

# Corporate Policy Committee

## Agenda

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**Date:** Thursday, 28th November, 2024  
**Time:** 10.00 am  
**Venue:** Committee Suite 1,2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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

It should be noted that Part 1 items of Cheshire East Council decision making meetings are audio recorded and the recordings will be uploaded to the Council's website

### **PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT**

1. **Apologies for Absence**

To note any apologies for absence from Members.

2. **Declarations of Interest**

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

3. **Minutes of Previous Meeting** (Pages 5 - 14)

To approve as a correct record the minutes of the previous meeting held on 3 October 2024.

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For requests for further information

**Contact:** Nikki Bishop, Democratic Services Officer

**Tel:** 01270 686462

**E-Mail:** [nikki.bishop@cheshireeast.gov.uk](mailto:nikki.bishop@cheshireeast.gov.uk)

#### 4. **Public Speaking/Open Session**

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

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

Petitions - To receive any petitions which have met the criteria - [Petitions Scheme Criteria](#), and falls within the remit of the Committee. Petition organisers will be allowed up to three minutes to speak.

#### 5. **Cheshire East Council Support for Proposed Future Rail Schemes** (Pages 15 - 92)

To consider the report which sets out work to date to establish a Cheshire East Council position on two emerging rail proposals impacting the borough.

#### 6. **Second Financial Review 2024/25 (Corporate Policy Committee)** (Pages 93 - 164)

To consider the report on the current forecast outturn for the financial year 2024/25 based on income, expenditure and known commitments as at the end of August 2024.

#### 7. **Medium Term Financial Strategy Update and Consultation 2025/26 - 2028/29 (Corporate Policy Committee)** (Pages 165 - 200)

To receive an update on the MTFS Strategy and Consultation.

#### 8. **Council Tax Base 2025/26** (Pages 201 - 208)

To consider the report which sets out the Council taxbase calculation 2025/26.

#### 9. **Performance Report - Cheshire East Plan, Quarter 2 2024/25** (Pages 209 - 230)

To consider the report which provides oversight of organisational performance against the priorities and vision set out within the Council's Corporate Plan 2021-25 during Q2 2024-25.

#### 10. **HR Policies and Procedures** (Pages 231 - 288)

To consider new and amended HR policies.

#### 11. **Six Monthly Complaints and Compliments Update 2024-25** (Pages 289 - 346)

To consider a report which sets out an analysis of complaints and compliments received during the period 1st April 2024 to 30th September 2024.

12. **Changes to the Council's Constitution** (Pages 347 - 366)

To consider a report which sets out proposed changes to the Constitution.

13. **Appointments to Outside Organisations** (Pages 367 - 372)

To consider a report on appointments to outside organisations.

14. **Work Programme** (Pages 373 - 376)

To consider the Work Programme and determine any required amendments.

15. **Minutes of Sub-Committees** (Pages 377 - 378)

To receive the minutes of the General Appeals Sub Committee held on 5 November 2024.

16. **Strategic Risk Assurance Report Quarter 2 2024/25** (Pages 379 - 438)

To consider an update on the activity of the Strategic Risk Register during Q2 2024-25.

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

The reports relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded. The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

18. **Strategic Risk Assurance Report Quarter 2 2024/25** (Pages 439 - 456)

To consider Appendix B of the Strategic Risk Register.

**Membership:** Councillors C Bulman, D Clark, J Clowes, M Goldsmith, M Gorman (Vice-Chair), A Harrison, N Mannion (Chair), C O'Leary, J Pearson, J Rhodes, J Saunders, F Wilson and M Warren

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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Corporate Policy Committee**  
held on Thursday, 3rd October, 2024 in the Committee Suite 1,2 & 3,  
Westfields, Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor N Mannion (Chair)  
Councillor M Gorman (Vice-Chair)

Councillors C Bulman, D Clark, J Clowes, M Goldsmith, A Harrison,  
J Pearson, J Rhodes, J Saunders, M Warren, S Gardiner and L Crane

**OFFICERS IN ATTENDANCE**

Rob Polkinghorne, Chief Executive Officer  
Janet Witkowski, Acting Director of Governance and Compliance and  
Monitoring Officer  
Adele Taylor, Interim Director of Finance and Customer Services and S151  
Officer  
Karen Wheeler, Interim Director of Policy and Change  
Chris Allman, Interim Director of Transformation  
Sam Jones, Democratic Services Officer

**29 APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Chris O'Leary and Fiona Wilson.  
Councillors Stewart Gardiner and Laura Crane were present as  
substitutes.

**30 DECLARATIONS OF INTEREST**

During the meeting, Councillor Stewart Gardiner declared, in the interests  
of openness and transparency in relation to agenda item 11 (Revised  
Statement of Licensing Policy) that he was a member of Knutsford Town  
Council, who had made representations on the revised policy.

**31 MINUTES OF PREVIOUS MEETING**

It was requested that the resolutions of the committee made in relation to  
the 'Submission of the Transformation Plan' item be amended to clearly  
identify how each motion was carried (unanimously or by majority) and  
also make clear that Councillors S Gardiner and C O'Leary formally  
requested that how they voted on recommendations 2 and 3 be recorded  
in the minutes.

**RESOLVED:**

That the minutes of the meeting held on 21 August 2024, subject to the above amendments being made, be approved as a correct record and signed by the Chair.

**32 PUBLIC SPEAKING/OPEN SESSION**

There were no members of the public registered to speak.

**33 FIRST FINANCIAL REVIEW 2024/25**

The committee considered the report which set out the first financial outturn position for 2024-25. It was highlighted that the overall forecasted revenue outturn position was an adverse variance of £26.5m against a revised revenue budget of £387.6m. It was noted that this was based upon activity, expenditure and commitments as at the end of July 2024.

It was noted that the Capital Programme had forecasted an expenditure of £164.5m against the MTFS approved budget of £215.8m. The committee queried the reprofiling of capital expenditure and requested that further detail be provided to update members on the overall programme including projects that had slipped, when they would be reconsidered and any implications. Officers agreed to ensure that this detail be included in the Second Financial Review report.

The committee were pleased that regular discussions with MHCLG continued with lead officers and noted that the Q1 financial forecast did not include application of Exceptional Financial Support that was requested in 2023-24. It was noted that whilst the forecasted overspend was significant, a number of mitigations had been put into place to urgently reduce spend and identify additional savings, this work was being overseen by the Strategic Finance Management Board.

**RESOLVED (unanimously):**

That the Corporate Policy Committee

1. Note the factors leading to a forecast adverse Net Revenue financial variance of:
  - Council: £26.5m against a revised budget of £387.6m (6.8%)
  - Corporate Policy: £0.0m against a revised budget of £41.7m (0.0%).
  - Noting the contents of Annex 1, Section 2 relevant to services within the committee's remit, and review progress on the delivery of the MTFS approved budget policy change items, the RAG ratings and latest forecasts, and to understand the actions to be taken to address any adverse variances from the approved budget.

2. Note the in-year forecast capital spending of:
  - Council: £164.5m against an approved MTFS budget of £215.8m, due to slippage that has been re-profiled into future years.
  - Corporate Policy: £11.7m against an approved MTFS budget of £10.4m
3. Note the available reserves position as per Annex 1, Section 5.
4. 4. Note the Capital Virements above £500,000 up to and including £5,000,000 as per Annex 1, Section 4, Table 3 will be approved in accordance with the Council's Constitution.

*Cllr Mick Warren was not present during the debate and vote on this item.*

#### **34 PERFORMANCE REPORT - CHESHIRE EAST PLAN, QUARTER 1 2024/25**

*Cllr Mick Warren arrived at 10.28am.*

The committee considered the report which set out an overview of organisational performance against the priorities and vision set out within the Cheshire East Plan 2024-25 for the period April 2024 – June 2024.

The committee queried the RAG ratings within the report and how these had been applied. It was agreed that the application of the RAG rating system needed to be reviewed to ensure consistency and accuracy. Officers welcomed the feedback and recognised that this needed to be reviewed and further developed for the Q2 performance report.

It was suggested that an additional column to the RAG ratings, setting out the direction of travel, be considered for future reports to ensure members were clear on whether performance was improving or declining. Members also suggested that additional consideration be given to actions that were impacted by external factors. Officers committed to ensuring future reports contained additional narrative on these external issues.

#### **RESOLVED:**

That the Corporate Policy Committee

1. Note the progress and performance against delivery of the Cheshire East Plan 2024/25 in Quarter 1 2024/25.

#### **35 PROPOSED NEW SENIOR MANAGEMENT STRUCTURE**

The committee considered the report which set out the proposed new senior management structure created following a period of formal consultation. The proposed structure had been designed to respond to the

recommendations within the peer challenge and meet the requirements to achieve financial stability, deliver the Children's Services Improvement Plan and the Council's Transformation Programme.

The committee agreed a friendly amendment to recommendation 3, that this be amended to *"Subject to Full Council approval of recommendation 1, that the Corporate Policy Committee recommend the release, and associated redundancy and pension costs, of the impacted/at risk staff members"*.

The committee acknowledged the costs and timeline associated with the recruitment process however agreed that progressing this and filling critical vacant posts was essential to achieve stability and accountability across the organisation, and to further drive improvement as outlined in the Transformation Plan, Corporate Peer Challenge Action Plan and Children's Services Improvement Plan.

It was confirmed that Appendix A would not be a confidential Part 2 item when published for Full Council on 16 October 2024.

**RESOLVED (unanimously):**

That the Corporate Policy Committee

1. Agree that the senior management structure, (Phase 1 only), set out in Appendix 1 be presented to Full Council for approval, including approval of new positions within that structure with salaries more than £100,000 per annum and statutory officers, prior to implementation, and agreement that the Chief Executive commences recruitment to vacant/new positions within the senior management structure.
2. Note the implementation/recruitment timeline to a new senior management structure.
3. Subject to Full Council approval of recommendation 1, that the Corporate Policy Committee recommend to Full Council the release, and associated redundancy and pension costs, of the impacted/at risk staff members.

**36 TRANSFORMATION PROGRAMME UPDATE**

The committee received a presentation which provided an update on progress made against the Transformation Programme. It was confirmed that a detailed update would be presented to the committee in November on the Plan that was agreed and submitted to MHCLG in August 2024.

It was reported that since submission of the plan to MHCLG, work had concentrated around initiation and mobilisation of the programme with a dedicated Transformation Programme Management Office now in place. Several Programme Directors from Inner Circle had been appointed to oversee key workstreams working alongside council officers. Significant resource had been provided from Inner Circle to assist in driving forward projects and programmes at pace, including the Council's Target Operating Model which would be discussed with elected members in November, along with the development of the new Corporate Plan. Members requested that dates for any briefings were confirmed as soon as possible.

The committee were pleased to note that recent staff engagement events (both in person and virtual) had been very well attended throughout September and that this engagement with staff would continue with detailed communications planned over the next six-month period.

**RESOLVED:**

That the Corporate Policy Committee note the update provided.

**37 THE CHESHIRE EAST HEALTH AND CARE 'BLUEPRINT 2030' AND CARE COMMUNITIES OPERATING MODEL**

The committee considered the report which set out the 'Blueprint 2030' and the Care Communities Operating Model which had been developed in partnership with colleagues across the NHS and community and voluntary sector, creating a neighbourhood footprint for health and care services in Cheshire East in 2030.

The committee noted that the plans brought together best practice across neighbourhoods that provided a standardised way of working, with sufficient flexibility to meet local needs, further building on positive local arrangements and relationships. It was confirmed that approving the report would not commit the council to provide its statutory services any differently, but rather created a common framework for operation.

The committee agreed that it was important that Cheshire East and its care communities were fully represented on the ICS Place Board and that any changes to how the council provided services or spent monies would be subject to consultation and approval from the appropriate committee to ensure scrutiny and oversight.

A friendly amendment was accepted by the committee in relation to recommendation 3. It was agreed that the recommendation should read as follows:

"Delegate to the S151 Officer alongside the Executive Director, Adult Social Care, Health and Integration, the consideration of and, if deemed appropriate by them, the decision to allocate existing resources to the

Place Partnership Board for deployment within the Care Communities, *subject to appropriate approvals from the Adults and Health Committee, in line with the Constitution*".

**RESOLVED (unanimously):**

That the Corporate Policy Committee

1. Endorse the Cheshire East Health and Care 'Blueprint 2030' and the continued involvement of officers to work on its implementation.
2. Endorse the Care Communities Operating Model and the continued involvement of officers in the work of the Care Communities.
3. Delegate to the S151 Officer alongside the Executive Director, Adult Social Care, Health and Integration, the consideration of and, if deemed appropriate by them, the decision to allocate existing resources to the Place Partnership Board for deployment within the Care Communities, subject to appropriate approvals from the Adults and Health Committee, in line with the Constitution.

**38 A HEALTHIER FOOD AND DRINK ADVERTISING POLICY**

The committee considered the report which proposed the adoption of a 'healthier food and drink advertising policy' as part of efforts to prioritise residents' health and wellbeing and to reduce health inequalities in the borough.

The committee agreed that it was important to encourage individuals to have a nutritional diet and suggested that this was explored further with schools and Everybody Leisure to further expand the ethos to encourage people to move more and choose healthier food options. It was reported that a piece of work was underway that would pick up elements of this with the 'Eat Well, Move More Partnership' which brought together key providers including Everybody Leisure representatives, members of the community and voluntary sector. Officers agreed to ensure that representation from the school communities were linked into this group going forward.

The committee queried the buy-in and feedback from outlets and what impact had been seen in other areas. It was confirmed that in other local authority areas that had implemented the policy, there had been impact seen in relation to the amount of high fat food being advertised and advertisements shifting to advertising more healthier options. It was noted that it was difficult to measure the impact from a public health perspective and linking obesity rates to advertising however the policy was part of a wider solution to reduce health inequalities across the borough.

**RESOLVED (by majority):**

That the Corporate Policy Committee

1. Approve and agree the adoption of the draft Healthier Advertising Policy (food and non-alcoholic drink) set out in Appendix 1.
2. Delegate to the Director of Public Health the responsibility to roll out the policy across the Council and take any necessary actions to implement the approved policy.

*The meeting adjourned for a 10-minute break at 11.35 and reconvened at 11.45am*

### **39 REVISED STATEMENT OF LICENSING POLICY**

The committee received the report which set out the provisions of the Licensing Act 2003 and sought approval from the committee to recommend to Full Council the adoption of a revised Statement of Licensing Policy to enable proper discharge of the council's responsibilities for the regulation of alcohol sales, regulated entertainment, and late-night refreshment.

The committee noted that Town and Parish Councils (T&PCs) had requested to be directly consulted upon applications. Legislation made this request difficult, as T&PCs fell into the 'other persons' category set in legislation, and should the council decide to actively consult with this category of individuals, it would need to consult all other persons, not just T&PCs, failure to do so would leave decisions open to judicial review. It was confirmed that the council website provided a list of applications available for consultation and that Town and Parish Councils could now request copies of redacted applications to be sent to them directly.

The committee queried if the new Government had provided any guidance on the potential modernisation of the Taxi Licensing Infrastructure Framework. It was noted that to date, no communication had been received from government to indicate a change however officers committed to following this up prior to the debate of this item at Full Council in December.

It was noted that powers for planning and licencing were entirely separate however silo working should be avoided. It was confirmed that matters considered by the Licensing Sub Committee would highlight in decision notices the information that could/couldn't be taken into consideration and that more information would be provided in future revised versions of the Statement of Licensing Policy.

The committee welcomed the assurance provided by the Chief Executive that the proposed senior management structure would ensure sufficient capacity and capability across the organisation and that this would include

regulatory services such as Licensing, to enable the implementation and delivery of the revised policy.

**RESOLVED (unanimously):**

That the Corporate Policy Committee

1. Note the content of the draft revised policy set out at appendix 1, the changes made, and the consultation responses received.
2. Recommend the final draft Policy be adopted at Full Council.

**40 WORK PROGRAMME**

The committee considered the Work Programme and noted that this had been updated to identify clearly those items for scrutiny and/or decision. It was agreed that this would be discussed further at the November committee meeting to explore areas of scrutiny that the committee could be involved in, such as policy development.

**RESOLVED:**

That the Work Programme be received and noted.

**41 MINUTES OF SUB-COMMITTEES**

**RESOLVED:**

That the minutes of the following Sub Committees be received and noted.

- General Appeals Sub Committee held on 20 August 2024.
- General Appeals Sub Committee held on 9 September 2024.
- Finance Sub-Committee held on 12 September 2024.

**42 STRATEGIC RISK ASSURANCE REPORT Q1 2024/25**

The committee considered the report which provided an update on the activity of the council's Strategic Risk Register for Quarter 1 2023-24 (covering the period April – June 2024). The report also set out the equivalent level risk registers for the council's wholly owned companies; Orbitas, Tatton Park Enterprises and ANSA which were published in Part 2 – which the Committee did not go into.

The committee asked a number of questions as summarised below:

SR15 Capital Projects (Place): the committee were keen to understand the detail surrounding this strategic risk that had increased from a net risk score of 12 in Q4 2023-24 to 16 in Q1



2024-25. It was confirmed that this particular risk had increased as a result of the review of the capital programme and that more detailed information on this would be provided in the next performance/finance reports that would be presented to the committee during Q2.

Members queried the RAG ratings and the criteria used to apply these. It was confirmed the rating applied to the direction of travel from Q4 2023/24 to Q1 2024/25, and that risks that had remained the same from the last quarter were rated amber, and new risks/risks that had increased were rated red. It was agreed that the ratings used would be considered and reviewed further prior to the Q2 report being presented to the committee.

SRO1 (Increased Demand for Adults Services) and SRO3 (Complexity and Demand for Children's Services) the committee queried why the direction of travel between Q4 2023-24 to Q1 2024-25 had remained 'amber' and not 'red' considering that the two areas remained significantly overspent. Officers committed to providing a written response.

SR17 Carbon Neutral Status: the committee queried why the net score for this risk remained high, following the agreement to extend the date of achieving carbon neutral status to 2027. It was agreed that further detail on this risk would be provided in the narrative of the Q2 report.

**RESOLVED:**

That the Corporate Policy Committee note the report and update provided.

The meeting commenced at 10.00 am and concluded at 12.25 pm

Councillor N Mannion (Chair)

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OPEN

## **Corporate Policy Committee**

**28 November 2024**

### **Cheshire East Council Support for Proposed Future Rail Schemes**

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**Report of: Peter Skates, Acting Executive Director of Place**

**Report Reference No: CPC/48/24-25**

**Ward(s) Affected: All Wards**

**For Decision or Scrutiny: Decision**

#### **Purpose of Report**

- 1 To update the Committee on the work to date to establish a Cheshire East Council position on two emerging rail proposals impacting the borough, namely:
  - (a) the proposed Liverpool to Manchester Railway section of Northern Powerhouse Rail (NPR) project, and
  - (b) the High Speed 2 (HS2) alternative Midlands-North West Rail Link.
- 2 To seek recommendations from Committee to Council on any conditional support to each of the proposals and on the future membership of the Liverpool to Manchester Partner Board.
- 3 To seek Committee approval on the next steps to make the case for investment in Crewe railway station as part of any major Government rail improvements.

#### **Executive Summary**

- 4 Following the cancellation of HS2 north of Birmingham in 2023, Government announced its intention to reallocate the funds to other transport projects across the North and Midlands.
- 5 Despite representations from the Council to Government regarding the substantial impact of the loss of HS2 to Cheshire East, to date no

mitigations or significant reallocation of funding has directly benefited transport infrastructure in Crewe or the wider Cheshire East area

- 6 One of the projects the Government announced was its commitment to the acceleration of the Liverpool to Manchester section of NPR and to use the HS2 Phase 2b hybrid bill to secure the powers for the section of the route that was proposed to be shared with HS2.
- 7 The proposed Liverpool to Manchester Railway would pass through Cheshire East, with a section of the scheme, between High Legh and Manchester, following the same alignment as the previous HS2 Phase 2b scheme.
- 8 It was always envisaged that progression of NPR would follow the delivery of HS2, and therefore build on the connectivity benefits of HS2, via Crewe Station. As such, the Council's position of support for NPR was always predicated on HS2 being delivered in full prior to NPR.
- 9 As a standalone Scheme, and without the opportunities from an HS2 hub at Crewe, the benefits vs impacts of NPR to Cheshire East are now different. It is therefore considered appropriate that the Council revisits its position on NPR under the current context.
- 10 In addition, following the cancellation of HS2 north of Birmingham, the Greater Manchester and West Midlands mayors (the Mayors) have been working alongside a private sector consortium to look at alternative options to improving rail connectivity between Birmingham and Manchester.
- 11 The Council has previously welcomed this work and advocated that any alternative north-south rail link to HS2 should fully connect through Crewe to capitalise on the stations 360 degree connectivity.
- 12 In September 2024, a report was published by the consortium to summarise the work undertaken and presented a recommended alternative option, referred to as the Midlands – North West Rail Link, which can be found in Appendix 1. The report recommended a new rail line following the alignment of HS2 phases 2a and 2b, which the Mayors will present to Government.
- 13 The recommended option being proposed does not provide the investment and connectivity benefits to Crewe that HS2 offered and does not include any improvements or capacity upgrades to Crewe station. It also proposed a north-south tunnel under central Crewe that could effectively allow new services to bypass the station.
- 14 As the proposed new railway, would follow the alignment of HS2 phases 2a and 2b, there is a possibility that Cheshire East could see the same

impacts in terms of disruption, environmental impacts, community severance and landscape impacts as HS2. However, the exclusion of Crewe station improvements and connectivity enhancements within the recommended option, means it is unlikely to provide the investment, growth and regeneration opportunities for Crewe and the wider borough that HS2 would have unlocked.

