

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Tuesday, 7th February, 2017 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor Rachel Bailey (Chairman)
Councillor D Brown (Vice-Chairman)

Councillors A Arnold, P Bates, J Clowes, L Durham, J P Findlow, P Groves
and D Stockton

Members in Attendance

Councillors Chris Andrew, Rhoda Bailey, G Baxendale, S Corcoran, S Edgar,
D Flude, G Hayes, A Moran, B Moran, B Walmsley, L Wardlaw and G Williams

Officers in Attendance

Mike Suarez, Peter Bates, Frank Jordan, Dan Dickinson, Andrew Ross, Jacky
Forster, Steph Cordon and Paul Mountford

Apologies

Councillor S Gardiner

The Chairman announced that an urgent report would be considered later in the meeting relating to 'Early Years Capital Fund – 30 Hours Childcare'. The Chairman was satisfied that the matter was urgent and should be considered at the meeting. The Chairman of the relevant overview and scrutiny committee had also been consulted and had agreed that the matter should be considered and that the requirements relating to prior consultation and call-in should be waived in accordance with the urgency procedures set out in the Constitution.. The item would be dealt with after Item 17.

89 DECLARATIONS OF INTEREST

There were no declarations of interest.

90 PUBLIC SPEAKING TIME/OPEN SESSION

Carolyn Lowe of Sandbach Town Council asked that savings achieved from the closure of the Arclid household waste recycling centre be removed from the 2017 budget, with appropriate savings being made elsewhere, to enable alternatives to the closure of the site to be considered before a decision on the site was made.

The Portfolio Holder for Regeneration responded that this had been considered at a meeting the previous day and that the specific proposals put forward by the Town Council would be submitted to Ansa to see if any

savings could be made, although it was not clear that the income generated would be sufficient. He also pointed out that there were a number of other household waste recycling centres within five miles of the majority of the residents of Sandbach.

Jonathan Shaw of Cheshire East UNISON referred to a proposal in the pre-budget consultation report to save £5 million pounds from the Council's workforce budget across the three key directorates, which would see further service restructures and staffing reductions. He also commented that the pre-budget report and the Corporate Plan used the phrase 'focus on what matters'. He asked the Chairman to confirm 'who or what exactly mattered now in Cheshire East', and why such vital information that would affect services and undoubtedly staff was 'buried' on page 107 of the pre-budget report.

The Chairman responded that she was clear that Cheshire East Council was focussed on delivering quality services fairly and equitably to meet the needs of its local residents and that the strength and resilience of its local communities and the prosperity of its residents was of the highest importance. None of this could be achieved without the talent, commitment and expertise of the Council's staff. She expressed disappointment at the perception that the proposed savings had been 'buried' within the budget consultation report and was satisfied that with the support of the Finance Team the budget proposals had come forward in a timely manner with consultation, consideration and scrutiny as well as staff engagement. She also referred to page 109 of the pre-budget report which showed an estimated spend of an additional £10.5M over the next three years to meet pay and pension increases for staff. Finally, she said that the Council would engage with all affected staff and their representatives on any proposed changes to staffing structures or terms and conditions.

The Portfolio Holder for Corporate Policy and Legal Services, referring to the Workforce Strategy, said that the proposed savings would be achieved through a combination of a reduction in consultancy and agency requirements and core staffing costs, alongside increased productivity and further workforce initiatives which would be done in consultation with staff and their representatives. He added that if it became necessary to impact on staff directly in order to meet the budgetary savings, the Council would make use of the turnover factor.

Dot Flint, Chairman of Town Partnerships, spoke about the work of the partnerships and the benefits they achieved for their local communities. She also outlined some of the projects with which some of the town partnerships were involved. Supporting information on the work of the partnerships was circulated at the meeting. She mentioned that at present, the partnerships received funding from Cheshire East Council on an annual basis. She asked if Cheshire East Council would consider three year funding to provide stability in the partnerships and enable them to plan for the future.

The Portfolio Holder for Communities and Health replied that he would speak on the matter when the related report on the agenda was considered.

At the conclusion of public speaking time, the Chairman thanked the speakers for attending the meeting and taking part.

