in the "Service" totals but will appear in the overall "Directorate" figures.

**Table 14: March 2016 headcount and FTE figures**

Directorate/Service	Employee FTE Mar-16	Employee Headcount Mar-16
Public Health	22.6	25
Adults Social Care & Independent Living	769.8	992
Children's Services	788.9	1195
Chief Operating Officer	905.2	1095
Commissioning	39	41
Corporate Resources and Stewardship	299.4	365
Democratic Services and Governance	55.4	83
Legal Services	28	34
Media (Communications and PR)	8.7	9
Commissioning and Client Support	31.4	33
Communities	404.2	489
Apprentices	38.2	40
Economic Growth & Prosperity	282.9	359
Growth and Regeneration	79.3	86
Crewe – High Growth City	3	3
Investment	29.4	31
Planning and Sustainable Development	62.2	70
Strategic Infrastructure	9.5	10
Countryside, Culture and Visitor	94.5	154
Economy		
<b>Cheshire East Council Total</b>	<b>2770.3</b>	<b>3,655</b>

## Absence

268. As shown in **Table 15**, absence levels were lower in 2015/16 than in 2014/15 and 2013/14. Proactive management of sickness absence levels will continue through 2016/17.

**Table 15: Average days lost to sickness (per FTE employee) per annum since 2013/14**

	2013/14	2014/15	2015/16
Cheshire East (excluding Schools)	11.33	11.97	11.14
Whole Year Target	12.03	11.00	11.97

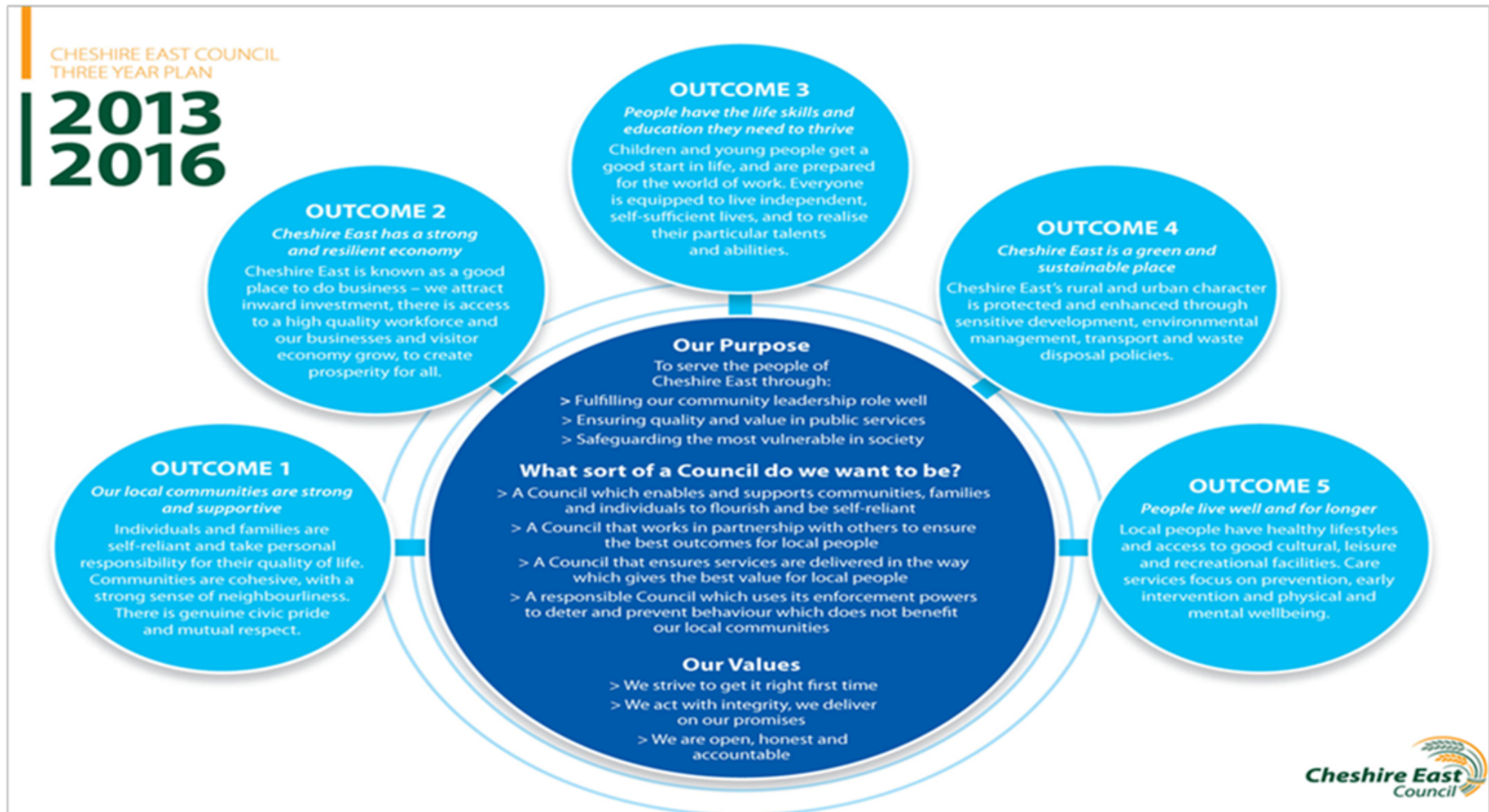
### **Voluntary Redundancies**

269. The Council's voluntary redundancy scheme continues to support organisational change and the delivery of the planned programme of change in the Council Plan. The effective use of voluntary redundancy in this way enables the Council to achieve its planned savings and efficiencies and also helps to maintain good employee relations within the Authority and minimises the prospect of compulsory redundancy.
270. 98 people (excluding Schools) have left the Council under voluntary redundancy terms in 2015/16, 7 of whom held posts within the management grades (Grade 10 or above). The total severance cost for all 98 employees was £1,694,320 inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £7,189,328 (which is the combined accumulated costs of the deleted posts).