## RECOMMENDATIONS

The Corporate Policy Committee agrees to recommend to Full Council that:

1. The Council provisionally support:
  - a. the proposed Liverpool to Manchester Railway section of NPR; and
  - b. the use of the High Speed Rail (Crewe – Manchester) Bill to deliver the Liverpool to Manchester Railwayprovided that the conditions set out in paragraph 31 of this report are met.
2. The Council remains a member of the Liverpool to Manchester Partner Board, acting at all times, under the agreed positions set out above.
3. The Council welcomes the progression of alternative options to HS2, to improve rail connectivity and capacity between the Midlands and the North West, but the Council would only lend its support to schemes that put Crewe at the heart of the solution and deliver:
  - a. Enhanced connectivity from Crewe with improved direct services to key conurbations including London, Birmingham and Manchester;
  - b. Enables, facilitates and delivers the necessary capacity, upgrades and rationalisation at Crewe Station to enable any new services on an alternative north-south link to call at Crewe;
  - c. Supports and enables investment and growth in Crewe including the regeneration of Crewe Town Centre and provision of high quality links to the Crewe Station, and
  - d. Provides appropriate and sufficient mitigation against the negative impacts of the scheme, and its construction, on the borough, its residents and business and on the local environment.

4. The Council only support the use of existing powers secured via the HS2 phase 2a hybrid bill to deliver part of any alternative north-south rail link if the scheme delivers the conditions set out above.
5. The HS2 Member Reference Group be re-established and refocussed to support the Council's strategic rail priorities and positions.
6. Approve the revised Terms of Reference and membership changes for the Member Reference Group as proposed in Appendix 2.

## Background

### *Liverpool - Manchester Railway Board*

- 15 The Liverpool-Manchester Railway Board (LMRB) is a newly established body aimed at transforming rail connectivity between the Liverpool City Region and Greater Manchester and maximising the social and economic benefits linked to the proposed Liverpool to Manchester Railway.
- 16 The LMRB was launched on May 22, 2024, by the Mayors of Greater Manchester and Liverpool City Region with proposed membership from the following organisations:
  - (i) Liverpool City Region Combined Authority
  - (ii) Greater Manchester Combined Authority
  - (iii) Manchester City Council
  - (iv) Liverpool City Council
  - (v) Warrington Borough Council
  - (vi) Cheshire East Council
  - (vii) Cheshire West and Chester Council
  - (viii) St Helens Borough Council
  - (ix) Trafford Metropolitan Borough Council
  - (x) Manchester Airport Group
  - (xi) Port of Liverpool
  - (xii) HMG Rail Minister (invited to be a member)
- 17 It is intended that the Board work collaboratively with Government to help shape the Scheme.
- 18 Given the direct impact of the proposed Scheme on the Borough, it is important that the Council is represented on this Board and the views and considerations for Cheshire East are fairly presented in future discussions on the proposals, especially those with Government.

- 19 Having a clearly defined Cheshire East position on the Liverpool to Manchester Railway will be important for the Cheshire East representative on the Board to ensure the interests of the Borough are fully considered by the Board.

*Liverpool to Manchester Railway*

- 20 The Northern Powerhouse Rail (NPR) project aims to transform the economic landscape of the North by improving connectivity, fostering growth, and enhancing the lives of residents.
- 21 Cheshire East Council has previously expressed conditional support for NPR, contingent on the prior delivery of HS2 Phases 2a and 2b and the necessary investment at Crewe railway station to support 5-7 HS2 trains per hour calling at Crewe, in each direction.
- 22 In October 2023, the then Prime Minister, announced the cancellation of HS2 north of Birmingham and that the funding for the Scheme would be reallocated to fund the Network North programme, identified as local transport schemes across the North and Midlands.
- 23 The Network North proposals, at that point, included a commitment to deliver the Liverpool to Manchester section of the proposed Northern Powerhouse Rail Scheme. This section would be routed via Warrington Bank Quay and Manchester Airport, with several miles of the railway passing through the Borough.
- 24 The Liverpool to Manchester railway, as currently proposed, does not include any direct connectivity benefit for the borough or any of its railway stations, despite Cheshire East expected to accommodate a significant proportion of the proposed railway and associated infrastructure.
- 25 The cancellation of HS2 north of Birmingham has significantly impacted Cheshire East, particularly Crewe, which was poised to benefit from the HS2 project. These benefits are not achievable with the Liverpool to Manchester Railway, as proposed.
- 26 To date the Council has invested substantial resources into supporting HS2 and the Crewe Hub programme, and it is crucial that these efforts are not overlooked in future rail plans.
- 27 Crewe is a critical hub in the national rail network, offering 360-degree connectivity with direct services to London, Birmingham, Manchester, Liverpool, Scotland, and Wales. It is one of the busiest rail junctions in the UK and serves as a key interchange hub for passengers and a strategic location for rail freight movements. Crewe's role is essential in supporting Union Connectivity and it has a rich history as one of the earliest railway towns

- 28 In March 2024, the then Secretary of State for Transport announced Government's intention to continue to promote the High Speed Rail (Crewe-Manchester) Bill as the route to consenting the section between Millington, in Cheshire East, and Manchester where previously, HS2 and NPR would have shared the same infrastructure.
- 29 As Cheshire East will continue to be directly and specifically affected by the Bill, the Council will continue to have the right to petition any future additional provisions to the Bill.
- 30 Given the expected change in scope of the Bill to now promote the Liverpool to Manchester Railway rather than Phase 2b of HS2, it is recommended that the Council looks to re-establish its overarching position and support to the Bill.
- 31 The Council should consider agreeing a set of conditions upon which provisional support to the Liverpool to Manchester Corridor would be based. These should include:
- (a) North-South connectivity: The Liverpool to Manchester Railway and wider Northern Powerhouse Rail programme must support future north-south connectivity improvements via Crewe station, solidifying its role as the Northwest regional hub and enhancing rail connections from Crewe to the North West, Midlands, West and North Wales.
  - (b) Commitment to the delivery of the required investments in Crewe station: Continued government collaboration and funding commitments to secure recommended investments in Crewe prior to, or alongside, the delivery of Liverpool to Manchester Railway, ensuring the town's future development, prosperity and economic growth.
  - (c) Provision of a Mid-Cheshire Line connection: Inclusion of a connection between the Liverpool to Manchester Railway and the Mid-Cheshire Rail Line to allow services on the Mid-Cheshire Line to travel on the Liverpool to Manchester Railway to access Manchester Airport and Manchester Piccadilly. In addition, a commitment to at least doubling services along the Mid-Cheshire Line to improve local transport and connectivity for local stations on the route, in particular with Manchester and Manchester Airport.
  - (d) That an updated Integrated Rail Plan is published ahead of any commitments to major rail improvements: Commitment from the government to collaborate with Local Transport Authorities, including Cheshire East Council, on identifying and understanding the future rail priorities for the North and Midlands. In addition, a commitment publish an updated Integrated Rail Plan ahead of full commitment to the Liverpool



to Manchester Railway, to provide transparency and certainty of long-term rail investments.

- (e) That the benefits growth in the borough linked to the Liverpool Manchester Railway is retained by Cheshire East: A commitment from Government and Partners to a fair and equitable growth sharing mechanism such that returns generated from the Liverpool to Manchester Railway within Cheshire East are retained by the Council for reinvestment in infrastructure enhancements within the borough.
  - (f) Equal treatment: Cheshire East Council should be treated as an equal partner to other Local Authorities and Mayoral Combined Authorities along the Liverpool to Manchester Railway with parity in communication, information sharing and consultation.
  - (g) Environmental and Community Mitigations: Assurance of appropriate mitigations to address environmental and community impacts within Cheshire East and the ability to re-define petitioning points, previously raised on the Hybrid Bill to account for the significant change in benefits vs impacts for Cheshire East.
  - (h) Community Engagement: Commitment to a robust community engagement strategy, including regular consultations with local stakeholders across Cheshire East.
- 32 Establishing a clear position on the proposed Liverpool to Manchester Railway now, along with any conditions required to secure the Council's in principle support for the Scheme, will provide a clear and up to date reference point for members and officers moving forwards.
- 33 The Council should also consider whether it wishes to oppose the use of the former HS2 Phase 2b 'High Speed Rail (Crewe – Manchester) Bill as the consenting route for the section of Liverpool to Manchester Railway between Millington and Manchester.

#### *Midlands-North West Rail Link – HS2 Alternative*

- 34 Following the cancellation of HS2, north of Birmingham, in October 2023, the Greater Manchester Mayor, Andy Burnham, and the then West Midlands Mayor, Andy Street, (the Mayors) teamed up with a private sector consortium, including engineers, construction firms, and finance experts, led by former HS2 chairman Sir David Higgins, to develop alternative options for improved rail connectivity between the West Midlands and Manchester.
- 35 In February 2024, the mayors outlined three potential alternatives to improve rail connectivity between the Midlands and the North West, that the consortium were looking at as part of this work:

- (i) Enhancing the existing West Coast Main Line.
- (ii) Building major bypasses and upgrading the existing line.
- (iii) Constructing a completely new, segregated line at lower speeds than the original HS2

36 In September 2024, the private sector consortium, backed by the Greater Manchester Mayor and the recently elected West Midlands Mayor, Richard Parker, published a report titled 'Opportunity through connectivity - Catalysing economic growth through a Midlands-North West Rail Link' which set out the work that had been undertaken by the consortium and the recommendations that they will be putting forward to Government. This is included in Appendix 1 of this report.

37 In summary, the report states that the consortium has "concluded that the best path forward is a new rail line, approximately 80km in length connecting Lichfield to High Legh (and thereby linking HS2 with Northern Powerhouse Rail) – the Midlands-North West Rail Link (MNWRL)".

38 The report claims that the "MNWRL has the potential to deliver roughly 85% of the benefits of HS2 Phase 2, at a fraction of the costs (c.60-75%)".

39 The recommended option in the report, and the option being promoted by the consortium and the mayors is Option C.

40 Option C would introduce:

- (i) A new Staffordshire Connector between the HS2 Handsacre Junction at Lichfield and a point to the South of Crewe Station where there would be a connection back to the West Coast Main Line. The Staffordshire Connector would follow the broad alignment of HS2 Phase 2a, with several kilometres of the route passing through the south of the Borough.
- (ii) A new Cheshire Connector between a point to the north of Crewe Station and High Legh, where there would be a new connection between the Cheshire Connector and the proposed NPR Liverpool to Manchester Railway and is expected to follow the broad alignment of the HS2 Phase 2b Scheme. The majority of the proposed Cheshire Connector will be within the Borough, the remaining may fall within the boundaries of Cheshire West and Chester.
- (iii) A north-south tunnel under Crewe which is assumed to connect the northern terminus of the Staffordshire

connector with the southern terminus of the Cheshire Connector.

- 41 Option C does not include any improvements or investment at Crewe Station and the infrastructure proposals outlined above strongly indicate that the proposed route, and services, would bypass Crewe Station, with the borough unlikely to receive any direct connectivity benefit from these proposals, and in turn inhibit the potential opportunities for Cheshire East from the proposed Liverpool to Manchester Railway.
- 42 As such, if Government were to support these proposals as they stand, Cheshire East would likely need to endure most of the pain of these proposals, with negligible or no gain.
- 43 Whilst these proposals only appear to be in early stages of development, it is important for the Council to present a strong and clear stance regarding any HS2 alternative north-south scheme at the outset.
- 44 Similarly, the Council should consider the conditions required for the Council to support any alternative scheme to HS2 phases 2a and 2b and subsequently the use of the former HS2 Phase 2a hybrid bill powers to deliver the proposed Staffordshire Connector.

#### *HS2 Member Reference Group*

- 45 In February 2022, Full Council approved the creation of an HS2 Member Reference Group to act as a sounding board in the preparation and progression of the Council's petition against the HS2 Phase 2b hybrid bill.
- 46 Re-establishing and repurposing the Member Reference Group would provide Member input and provide input into the Council's response to the Liverpool-Manchester Railway and the alternative north-south rail link and continue to ensure the interests of Cheshire East are prioritised.
- 47 The Member Reference Group would provide a steer to officers on the priority issues that on these emerging proposals and any subsequent schemes that may affect the Borough and delivering an appropriate and timely Council response.
- 48 It is proposed that the membership and terms of reference of the Member Reference Group are amended to reflect the updated scope of the Group and the recent changes in roles within the Council administration.
- 49 A revised Terms of Reference for the Group is included in Appendix 2 to this report.

## **Consultation and Engagement**

- 50 Consultation has not been required for the recommendations in this report.
- 51 At this early stage of the Liverpool to Manchester Railway and alternative Midlands-North West Rail Link and it is proposed that engagement relating to the recommendations in this report will primarily be undertaken through the Member Reference Group.
- 52 As further information regarding the details of the schemes and impacts on the borough are published and understood, further engagement with local ward members and town and parish councils, directly impacted by the schemes, will be undertaken which will follow the approach used when petitioning the HS2 Phase 2b hybrid bill.

## **Reasons for Recommendations**

- 53 As was the case with the (now cancelled) HS2 Scheme, a clear Cheshire East position on both the proposed Liverpool to Manchester Railway and the alternative Midlands-North West Rail Link, endorsed by Full Council will be beneficial to the Council by:
- (a) Providing a clear remit for Members or Officers representing the Council on Boards, working groups and meetings relating to these schemes.
  - (b) Providing a basis in which future consultation responses and further potential petitioning will be built upon.
  - (c) Ensures Government, stakeholders and neighbouring authorities are aware of the conditions which must be met before the Council can consider offering its support to the delivery of these Schemes.
  - (d) Provides a commitment to local communities that the Council will not support the borough accepting the pain from these Schemes without a suitable gain.

## **Other Options Considered**

- 54 The Council could not propose setting a clear and up to date position regarding the level of support to the two proposed Schemes.
- 55 In this case, the Council would have a greatly reduced voice in seeking to influence the future development of the Scheme and negotiating any future petitions.

## **Implications and Comments**

*Monitoring Officer/Legal*

- 56 There are no direct legal implications of this report. However, the Council's legal team will be engaged throughout the negotiations and legal advice should be sought where necessary.

*Section 151 Officer/Finance*

- 57 There are no direct financial implications with this report. However, if further work is needed to support the Council's position or promote the investments needed at Crewe Station will be funded from the existing Rail and Transport Integration budget.

*Policy*

- 58 There are no direct policy implications with this report.

*Equality, Diversity and Inclusion*

- 59 There are no direct equality, diversity or inclusion implications with this report.

*Human Resources*

- 60 There are no direct human resource implications with this report with work to support the Member Reference Group will be undertaken using existing resources.

*Risk Management*

- 61 There are no direct risk management implications with this report.

*Rural Communities*

- 62 Having an updated position regarding the two proposed Schemes following the cancellation of HS2 north of Birmingham will ensure the Council is in a much stronger position to seek to minimise the impacts of the Schemes, should they be delivered, on impacted rural communities.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 63 There are no direct implications with this report.

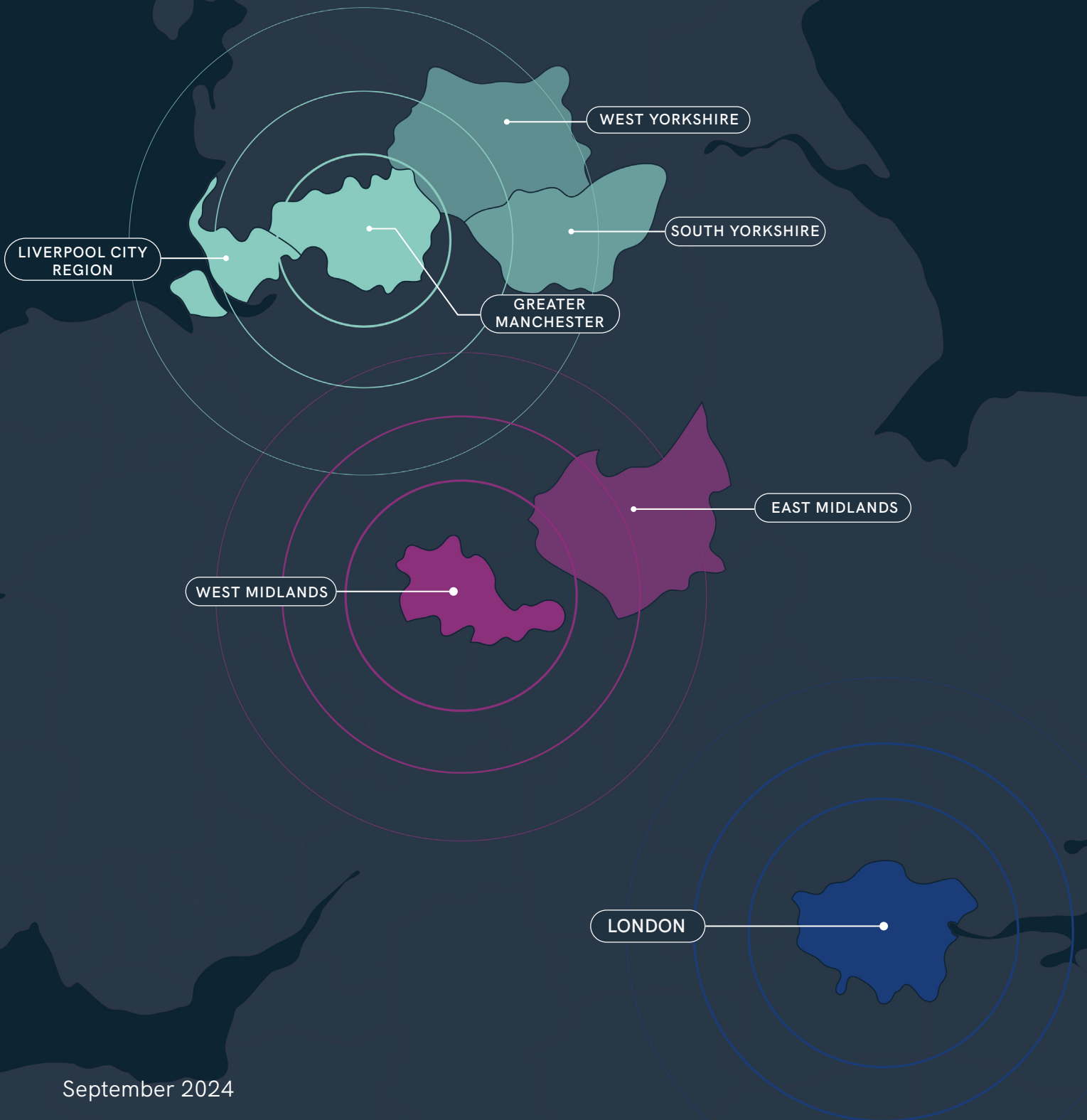
*Public Health*

- 64 There are no direct implications with this report.

*Climate Change*

- 65 There are no direct implications with this report.

| Access to Information |  |
|-----------------------|--|
| Contact Officer:      | Hayley Kirkham, Head of Rail and Transport Integration<br><a href="mailto:Hayley.kirkham@chehsireeast.gov.uk">Hayley.kirkham@chehsireeast.gov.uk</a>                                   |
| Appendices:           | Appendix 1: Opportunity through connectivity - Catalysing economic growth through a Midlands-North West Rail Link<br><br>Appendix 2: Revised Member Reference Group Terms of Reference |
| Background Papers:    | None.  |



September 2024

# Opportunity through connectivity

Catalysing economic growth through a Midlands-North West Rail Link

ARUP

ADDLESHAW  
GODDARD

ARCADIS

EY

mace

SKANSKA

DRAGADOS







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## Foreword from Sir David Higgins



Sir David Higgins

In October 2023, in the face of escalating costs, the Government took the decision to cancel the second phase of HS2 between Birmingham and Manchester.