91 QUESTIONS TO CABINET MEMBERS

Councillor S Corcoran referred to a proposal in the budget report to close the squash courts at Sandbach Leisure Centre to extend the gym facilities before the renewal of the arrangements with the school. He asked how the consultation responses to this proposal had been taken into consideration, since the proposals remained unchanged.

The Portfolio Holder for Communities and Health replied that all responses to consultation were taken seriously but that different respondents had different views and preferences, and it was necessary to consider the matter in the round. The Deputy Leader and Portfolio Holder for Highways and Infrastructure added that from the work that the Everybody Sport and Recreation Trust had done there was a better use for the squash courts for residents.

Councillor Corcoran also referred to the possibility of the Council facing judicial review if it was found to have predetermined a matter which was the subject of public consultation. In this respect, he made specific reference to the consultation on the Arclid waste site where all four options involved the closure of the site.

The Chairman replied that the final decision on the budget proposals rested with full Council and not the Cabinet. The Portfolio Holder for Regeneration added his assurance that no predetermination had taken place with regard to the Arclid site and that any objections received during the consultation period would be taken into account and a decision would be taken at full Council.

Councillor A Moran referred to the inclusion within the overall Council tax increase of a 3% precept specifically for adult social care and commented that this would be inadequate to deal with the demand for such care. He asked Cabinet to agree with him that care for the elderly was a national issue and that the Government should provide adequate funds.

The Portfolio Holder for Finance and Assets replied that he understood that the Government had ruled out the setting up of a Royal Commission or an independent commission to look at the funding of the NHS and adult social care in the long term as it believed there was already sufficient funding available to the NHS and local authorities to meet current need. The Portfolio Holder for Adult Care and Integration added that the Government was looking at work done by the Kings Fund relating to national insurance but that those kinds of solutions would take time. She acknowledged that the Council tax contribution would not meet all

the needs of adult social care but she felt that Cheshire East was in a better position than other authorities and she was confident that there would not be a deterioration in the services that it offered to adults and older people with care needs.

92 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 17th January 2017 be approved as a correct record.

93 CONNECTED COMMUNITIES - CONNECTED TO NEIGHBOURHOODS

Cabinet considered a report which set out in detail the ambition of the Council's Connected to Neighbourhoods theme which was part of its Connected Communities Strategy agreed by Cabinet on 6th December 2016. Each theme within the Strategy was programmed to come to Cabinet over the next few months and would aim to demonstrate the Council's commitment to joint working with local communities.

RESOLVED

That Cabinet

1. approves the approach to Connecting Neighbourhoods set out in the report as part of the Council's Connected Communities Strategy;
2. delegates authority to the Head of Communities, in consultation with the Portfolio Holder for Communities and Health, to award grant funding between the Town Partnerships from a maximum fund of £72,000 per annum with the Town Partnerships for 3 years from April 2017; and
3. delegates authority to the Head of Communities, in consultation with the Portfolio Holder for Communities and Health, to agree grant funding up to £14,213 with the Cheshire Association of Local Councils for 2017/18.

94 2016/17 THIRD QUARTER REVIEW OF PERFORMANCE

Cabinet considered a report on how the Council was managing resources to provide value for money for its residents during 2016/17.

Annex 1 to the report set out details of how the Council was performing in 2016/17 and was structured into three sections:

- Section 1 Summary of Council Performance
- Section 2 Financial Stability
- Section 3 Workforce Development

The Portfolio Holder for Finance and Assets reported that the Corporate Overview and Scrutiny Committee at its meeting on 2nd February 2017 had resolved to receive and note the report.

RESOLVED

That Cabinet

1. notes the third quarter review of 2016/17 performance in relation to the following:

- the summary of performance against the Council's 6 Residents First Outcomes (Section 1 of the report);
- the projected service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's reserves position (Section 2);
- the delivery of the overall capital programme (Section 2, paragraphs 158 to 168 and Appendix 4);
- fully funded supplementary capital estimates and virements up to £250,000 approved in accordance with Finance Procedure Rules (Appendix 5);
- changes to Capital Budgets made in accordance with the Finance Procedure Rules (Appendix 7);
- treasury management investments and performance (Appendix 8);
- management of invoiced debt (Appendix 10);
- use of earmarked reserves (Appendix 11);
- update on workforce development and staffing (Section 3).