# **Appendices to the Final Outturn Review of Performance 2015/16**

**July 2016**

# Appendix 1 Cheshire East Council Three Year Plan



To assist with reading this page a PDF version is has been made available at: [www.cheshireeast.gov.uk/budget](http://www.cheshireeast.gov.uk/budget)

## Appendix 2 Changes to Revenue Budget 2015/16 since Quarter 3

	Quarter 3 Net Budget £000	Virements £000	Final Outturn Net Budget £000
Children & Families	43,055		43,055
Adult Social Care & Independent Living	95,358		95,358
Public Health	0		0
Economic Growth & Prosperity <sup>* see note</sup>	6,582		6,582
Chief Operating Officer:			
Commissioning Services:			
Building Control, Land Charges and Planning Support <sup>* see note</sup>	1,693		1,693
Environmental	27,330	-43	27,287
Highways	11,214		11,214
Leisure	2,030	210	2,240
Transport <sup>* see note</sup>	14,585		14,585
	56,852	167	57,019
Communities	9,205	43	9,248
Other (e.g Finance, ICT, Legal, Facilities)	39,394	-90	39,304
<b>TOTAL SERVICE BUDGET</b>	<b>250,446</b>	<b>120</b>	<b>250,566</b>
Central Budgets			
Specific Grants	-19,198		-19,198
Capital Financing	14,000	-120	13,880
Corporate Contributions	1,084		1,084
Contribution to / from Reserves	241		241
	-3,873	-120	-3,993
<b>TOTAL BUDGET</b>	<b>246,573</b>	<b>0</b>	<b>246,573</b>

\* Since February 2015 Council, the budgets for Transport, and for Building Control, Land Charges & Planning Support have been moved from Economic Growth and Prosperity to Commissioning Services.

# Appendix 3 Corporate Grants Register

Corporate Grants Register 2015/16		Original	Revised	Final Outturn	Change from	SRE / Balances
Final Outturn		Budget	Forecast TQR		TQR	(Note 2)
		2015/16	2015/16	2015/16	2015/16	
	Note	£000	£000	£000	£000	
<b>SPECIFIC USE (Held within Services)</b>						
<b>Schools</b>						
Dedicated Schools Grant	1	160,635	150,433	149,706	-727	
Pupil Premium Grant	1	6,795	6,247	6,072	-175	
Sixth Forms Grant	1	4,408	4,164	4,164	0	
<b>Total Schools Grant</b>		<b>171,838</b>	<b>160,844</b>	<b>159,942</b>	<b>-902</b>	
Housing Benefit Subsidy		84,518	84,518	80,887	-3,631	
Public Health Funding		14,274	15,598	15,889	291	
Restorative Justice Development Grant		8	8	8	0	
<b>TOTAL SPECIFIC USE</b>		<b>270,638</b>	<b>260,968</b>	<b>256,726</b>	<b>-4,242</b>	
<b>GENERAL PURPOSE (Held Corporately)</b>						
<b>Central Funding</b>						
Revenue Support Grant		39,182	39,182	39,182	0	
Business Rates Retention Scheme		38,607	38,607	38,607	0	
<b>Total Central Funding</b>		<b>77,789</b>	<b>77,789</b>	<b>77,789</b>	<b>0</b>	



Corporate Grants Register 2015/16 Final Outturn	Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	SRE / Balances (Note 2)
Note	2015/16 £000	2015/16 £000	2015/16 £000	2015/16 £000	
<b>Children &amp; Families</b>					
Troubled Families	110	332	332	0	
Troubled Families - Co-ordinator	85	200	200	0	
Youth Justice Grant	326	289	288	-1	
Youth Rehabilitation Order - Junior Attendance Centre	0	33	33	0	
Extended Rights to Free Transport	0	128	128	0	
Staying Put Grant	0	73	73	0	
Remand Funding		40	40	-0	
<b>Adult Social Care &amp; Independent Living</b>					
Local Reform and Community Voices Grant	265	195	195	0	
Independent Living Fund	1,000	749	749	0	
Adult Social Care New Burdens	2,272	2,272	2,272	0	
Social Care in Prison Grant	0	70	70	0	
<b>Economic Growth &amp; Prosperity</b>					
Skills Funding Agency	628	628	798	170	
Neighbourhood Planning Grant	0	55	205	150 SRE	
Right to Move	0	3	3	0	
Property Search Fees New Burdens	0	259	259	-0	
Letting Agents Transparency and Redress Schemes		1	1	-0	
<b>Chief Operating Officer - Commissioning Services:</b>					
<b>Environment</b>					
Lead Local Flood Authorities	35	35	35	0	
Lead Local Flood Authorities - technical advice on surface water proposals	0	82	82	0	