The Mayors of the West Midlands and Greater Manchester asked me to support them in reviewing the impacts of this decision and the opportunities for moving forward. This report focuses on the rail link between Handsacre, north of Birmingham, through to Crewe and then onto High Legh near Manchester Airport.

I have overseen a diverse private sector team, led by Arup and supported by Addleshaw Goddard, Arcadis, Dragados, EY, Mace and Skanska, to produce this report with no cost to Government. We strongly recommend that the newly elected Government preserve the existing powers and land safeguarding, and spend the next six months working in partnership with the Metro mayors and the private sector to develop a detailed strategy for delivering critical change.

The Victorians knew how essential transport was for wealth creation across the nation. The West Coast Main Line, built in sections for Queen Victoria's coronation in 1838, was critical to economic growth in the Midlands and the North West of England. The original alignment, gauge, tunnels and embankments designed for the first steam engines are still in use today. The resilience and reliability of this line is now very poor. The May 2024 National Infrastructure Commission's (NIC) infrastructure progress report states, 'The West Coast Main Line is one of the busiest in

Europe already running at a higher intensity of operation than major fast lines in European countries impacting reliability.' This report highlights productivity comparisons between this region and ones in Europe, and draws the link between poor connectivity and the factors that inhibit economic growth.

The design for HS2 was developed as an integral part of the UK's national and international passenger and freight network for the next 50 plus years. The decision to cancel Phase 2 creates a gap in one of the most critical parts of this overall network. As the NIC report states, 'A do nothing scenario north of the proposed termination of HS2 at Handsacre is not sustainable. The existing infrastructure is a constraint on future passenger and freight growth.'

In addition to passenger capacity, Phase 2 of HS2 was planned to release significant freight capacity on the existing West Coast Main Line between Nuneaton (where freight coming to / from Southampton and Felixstowe meets the WCML) and major multimodal freight facilities at Basford Hall. The decision to cancel this section significantly inhibits this plan.

The first section – Phase 2A from Handsacre to Crewe – already has planning powers and a significant proportion of land has been purchased. These complex powers took over four years to approve, and the land acquisition powers will, without intervention, lapse in the next two years (followed by the project's planning consents a few years later, in 2031). This section is the easiest to build and should be by far the cheapest because of limited tunnelling and viaduct construction, and there are no railway stations.



HS2, like many other major projects worldwide, has experienced significant cost pressures in recent years, due to a wide range of factors. When costs escalate in the way they have, it is essential to reconsider both the design specification and also the risk sharing mechanisms with contractors. This report also explores in detail the options for change to the current design and different delivery models.

Finally, the report reviews new models for funding involving both the private and public sector and drawing on examples of major

international rail projects. The August 2024 Rail and Urban Transport Review, led by Juergen Maier, reinforces many of our conclusions about the need for a new way of delivering the infrastructure our nation so clearly needs.

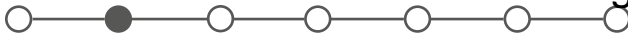
A high-capacity, resilient passenger and freight rail network linking major economic centres in this country will be essential for long-term economic growth in the United Kingdom – enabling new housing, building new skills, driving innovation, and enhancing social mobility.

***Sir David Higgins.***

## Summary of our requests of Government

This private sector coalition has come together at its own cost, with the support of the two Metro Mayors, to form a proposal for a **Midlands-North West Rail Link**. To move this forward, we are asking the Government to undertake the following:

1. Establish a Steering Group between the private sector, Combined Authorities and Central Government to drive forward development of an 'at pace' feasibility study and technical analysis over the next six months:
  - Working with the newly-established British Infrastructure Council to convene global private sector investors to attract investment into this critical link, and use this as an opportunity to re-position the UK as a country open to institutional investment in infrastructure;
  - Undertaking further financial, commercial, and economic analysis to develop an investment prospectus for the private sector, and optimise value for money across all rail investments for the public sector;
  - Working closely with Network Rail, HS2 Limited and other bodies to advance the technical specification further; and
2. Critically we need time to get this right, and support from the Government to work with us on the activities above, building on the work we have done to date. The Government could help the private sector advance technical and commercial solutions by:
  - maintaining ownership of the current landholdings on the former Phase 2A route from Handsacre to Crewe while this work is underway; and
  - reinstituting safeguarding for the land not yet acquired on this route; protecting and prolonging existing planning powers; and maintaining flexibility to reincorporate the Crewe to High Legh segment into the repurposed NPR Hybrid Bill while a new solution is finalised and agreed.
3. Formally consider the network-wide benefits of this proposition alongside proposals for enhancing east-west connectivity in the North and the economic benefits this would bring to the whole of the UK.



## Introduction

The UK stands at an inflection point. We have incredible social and economic assets – vibrant cities, leading global universities, world-class air and seaports, and a thriving life sciences sector. But having been mired in persistently low-growth and low productivity for over a decade, our economy is underperforming many of our peers. We are also one of the most spatially unequal societies in Europe, with a significant gap in economic output and living standards between the South East and the Midlands, the North West, and other regions.<sup>1</sup>

These trends are directly connected: restoring geographical balance to the UK economy is a critical step to driving higher average productivity and sustainable economic growth for the nation.<sup>2</sup> The tangible outcomes from this growth for the people and places of the Midlands and the North are what really matters, beyond the statistics. Better jobs, better prospects, better housing, and better local amenities are the things which ultimately enable a better quality of life.

The question is not whether we need to do this, but how we can best achieve it. On this, the evidence both from across the globe and here in the UK is unambiguous: high quality, affordable infrastructure is the best recipe for stimulating economic activity<sup>3</sup>, and transport is the key ingredient – spanning the movement of both people and goods.

Delivering this connectivity in an effective, affordable way is the central challenge at the heart of this report.

*One of the reasons for this poor economic performance in recent years is low levels of investment in the UK economy... Investment in transport networks can enable sustainable trips within and between cities — the main engines of economic growth.*

— National Infrastructure Commission, Second National Infrastructure Assessment, 2023

More fundamentally, we are acutely aware of the UK's urgent need for a new infrastructure delivery model that addresses persistent challenges around high costs and inefficient delivery. Evidence is mounting that the UK is particularly afflicted by these challenges<sup>4</sup>, which has resulted in the nation spending less on infrastructure than our peers – against a substantial backlog of investment needs.<sup>5</sup>

We all have a role to play in thinking differently to develop this new model – this includes businesses, political leaders (including Metro Mayors), central and local governments, and investors. We must find a better way of bringing together the best of the public and private sectors to deliver the much-needed infrastructure that will power the next century of growth in the UK.

With the election of a new Government, now is the time to take a fresh approach.







## Context and background to this review

The past year has brought significant change in Government transport policy and investment plans, with further change to come following the July 2024 election of a new Labour-led Government.

In October 2023, the previous Government announced the decision to cancel HS2 Phase 2 in response to escalating cost and delivery concerns. This resulted in a programme of high-speed rail (HSR) works focused only on the section between London and Birmingham, with the Birmingham to Manchester leg cancelled. The decision included a commitment to reallocate the Phase 2 funding to a broader package of transport enhancements, including additional funding to continue the NPR project that will improve connections between northern cities.

In late 2023, the Mayors of the West Midlands and Greater Manchester came together to develop a response to these decisions. The Mayors asked a coalition of private sector organisations to undertake an independent evaluation of this new context and to set out a path forward.

This group, chaired by Sir David Higgins and led by Arup, alongside Addleshaw Goddard, Arcadis, Dragados, EY, Mace, and Skanska, brought together world-class expertise in economics, rail planning and engineering, infrastructure finance and planning law, and construction. In addition to our individual strengths, the group was uniquely well-placed to offer a fresh perspective on the development of a new model for UK infrastructure planning and delivery. This report is the product of our work.\*

Our underlying aim has been to take a ‘place-led’ approach to the questions below, one which respond to the particular growth ambitions, economic and social assets, and other characteristics of the West Midlands and Greater Manchester. We wanted to focus on ‘what do the people and businesses in these places need?’, rather than starting from the perspective of ‘what sort of infrastructure can we build?’

\* In keeping with the intent for this work to offer an independent and private sector-led voice, the perspectives contained in this report are solely those of this group, and not the West Midlands Combined Authority, Greater Manchester Combined Authority, or any other public entity. The review is based wholly on publicly available information and professional expertise.

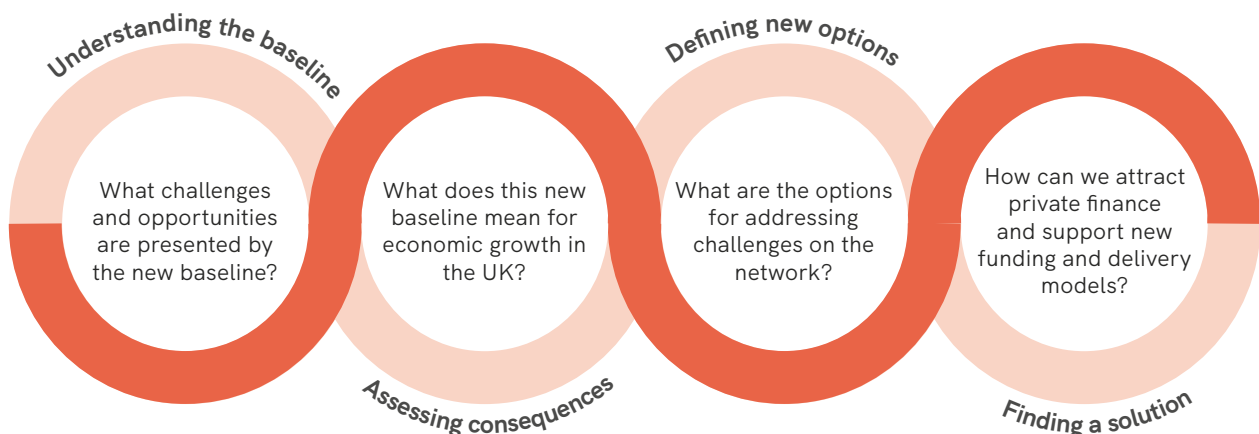


FIGURE 1: Key questions guiding this review



FIGURE 2: Review focus

\*The NPR route is a mix of new and upgraded railway lines. The precise route has not yet been confirmed by the Government. The route shown on this map is an indicative assumption.



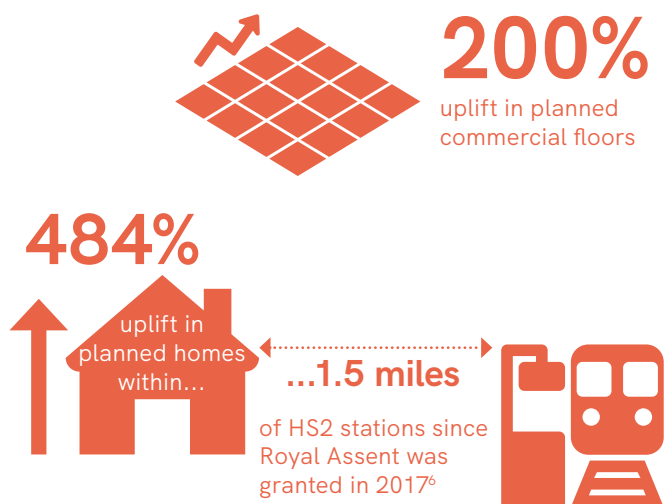
# City-region connectivity challenges and opportunities





## Emerging blueprint of national connectivity improvements

The package of rail network investments proposed by the previous Government was aimed at boosting both national and local connectivity and economies. Before even opening, the **HS2** connection between London and Birmingham is already accelerating investment in the West Midlands.



Other major projects announced by the previous Government have the potential to deliver similar benefits:

- Across the East and West Midlands via the **Midlands Rail Hub**, enhancing connectivity between Birmingham, Derby, Leicester, Nottingham, Worcester and beyond to the South West and South Wales.
  - Within city-regions through investment in urban passenger transport and freight networks as part of the **City Region Sustainable Transport Settlements (CRSTS)**.
- But despite their benefits, the current investment blueprint leaves two key gaps where, following the cancellation of HS2 Phase 2, existing connections are insufficient to accommodate long-term projected growth in demand. The shortfalls are harmful in their own right, but left unaddressed pose a wider problem, threatening to hold back the transformational potential of HS2, NPR, Midlands Rail Hub and CRSTS.
- These gaps are the corridor from Birmingham and the West Midlands to Manchester and the North West (western gap), and the corridor from the Midlands to Sheffield and Leeds (eastern gap)."

\* The analysis undertaken for this review makes an assumption that these commitments are delivered in full, including connecting HS2 Phase 1 to Euston Station, and ensuring Euston is appropriately sized to accommodate additional services running north of Birmingham.

\*\* The May 2024 report from the National Infrastructure Commission highlights these two missing links. As an urgent response to the most recent changes in Government policy sponsored by the Mayors of the West Midlands and Greater Manchester, this review is focused on the first of these gaps. However, we recommend that both are considered to be of major strategic importance, and that the Combined Authorities, working with the newly-elected Government, will explore how they can be remedied.

## Assessment of current connectivity

The western gap – and the focus of this review – falls in the centre one of the UK's most important economic corridors. It connects most of the largest population and economic centres in Britain together, including London, Birmingham, Manchester, Liverpool, Glasgow, and Edinburgh. It is also a key freight route to and from major seaports, airports, and the critical logistics hub in and around the West Midlands.

The principal spine for this corridor is the West Coast Main Line (WCML), one of the nation's most important passenger and freight railways. It is also one of the oldest, dating back more than 150 years in many places.

Passenger demand on the line has more than doubled following modernisation works in the 2000s<sup>7</sup>, to roughly 35 million intercity journeys per year, making it one of the busiest rail lines in Europe.<sup>8</sup> More than 40% of all goods moved in the UK use the route.<sup>9</sup>

This rapid growth in demand means that the line is now once again operating close to the limit of its train-carrying capacity, due to a series of major bottlenecks between Birmingham and Manchester, illustrated in Figure 3. These constraints not only limit the WCML's future ability to accommodate more trains – and therefore more passengers and freight – but also place significant pressure on the performance of the railway today. It is currently the least reliable railway in Britain, with fewer than 50% of trains operating on-time.<sup>10</sup>

### SPOTLIGHT

The **Shugborough Tunnel** is one of the key bottlenecks on the WCML. This tunnel dates to 1846 and constrains capacity on the whole line, due to it only being wide enough for two tracks, with no viable means of providing additional tracks through the area.

This is a key example of how design and engineering choices made during the Victorian era are still impacting the capacity and operations of services today. Many of these constraints have no easy solutions as the 'low hanging fruit' has largely already been dealt with.

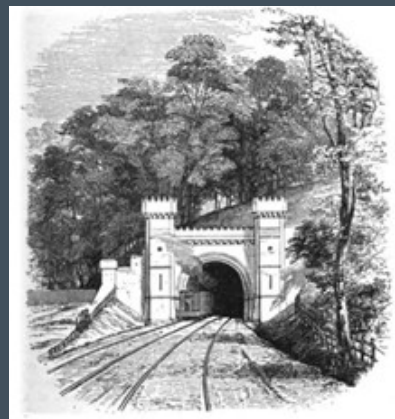


Illustration of Shugborough Tunnel

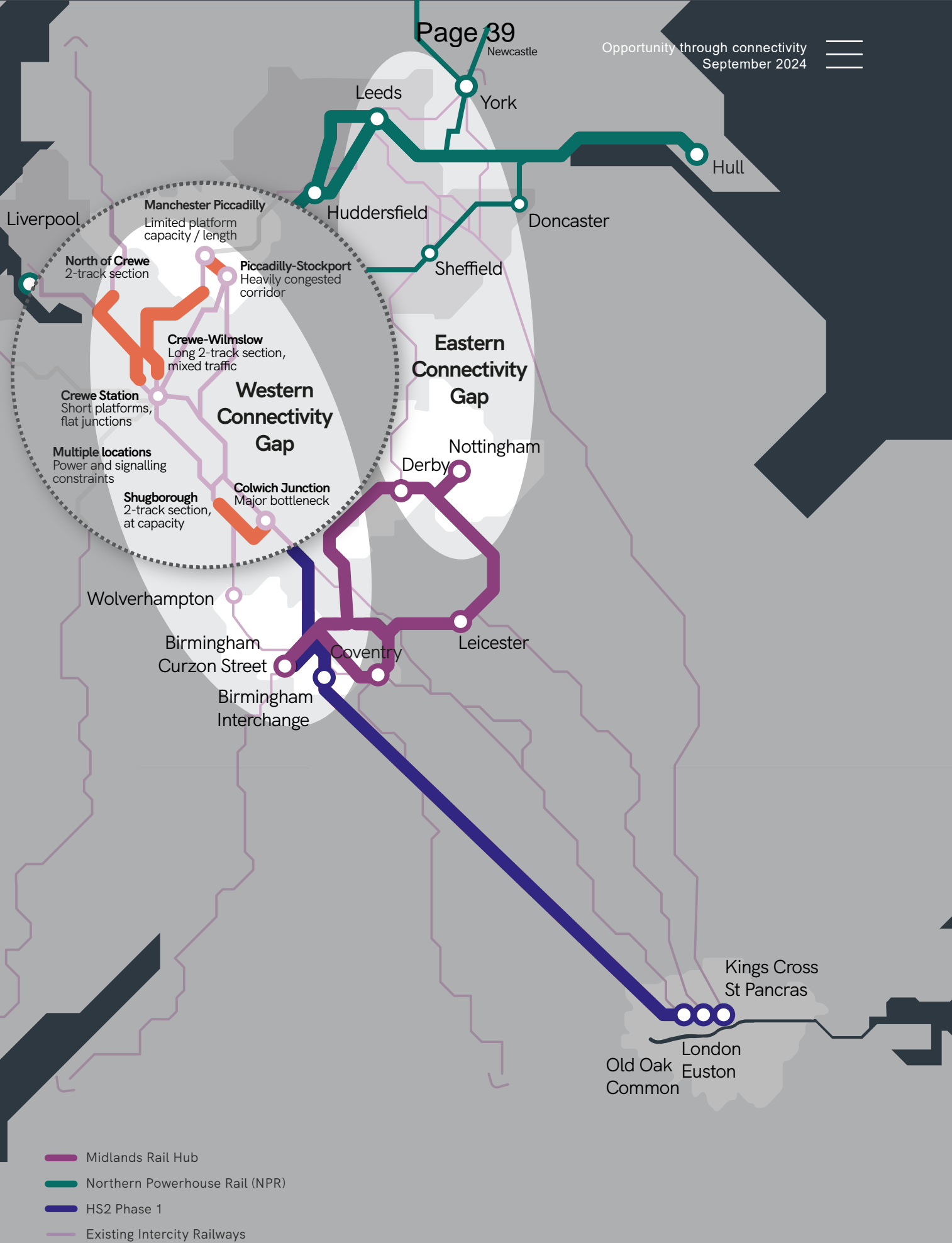


FIGURE 3: Gaps and constraints

Prior to the Covid-19 pandemic, passenger volumes were growing by c.6% annually over the previous 13 years. The original HS2 business case projected that growth in demand would continue to be robust, and that significantly greater capacity would be needed on the corridor by the late 2020s.

The pandemic altered this trajectory, and changes to travel patterns have delayed the date when the railway reaches its full capacity. However, we have examined a number of growth scenarios based on an estimate of the current, post-Covid passenger levels, and can state with confidence that **within the next decade, travel demand on the London-Manchester corridor will exceed the maximum capacity of the line.** This is true even in a scenario where growth remains well-below historical averages (essentially just keeping pace with population growth).

The NIC's May 2024 analysis came to similar conclusions. It found that 'by 2045 Birmingham could have between 23 and 61 per cent more passenger arrivals during the morning peak than in 2019, Manchester between 5 and 38 per cent... Without uplifts in capacity, this could lead to significantly worse crowding outcomes.'

It is not just passenger rail services that are facing demand and capacity challenges. Growth in daily freight trains is expected to reach 74%

by 2043/44 and certain route sections on the WCML are forecast to carry over 120 daily freight trains compared to 60 trains today. This potential growth, and the associated carbon benefits of moving more goods by rail, will be unachievable with the current capacity constraints.<sup>11</sup>

The key roads serving this corridor are also under strain. The M6 is one of the most heavily used routes in the nation for both cars and lorries, with some sections carrying upwards of 150,000<sup>12</sup> vehicles per day, and official projections anticipating much higher volumes in coming decades.<sup>13</sup> Even at current traffic levels, congestion and delay is routine.