2. approves:

- a Supplementary Capital Estimate of £300,000 for Hough Bridge and virement to Tatton Vision as detailed in Appendix 6; and
- the allocation of additional grant funding totalling £14,000, as shown in Appendix 9.

95 THE COUNCIL'S CORPORATE PLAN AND MEDIUM TERM FINANCIAL STRATEGY 2017/20

Cabinet considered the Corporate Plan and Medium Term Financial Strategy for Cheshire East Council for the years 2017/18 to 2019/20.

The report set out how the Council would approach the financial challenges over the medium term and forecast a balanced budget in each of the three years from 2017/18 to 2019/20.

The report summarised the resolutions that Cabinet was requested to recommend to Council at Appendix A.

The Medium Term Financial Strategy (MTFS) Report (containing the Budget) for the period 2017/18 to 2019/20 was set out at Appendix D. The document was the result of the Business Planning Process led by the Council from May 2016 to February 2017, which included regular review from the Council's scrutiny committees. The process had also involved engagement with local people and organisations. Details of how the process was managed were included in Appendix D, Annex 2 and a summary of the results was provided in Appendix C.

The Portfolio Holder for Finance and Assets reported that the Corporate Overview and Scrutiny Committee at its meeting on 2nd February 2017 had resolved to receive and note the report, and had requested the Chief Operating Officer to produce a summary public document which showed how the budget consultation feedback had been reflected in the final recommended budget proposals to Council.

RESOLVED

That Cabinet

1. recommends to Council the items at Appendix A to the report; and
2. notes:
 - (a) the summary results of the Budget Consultation, attached at Appendix C and the Budget Engagement exercise undertaken by the Council, as set out in the attached (Appendix D, Annex 2);
 - (b) the comments of the Council's Chief Operating Officer (Section 151 Officer), contained within the MTFS Report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (Appendix D, Comment from the Chief Operating Officer);
 - (c) the risk assessment detailed in the MTFS Report (Appendix D, Annex 5);

- (d) that the estimates and profiling contained within the proposed Capital Programme 2017/18 to 2019/20 reflect the scale of ambition and future investment plans of the Council. The programme may vary to take advantage of external funding opportunities, maximise private sector investment, prudential borrowing considerations, operational capacity and to ensure optimal delivery of the overall programme (Appendix D, Annex 12); and
- (e) that projects will be robustly governed through the Executive Monitoring Board. The Council's Finance Procedure Rules will always apply should any changes in spending requirements be identified (Appendix D, Annex 12).

96 **TREASURY MANAGEMENT STRATEGY AND MRP STATEMENT 2017/18**

Cabinet considered a report on the Council's Treasury Management Strategy and Minimum Revenue Provision Statement for 2017/18.

The key elements of the strategy for 2017/18 were for the Council to:

- Retain capital financing costs within an affordable limit of c.£14m.
- Not enter into any additional long term borrowing in 2017/18.
- Take an appropriate approach to risk if short term loans were required, by only borrowing from lenders identified in the strategy.
- Maintain security of investments by only using counterparties detailed in the strategy.
- Support a flexible approach to treasury management that could react to opportunities and market conditions to maximise effectiveness, whilst protecting the public funds managed within the strategy.

The Treasury Management Strategy set out in Appendix A to the report had also been reported to the Audit and Governance Committee on 8th December 2016 for scrutiny purposes.

RESOLVED

That Cabinet recommends to Council the approval of the Treasury Management Strategy and the MRP Statement for 2017/18 as set out at Appendix A to the report.

97 **POYNTON RELIEF ROAD - PROCUREMENT STRATEGY**

Cabinet considered a report on the options available to the Council to procure a contractor to deliver the Poynton Relief Road.

The report and the attached Annex A set out the options available to the Council to procure a contractor to deliver the project and recommended a preferred procurement strategy.