Corporate Grants Register 2015/16 Final Outturn	Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	SRE / Balances (Note 2)
	2015/16 £000	2015/16 £000	2015/16 £000	2015/16 £000	
<i>Note</i>					
<b>Communities</b>					
Housing Benefit and Council Tax Administration	1,549	1,549	1,549	0	
NNDR Administration Grant	559	559	559	0	
Implementing Welfare Reform Changes	53	53	53	0	
Smoke and CO2 Alarms		0	1	1 SRE	
<b>Chief Operating Officer - Other:</b>					
Education Services Grant	3,000	3,000	3,186	186	Balances
Council Tax Freeze Grant 2015/16	1,816	1,840	1,840	0	
New Homes Bonus 2011/12	870	870	870	0	
New Homes Bonus 2012/13	1,844	1,844	1,844	0	
New Homes Bonus 2013/14	1,037	1,037	1,037	0	
New Homes Bonus 2014/15	1,356	1,356	1,356	0	
New Homes Bonus 2015/16	1,200	1,200	1,200	0	
Affordable Homes 2012/13	85	85	85	0	
Affordable Homes 2013/14	82	82	82	0	
Affordable Homes 2015/16	63	63	63	0	
New Homes Bonus 2015/16 - return of topslice	128	126	126	0	
Individual Electoral Registration	0	112	112	0	
Local Government Transparency Code 2015	0	0	13	13	Balances
Business Rates Retention Grants	0	0	4,059	4,059	Balances
<b>Total Service Funding</b>	<b>18,363</b>	<b>19,219</b>	<b>23,797</b>	<b>4,578</b>	
<b>TOTAL GENERAL PURPOSE</b>	<b>96,151</b>	<b>97,008</b>	<b>101,586</b>	<b>4,578</b>	
<b>TOTAL GRANT FUNDING</b>	<b>366,789</b>	<b>357,975</b>	<b>358,312</b>	<b>336</b>	

#### Notes

1 The Dedicated Schools Grant, Pupil Premium Grant and Sixth Form Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy status.

2 SRE - Supplementary Revenue Estimate requested by relevant service

# Appendix 4 Summary Capital Programme and Funding

Service	In-Year	SCE's	SCE's	Revised	Actual	Forecast Expenditure	
	Budget	Virements	Virements	In-Year	Expenditure		
	TQR	Reductions	Reductions	Budget			2017/18 and
	2015/16	Approved	Outturn	Outturn	2015/16	2016/17	Future Years
	£000	Since TQR	2015/16	2015/16	£000	£000	£000
<b>Children and Families</b>							
Committed Schemes - In Progress	10,249	-2	-297	9,950	7,203	4,050	948
Committed Schemes at Gate 1 Stage	400	0	48	448	451	3,668	0
Medium Term and Rolling Programme	419	-182	-136	101	101	9,050	5,943
Longer Term Proposals	250	0	0	250	231	18	10,725
<b>Adult Social Care and Independent Living</b>							
Committed Schemes - In Progress	824	169	-355	638	380	283	0
Committed Schemes at Gate 1 Stage	0	0	0	0	0	0	0
Medium Term and Rolling Programme	0	0	0	0	0	731	0
<b>Commissioning Services:</b>							
<b>Leisure</b>							
Committed Schemes - In Progress	10,971	0	0	10,971	8,604	2,366	0
Committed Schemes at Gate 1 Stage	150	0	0	150	84	1,331	7,300
Longer Term Proposals	0	0	0	0	0	250	0
<b>Environment</b>							
Committed Schemes - In Progress	3,513	17	16	3,546	2,257	1,271	16
Medium Term and Rolling Programme	3,621	0	-7	3,614	2,480	13,741	0
Longer Term Proposals	634	0	0	634	150	3,547	9,620
<b>Highways</b>							
Committed Schemes - In Progress	27,922	0	195	28,117	23,824	12,539	5,962
Committed Schemes at Gate 1 Stage	0	0	0	0	0	0	0
Medium Term and Rolling Programme	0	0	0	0	0	13,512	12,637

Service	In-Year	SCE's	SCE's	Revised	Actual		
	Budget	Virements	Virements	In-Year	Expenditure	Forecast Expenditure	
	TQR	Reductions	Reductions	Budget		2016/17	2017/18 and
	2015/16	Since TQR	2015/16	2015/16	2015/16	2016/17	Future Years
	£000	£000	£000	£000	£000	£000	£000
<b>Communities</b>							
Committed Schemes - In Progress	1,435	0	-49	1,386	1,229	535	0
<b>Economic Growth and Prosperity</b>							
Committed Schemes - In Progress	26,810	1,607	167	28,584	20,869	21,423	4,882
Committed Schemes at Gate 1 Stage	825	17	60	902	531	1,496	4,650
Medium Term and Rolling Programme	1,798	0	0	1,798	1,792	6,065	2,097
Longer Term Proposals	12,539	-1,083	0	11,456	10,224	26,065	163,668
<b>Chief Operating Officer</b>							
Committed Schemes - In Progress	14,651	0	0	14,651	8,397	6,780	0
Committed Schemes at Gate 1 Stage	3,060	-8	0	3,052	441	3,881	0
Medium Term and Rolling Programme	474	0	0	474	166	9,929	5,997
Longer Term Proposals	2,630	0	-575	2,055	1,190	865	0
<b>Committed Schemes - In Progress</b>	<b>96,375</b>	<b>1,791</b>	<b>-323</b>	<b>97,843</b>	<b>72,763</b>	<b>49,247</b>	<b>11,808</b>
<b>Committed Schemes at Gate 1 Stage</b>	<b>4,435</b>	<b>9</b>	<b>108</b>	<b>4,552</b>	<b>1,507</b>	<b>10,376</b>	<b>11,950</b>
<b>Medium Term and Rolling Programme</b>	<b>6,312</b>	<b>-182</b>	<b>-143</b>	<b>5,987</b>	<b>4,539</b>	<b>53,028</b>	<b>26,674</b>
<b>Longer Term Proposals</b>	<b>16,053</b>	<b>-1,083</b>	<b>-575</b>	<b>14,395</b>	<b>11,795</b>	<b>30,745</b>	<b>184,013</b>
<b>Total Net Position</b>	<b>123,175</b>	<b>535</b>	<b>-933</b>	<b>122,777</b>	<b>90,604</b>	<b>143,396</b>	<b>234,445</b>