This means both the strategic road and rail routes connecting the western side of the UK are already operating close to the limits of their capacity, with major infrastructure bottlenecks that cannot easily be resolved. Forecasts predict further growth in demand, which will inevitably cause severe crowding, congestion and unreliability – or simply suppress further growth in travel along with economic activity.

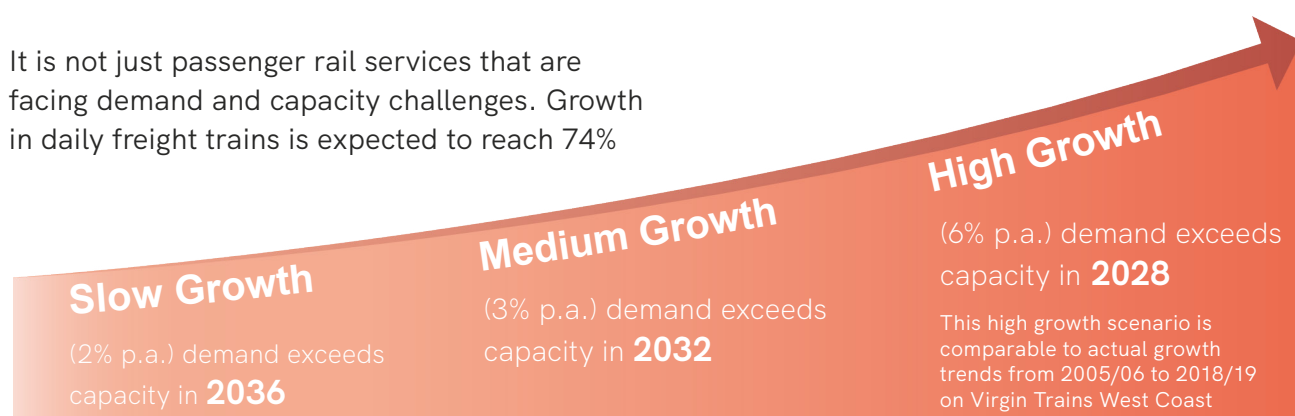


FIGURE 4: Estimated date of demand exceeding capacity under three growth scenarios.

## Conditions following the opening of HS2 Phase 1

The business case for the full HS2 programme was predicated in large part on addressing these challenges; with HS2 Ltd often referencing the 'three C's' underpinning its aims – capacity, connectivity, and carbon. This business case also confirmed that upgrading the WCML would be hugely disruptive and not provide the required capacity to solve these challenges.

The cancellation of HS2 Phase 2, from Birmingham to Manchester, now means that we have a new line between London and Birmingham and an expectation that HS2 services operating north of Birmingham will use existing tracks and mix with non-high speed services. New HS2 trains operating at 400m length will be able to run between London and Birmingham – but beyond Birmingham to the North West, the WCML infrastructure is only able to accommodate 200m trains.

Furthermore, the new HS2 trains will be limited to lower operating speeds than existing Pendolino trains, creating further complications for timetabling and capacity management on congested sections of the railway.

This means the operating environment for the WCML will soon become incredibly complex. Already constrained by Victorian infrastructure, the route will need to accommodate a mix of rolling stock, drawing on different power and signalling systems. Adding the complexity of interfacing HS2 and WCML infrastructure, and the need to slot high-speed services onto the main line all introduces significant operational challenges and performance risks.



Council House Clock Tower, Birmingham.



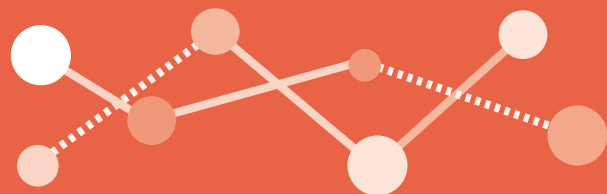
## We have assessed the implications of only building Phase 1 of HS2 (London-Birmingham) and what this now means for service along the full London to Manchester route.\*



While HS2 will significantly boost seat capacity between London and Birmingham, adding over 3,000 seats per hour, it will not increase the number of trains per hour north of Birmingham due to the infrastructure constraints that remain unresolved without the later stages of HS2. In fact, where current 11-car class 390 (Pendolino) trains are due to be replaced by high-speed trains, the number of seats will reduce. High-speed trains can only run north of Birmingham if they replace existing services.

\* Within the rail industry, detailed options are being considered as part of ongoing understanding of how to progress the current situation and address the challenges highlighted here, including potential rolling stock strategies.

\*\* The extent of reduced connectivity depends on the number of existing services that are replaced with HS2 services (this is not yet agreed and depends on trade offs of speed, capacity and connectivity for intermediate stops). The more existing services that are replaced with HS2 services, the worse the connectivity gets for those places no longer served.



Previous plans would have allowed for some existing WCML services between Manchester and London to continue to run alongside new HS2 services. However, as there are no longer plans to provide new platforms at Manchester Piccadilly for HS2 trains, and due to the other capacity constraints on the WCML, this will no longer be possible. This means current intercity services between Milton Keynes, the Trent Valley, and potentially\*\* Stoke-on-Trent will no longer operate, resulting in a **material reduction in regional connectivity** between many fast-growing communities along the current WCML corridor.



With bottlenecks and capacity constraints north of Birmingham left unaddressed, the capacity for increased freight services will remain constrained. Sections of the WCML north of Lichfield will **not be able to support any significant increase in freight capacity** to the North, Wales and Scotland, impinging on the aims of the national freight strategy and severely limiting the expected freight-related benefits from the HS2 investment.





# Implications for economic growth



## Catalysing growth in the West Midlands and Greater Manchester is critical to the UK's economic future

As businesses that operate in multiple markets across the world, we have a clear-eyed view of the UK's economic strengths. The nation – home to the world's sixth largest economy – remains a vital global trading hub and is a leader across many sectors that will drive growth and innovation in the decades ahead, including life sciences, AI, fintech, low-carbon technology, and more.

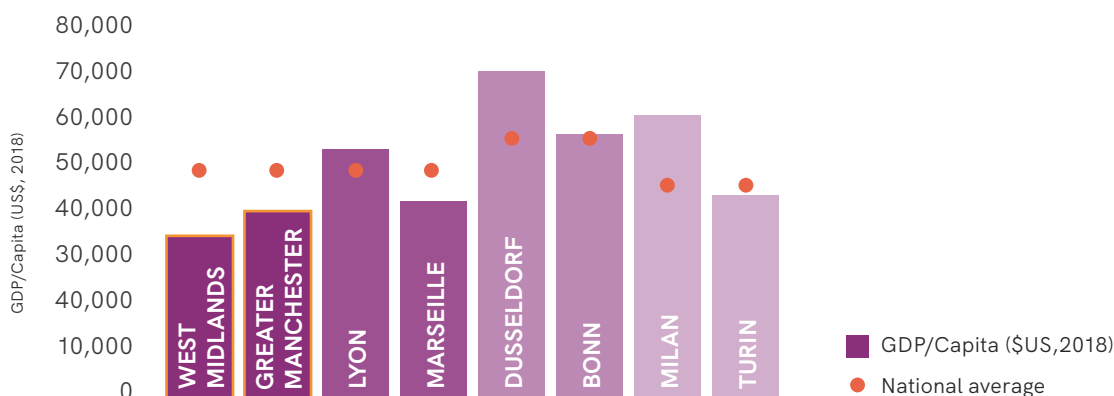
However, in an environment of economic insecurity, low investment and stagnant growth, maintaining and enhancing this position, and increasing economic output, productivity and competitiveness, will require smart policymaking and targeted investment.

The UK has grappled with slow productivity growth for many years. Despite its strong assets, the productivity challenge has been particularly acute in Greater Manchester and the West Midlands. Large urban areas around the world often have productivity levels that equal or exceed their national average but this is not the case with our two second cities.<sup>15</sup>

Productivity in Greater Manchester, measured by GDP/worker, sits 13% below the UK average. In the West Midlands, productivity is 24% below the national average.<sup>16</sup>

High quality, affordable infrastructure is key to stimulating economic activity<sup>17</sup>, and transport sits at the heart of this. Strong connectivity is essential to a prosperous future for our country and its towns and cities, alongside investment in skills, housing, research and innovation, and quality of place.

Well-developed and reliable transport networks enable the spatial redistribution of knowledge-intensive jobs from large capitals to secondary cities, expanding access to labour pools, attracting inward investment, and facilitating better coordination between complementary high-productivity sectors. They allow businesses to thrive by enabling deeper market integration, freight and logistics growth and supply chain expansion. They also allow people to connect better with one another, strengthening community ties and social cohesion, and making city centre regeneration more viable.



**FIGURE 5:** Productivity across comparator European city pairs (OECD data for the Functional Urban Areas of each city-region; note that FUA boundaries do not correspond precisely to the UK Combined Authority boundaries)



City centre accessibility across Britain's secondary cities is currently well below the European average for similar places.<sup>18</sup> To realise the full potential of committed and future investments, improved urban connectivity is needed to make cities like Manchester and Birmingham, and the regions that surround them, more accessible and attractive for employment and investment.

Greater Manchester and the West Midlands have the greatest capacity for economic growth within the UK economy. These urban areas have achieved the fastest population growth in the country over the past decade,

outside of London.<sup>19</sup> Delivering the 'missing link' between them is critical to unlocking higher productivity and helping the nation achieve priorities to rebalance the country and drive green growth.

Bringing the Manchester and Birmingham city regions up to par with the UK average productivity would add £43bn, approximately 2%, to the UK economy annually. But this bonus could rise to £70bn if the regions were to match the performances of their peer European cities relative to their country averages.

## CASE STUDY

### **Inter-regional connectivity has been key to unlocking the competitiveness of secondary city pairs across Europe.**

In France, clusters of new knowledge businesses have moved from Paris to the south-eastern cities of Lyon and Marseille since the introduction of HSR. The region has experienced a 46% increase in knowledge-based activities between 1999-2009.<sup>22</sup>

In Germany's Rhine-Ruhr region, stronger HSR links have supported the transformation of Dusseldorf and Bonn into 'global pipelines' for the wider region, attracting a high concentration of advanced manufacturing firms and knowledge-based companies.<sup>23</sup>

On the Milan-Turin axis in northern Italy, HSR has facilitated coordination between training and research facilities, with growing integration of polytechnic universities and knowledge-intensive business services.<sup>24</sup>

The disaggregation of knowledge and high-skilled labour has enabled secondary cities to outperform their national productivity levels by reducing the cost of transporting skills and capital to non-capital cities.

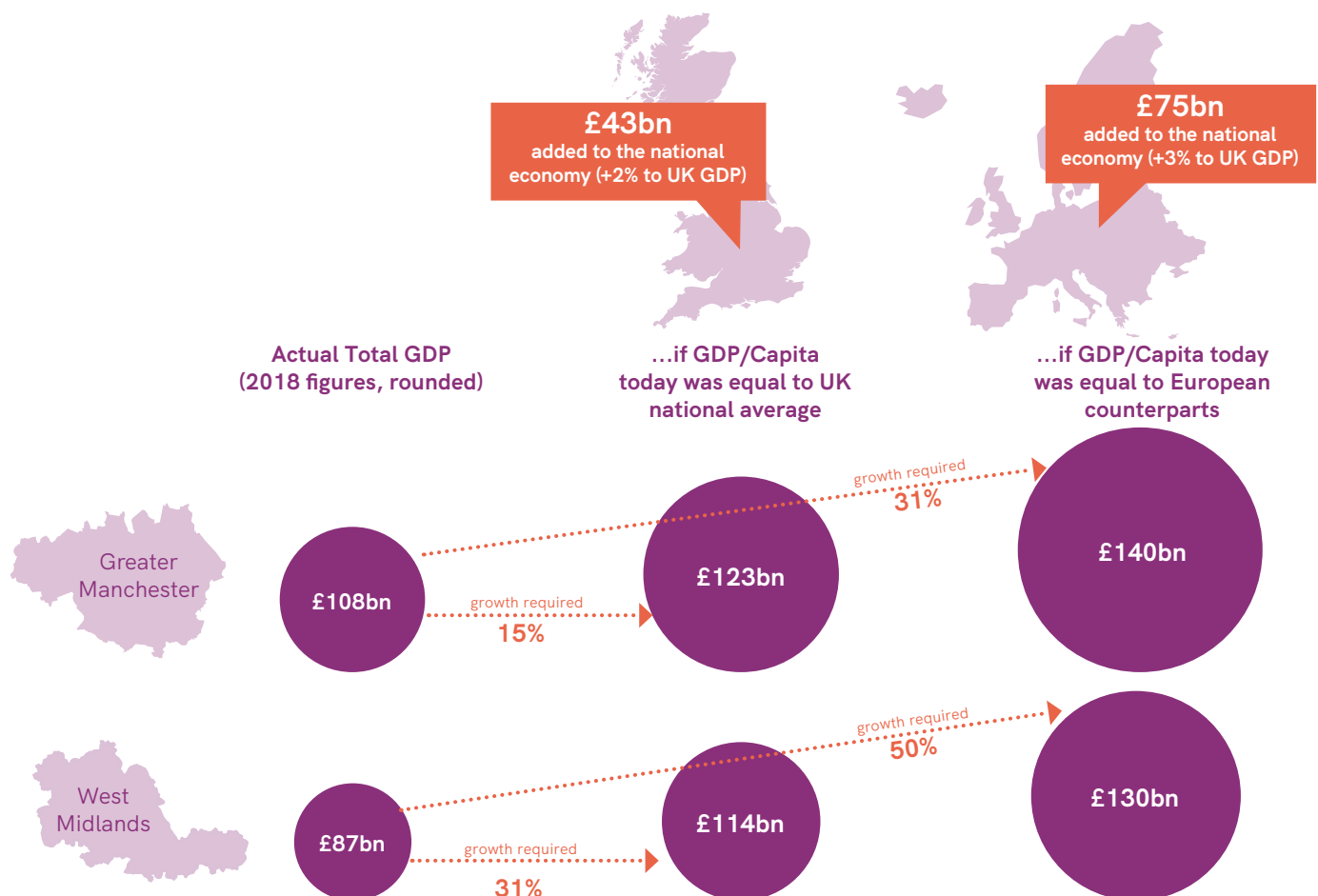
The city pairs described above are on average 14% more productive than their respective national levels, bolstering France, Germany and Italy's position as key global economic players.

Delivering improved intercity connectivity could bring huge opportunity for city-centre regeneration around central stations in Manchester and Birmingham. In Manchester, there is capacity to deliver up to 13,000 new homes and 820,000 square metres of new commercial development in the area surrounding Piccadilly Station, and further development opportunity around Manchester Airport, the UK's largest airport outside London.<sup>20</sup>

In Birmingham, new development in the Curzon Station area could exceed 800,000

square metres and 4,400 homes could be delivered.<sup>21</sup> Investment in strategic urban and intercity transport will provide a focal point for coordinating investment, unlocking land in strategic development areas to make city centre regeneration more viable.

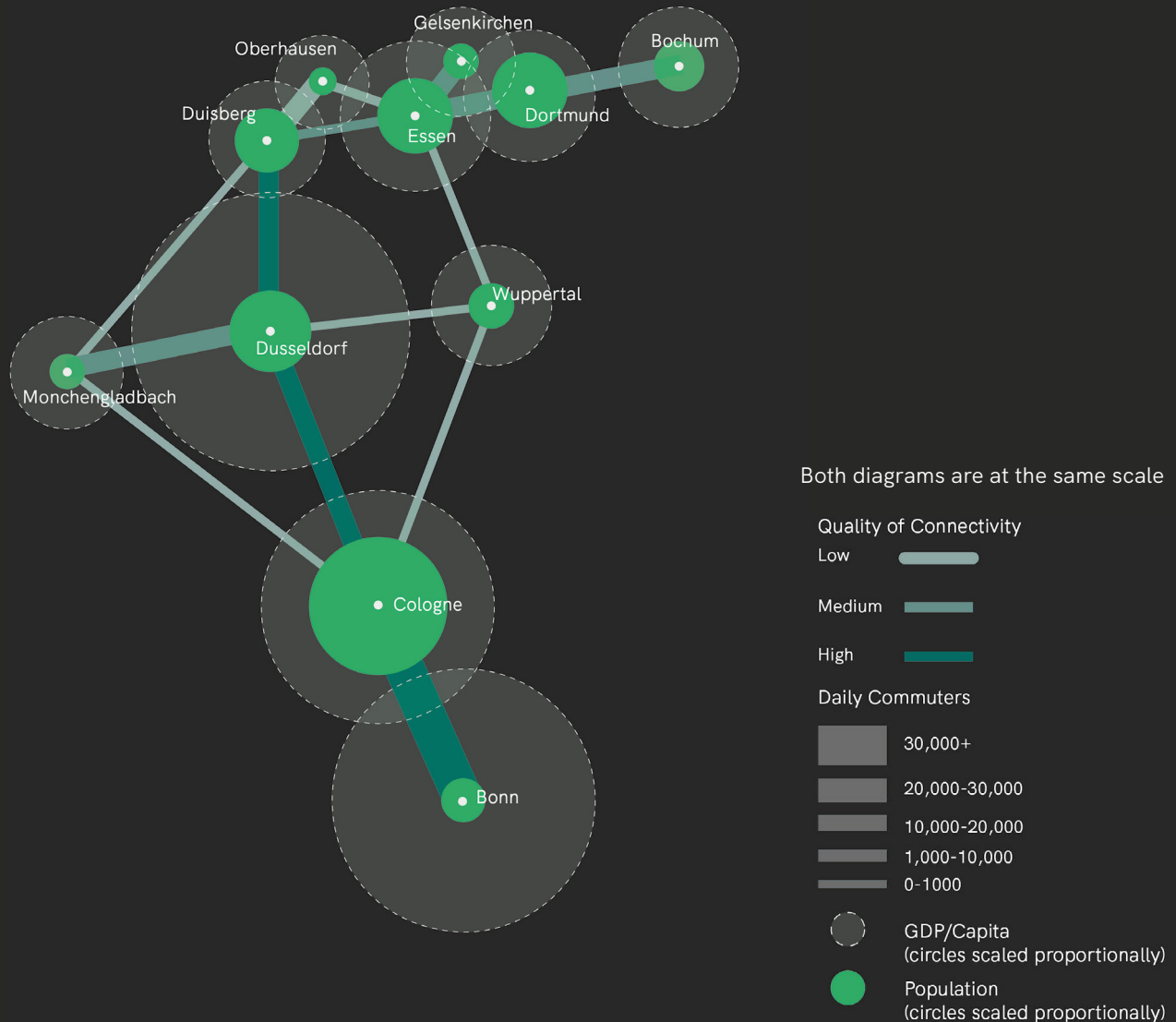
HS2 Phase 1, Midlands Rail Hub, and Northern Powerhouse Rail will all play key roles in unlocking this growth opportunity. If all of these are effectively linked they could deliver a transformation that is greater than the sum of the individual projects.



**FIGURE 6:** Potential value-add of improving productivity in Greater Manchester and the West Midlands. Note: based on OECD data for Functional Urban Areas, which differ slightly from the Combined Authority boundaries. Totals and percentages may not sum due to rounding.