RESOLVED

That Cabinet

1. approves the use of the Restricted Procedure for the procurement of the contractor through a NEC3 Option A Priced Contract with Activity Schedule with Contractor Design (Design and Build contract);
2. approves the publication of the OJEU (Official Journal of the European Union) contract notice and all tender documentation prior to the commencement of the CPO Public Inquiry;
3. authorises the Executive Director of Place to shortlist potential contractors following the return of the Stage One Selection Questionnaire documents;
4. approves that Ringway-Jacobs prepares the initial suite of contract and tender documents;
5. agrees that the procurement of the tie in connection design of the proposed new road to the A6MARR is undertaken by Stockport Metropolitan Borough Council who are joint promoters of the Poynton Relief Road proposal;
6. authorises the Director of Legal Services to procure additional legal support to approve the contract documents prior to their publication;
7. notes that following receipt of final tenders with price; a further authorisation from Cabinet will be sought prior to the award of any contract; and
8. notes the findings of the Poynton Relief Road Procurement Workshop Summary Report – attached as Annex A.

98 POYNTON RELIEF ROAD - STATUTORY PROCESS

Cabinet considered a report on the anticipated cost of the Poynton Relief Road and the funding required. The report also sought approval in principle to the underwriting of any funding gap.

RESOLVED

That Cabinet

1. notes the latest total scheme cost estimate of £38,019,000;
2. notes the existing provisional Government Department of Transport (DfT) funding allocation of £22m to the scheme and the processes required to achieve that funding;

3. notes the £2m held by the Greater Manchester Combined Authority;
4. notes the maximum resultant funding gap of £14,019,000 which will reduce, as a result of developer contributions the council is able to achieve;
5. notes the estimated timeline of when the scheme funding is required at Table 1(a) and at Annex A together with the current funding source and shortfall (Table 1(b));
6. approves the underwriting, in principle, of any necessary gap funding required to deliver the proposed new relief road;
7. authorises the Executive Director of Place, in consultation with the Director of Legal Services, to negotiate and enter into agreements with key land owners or developers with a view to increasing certainty, as far as is practicable at this stage, as to the level of land owner / developer contributions anticipated as development comes on line;
8. authorises the Director of Legal Services in consultation with the Portfolio Holder to finalise the terms of a funding agreement with Stockport Council and / or the Greater Manchester combined authority to provide funding of up to £3.5m towards the Poynton Relief Road, including works to adjust the design of the A6 MARR scheme to facilitate the delivery of Poynton Relief Road;
9. approves that, as part of the agreement with Stockport Council and / or the Greater Manchester Combined Authority, the works to adjust the design of the A6 MARR scheme, namely capacity improvements to the A34/A555 roundabout and the A555/ A5102 Woodford Road westbound on-slip road are undertaken whilst the A6 MARR scheme is on site and in advance of the delivery of Poynton Relief Road;
10. approves that, as part of the agreement with Stockport Council and / or the Greater Manchester Combined Authority, the works to resurface the existing section of the A555 are undertaken whilst the A6 MARR scheme is on site and in advance of the Poynton Relief Road;
11. authorises the Head of Strategic Infrastructure to negotiate and agree the cost estimate of these works; and
12. authorises the Executive Director of Place in discussions with neighbouring authorities, to seek developer contributions to the scheme from development proposals in neighbouring planning authority areas.

99 **BUS SERVICE REVIEW PROJECT - STATEMENT OF METHODOLOGY**

Cabinet considered a report on the proposed methodology to complete a Borough-wide review of the need for supported local bus services in Cheshire East.

The Portfolio Holder for Highways and Infrastructure commented that the membership of the Project Board referred to in the report had not yet been decided but that all members would be informed once the membership had been established.

RESOLVED

That Cabinet

1. endorses the proposed technical methodology as a suitable evidence base to inform the Council's bus services review;
2. notes that a Project Board has been established which includes representation from relevant Directorates of the Council and Transport Service Solutions Ltd, in order to provide direction and oversight of the work programme;
3. notes that the outcomes of the work programme will be reported to Cabinet later in 2017 for a decision on the proposed changes to supported bus routes to go out to public consultation; and
4. an update report be submitted to the next meeting.

100 **CULTURAL FRAMEWORK**

Cabinet considered a report which presented the Cultural Framework as a key pillar in delivering the Council's strategic priority of 'Quality of Place'.