Funding Sources	2015/16	2016/17	2017/18 and
	£000	£000	Future Years
Grants	27,882	49,118	121,432
External Contributions	8,603	12,552	42,740
Cheshire East Council Resources	54,119	81,726	70,273
<b>Total</b>	<b>90,604</b>	<b>143,396</b>	<b>234,445</b>

# Appendix 5 Approved Supplementary Capital Estimates and Virements up to £250,000

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000</b>		
<b>Supplementary Capital Estimates</b>		
<b>Economic Growth &amp; Prosperity</b>		
Countryside Vehicle Replacement Programme	136,773	Replacement vehicles for Countryside Services. Funded from the service revenue budget.
Disabled Facilities Grant	137,470	Additional Disabled Facilities Grant allocation.
A500 Widening at junction 16	5,116	Increased budget to cover costs 2015-16 funded from Section 106 contributions.
A6 MARR Design Checks and TA	122,858	Budget increase to reflect additional income from Stockport Metropolitan Borough Council.
Private Sector Assistance	5,698	Increased budget to cover 2015-16 costs funded from repayment of loans.
Crewe Town Squares - Lyceum Square	2,537	Increased budget due to additional work paid for via third party.
<b>Environment</b>		
Banbury Park Re-vitalisation	5,089	Additional WREN grant received.
Lacey Green Park	4,024	Additional S106 funding received.

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Capital Budget Virements</b>		
<b>Education</b>		
Elworth Primary - Basic Needs	8,593	Virement of Schools Condition grant to meet the cost of Children & Families staff time spent on projects.
Lacey Green PS - Basic Need	564	
Manor Park - Basic Needs	6,877	
St Benedicts CPSS	376	
Daven PS Relocation of Kitchen	2,579	
Mobile replacement - Disley PS	7,805	
Dingle Primary School Mobile	10,411	
Mablins Lane PS Mobile	12,775	
Wheelock PS - Phase 2	5,702	
Adelaide Academy	940	
Schools Block 2015-16	37,260	
Wyche PS - Condition Works	3,158	
Pupil Referral Unit - New Site	25,047	
Free Early Years Education 2yo	1,626	
Hollinhey Primary School 15-16	15,759	
Poynton HS - Condition Works	2,481	
Springfield Special Sch	61	
Basic Need Block	84,000	Scheme Completed at Dean Oaks Primary School, surplus fund vired back to Basic Needs Block for re-allocation.
The Dingle Kitchens block (Gas interlock)	6,982	Virement to combine UIFMS and Gas interlock Projects for the Dingle Primary School.
Manor Park - Basic Needs	38,676	Virement from Schools Maintenance project toward additional costs incurred in relation to improvements to the floors.

Capital Scheme	Amount Requested £	Reason and Funding Source
Capital Maintenance Central Allocation	498	Construction complete, Mobberley PS, surplus funds via back to Capital Maintenance pot for re-allocation.
Basic Need Block	29,177	Construction complete, Offley Basic Needs, surplus funds via back to basic needs pot for re-allocation.
Capital Maintenance Central Allocation	1,201	Construction complete, Pebblebrook PS, surplus funds via back to Capital Maintenance pot for re-allocation.
Capital Maintenance Central Allocation	47,892	All works from 2014-15 SMS programme have now been completed, surplus funds via back to capital maintenance pot for re-allocation.
Universal free school meals	4,718	All works from 2014-15 SMS programme have now been completed, surplus funds via back to UIFSM Pot for re-allocation.
Capital Maintenance Central Allocation	120	Construction complete, Sound PS, surplus funds via back to Capital Maintenance pot for re-allocation.
Basic Need Block	24,837	Completion of works from St Johns Wood Community School Project, surplus funds via back to Basic Needs pot for re-allocation.
St. Benedict's CPSS extensions and internal re-modelling	4,671	Virement from Capital Maintenance Central Allocation to meet the cost overspends on Local Authority managed schemes.
Capital Maintenance Central Allocation	500	Completion of works from 2015-16 SMS programme, surplus funds via back to capital maintenance pot for re-allocation. (Gawsworth Primary School - Kitchen improvements).
Basic Need Block	1,989	Construction complete, Wilmslow Grange Primary School, surplus funds via back to Basic Needs pot for re-allocation.
Scholar Green Primary School	150,000	Virement from Basic Needs Grant for a new scheme to increase the number of places available to teach pupils at Scholar Green Primary School.
Underwood West Primary School	244,714	Virement from Schools Managed Schemes Block as this scheme will now required it own project code due to the overall cost exceeding £250,000.
<b>Economic Growth &amp; Prosperity</b>		
Countryside Projects	7,217	Transfer Local Transport Plan budget from Rights of Way Improvement Plan to fund Countryside Projects.
Crewe Rail Exchange	13,322	Transfer Local Transport Plan budget from Strategic Programme Delivery to fund the Crewe Rail Exchange scheme.