# A tale of two regions...

## Rhine-Ruhr, Germany



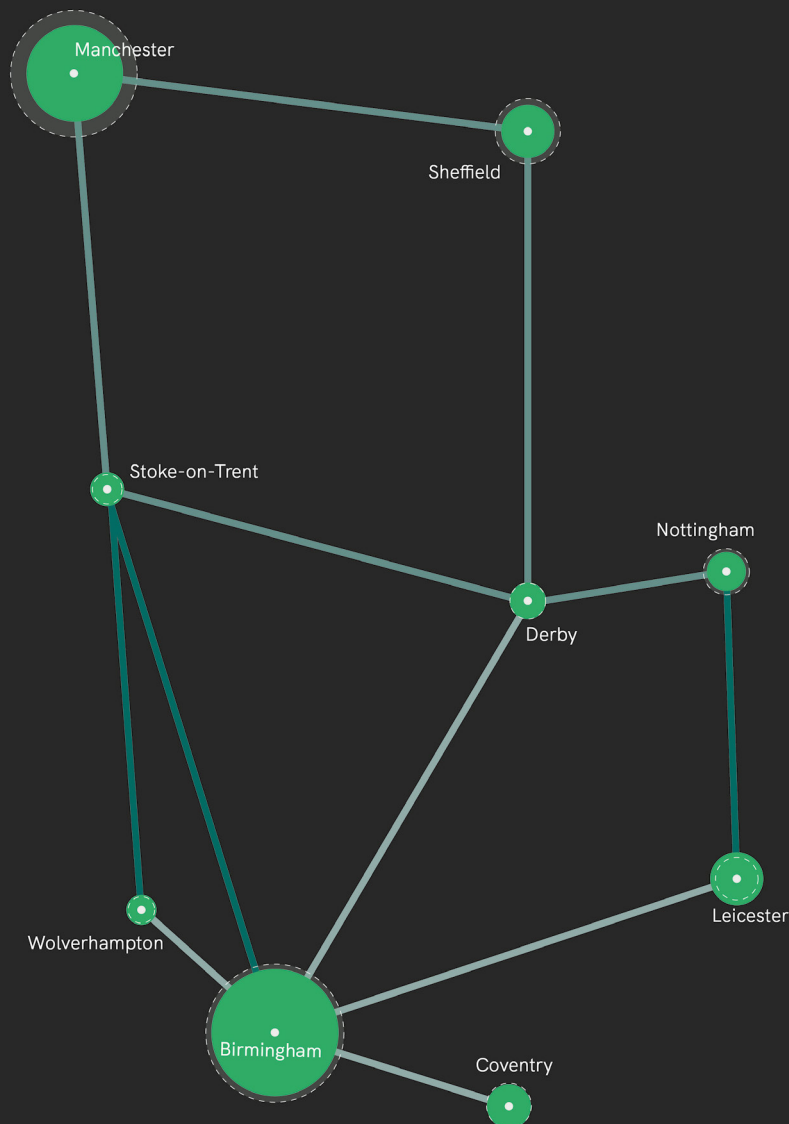
There are many similarities between the UK region centred around the West Midlands and Greater Manchester, and the Rhine-Ruhr region in northwest Germany.

Both are polycentric regions, with multiple nodes of economic and social activity across a series of large towns and cities, each with their own unique identity. Both have roughly equivalent populations (c.11-13 million people). They have similar 'inland' geographies, and are connected by railways, canals, and rivers, with similar distances between the major conurbations. And both

held positions as the industrial heartlands of their respective countries for many decades, before going through a painful deindustrialisation process starting in the mid-20th century.

However, there is one stark difference – the Rhine-Ruhr has become an economic powerhouse, second only to Paris in the EU, with thriving services, exports, technology, energy, logistics and life sciences sectors. Economic output across the region's major cities is roughly 70% larger than across major cities in the corresponding UK region

## Greater Manchester, South Yorkshire and Midlands, UK



(GDP across the Rhine-Ruhr's major cities was approximately £226bn compared to £132bn across the West Midlands and Greater Manchester), with living standards (in terms of GDP per capita) over three times higher.

The Rhine-Ruhr functions as a much more economically integrated place than its UK equivalent, with significant labour flows between towns and cities. Although the places within the Rhine-Ruhr do 'compete' with one another economically, they also have their own complementary specialisms, for example Cologne in the automotive industry, Essen in energy, and Dortmund in technology and digitisation.

This success is due to a wide range of factors, including sustained and consistent policy and investment from the German Government over several decades, spanning skills and education, housing, industrial strategy, and more. But the quality of connectivity between the nodes of this polycentric region has played an essential role in catalysing and sustaining this economic performance. In general, when considering capacity, journey times, and reliability, these German towns and cities are significantly better connected than their UK counterparts.



# Potential design solutions





## Identifying solutions

Having established the serious challenges presented by the new baseline and the corresponding economic consequences and opportunities, our planning and engineering teams turned to investigating potential solutions. We focused this review on improving connections between the principal destinations of Manchester (city centre and airport), Liverpool, Birmingham and London. We have included Crewe in these solutions, given its importance as a rail interchange, role in the regional economy, and regeneration potential.

We thought about how **non-infrastructure interventions** could improve the use of existing infrastructure capacity – such as managing demand through dynamic pricing, or accelerating the deployment of connected/autonomous vehicles (CAVs). Our view is that, although these approaches could certainly play an important role and should be advanced by the transport industry, there are two key limitations. Firstly, the impact is likely to be negligible in the medium-term. Secondly, technological progress and practical deliverability are deeply uncertain. Both of the example measures mentioned above have been discussed for years, but face huge implementation hurdles.

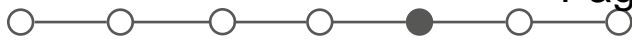
We also considered **road-based options**. The major concern with road expansion, of course, is the impact these solutions could have on our net-zero ambitions, alongside the well-evidenced phenomenon of ‘induced demand’, which simply leads to further congestion. Many major road expansion projects across the UK are currently stalled on environmental grounds. Although road travel is becoming

less carbon-intensive with the growing adoption of electric vehicles and more fuel-efficient conventional vehicles, the carbon impact of travelling by car remains on average ten times as high as travelling by train.<sup>25</sup>

Whether we sought to expand the existing M6 motorway or build new roads, any project would be substantially disruptive and potentially impractical. We considered at a high-level the option of making use of the HS2 corridor for a new road running broadly parallel to the existing M6. A key consideration is that the cross-section of the HS2 corridor varies considerably along its length. At its narrowest, it is roughly 13 to 16m. At most, this could accommodate a single two-lane carriageway, which requires a total of 14.4m. A dual two-lane carriageway requires 26.1m (figures are excluding embankments).

It is also important to note this would be for straight sections of the network; widening is often required for visibility purposes depending on horizontal curvature. Other areas that would particularly need careful consideration to determine how a new road could make use of the HS2 corridor include tunnelled and viaduct sections. There are also specific locations that present greater planning and engineering complexity, for example at Mere Viaduct and the M56 junction 6.

A road-based approach would also do nothing to address the significant rail operational challenges north of Birmingham, set out in the previous section. On balance, our view is that new or expanded roadways are not an attractive approach to solving the connectivity gap between the West Midlands and Greater Manchester.



We therefore focused on a **range of rail-based solutions**, applying three broad approaches: upgrading the existing infrastructure (**Concept A**), a combination of upgrades and some new sections of track (**Concept B**), and an entirely new line (**Concept C**). Within each of these, there are, of course, numerous options in terms of the specific interventions, the ways in which they could be phased or structured, and the service patterns and rolling stock strategy that could be adopted. We have focused this review on identifying the right concept-level approach.

In view of the challenges that the HS2 programme has faced with cost escalation, and with the aim of foregrounding 'affordability' in our analysis, we have developed these concepts with a sharp focus on minimising cost. One aspect of this has been to bear down directly on capital cost through design changes, as detailed below.

Beyond this, acknowledging that risk management between public and private sectors has been a key source of cost escalation, in both designing and evaluating the options we have also sought to maximise and understand their suitability for alternative models of infrastructure delivery that provide a better opportunity to manage these risks. We further explore these new models of infrastructure delivery in Section 4.

**Concept B** and **Concept C** make use of the same route as the former HS2 Phase 2 albeit to different extents.<sup>\*</sup> However, as noted above, we have significantly rethought the design to reduce capital cost. The most impactful changes are the adoption of:



**A lower design speed** – 300kph rather than 360/400kph (still meeting the definition of 'high-speed' and significantly faster than the current WCML, which has maximum speeds of 120-175kph for non-tilting trains such as those procured for HS2).



**A smaller cross-section** – built to British rather than European specifications (requiring smaller works to avoid obstacles and simpler compatibility with the existing and future national network).



**Ballasted track** rather than slab track – we estimate slab track has a capital cost around 70% higher than ballasted track.<sup>\*\*</sup>



**Simplified interfaces** with existing Network Rail infrastructure, particularly around Crewe.

\* Using the route planned for HS2 Phase 2 would enable delivery up to three years faster than otherwise, and make best use of the effort already expended and the impacts already felt which would otherwise be wasted. Our view is that this is still the best route, as it is based on in-depth reviews over many years and offers the best balance across cost, benefit, environmental, deliverability, local impact, and other factors.

\*\* The decision to use slab track for HS2 was based on an analysis of whole-life costs, taking into consideration the long-term maintenance regime required to support the intended frequency, size and speed of HS2 trains. The trade-offs between upfront capital costs and whole-life costs would similarly need to be analysed in detail for this scheme, as part of finalising the delivery and funding model for the project.



Alongside these changes to the design specification, we have also considered enhanced use of repetition in design and modern methods of construction to further drive costs down.

These choices collectively mean less land take, fewer and smaller earthworks, less imported material, fewer and simpler structures, reduced power equipment, less noise mitigation, and simpler tunnel portals, among other factors that reduce cost.

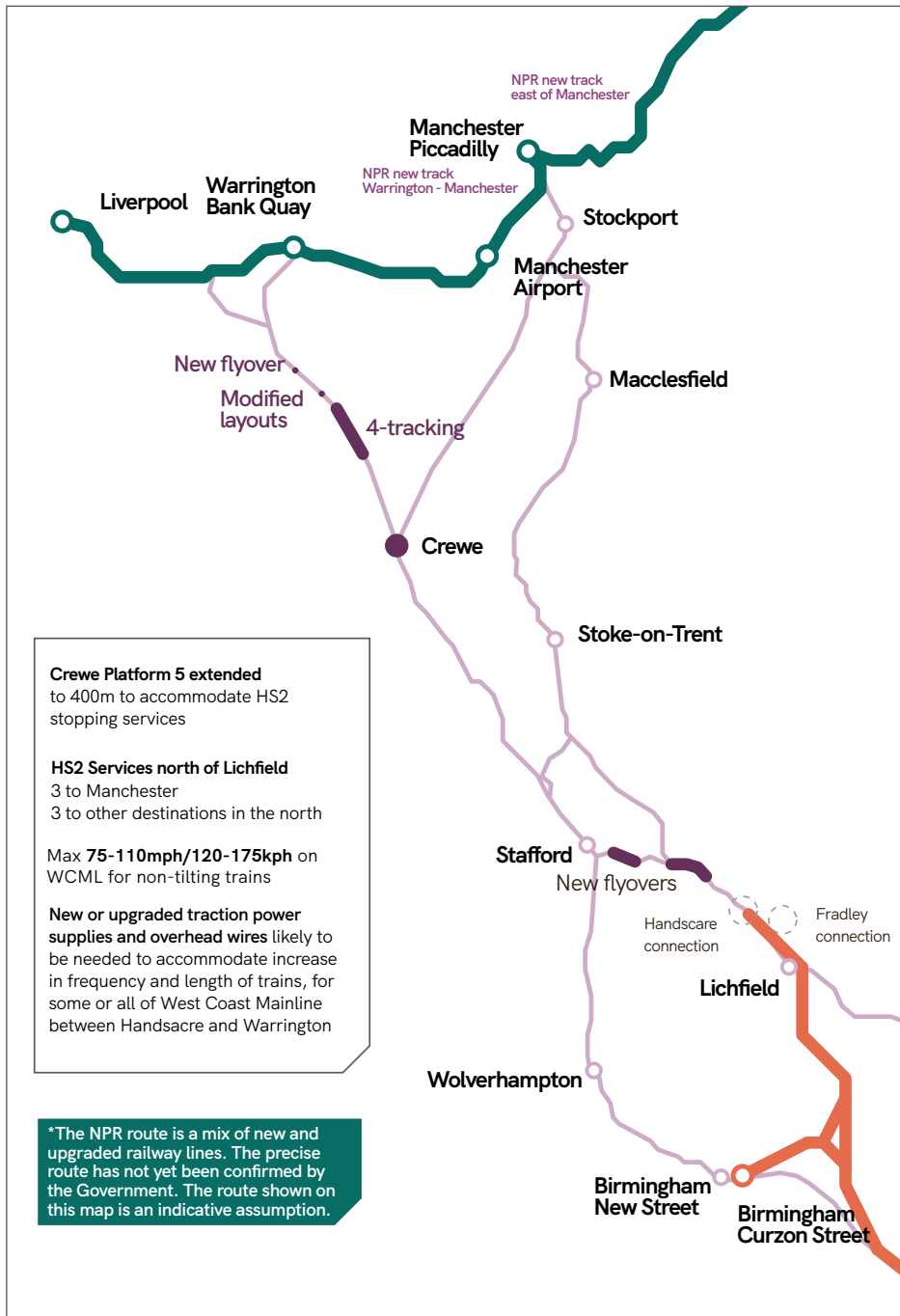
The cumulative impact of these changes may also mean that some of the 'undertakings and assurances' agreed under the previous planning consents may no longer be necessary, which could further lower costs. (Any such changes have not been analysed

in this early-stage review, and nor has the process of amending these undertakings and assurances been assessed in detail.)

It should be noted that we have focused primarily on different infrastructure solutions for solving the connectivity challenge. There are, however, a number of corresponding operational decisions that can then be made in terms of the specific services using this infrastructure – the routes, frequencies, and stopping patterns – as well as how the mix of existing and future rolling stock could be deployed to optimise capacity and journey times. Several industry experts, such as Chris Gibb, have been putting forward creative, credible ideas in recent months, which should be considered in tandem with our proposals.



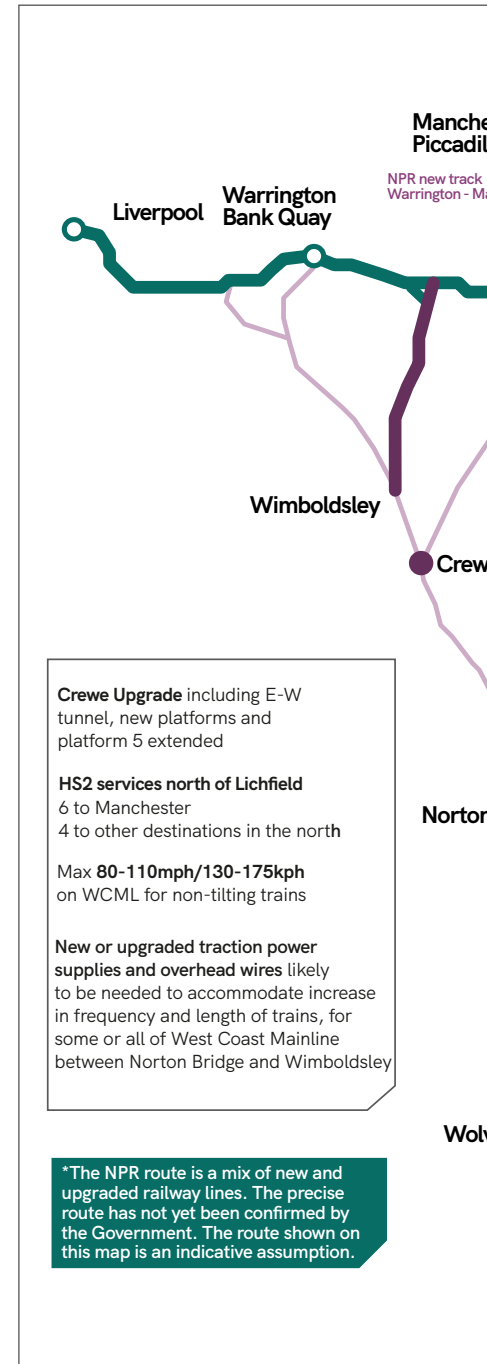
SECTION 3



## Concept A

### UPGRADE EXISTING INFRASTRUCTURE

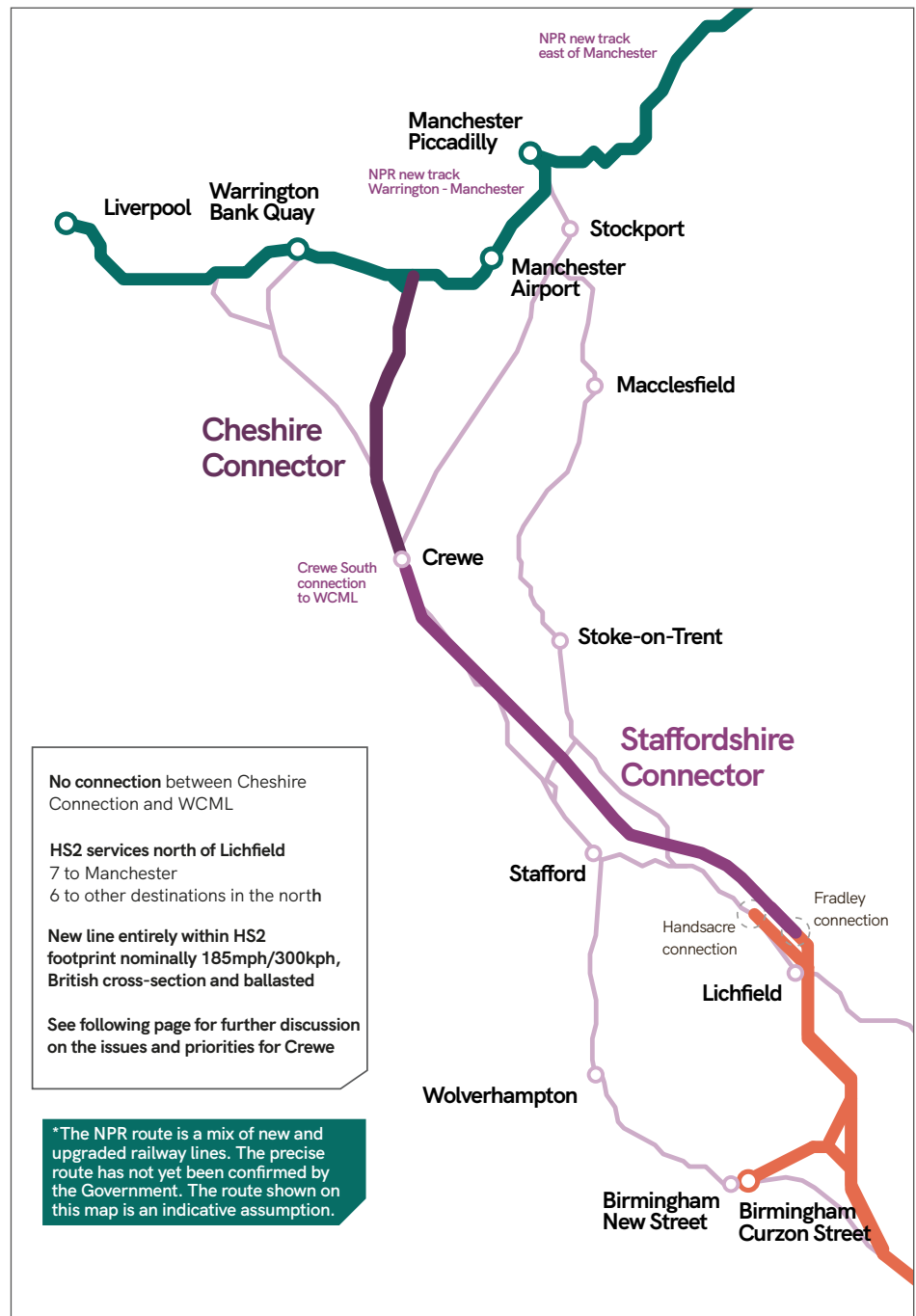
Package of major projects on the existing rail network to address key bottlenecks.



## Concept B

### A MIX OF UPGRADES AND BYPASS

New bypass segments to avoid the and challenging-to-upgrade section Coast Main Line.



## Concept C

### AN ENTIRELY NEW RAILWAY

Maximise capacity on the corridor through a new railway, utilising a different design specification than HS2.

- Northern Powerhouse Rail (NPR)
- West Coast Main Line
- HS2 Phase 1
- New proposed infrastructure

## ASSESSMENT SUMMARY

We examined the three concepts against a comprehensive set of criteria, making use of both quantitative and qualitative data and analysis. The key conclusions of our assessment are shown below.