The Council's role was to enable the economy, communities and places of Cheshire East to benefit from engagement with culture. The Cultural Framework set out at Appendix 1 to the report was designed to help achieve this and to be widely used by the Council, its partners, national agencies, stakeholders, and organisations and individuals in the cultural sector.

RESOLVED

That Cabinet

1. adopts the Cultural Framework 2017-2020 for implementation from April 2017;

2. delegates commissioning decisions (which shall include applying for and accepting grant funding) made within the Framework, to the Head of Rural and Cultural Economy in consultation with the Portfolio Holder with responsibility for Culture, to be agreed on an annual basis and as required, in line with the Constitution; and
3. welcomes the development of a Cultural Forum under the leadership of Cheshire East Council.

101 **THE NORTHERN GATEWAY PARTNERSHIP AND GROWTH STRATEGY**

Cabinet considered a progress report on the work of the Northern Gateway Partnership. It sought Cabinet endorsement of proposed additional work to define a cross-border Growth Strategy for the region which sought to develop a vision of how partners could maximise the potential growth and increased connectivity resulting from HS2.

The report also included a governance structure for the Partnership in which Cheshire East Council would play a fundamental role, not only in acting as accountable body for the Partnership and for the Cheshire and Warrington Local Enterprise Partnership (LEP), but also in providing programme management support to drive the development of the Growth Strategy over the coming months and to inform the development of delivery proposals which would be brought to Cabinet for consideration at a future date.

Councillor G Baxendale as Chairman of the Audit and Governance Committee commented on the draft governance statement within the report and the need to adhere to the Council's commitment to openness and transparency.

At the Chairman's invitation, the Chief Executive advised that it was important for all to understand that at the heart of this was a commitment to quality of place and a planning-led approach to development and economic growth. The partnership approach would ensure that the region as a whole would benefit. Public governance with elected representatives along with openness and transparency would be key to achieving accountability to the constituent local authorities and their residents.

RESOLVED

That Cabinet

1. notes the progress made by the Northern Gateway Partnership to date and to approve the proposed future work programme to further develop the regional Growth Strategy for the Northern Gateway Development Zone;
2. endorses the emerging Vision for the Partnership;

3. requests a report back to Cabinet on the final Growth Strategy and proposed delivery arrangements;
4. approves Cheshire East Council's financial contribution to supporting the Partnership;
5. approves that Cheshire East Council, as accountable body for the Cheshire and Warrington LEP and the Partnership, receive and administer the new funding allocation of £625,000 from Department of Communities and Local Government to fund further development of the regional Growth Strategy;
6. endorses Cheshire East Council's role within the Governance structure as proposed by the Northern Gateway Board (Appendix A to the report);
7. authorises the Leader, in consultation with the Chief Executive, Chief Operating Officer and Director of Legal Services, (and Portfolio Holders – Regeneration and Assets and Finance), to enter into a formal Collaboration Agreement for the Northern Gateway, in accordance with the draft Heads of Terms at Appendix B;
8. authorises the Executive Director Place to proceed with procuring consultants, negotiating contracts, authorising spending and associated responsibilities in continuing development of the regional Growth Strategy, for and on behalf of the Partnership, in accordance with the proposed governance arrangements; and
9. authorises the Director of Legal Services (in consultation with the Executive Director Place) to approve and execute all legal documentation he considers necessary to give effect to the above.

102 **CONNECTING CHESHIRE - DIGITAL 2020 PROGRAMME**

Cabinet considered a report on a three year programme of work to enhance access to digital technology for small and medium-sized enterprises and residents in the Cheshire and Warrington Local Enterprise Partnership area.