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Communities</b>		
Electronic Vehicle RAPIDS	6,848	Transfer Air Quality budget funded by Local Transport Plan Grant to fund budget shortfall.
<b>Environment</b>		
Banbury Park Re-vitalisation	1,037	Virements from Parks Development Fund to fund budget shortfalls on completed 2015/16 projects.
Queens park Paths Project	5,535	
Weston Cemetery Extension	150,000	Funding for the extension works at Weston Cemetery to be vired from the Strategic Pot.
Pavilion Way Play Area	2,029	S106 funding virement from West Park Play Project
<b>Highways &amp; Transport</b>		
S106 Adlington Road, Wilmslow	9,111	Redistribution of Local Transport Plan Grant (LTP) to cover budget pressures within the programme.
Highway Investment Programme	52,574	
Surface Water Mgt Schemes	22,312	
Bridge Maintenance Minor Wks	138,039	
Road Safety Cycle Scheme	1,509	
<b>Total Capital Budget Virements Approved</b>	<b>1,191,522</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>2,131,158</b>	



# Appendix 6 Request for Supplementary Capital Estimates and Virements above £250,000

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Cabinet are asked to approve the Supplementary Capital Estimates and Virements above £250,000 up to and including £1,000,000</b>		
<b>Supplementary Capital Estimates</b>		
<b>Highways &amp; Transport</b>		
Highway Maintenance Minor Works	542,403	Additional schemes requested in year that were outside the original capital programme, funded by the Community Investment reserve.
Highway Investment Programme	534,000	2016/17 funding allocation for the Pothole Action Fund.
Maintenance Block (Highways LTP)	585,000	Additional Funding from the Department Of Transport of £585,000 as part of the Governments Incentive Scheme.
<b>Total Supplementary Capital Estimates Requested</b>	<b>1,661,403</b>	
<b>Capital Budget Virements</b>		
<b>Children and Families</b>		
Disley Primary School (Basic Needs)	450,000	Virement from Basic Needs Grant for a new scheme to increase the number of places available to teach pupils at Disley Primary School.
<b>Economic Growth &amp; Prosperity</b>		
Investment in Heritage Buildings	425,000	Transfer budget from the supporting strategic projects block allocation to fund the Council's investment in local heritage assets.
<b>Total Capital Budget Virements Requested</b>	<b>875,000</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>2,536,403</b>	

# Appendix 7 Request for Supplementary Capital Estimates and Virements above £1m

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Cabinet are asked to request Council to approve the Capital Virements and SCEs over £1,000,000</b>		
<b>Supplementary Capital Estimates</b>		
<b>Economic Growth &amp; Prosperity</b>		
Congleton Relief Road	10,931,000	To reflect the full delivery costs of the scheme to be funded by developer contributions.
<b>Total Supplementary Capital Estimates Requested</b>	<b>10,931,000</b>	
<b>Capital Budget Virements</b>		
<b>Chief Operating Officer</b>		
Schools Capital Maintenance	1,000,000	Virement from Childrens and Families Capital Maintenance Grant to Asset to address conditions works at schools.
<b>Children and Families</b>		
Hungerford Primary School	2,030,000	Virement from Basic Needs and Capital Maintenance block for new schemes to increase the number of places available to teach pupils at schools in Cheshire East.
Mablins Lane Primary School - Phase 2	1,500,000	
Monks Coppenhall Primary School - Basic Needs	1,845,000	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>17,306,000</b>	

# Appendix 8 Capital Budget Reductions

Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
<b>Cabinet are asked to note the reductions in Approved Budgets</b>				
<b>Education Strategy</b>				
DFC Grant	5,590,778	5,534,273	56,505	Reductions required due to schools converting to Academy Status.
Kitchens block (Gas interlock)	610,651	605,097	5,554	Scheme completed, this reduction relates to return of the surplus contribution from Pussbank Primary School.
School Maintenance Projects	2,855,905	2,778,181	77,724	All works from 2014-15 SMS programme have now been completed. This reduction relates to return of the surplus contributions from School.
Springfield Special School - to build a sports barn	1,146,903	1,121,831	25,072	Scheme completed, this reduction relates to return of the surplus contribution from Springfield Special School.
Suitability, Minor Works and Accessibility block	1,405,379	1,404,879	500	This reduction relates to return of the surplus contribution from Gawsworth Primary School.
Case Management Phase 2	65,000	1,411	63,589	Project no longer required.
<b>Adult Social Care</b>				
Supporting the Front Line - Standardising of the Adults, Children & Families ICT Systems	1,557,840	1,472,919	84,921	Notification has been received that social care capital grant has now ceased. This reduction is being actioned to remove the budget relating to our estimate of the grant for 2016-17 and 2017-18
NHS Number - Patient Demographic Service Integration	20,000	0	20,000	
Care Act Information Solutions	200,000	0	200,000	
Sensory Room - Crewe Lifestyle Centre	50,000	0	50,000	
Social Care Capital Grant	1,956,426	730,749	1,225,677	
Integrated Digital Care Record	1,071,000	1,070,949	51	Scheme Completed.