- Positive
- Neutral
- Negative

|  | CONCEPT A<br>Upgrade existing infrastructure   | CONCEPT B<br>A mix of upgrades and bypasses  | CONCEPT C<br>An entirely new railway   |
|--|--|--|--|
| <br>Benefits            | <p>● Delivers marginal additional capacity and service improvements. Limited opportunity for additional local services or freight paths. Would not unlock full NPR/HS2 Phase 1 benefits or catalyse significant levels of economic growth.</p> <p>Potential benefits of c.10-20% of previous HS2 scheme.*</p>  | <p>● Significant improvements to capacity and journey times between principal destinations compared to Concept A. To realise similar benefits to Concept C, the WCML would be heavily utilised with lower network reliability and potential disbenefit to non-HS2 services. No released capacity north of Stafford.</p> <p>Potential benefits of c.60-70% of previous HS2 scheme.*</p> | <p>● Greatest impact on overall network capacity and performance as well as services between principal destinations. Maximal catalyst for regional economic growth and realising the full potential benefits from the two projects it connects (NPR and HS2 Phase 1). Releases significant capacity for freight services on the WCML, as well as for additional localised passenger services, benefitting communities not served by the new line.</p> <p>Potential benefits of c.75-85% of previous HS2 scheme.*</p> |
| <br>Deliverability    | <p>● Complexity of working on existing, heavily-utilised line forces a trade-off between significant disruption (major, sustained and deeply consequential impacts to passenger and freight operations) or a very prolonged implementation programme (several decades). These trade-offs are likely to be unacceptable at a time when the economy urgently needs connectivity improvements, not deterioration.</p> | <p>● The upgrade needed at Crewe (including an east-west tunnel) and the connections to the WCML are likely to be very disruptive to deliver, requiring a 12-week blockade of the WCML. Delivery would be highly complex with associated programme and cost risks. Requires new planning consents and land acquisition powers.</p>   | <p>● More deliverable than Concepts A and B with use of planned HS2 Phase 2A route, including significant land already acquired and planning consents in place. Potential options for consenting the northern segment (former Phase 2B) as part of NPR programme, and safeguarding of this land is currently in place. Proposed north-south tunnel at Crewe less disruptive to WCML services.</p>  |
| <br>Capital Cost      | <p>● c. 20-30% of capital costs than previous HS2 scheme.** However, this is likely to have significant operational costs, due to the long-term disruption required to deliver these upgrades. These have not been quantified at this stage but are likely to be substantial.</p>  | <p>● c. 50-70% of capital costs of previous HS2 scheme.** As with Concept A, potential for additional unquantified operational costs due to disruption caused to current passenger services on the WCML.</p>   | <p>● c. 60-75% of capital costs of previous HS2 scheme.** More expensive than Concepts A or B, but significantly cheaper than HS2 Phase 2 through strategically optimised specification, described on previous pages.</p>  |
| <br>Commercial Appeal | <p>● Would not be viable or attractive to private investors due to the lack of a revenue stream and risks of on-network works; there are no comparable precedents for this model elsewhere.</p>  | <p>● Less suitable for private investment compared to Concept C, given the delivery and access risk of the additional interfaces with Network Rail infrastructure; however, appropriate mitigations could be put in place to make this option more attractive to investment.</p>   | <p>● Offers conditions to attract private investment through a fully segregated end-to-end railway, de-risked through existing land and planning consents for the initial phase of the route, and uses a delivery model that brings in wider efficiencies and innovation.</p>  |

FIGURE 7: Options assessment: key conclusions



## SUMMARY CONCLUSIONS

### ● CONCEPT A

#### Upgrade existing infrastructure

This approach would be unlikely to represent value for money given the high capital and operational costs relative to the small local and wider economic benefits. This approach is likely to be undeliverable in practice, given the required blockades and severe impact on existing services that would be experienced over a long time. Funding for this option could only realistically be in the form of Government capital grants to Network Rail.

### ● CONCEPT B

#### A mix of upgrades and bypasses

Lower benefits compared to Concept C and potentially lower capital costs; however costs may ultimately be quite similar given the complex interfaces with multiple parts of the existing rail network. Issues related to operational reliability remain, and there are significant challenges with deliverability.

### ● CONCEPT C

#### An entirely new railway

Offers the highest net benefits, with a step-change in capacity, travel time improvements, and network performance. This would cost less than the previous HS2 scheme and would be attractive to private investors as an 'end-to-end' greenfield scheme that minimises complex interfaces with existing network assets.

Concept C will deliver most of the transformational benefits in capacity and connectivity that the original HS2 line would have delivered (equivalent seat numbers and train frequencies), at a substantially lower cost and only marginally slower journeys (approximately 15 minutes longer on the London to Manchester route, which is still 30 minutes faster than today's services).

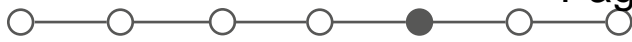
This is preferred over Concept B due to the relatively minimal difference in costs between the two, compared to Concept C's greater benefits and much stronger suitability for attracting private finance.

Concept C would also save the taxpayer £2bn on costs from the HS2 Phase 2 cancellation by re-using much of the land, powers, and design work already secured through public investment. Concept B would be able to make only minimal use of these 'sunk' costs.

\* Based on pro-rating journey time savings from HS2 Phase 2a and 2b business case, not new economic modelling. Excludes crowding benefits.

\*\* Comparison based on last published HS2 Phase 2 Statements of Expense, adjusted to common base date and optimism bias. The NPR and Golborne Link segments of the HS2 Phase 2 costs have been omitted to enable a more direct comparison for this segment from Handsacre to High Legh. Includes costs for addressing challenges at Crewe, but does not include net additional costs to NPR or London Euston that may be required to accommodate additional north-south services.





## Recommended path forward

Our review has concluded that the best path forward is Concept C: a new rail line, approximately 80km in length connecting Lichfield to High Legh (and thereby linking HS2 with NPR) to create the **Midlands-North West Rail Link** (MNWRL).\*

The MNWRL consists of two major segments – a Staffordshire Connector that runs south of Crewe, and a Cheshire Connector north of Crewe. This new line would connect with the end of the current HS2 network at Fradley and provide a direct link into the proposed NPR alignment at High Legh, thereby connecting directly into Manchester and beyond.

These two segments should be delivered in a staged manner, allowing for the progressive release of benefits (further discussion on this point follows later in this section). It would also make full use of more efficient delivery mechanisms through repetition of design and modern methods of construction.

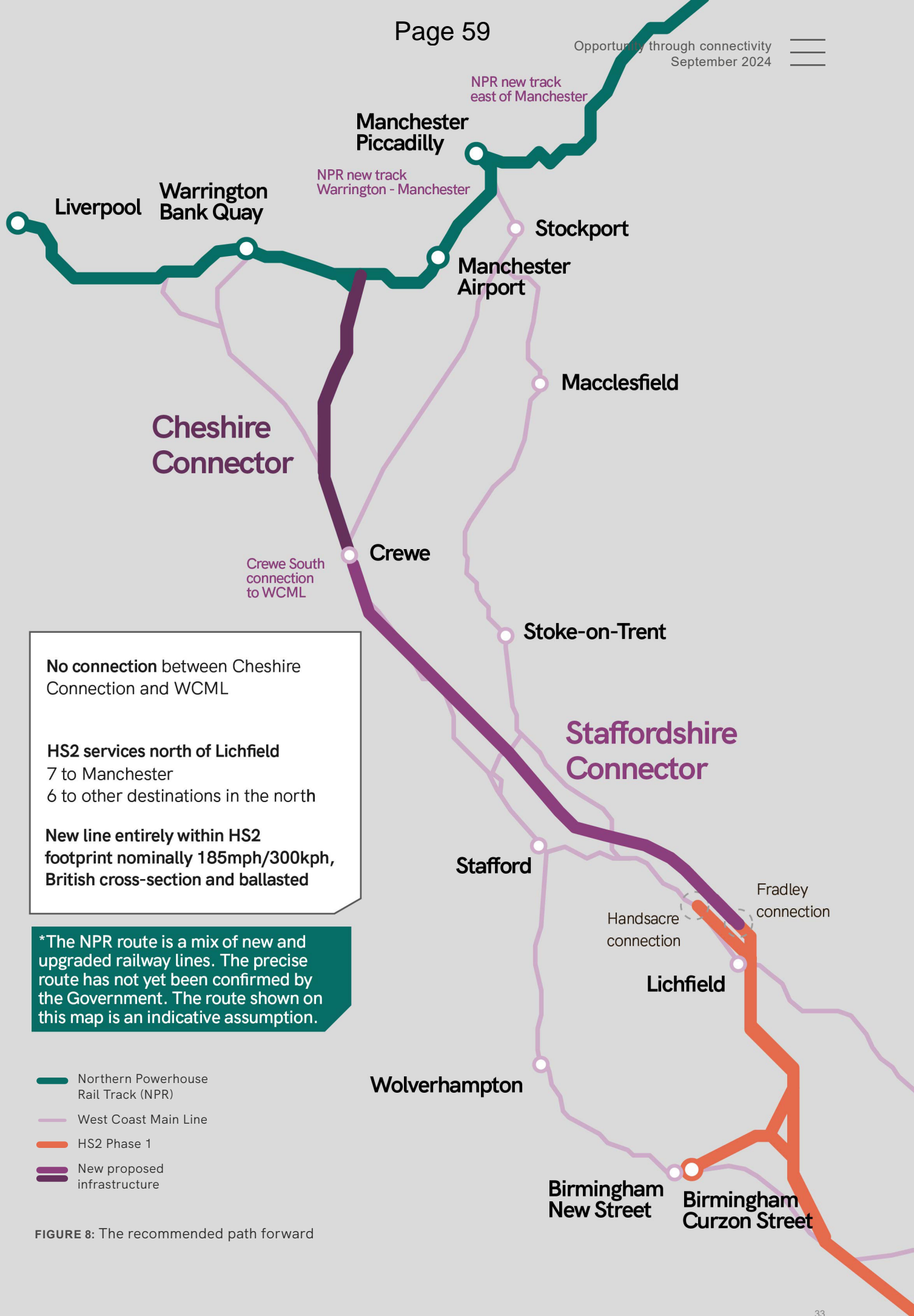
The Staffordshire Connector would make use of land and powers already secured for HS2 Phase 2A, while the Cheshire Connector would require land north of Crewe to be secured through either the NPR Bill(s) or a bespoke consent for this segment only.

These two connectors will need to 'join' in Crewe. Today, Crewe is a complex web of tracks, platforms, freight yards and sidings, with a mix of passenger and freight trains moving in multiple different directions at uneven times.

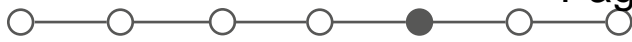
Any solution to increase north-south capacity through Crewe will be expensive and disruptive, and requires more detailed development work with Network Rail and local stakeholders to resolve the deep-seated challenges in this part of the railway. Our approach leaves open several options, including a dedicated a north-south bypass for through-trains.

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\* As noted in the baseline assessment, the analysis undertaken for this review makes an assumption that HS2 Phase 1 is delivered in full, including connecting to London Euston Station, and ensuring Euston is appropriately sized to accommodate additional services running north of Birmingham. We also assume Northern Powerhouse Rail is delivered as per the previous Government's commitments, with Manchester Piccadilly also able to accommodate additional north-south services.







## Opportunities for freight

The West Coast Main Line is a key artery for freight in the UK and is critical to the supply chains of businesses up and down the country.

The Midlands 'Golden Triangle' is the UK's pre-eminent logistics hub, receiving and distributing goods and materials across the country. Because of the WCML's strategic position in relation to the Triangle – connecting it to large urban centres, the main deep-sea container ports in the south of England, and other major ports in Wales, the North-West, and Scotland – this section of the railway is a critical linchpin of the UK's freight strategy.

Over 40% of the UK's rail freight uses the WCML at some point on its journey, making it the busiest rail freight corridor in the UK, and one of the busiest in Europe. There are currently up to 78 freight trains per day in both directions on the busiest section between Stafford and Crewe. Hams Hall, just east of Birmingham, is the UK's busiest rail freight interchange.

Much of the freight on the WCML uses the large marshalling yard at Basford Hall near Crewe, where trains are marshalled or stabled for onward journeys, or simply pass through to avoid lines running through the congested Crewe station.

As discussed earlier in this report, the cancellation of HS2 Phase 2 created a significant capacity problem for the WCML north of Lichfield, resulting in the future inability to provide for increased freight services that will be required to support sustainable economic growth across the North, Wales, and Scotland.

The creation of a new rail link between Birmingham and Manchester will address this major constraint, and by moving some passenger services to the new line, it will open up additional freight paths on the WCML. This will greatly contribute to the Government's target of 75% rail freight growth by 2050, a key pillar in reducing carbon emissions from transport.

An example of the far-reaching freight benefits delivered by the Midlands-North West Rail Link would be to improve access to strategic rail freights sites at Intermodal Logistics Park (ILP) North and Port Salford. This could help support wider ambitions to optimise freight terminal locations across the North West, alongside accommodating future freight growth. Paired with other interventions, this could also support the removal of some freight services from the rail network in central Manchester where they impact on passenger trains.

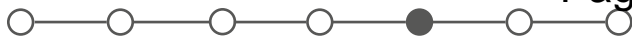
**The Transport for the North Freight Strategy (2022) states that, 'the whole network in central Manchester is severely congested which causes extremely high levels of delays to train services, giving Manchester 20% of the locations with the worst train delays in Britain.'**

Through the provision of additional paths and junctions on the WCML to either or both of ILP North and Port Salford, the centre of Manchester could be bypassed by freight trains, which would improve the performance of the rail network through the city and across the North of England, benefitting passengers through more reliable services.

- West Coast Main Line
- UK Motorway Network
- UK Railway Network
- UK Freight Traffic Flows
- Intermodal Rail Freight Terminal
- UK Golden Logistics Triangle



FIGURE 9: UK Rail Freight Network Traffic Flows



## Incremental delivery of a modern rail network for the North and the Midlands

The **Midlands-North West Rail Link** can be aligned with the wider programme of rail projects to form an integrated programme of delivery for the next two to three decades. There is an opportunity to sequence these programmes, starting with HS2 Birmingham to London and the Midlands Rail Hub being delivered now; our proposed Staffordshire Connector and upgrades to existing NPR lines entering into delivery stages in the next few years; and then the NPR 'new lines' and our proposed Cheshire Connector coming on-line in parallel to 'complete' the network.

This approach will provide benefits by realising some outputs early, delivering surety of pipeline to the construction industry (which in turn will reduce costs), staggering cash outlay, and giving appropriately-sized tranches for private sector investment (see next section).

This approach draws inspiration from the model used on other major rail programmes. For example, the Thameslink Programme of the 2000s and 2010s staggered costs over many years by being separated into a series of infrastructure improvements that each led to key outputs. This allowed progress to be made on platform widening, links between existing lines, new station boxes, and, later, major upgrades at existing stations.

Each time another increment of infrastructure was delivered, a step-up in service was unlocked across the whole network, with the cumulative impact at completion being much greater than the increments. Similar approaches were taken on the WCML upgrade of the early 2000s, Manchester Metrolink expansion, and development of the London Overground network.

Taking account of the current status of plans for the wider rail network, existing consents and planning/design work, and committed investments, our recommendation is that the **Midlands-North West Rail Link** should be a single project, committed to in full, but delivered in two stages:

**Stage 1.** The segment between Lichfield and Crewe (the 'Staffordshire Connector') should be delivered now, utilising the powers contained in the High-Speed Rail Act 2021 (which granted the necessary consents for the prior HS2 Phase 2a). Delivering an early increase in passenger capacity, as well as reducing journey times, this new link would also provide more options for freight south of Crewe and improve reliability in the Stafford area. It would ensure the work completed, land acquired, and trains procured to-date can be used, avoiding loss of value from that investment.

We do not recommend the Staffordshire Connector as an end-state in itself, as the northern section is required to fully unlock transformational capacity and journey time benefits. But as a first step to delivering the MNWRL, this stage would send a powerful message of confidence to the Midlands and North West and the rail industry. It would revive local investment plans, for instance at Crewe. Proceeding quickly with the Staffordshire Connector would also enable more effective delivery of both this line and Northern Powerhouse Rail, as the skills and supply chain from HS2 Phase 1 could be leveraged more readily.

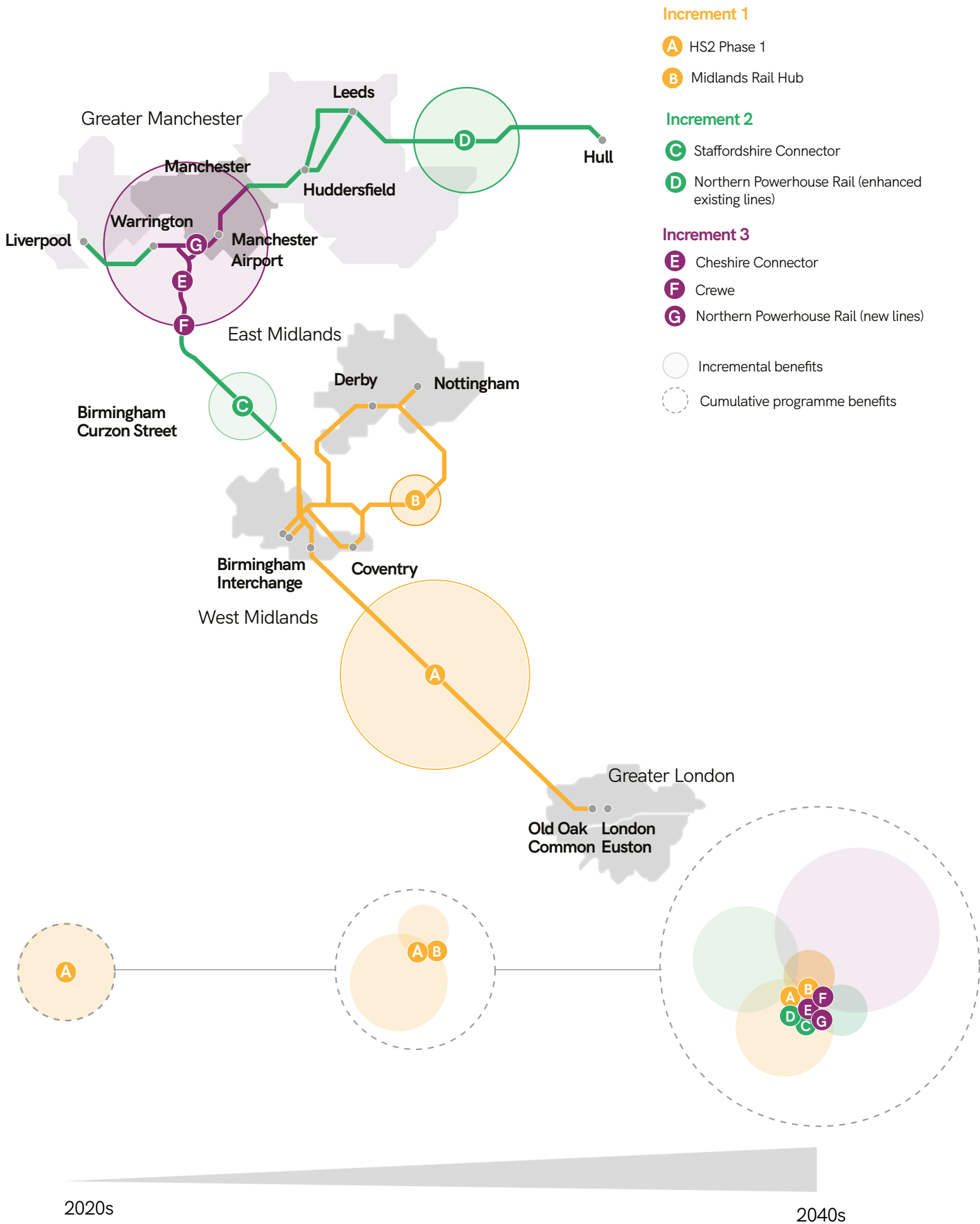


FIGURE 10: Conceptual incremental delivery approach

**Stage 2.** Design and planning for the ‘Cheshire Connector’ – the northern segment of our proposed scheme – should be progressed now so that it can inform key design specifications for the NPR project (see below) and open at the same time. The most efficient and expeditious approach would be for a combined NPR and Cheshire Connector solution to be designed, consented, and delivered as an integrated package.

Sequencing the Staffordshire Connector and the Cheshire Connector in this way will allow both sections to capitalise on the benefits of the other major rail enhancement programmes, and vice versa. In this way, the sum of the benefits as a whole, across all programmes, will be greater than its parts.

It is important to note the full potential of this integrated programme of improvements depends on designing the relevant sections of NPR to accommodate north-south services (i.e. trains coming from London and Birmingham

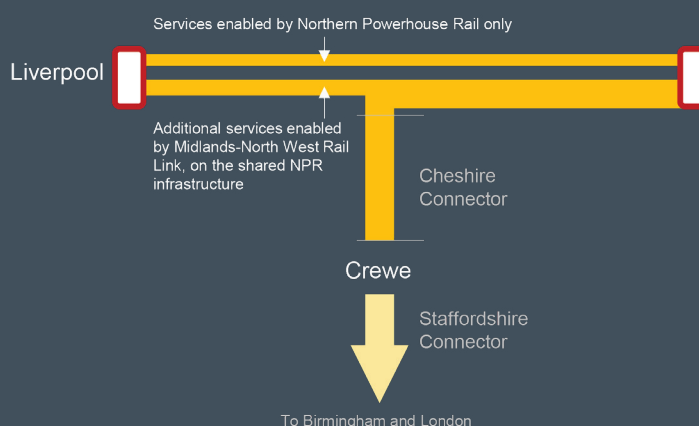
into Manchester Piccadilly using the new NPR lines), alongside the east-west trains from Liverpool and Leeds. The previous Government’s announcements on NPR would not have allowed for this.