RESOLVED

That Cabinet

1. delegates authority to the Executive Director for Place to apply for external grant funds for the schemes within in the Digital 2020 Programme and to enter into all necessary grant, and grant related, procurements and award of contracts to deliver the 3 strands of the Digital 2020 Programme as set out in Section 1.3;

2. appoints the Executive Director of Place, or his nominee, as the Council's Nominated Officer on the Connecting Cheshire Partnership's Project Board and SRO of the Project and to delegate all decision making in relation to the Connecting Cheshire Partnership and the Digital 2020 programme to the Executive Director of Place;
3. approves the use of any In-fill monies from Connecting Cheshire Contract 1, for the Digital 2020 Programme;
4. approves the entering into of a Collaboration Agreement and Inter Partner Finance Protocol between Cheshire East, Cheshire West and Warrington Borough Council;
5. authorises the Director of Legal Services to enter into any necessary legal documentation to give effect to the above recommendations; and
6. approves that following a detailed assessment of the complex financial, operational, governance risks and mitigation posed for the Council and its partners in delivering this project, final approval to start the programme be delegated to the Executive Director Place in consultation with the Deputy Leader and the Portfolio Holder for Corporate Policy and Legal Services.

103 **REVIEW OF 2017/18 SCHOOLS FUNDING FORMULA**

Cabinet considered a report setting out the proposed local schools funding formula for 2017/18 for approval following consideration of the options by the Cheshire East Schools Forum.

RESOLVED

That the proposed options for the schools funding formula for 2017/18 be approved, the key changes relating to:

- Increasing the Growth Fund by £225,000 to £500,000.
- Reducing Low Cost, High Incidence funding in order to re-direct funds to targeted SEN support.
- Changing the deprivation rates following a national change in the banding of pupils.
- Removing the Looked After Children element – given it is a small amount of funding and not material when allocated to schools.

104 **EARLY YEARS NATIONAL FUNDING FORMULA**

Cabinet considered a report seeking approval to amend the funding to schools, private, voluntary and independent sector providers of the free early education entitlement for 2, 3 and 4 year olds in accordance with revised Government guidance.

RESOLVED

That Cabinet approves the formula set out in Appendix 1(a) to the report (93% pass through) for implementation from 1st April 2017 and Appendix 1(b) (95% pass through) for implementation from 1st April 2018.

105 **EARLY YEARS CAPITAL FUND - 30 HOURS CHILDCARE**

The Chairman was of the opinion that this matter was urgent and could not await a later meeting. The Chairman of the relevant overview and scrutiny committee had also been consulted and had agreed that the matter was urgent and that the call-in provisions should be waived.

The report proposed the acceptance of capital funding from the Education Funding Agency on behalf of a private day nursery to deliver 30 hours free childcare for working parents of 3 and 4 year olds from September 2017.

The DfE required an urgent decision so that the money could be paid in the current financial year.

RESOLVED

That Cabinet accepts the offer of £494,437.50 capital funding from the Education Funding Agency to redevelop Oaklands Dean Day Nursery, Dean Row, Wilmslow for the purpose of delivering the extended free early education entitlement for working families from September 2017.

106 **EQUALITY AND DIVERSITY STRATEGY 2017- 2020**

Cabinet considered a report on the Equality and Diversity Strategy for 2017- 2020. The Strategy replaced the Council's Equality Inclusion Policy (2012) and provided a framework to help the Council achieve its equality vision, by improving its equality performance and by responding to the needs of all the people of Cheshire East. The Portfolio Holder for Corporate Policy and Legal Services commented that a member champion for this area could be appointed if desired.

RESOLVED

That

1. the Equality and Diversity Strategy 2017-2020 for Cheshire East be approved and adopted as the Council's framework for achieving its equality and diversity vision (Appendix 1 to the report);
2. the five equality objectives presented within the Equality and Diversity Strategy 2017-2020 as set out below be approved:
 - *Strengthen our knowledge and understanding of our communities*
 - *Listen, involve and respond to our communities effectively*

- *Improve the diversity and skills of our workforce to ensure equality of representation at all levels across the organisation*
 - *Demonstrate a positive culture with strong leadership and organisational commitment to excellence in improving equality outcomes, both within the council and amongst partners.*
 - *Ensure that the Council's services are responsive to different needs and treat service users with dignity and respect.*
3. the Chief Operating Officer report annually to the Corporate Overview and Scrutiny Committee on progress made against delivering these objectives, and the report be published annually on the Council's website.

The meeting commenced at 2.00 pm and concluded at 4.30 pm

Councillor Rachel Bailey (Chairman)