Capital Scheme	Approved Budget £	Revised Approval £	Reduction Reason and Funding Source £
<b>Highways</b>			
Boundary Lane, Congleton	2,500	2,448	52 Refund of unspent S278 Fees - Budget Reduction.
<b>Communities</b>			
Electronic Vehicle RAPIDS	278,000	222,000	56,000 Original budget anticipated an external contribution of £56k, which did not materialise.
Customer Access	829,649	829,206	443 Revenue contribution revised to reflect the final figures.
<b>Leisure</b>			
Leisure Cent ICT Member System	153,228	152,286	} Final closedown for completed projects.
Nantwich Pool Enhancements	1,605,259	1,603,559	
<b>Total Capital Budget Reductions</b>	<b>19,398,518</b>	<b>17,529,788</b>	<b>1,868,730</b>

# Appendix 9 Treasury Management

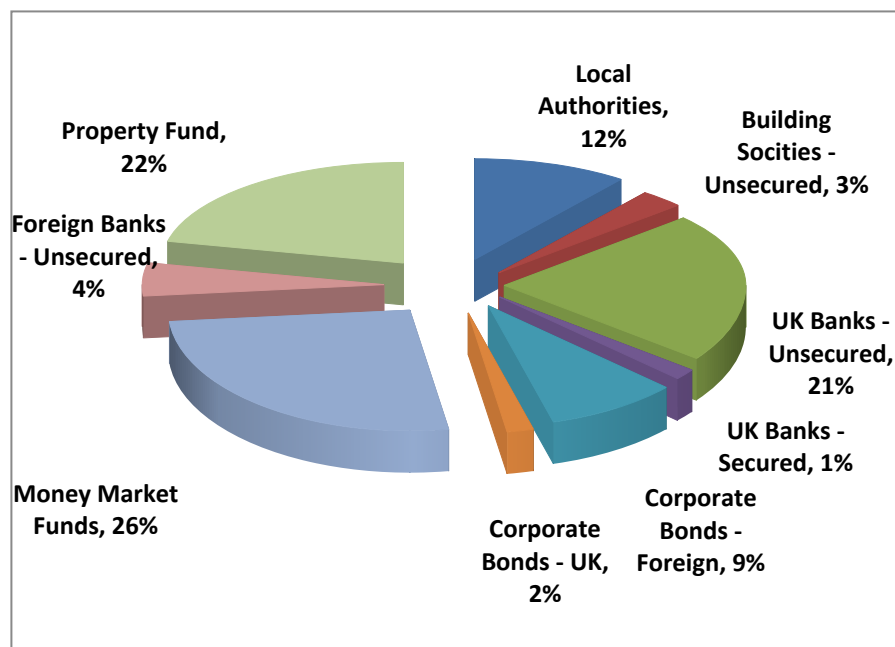
## Counterparty Limits and Investment Strategy

1. 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. For most of 2015/16 credit rated banks and building societies have generally been set at a maximum value of £5m for unsecured investments and £10m for secured investments. Any limits apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £10m per fund with a limit of 50% of total investments per fund. Due to their smaller size, unrated Building Societies have a limit of £1m each.
2. The limits in the Treasury Management strategy also apply to investments in foreign banks subject to an overall limit of 40% of our total investments in foreign countries and a limit of £10m per country. Foreign investments held at 31<sup>st</sup> March 2016 total £4.5m over two countries (Germany and Canada).
3. To maintain diversification of investments over a broader range of counterparties, the Council is also investing with other Local Authorities and some unrated Building Societies on advice from our treasury advisors who are monitoring their financial standing in the absence of any normal credit rating.
4. Banks' credit ratings are kept under continual review. There have been some changes in 2015/16 following the regulatory changes and withdrawal of Government support although these changes have not been as severe as expected. Government support has generally been replaced by greater loss absorbency capability. However, as the impact of any bank failure on Council investments is now greater, the following measures have been taken to reduce the risk of being bailed in:
  - a. Invest in more secure financial instruments such as Covered Bonds and Repurchase Agreements (REPO's)
  - b. Invest in highly rated Corporate Bonds which will not be subject to any 'bail-in risk'
5. Covered Bonds are fixed period investments (typically three to ten years) which are tradeable and where the investment is backed by collateral. The bonds held by the Council were purchased on the secondary market with less time to run until maturity. These bonds are exempt from any 'bail-in' requirements and gives the Council protection in the event the Counterparty gets into difficulties. Bonds are rated depending on their collateral so it is possible that a bond is acceptable to the Council where an unsecured deposit would not be.
6. REPO's are where the Council purchases assets from a counterparty with an agreement that the counterparty repurchases those assets on an agreed future date and at an agreed price. The future price will include interest on the investment. The assets purchased will vary in value over the term of the trade so a third party is used (at the cost of the other party, not the Council) to hold those assets on our behalf and obtain additional assets if the value falls below the level of the investment

at any time. It is the quality of the purchased assets that governs the credit quality of the investment rather than the actual counterparty. The Council is making arrangements with Clearstream who can provide the third party facilities and are internationally regarded.

7. **Chart 1** shows an analysis of the investments by counterparty type. A full analysis of the types of investment and current interest rates achieved is given in **Table 1** with the maturity profile in **Chart 2** which also shows the value of investments potentially subject to bail-in in the event of counterparty failure and those which are exempt from bail in requirements.