However, the infrastructure required to integrate north-south and east-west services in future (such as increasing the number of platforms to accommodate more frequent trains, and lengthening them to accommodate 400m trains) would be substantially more expensive and disruptive to build once NPR moves beyond the design stage. Closing off this opportunity now could risk fixing a sub-optimal solution for generations.

We recommend as a critical priority that the new Government work with the Metro Mayors and other industry stakeholders on an integrated consenting, phasing and delivery plan for rail enhancements across the Midlands and North, building on the staged concept set out in this report.

## NPR +

Aligning NPR with the Cheshire Connector – from a design, delivery, and operational perspective – would substantially enhance the business case and economic impacts for both projects. This would result in potentially significant cost and timescale efficiencies and open up new funding strategies.









# An alternative model for funding and delivery





## We need a new approach to delivering major infrastructure in the UK

The final question we sought to address concerns the appropriate delivery and funding model for the Midlands-North West Rail Link. Our starting point is that a new approach is needed, as it is evident that a 'business as usual' approach is not going to get this project off the ground.

The key challenge that needs to be addressed is the high cost of delivering infrastructure, and particularly transport. According to a recent review by BCG...

*'...the UK performs poorly in terms of unit costs when it comes to rail and road: the UK's absolute unit costs are higher than all other peer countries in our dataset.'*<sup>26</sup>

We have already looked at how we can reduce the cost of this new rail line by reconsidering the scope and design solutions. However, there are wider project and industry-level challenges that also need to be reviewed and addressed (see table below).

While the HS2 project has to some extent typified all of these challenges, many are systemic in nature, and collectively they have contributed to a delivery environment that is no longer meeting the nation's needs. Our economy is hamstrung by a backlog of unmet infrastructure requirements stretching back decades. The Resolution Foundation estimates we need to spend £40bn per year over two decades simply to deal with this backlog.

This analysis leads us to the conclusion that not only is an alternative approach needed for the MNWRL, but that such a model could also serve as a means to unlock the UK's chronic infrastructure investment gap.

| PROJECT-LEVEL CHALLENGES   | WIDER SECTOR CHALLENGES  |
|--|--|
| <ul style="list-style-type: none"> <li>Sponsors often set highly prescriptive design and output specifications (rather than an approach that is based on delivering specified <b>outcomes</b>) that curtail scope for innovation and efficiency, and limit the ability to mitigate downstream risks as they materialise.</li> <li>Scheme creation typically takes place with the private sector at arms-length, resulting in a solution optimised towards non-commercial outcomes or objectives, which fails to adequately take account of the practicalities of operations and maintenance.</li> <li>Extensive design variations from project sponsors – the inevitable product of the above issues – further push up the cost of delivery.</li> <li>Extensive and bespoke commitments are often made to local stakeholders during the planning consents process, driving up capital costs from original estimates and creating the need for complex and costly administrative structures.</li> </ul> | <ul style="list-style-type: none"> <li>Despite efforts to streamline and build more certainty into the infrastructure planning process, promoters face an environment that can be unpredictable and inefficient. Delays, duplication, and indecision push costs upwards and lead to abortive work.</li> <li>The arms-length bodies that oversee delivery are very often bespoke organisations created (at significant cost) for individual projects, and without a plan to transition to subsequent projects, hard-won experience and institutional knowledge is not effectively carried forward to subsequent programmes.</li> <li>A lack of stability in our public policy environment creates deep uncertainty that stymies investment. In the absence of a clear infrastructure strategy that ensures decisions taken today are not simply reversed a few years down the line, our ability to compete for international investment in infrastructure is undermined.</li> <li>In turn, the absence of a clear long-term pipeline inhibits contractors and manufacturers, along with other crucial links in the supply chain, from investing with clarity and certainty. Inevitably, this drags on efficiency, labour stability, skills development, and institutional memories, which eventually manifest as higher project costs.</li> </ul> |

## Harnessing private sector expertise, innovation, and capital to drive efficiency

Above all, we believe the model for the MNWRL must be founded upon greater engagement of private sector expertise and innovation in scheme design and delivery, helping to drive efficiency and lower capital costs. Doing so would also make it easier to effectively optimise the scheme to attract private capital, which can mitigate up-front Government outlays.

Many nations, including the UK and others across Europe and Asia, have relied on significant private capital to deliver major infrastructure projects. We have reviewed 26 precedent projects (the vast majority from the rail sector) to learn from the successes and – importantly – the failures. This analysis informs the conclusions and recommendations throughout this report.



FIGURE 11: International precedents for private investment in infrastructure



The benefits of an enhanced role for the private sector in these projects comes down to four key factors:



### AFFORDABILITY

Reduces pressure on finite Government capital budgets and overall debt, enabling greater quantities of infrastructure to be delivered in less time.



### COST CONTROL

With overrun risk appropriately transferred, the contractor is better incentivised to drive down cost during design and construction. Costly variations and stop-starts can also be avoided.



### TIMELINE

Rail projects with more private sector involvement are typically delivered faster. This not only brings forward benefits but also revenue, and it mitigates cost inflation impacts.

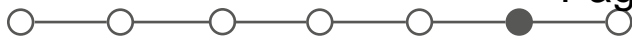


### RISK MANAGEMENT

Carefully structured contracts struck early in design development allow downstream risks to be identified and controlled, incentivising good behaviours around delivery to quality, time and budget.

Despite these benefits, the use of these models has a mixed history in the UK, and has broadly fallen out of policy favour in most sectors as a result. These include concerns about long-term value for money, given that these deals are often more costly to the public sector over the long-run; and the difficulty in both sides understanding, forecasting, and pricing risk effectively, which could lead to either the public sector getting a 'bad deal', or the private sector partner taking on too much risk and ultimately collapsing.

However, there have been important successes (such as the M25 DBFO) alongside the challenges and failures, and we have learned from both to develop a model fit for the changing opportunities and challenges now confronting us. Both the Welsh and Scottish Governments have recognised the need to embrace PPPs again through their use of the Mutual Investment Model. We should be considering similar approaches again in England.



## Attracting private finance to the Midlands-North West Rail Link

Our review of global precedents has enabled us to understand some of the key ingredients for successful partnership with the private sector on major rail projects. Although there are no schemes that offer an exact parallel to the MNWRL, these insights have supported our efforts to design a preferred concept that is well-suited and attractive for private investment. Characteristics of the MNWRL that make it well-suited and attractive for investment include:

- **It makes use of greenfield land and would operate as a clearly segregated asset.** This enables a clear 'definition' of the project, and minimises and simplifies interfaces with other networks. This has proven to be a crucial ingredient for successful privately-financed schemes<sup>27</sup>
- **It occupies a corridor with demonstrated strong levels of travel demand** over sustained time period, connecting major urban centres, which reduces revenue risk and provides confidence over long-term investment repayment.
- **It would be a relatively straightforward project to deliver.** The distance is only c.80km and the engineering is well-understood; our design solution further de-risks and simplifies the engineering compared to the previous scheme. Serious complexities remain at Crewe however, and the interaction between this scheme and those improvements would need further detailed evaluation with Network Rail.
- **The project is split into two proposed tranches.** The Staffordshire Connector first, then the Cheshire Connector – which should reduce debt requirements. The two connectors can be phased sequentially, and the Staffordshire Connector can standalone in the interim period before the Cheshire Connector comes online, with fully viable operations and demonstrable economic benefits.
- **The Government has already substantially de-risked** delivery of the Staffordshire Connector, having acquired significant portions of the required land and secured planning consents via the HS2 Phase 2A Act, mitigating a key source of uncertainty.\* As noted in the following sections, we are proposing a blended funding approach where Government will continue to be a funding partner in the project.

Several of these characteristics are similar to the Tours-Bordeaux high-speed rail project in France, which provides a successful precedent for significant private investment in major new rail schemes (see below). Provided there is political will to create an investable structure, underpinned by clear requirements and balanced risk allocation, we believe there is a clear role on this project for private finance.

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\* The Phase 2A Act also imports some cost risk and complexity through various commitments made to stakeholders through the planning process. Review of these commitments and the extent to which they could be adjusted in light of the new proposed design is beyond the scope of this initial review, but should be undertaken as this process moves forward.



There are broadly two models for private investment in infrastructure:

1. Availability and/or performance payments
2. Track access charges; investment recovery charge; passenger fees etc.

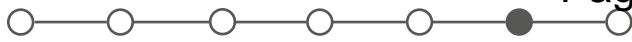
Either of these models could be considered for the MNWRL. The fundamental difference is which party (Government or the private sector) retains farebox revenue risk.

We are not recommending a specific model for the MNWRL at this stage. Determining the optimal approach will require more detailed analysis of the project's financials, and iterative choices across several variables

including capital and whole life costs; public sector funding constraints and priorities; allocation of demand, construction, and interface risk between parties; and project packaging. This will all need to be further assessed as this scheme progresses, including through market soundings with global investors.

However, we are confident that a well-optimised project would attract sizeable investment. There is **investor appetite for well-structured projects** in the rail sector, as our case study review has shown, including several projects which have secured investment in the £3-5bn range.

| CATEGORY  | WHO HOLDS REVENUE RISK?  | DESCRIPTION   | EXAMPLES   | COMMENTARY  |
|---|--|---|--|---|
| <b>Availability and/or performance payments</b>                               | Government.  | Private investors finance the design and construction of the line (and potentially operations/maintenance). They are paid back over time through regular payments from the public sector based on availability and performance of the infrastructure. | HSL Zuid, Sydney Metro North West, Ontario Line Subway, UK PFI projects. | Although not currently in policy, availability payments would allow a greater amount of private finance to be raised, and this model is broadly preferred by the market. This is effectively moving a short-term capital expenditure pressure to a long-term revenue expenditure commitment. In the long-run, this approach could be more expensive for Government, but it would allow for earlier delivery of critical infrastructure. |
| <b>Track access charges; investment recovery charge; passenger fees; etc.</b> | Investors (but likely with some form of usage guarantees from Government, which may transfer this risk in-whole or in-part). | As above, but investors are paid back over time by train operators and/or passengers, who pay for use of the privately-financed infrastructure (e.g., through a charge-per-train path, or a surcharge on the ticket fare).                            | HS1, Tours-Bordeaux TGV.   | This approach passes the initial burden to those that receive the most benefit from the project, i.e. the users. The key risk is the level of demand (patronage) that will be realised over time and therefore the scale of the revenue stream. Revenue could also be captured from station operations as part of this approach, for instance through retail leases.  |



## A blended funding strategy that reflects project benefits

HS2 was to be entirely funded through central Government grants. However, we do not think this approach is plausible for the MNWRL, given the constraints on HM Treasury. The exact proportion of private finance would need to be determined based on the factors set out above, but 100% private sector financing is uncommon for major rail schemes, due to the typical scale of underlying revenue streams and project risk profiles.

This means that, as in the Tours-Bordeaux project, a blended approach will be required to fund and finance the MNWRL.

In recognition of the diverse array of economic benefits these schemes generate, it is now common practice around the world to bring together a broader range of public funders with private funding sources to support delivery of major transport projects.

### PRIVATE SOURCES

In the previous section we have set out why we believe the MNWRL would be attractive to private investors, and how this might be structured. This has been further reinforced through preliminary conversations our consortium has held with the investment community.

We acknowledge the approach we are outlining here would require a review, and potential reconsideration, of existing Government accounting rules pertaining to public-private partnerships (PPPs). Under current rules, most PPPs would likely be considered to be 'on-balance sheet' as public sector borrowing (and 'scored' as capital expenditure), due to the revenue risk carried in whole or in part by the Government.

Given the changing political and fiscal climate in the UK, and the successful application of PPP models for rail projects elsewhere, we believe now is the right time to reopen a dialogue with HM Treasury about the appropriate accounting treatment for partnerships with private investors.

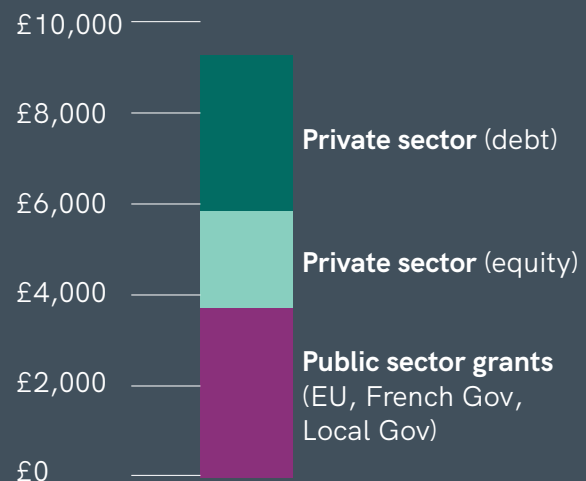
## CASE STUDY

**Tours-Bordeaux TGV (France) funding model**

The Tours-Bordeaux HSR line runs between Paris and Bordeaux alongside an existing conventional railway. The line was constructed by the LISEA consortium (VINCI, CDC Infrastructure, SOJAS, and AXA Private Equity) who is contracted to own, maintain and operate the line over a 50-year concession period.

This project is owned by LISEA which financed c. 49% of the project's total value through equity contributions from shareholders and raising debt from the European Investment Bank (EIB) and commercial banks. The remaining amount was raised through significant contributions from the French Government, EIB and Réseau Ferré de France (later SNCF), local communities and the EU. Significant portions of the private debt are also guaranteed by the French Government.

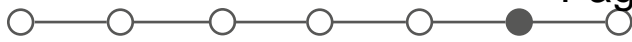
LISEA bears all risk associated with the infrastructure during the concession period, including financing, construction, maintenance and revenue risk. Critically, the passing of revenue risk to the LISEA entity is supported by a set schedule of SNCF-operated trains (French state operator) over the tracks, providing a perceived reduction in revenue risk associated with this line.



Simplified funding model breakdown







## LOCAL SOURCES

Our review has identified the potential for significant economic benefit to be generated along this corridor. These will flow to local landowners, businesses, and the wider community.

There are various ways in which local funding could be raised to support the project, linked directly to this uplift in economic activity including:

**Business rates:** A portion of the net-increase in business rates that is directly attributable to the project (i.e. which would not have been 'generated' if the project was not delivered) could be ringfenced over time, and used to repay upfront financing to support the capital works.

These types of mechanisms were used successfully for the Northern Line extension to Battersea and London's Crossrail.<sup>28</sup> As Greater Manchester and the West Midlands already retain 100% of their local-raised business rates for ten years under the 'Trailblazer Deals' agreed in 2023, this approach would require careful analysis on the genuine 'uplift' created by this scheme, so as not to impact important local services and investments being funded through the existing deals.

**Property development:** Another potential local funding source could come from property development along the corridor, in particular in station areas and on publicly-owned land. Potential contributions could also be sought from planning contributions and section 106 obligations.

Property development is a major funding source for international rail projects, particularly in Asia and parts of Europe, and development in London (at Old Oak Common and Euston) is contributing to the costs of HS2 Phase 1. The challenge here is that it does not include the major station areas in central Birmingham or Manchester (that are delivered by HS2 Phase 1 and NPR respectively) where the most development value is likely to accrue. Still, this opportunity should be explored in detail along the full length of the route to ensure some portion of the property benefits are captured by the scheme.

Local contributions to the project would likely require new revenue raising powers to be devolved to local and/or Combined Authorities, and we understand the new Government is supportive of these conversations as part of its devolution agenda.

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\* We acknowledge that some of these same sources may also be under consideration for other major rail and urban transport projects. A comprehensive funding strategy should be developed that reflects the holistic needs of the city-regions and secures investment in public transport.



We recognise the significant pressures on local budgets. Alongside other core services, both the West Midlands and Greater Manchester have transformational urban transport plans, focused on both near-term improvements and long-term growth, with significant investment in metros, buses, active travel, and other critical infrastructure. Combined Authorities are already contributing heavily to these projects, a trend which is set to continue: the NIC recommends that ‘the cities that directly benefit from the major [urban] transport projects... should make a significant contribution to the capital costs...of at least 15 to 25%.’<sup>29</sup>

While local contributions should form some proportion of the MNWRL package, this must be balanced against the equally vital investments in urban connectivity, as they are critical to ensuring the benefits from intercity connectivity can be fully realised.

### CENTRAL GOVERNMENT SOURCES

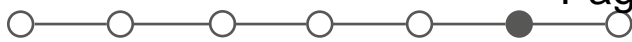
Financial commitment from central Government will be needed to deliver this project. This support could take several forms, including cash (grant), usage guarantees, land, and/or enabling works.

It is important to recognise this is not a ‘zero sum game’. Investing in nationally-significant infrastructure boosts UK productivity overall, which results in net additional tax receipts flowing back to HM Treasury.

In our economic assessment above we identified that the West Midlands and Greater Manchester economies could be £40-70bn larger if they were performing at the UK average or in line with peer cities in Europe. The UK’s ‘tax-to-GDP’ ratio is roughly 35%, which would suggest that c.£14-24bn in additional tax receipts could be generated annually if this growth was achieved, releasing funding for a whole host of vital public services.

Even if only a portion of this is directly attributable to enhanced connectivity, this still equates to sizable sums flowing back to the Exchequer on an annual basis. This is alongside the important national public policy objectives that the scheme would help deliver, for instance as a key enabler for building more homes and driving innovation.

We believe that an openness to blended funding strategies that more effectively capture the nuance of benefit distribution is an important route to unlocking the UK’s infrastructure pipeline.



## Proposed delivery structure

### CO-SPONSORSHIP BETWEEN CENTRAL GOVERNMENT AND METRO MAYORS

The Midlands-North West Rail Link could demonstrate a new way for central Government and the Combined Authorities to come together to co-sponsor and deliver regional-scale (and nationally-important) infrastructure projects. This co-sponsorship approach would better recognise the impact the project will have on the economic growth and place-shaping ambitions of the city-regions, ensuring the places that most directly realise the benefits contribute to the scheme and have a reasonable opportunity to shape the project's direction.

A comparable co-sponsorship model was fundamental to the delivery of the Elizabeth Line in London and should be extended to other Metro Mayors. While this approach introduces complexity given the need to align multiple parties, this can be managed through a shared vision and objectives, effective governance and committed leadership.

Network Rail, HS2 Ltd and local authorities on the route also need to play a key delivery role in this scheme. They should be engaged early in the process and on an ongoing basis so that economic opportunities can be identified and captured into the scheme in the early stages. This will be particularly critical for managing the design and delivery interfaces with existing (Network Rail) and future (HS2 and NPR) rail infrastructure, as well as progressing a unified operations strategy. The details of these arrangements and relationships will need to be worked through in the next stage of this initiative.

### DELIVERY BY A PRIVATE SECTOR-LED SPECIAL PURPOSE VEHICLE (SPV)

Outlined below is a potential commercial structure that could be used in the delivery of this project. This is notional at this early stage; further work is required to confirm the best solution and structure, including through more detailed financial modelling.

Under this structure, a privately-led MNWRL SPV would be responsible for the delivery of the infrastructure, under a concession agreement with Government. The concession agreement should be suitably structured and incentivised to balance control and governance from the public sector, while allowing the private sector to deliver the services unimpeded.

The SPV will require a mixture of debt and equity for the duration of the project, and should receive commensurate funding through, for example, track access charges or availability payments (as defined by the allocation of revenue risk; see above). Project packages outside of the SPV (e.g. enabling works) could be procured by the public sector in support of the project.