**Chart 1 – Current Investments by Counterparty Type**



**Table 1 – Types of Investments and Current Interest Rates**

Instant Access Accounts	Average Rate %	£m
Instant Access Accounts	0.05	0.5
Money Market Funds	0.52	8.9

Fixed Term Deposits (Unsecured)	Start	Maturity	Rate %	£m
Close Bros	30/10/2015	29/04/2016	0.65	2.0
National Counties Building Society	13/11/2015	13/05/2016	0.75	1.0
Lancashire County Council	02/12/2015	04/12/2017	1.00	2.0
Close Bros	18/12/2015	20/06/2016	0.70	1.0
Toronto Dominion (CD)	04/01/2016	03/01/2017	0.90	1.5
Gloucester Police CC	31/03/2016	07/04/2016	0.55	2.0

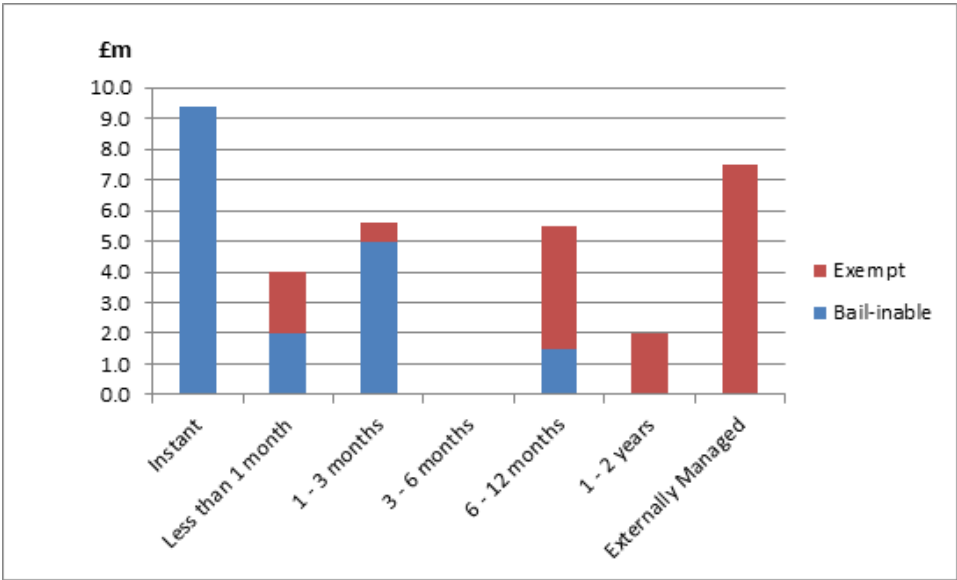
Secured Deposits	Start	Maturity	Rate %	£m
Bank of Scotland	17/06/2015	08/11/2016	0.84	2.5
Bank of Scotland	30/10/2015	08/11/2016	0.95	1.5

Corporate Bonds	Start	Maturity	Rate %	£m
Volkswagen Financial Services	27/04/2015	23/05/2016	0.90	3.0
Rolls Royce plc	29/01/2016	14/06/2016	1.06	0.6

Externally Managed Funds	£m
Property Fund	7.5

Summary of Current Investments	£m
<b>TOTAL</b>	<b>34.0</b>

Chart 2 – Maturity Profile of Investments



# Appendix 10 Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Economic Growth and Prosperity	Neighbourhood Planning Grant (General Purpose)	150	A further grant of £150,000 has been provided to the Council by the Department for Communities and Local Government for designated Neighbourhood Areas. This is to support these local communities to prepare a neighbourhood plan. The grant is not ring fenced to Neighbourhood Planning so can be used to support the wider Spatial Planning function.
Economic Growth and Prosperity	Adult Skills (General Purpose)	169	Additional funding for learners attending Skills Funding Agency courses. The funding contributes towards the Council's priority area of responding to the changing education and learning environment. The grant is in part awarded subject to achievement of performance measures stipulated in the grant conditions and therefore partial repayment of the grant may be required for underperformance.
Communities	Smoke and CO2 Alarms (General Purpose)	1	Grant of £835 provided to the Council by the Department for Communities and Local Government.
<b>Total</b>		<b>320</b>	



# Appendix 11 Debt Management

1. Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates) for which the performance related data is contained within Section 2 of this report.
2. 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, Markets and Building Control.
3. In 2015/16 the Council raised invoices with a total value of £77m. This includes around £18m in Adult Social Care relating to client contributions towards care packages and income from Health.

## Volumes of Invoices raised in 2015/16

	Number	Value £000
Adult Finance	49,567	18,380
Other	9,438	59,066
<b>Total</b>	<b>59,005</b>	<b>77,446</b>

4. The amount of income collected in 2015/16 was £59.2m.
5. 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.
6. The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor). In 2015/16 the team collected £1.8m on behalf of services.
7. During 2015/16 the Social Care Business Support team were responsible for the collection of debt for Adult Social Care. Following a lean system review, changes have now been made to the team and debt resources of two FTE are now managed within the Revenue Recovery team with a focus on new debt cases. It was recognised that historic debt needs to be tackled in a dedicated way with a one off dedicated debt recovery team. This resource will be managed by the service due to the important connection to social care professionals, case management and financial assessment systems, charging policies and legal debt recovery resource already in place within Legal Services.
8. During 2015/16 quarterly meetings have been held with the Portfolio Holder for Finance, the Chief Operating Officer and the Director of Legal Services to review and approve the write off of outstanding debt.

### Amounts of sundry debt written off in year

	Adults £	Sundry £
Under £5,000	202,395	40,761
£5,000 - £10,000	90,482	15,853
£10,000 - £50,000	79,091	84,704
Over £50,000	0	496,768
<b>Total</b>	<b>371,968</b>	<b>638,086</b>

9. During 2015/16 a cleansing exercise was undertaken in both Adults Social Care debt and legacy debt with approximately £0.5m of sundry debt written off which related to predecessor authorities.
10. The amount of outstanding service debt at the end of March 2016 was £5.6m. This excludes debt still within the payment terms. The total amount of service debt over 6 months old is £2.7m; provision of £2.9m has been made to cover doubtful debt in the event that it needs to be written off.

	Outstanding Debt £000	Over 6 Months Old £000	Debt Provision £000
Children & Families	67	9	9
Schools	48	31	31
Adult Social Care & Independent Living	3,999	1,818	2,209
Public Health & Wellbeing	0	0	0
Economic Growth & Prosperity	405	241	293
Chief Operating Officer:			
Commissioning Services:			
Environmental	153	132	132
Highways	588	219	219
Leisure	16	12	12
Communities	17	9	9
Other	287	213	84
<b>Total</b>	<b>5,580</b>	<b>2,684</b>	<b>2,998</b>

# Appendix 12 Earmarked Reserves

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2015 £000	Movement in 2015/16 £000	Balance at 31 <sup>st</sup> March 2016 £000	Notes
<b>Children &amp; Families</b>				
Long Term Sickness	350	-350	0	Carried forward surplus of contributions paid by schools ~ operated as a trading account.
Education All Risks (EARS)	343	-343	0	Carried forward surplus of contributions paid by schools ~ operated as a trading account.
Children's Social Care	377	0	377	To support implementation of Children's Social Care bill.
<b>Adult Social Care &amp; Independent Living</b>				
Extra Care Housing PFI	1,681	198	1,879	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.
Individual Commissioning	309	141	450	To provide capacity to perform Deprivation of Liberties and Best Interest reviews of care customers following recent case law.
NHS Section 256	3,535	-144	3,391	To support adult social care which also has a health benefit, as agreed with Eastern Cheshire and South Cheshire Clinical Commissioning Groups and governed by Cheshire East Health and Wellbeing Board.
<b>Public Health</b>	1,972	-30	1,942	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.
<b>Environmental</b>				
Crematoria	160	-160	0	Mercury abatement income set aside to fund potential replacement cremators as per the capital programme.

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2015 £000	Movement in 2015/16 £000	Balance at 31 <sup>st</sup> March 2016 £000	Notes
<b>Highways</b>				
Severe Weather	240	120	360	To provide for future adverse winter weather expenditure.
<b>Communities</b>				
Communities Investment	1,788	-1,202	586	Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.
Emergency Assistance	845	-276	569	Carry forward of underspend on previous years' schemes to provide for future hardship payments.
<b>Economic Growth &amp; Prosperity</b>				
Building Control	168	-168	0	Ring-fenced surplus (could be used to offset service deficit, if applicable)
Tatton Park	222	-20	202	Ring-fenced surplus on Tatton Park trading account.
Economic Development	141	-141	0	Support for town centres and economic development initiatives.
Planning Costs and Investment Service Structure	1,000	-642	358	To meet potential costs within the Planning Service and Investment Service Structure.
Royal Arcade Crewe	0	500	500	To provide for future costs relating to the Royal Arcade including repairs and maintenance.
<b>Chief Operating Officer</b>				
Elections	604	-592	12	To provide funds for Election costs every 4 years.
Climate Change	67	-67	0	Renewable Energy project.
Insurance & Risk	2,695	1,886	4,581	To settle insurance claims and manage excess costs.
Investment (Sustainability)	8,681	-5,937	2,744	To support investment that can increase longer term financial independence and stability of the Council.
Pension Contributions	173	-173	0	To meet impact of reduced workforce on fixed contribution to Past Service Pensions deficit.
Collection Fund Management	4,648	3,543	8,191	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until 2016/17.
Financing	4,820	6,720	11,540	To provide for financing of capital schemes, feasibility studies, and other projects and initiatives.
Transforming Services	0	3,345	3,345	Funding for costs associated with service transformation; particularly in relation to staffing related expenditure.

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2015 £000	Movement in 2015/16 £000	Balance at 31 <sup>st</sup> March 2016 £000	Notes
<b>Cross Service</b>				
Trading Reserve	36	1,143	1,179	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives.
Service Manager carry forward	5,244	-2,058	3,186	Allocations for Cost of Investment or grant funded expenditure.
Revenue Grants - Dedicated Schools Grant	8,184	-3,026	5,158	Unspent specific use grant carried forward into 2015/16.
Revenue Grants - Other	2,733	-329	2,404	Unspent specific use grant carried forward into 2015/16.
<b>TOTAL</b>	<b>51,016</b>	<b>1,938</b>	<b>52,954</b>	

Note 1

#### Notes:

- Figures exclude Schools balances of £8.058m at 31st March 2016.
- Proposed earmarked reserves to be created at March 2016 are highlighted.
- Balances at 31st March 2016 exclude the following Council approved additions and reductions to earmarked reserves from 1st April 2016:

	£000
Planning costs and Investment Service structure	1,000
Transitional Funding	2,500
Collection Fund Managememt	451
Investmemt Sustainability	-140
	<u>3,811</u>