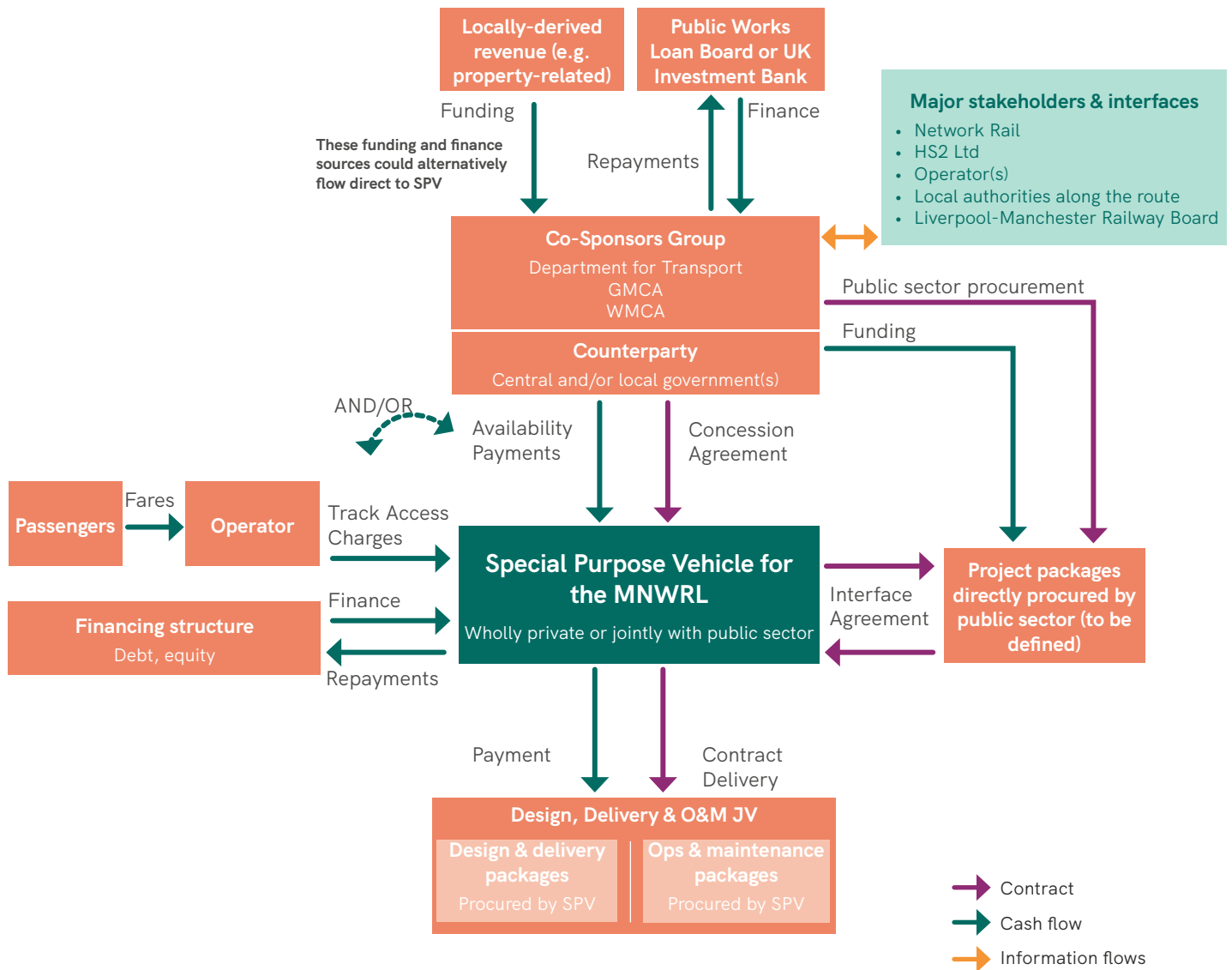


FIGURE 12: Potential contractual structure for scheme delivery

## CASE STUDY

**Tours-Bordeaux (France) - delivery model**

One potential delivery structure shares many similarities with the model employed for the Tours-Bordeaux HSR project, which serves as an exemplary case study of how public sector funding can facilitate private sector involvement through a public-private partnership model. The project aimed to connect two major population centres, Paris and Bordeaux, which were previously linked by a slower rail line. The pre-existing demand significantly reduced the demand risk for the HSR, making it an attractive proposition for private investors.

The contract for designing, financing, and constructing the line was awarded to LISEA, a consortium of VINCI, CDC Infrastructure, Ardian, and Meridiam. LISEA subcontracted the design and build of civil works and systems to the COSEA consortium and the operation and maintenance services to the MESEA consortium. Under this arrangement, LISEA managed the network operations through its contact with MESEA, while SNCF handled passenger fares, with LISEA receiving track access fees.

The financing of the project was a mix of equity contributions, bank debt, and public finance grants. LISEA shareholders contributed approximately \$860mn in equity, with RFF contributing \$1.3bn. LISEA was responsible for raising the following debt facilities

- c. \$1.2bn of bank debt guaranteed by the French Government
- c. \$680mn of non-guaranteed bank debt
- c. \$841mn of debt provided by Fonds d'Épargne

- c. \$450mn of EIB credit guaranteed by the French government
- c. \$225mn of non-guaranteed EIB credit

While LISEA bore overall project responsibility, the public sector played a crucial role by providing significant financial support, including grants and debt guarantees to allow the private sector to secure their own financing instruments. The complexity of the contractual arrangement was effectively managed through the consortium structure, involving VINCI, CDC Infrastructure, Ardian, and Meridiam. This consortium approach created a seamless interface among partners and ensured the provision of equity from consortium members, amounting to approximately \$860mn.

The Tours-Bordeaux HSR project illustrates how a well-structured contractual framework, underpinned by appropriate public sector funding and regulatory measures, can attract and leverage private financing for large infrastructure projects. While in this case the public sector contribution was substantial, similar outcomes can be achieved with a reduced public sector role, provided that appropriate guarantees are in place.

**This case study may be applied to the proposed Midlands-North West Rail Link to demonstrate how the private sector can be incentivised to deliver key infrastructure items under significant risk transfer contractual arrangements, where appropriate support is provided by the public sector (e.g. guarantees for private debt).**



In summary, we believe:

- In recognition of the UK's infrastructure cost and delivery challenges, as well as constrained fiscal environment, a different delivery and funding model will be needed for this project, leaning on domestic and international precedents.
- The project can provide an opportunity to bring together the best of both public and private sectors working in partnership. This will, however, require a renewed openness on the part of the Government (and in particular HM Treasury) to private investment in transport infrastructure.
- We have designed our preferred concept, the MNWRL, to be attractive to private investment: it is a greenfield, segregated line that minimises interfaces with other rail infrastructure, on a corridor that has already demonstrated significant travel demand, and uses a de-risked engineering solution. All of these are demonstrated characteristics of success in other major rail schemes where the private sector has invested its capital.
- Under this approach, financing for the project should be maximised from the private sector, with central and local governments partnering to fund the balance. The revenue streams supporting the private investment could be in the form of either availability/performance payments from Government or a track access charge-type model.
- An agile delivery structure should be established, with the project delivered by a lean and privately-led special purpose vehicle, overseen by a public sector co-sponsors group bringing together central Government and the Metro Mayors.
- This is a pragmatic solution built on a foundation of what has worked in major rail projects across the globe. In particular, the proposal leverages the successes and learns from the challenges of the precedent approach taken by the Tours-Bordeaux Line. Although the public sector contribution was significant in this case, similar results can be achieved with reduced public sector input if appropriate guarantees are provided.



# Where do we go from here?





## A deliverable path forward for the Midlands-North West Rail Link

This review has focused on analysing a key connectivity gap between the West Midlands and Greater Manchester and identifying an affordable, deliverable railway solution for addressing this challenge – a vital ingredient for catalysing growth across these city-regions and beyond. We have sought to take a place-based approach to this process, grounded in the needs and ambitions of the people living and working locally.

### Our proposed **MNWRL**:

- Will be approximately 60-75% of the capital cost of the former HS2 Phase 2 scheme,\* while still maintaining a substantial proportion of the economic and transport benefits for passengers and rail freight – achieved by reconsidering the design, engineering specification and delivery model;
  - Will amplify the benefits of current and committed investments in other major connectivity programmes, for instance by maximising utilisation of the new Curzon Street station in Birmingham;
  - Takes full advantage of the substantial public investment that has already been made in constructing Phase 1, procuring rolling stock, acquiring land, and securing planning consents on a portion of the former Phase 2 route; and
  - Introduces a delivery model for bringing together the private sector, central Government, and local governments to fund and deliver nationally-significant infrastructure.
- While further technical work and economic appraisal is necessary to fully develop this concept solution, this assessment provides the foundation of a credible and robust case. There are opportunities to strengthen the case even further, including:
- Assessing the degree to which capacity and resilience could be further enhanced through optimising the speeds and mix of the available rolling stock on different parts of the network.
  - Exploring a possible interlinked funding and finance strategy with NPR – including the potential for private and local investment as part of a joined-up package, recognising the intertwined nature of the projects (spatially, operationally, and economically).
  - Analysing the potential for the delivery of significant housing, new employment or innovation districts along the corridor, which could play a crucial role in both strengthening the strategic and economic case for the scheme, as well as unlocking potential alternative funding sources.
  - Reviewing the corresponding 'eastern connectivity gap' identified by our review and the NIC (Midlands to Leeds), to consider options that follow similar principles to this study.
  - Reviewing the planning framework for major infrastructure projects and bringing this in line with the approach taken in peer countries. We understand this is already a stated objective of the new Government, and we welcome this review.

\* Refer to footnotes on cost in the 'Potential design solutions' section.

## Our request of the new Government, and our offer

Our review has highlighted that without urgent action, existing connectivity between the North West and Birmingham will soon reach capacity. This will impact both economic growth and quality of life for people living in these regions, as well as those in Leeds, the North East, London, and elsewhere who rely on this corridor to make connections across the nation.

We believe urgent action to address this challenge is both necessary and achievable. Key strategic decisions will need to be made by early 2025 to take advantage of current planning and land acquisition powers. This will ensure a viable solution is delivered before the quality of connectivity worsens as travel demand grows, creating a major barrier to economic growth and the delivery of housing in this region.

This private sector coalition has come together, with the support of the two Metro Mayors, to form a proposal for a **Midlands-North West Rail Link**. To move this forward, we are asking the Government to undertake the following actions:

1. Establish a Steering Group between the private sector, Combined Authorities and Central Government to drive forward development of an 'at pace' feasibility study and technical analysis over the next six months focused on:
  - Working with the newly-established British Infrastructure Council to convene global private sector investors to attract investment into this critical link, and use this as an opportunity to reposition the UK as a country that is open to institutional investment in infrastructure;
  - Undertaking further financial, commercial, and economic analysis to develop an investment prospectus for the private sector, and optimise value for money across all rail investments for the public sector;
  - Working closely with Network Rail, HS2 Limited and other bodies to advance the technical specification further; and
  - Developing an appropriate governance structure that could be used to take the project forward.
2. Critically we need time to get this right, and support from the Government to work with us on the activities above, building on the work we have done to date. The government could help the private sector advance technical and commercial solutions by:
  - maintaining ownership of the current landholdings on the former Phase 2A route from Handsacre to Crewe while this work is underway; and
  - reinstituting safeguarding for the land not-yet-acquired on this route; protecting and prolonging existing planning powers; and maintaining flexibility to reincorporate the Crewe to High Legh segment into the repurposed NPR Hybrid Bill while a new solution is finalised and agreed.
3. Formally consider the network-wide benefits of this proposition alongside proposals for enhancing east-west connectivity in the North and the economic benefits this would bring to the whole of the UK.



Taking the time now to get these strategic decisions right would come at minimal cost but potentially enormous long-term benefit to the nation. Our future connectivity – and by extension, the economic and social health of our society for generations to come – depends on us making the right choices today.

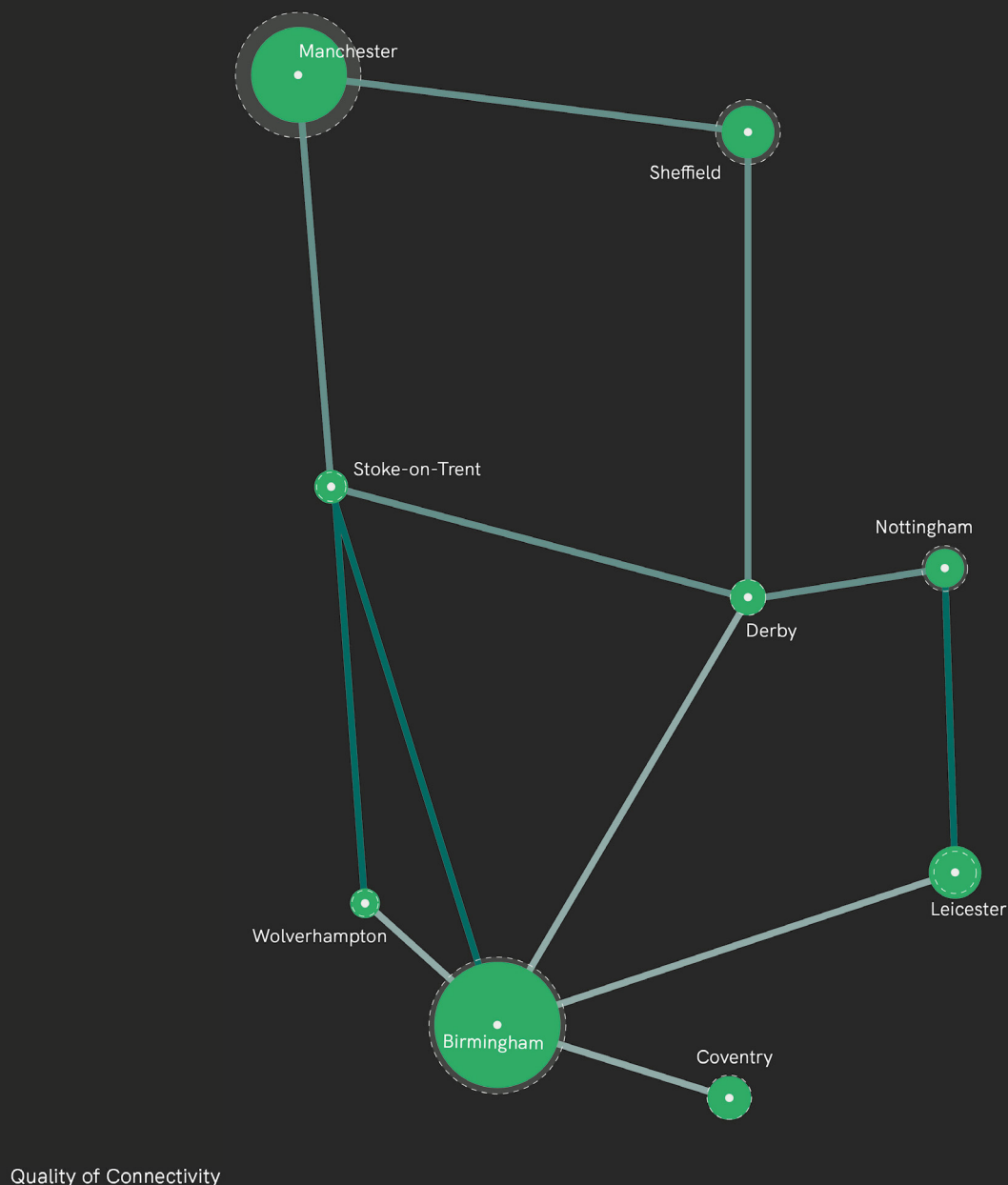
***‘The window...is closing. Ducking the big decisions over the next 12 months will put the major goals of net zero, regional economic growth, and... environmental protection in jeopardy.’***

– Sir John Armitt, Chair of National Infrastructure Commission

### The MNWRL will help achieve several of the new Government's objectives

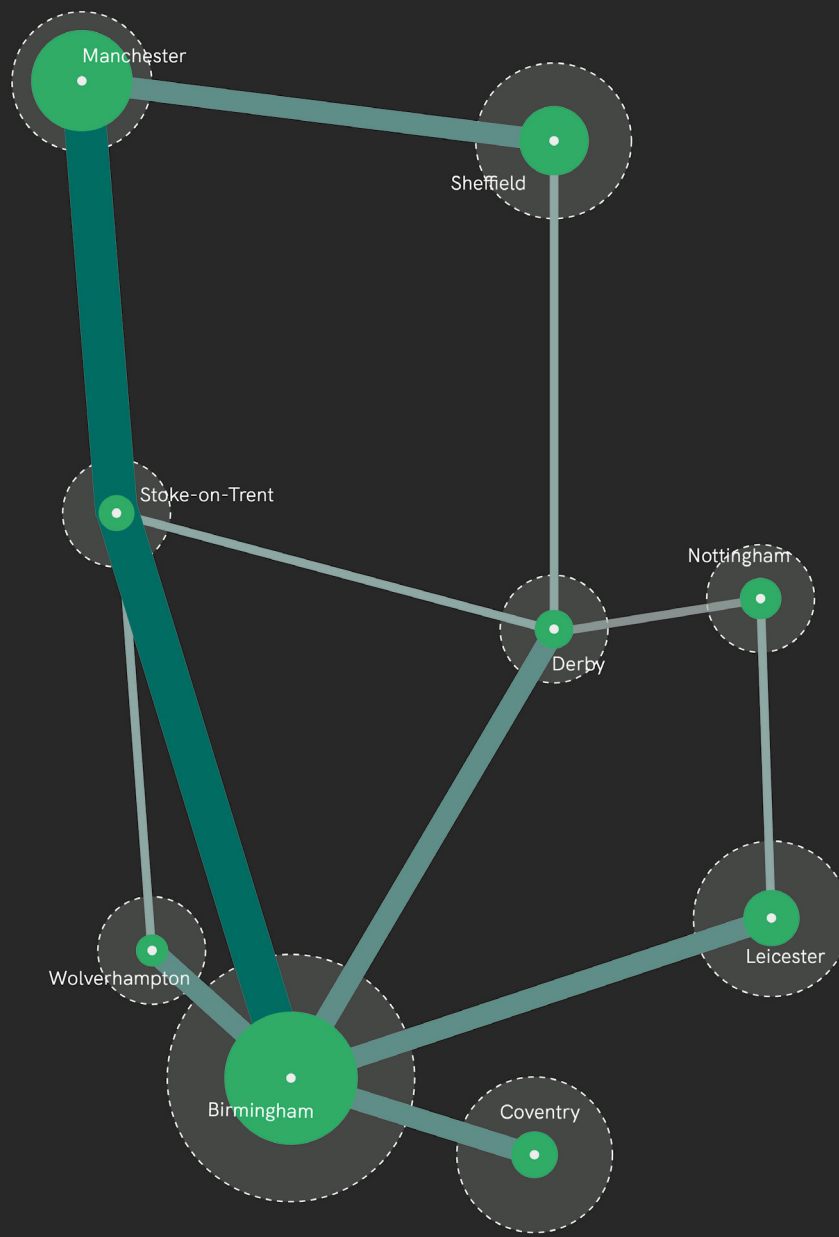
| PRIORITY  | HOW OUR PROPOSAL SUPPORTS THIS PRIORITY   |
|---|---|
| Kickstart economic growth   | This Government is focused on delivery and driving the sense of urgency that is needed to implement projects that will catalyse growth for regions throughout the UK. The MNWRL is a solution to better connecting the regions of the North of England that have been overlooked due to underinvestment in transport and impacted by the inconsistent decision-making, which was so clearly illustrated by the cancellation of HS2 Phase 2. |
| New homes   | The Government has set out its ambition to build 1.5mn homes, creating the new housing the UK desperately needs to address the shortage of homes for communities in all corners of the UK. The new link will support these ambitions for the benefit of the people of Greater Manchester, the Midlands and the cities and towns beyond.   |
| Devolution  | The enhanced connectivity between Birmingham and Manchester, and the important connectivity this MNWRL will bring to northern towns and cities such as Sheffield and Leeds, provides a clear example of Combined Authorities taking an even more active leadership role in shaping and delivering the infrastructure investments they need for their regions and the rest of the UK.  |
| Improving performance on railways and driving rail reform   | This priority seeks to improve the UK's railway performance, a key objective of MNWRL in releasing capacity on the existing network and supporting future passenger demand by addressing bottlenecks and constraints. The West Coast Main Line is creaking and has very poor performance across many metrics important to both passengers and freight. This new link provides a solution to address these performance challenges.           |
| Improving bus services across the country   | Releasing capacity on the rail network will help reduce crowding and improve the passenger experience on buses, and support higher future bus travel demand.  |
| Transforming infrastructure to work for the whole country, promoting social mobility and tackling regional inequality | Enhanced inter-regional connectivity will unlock access to jobs, education, leisure and housing opportunity across under-served or poorly connected communities.  |
| Delivering greener transport  | Better inter-city rail connectivity will encourage a modal shift from passenger vehicles to trains and support a higher rail freight mode share, reducing congestion and vehicle air pollution across the UK's road network, and supporting the Government's transport decarbonisation goals.   |
| Better integrating transport networks   | The incremental delivery of MNWRL will connect major current and future UK transport investments together through NPR, providing a better integrated and enhanced national transport network for passengers and freight.  |

# The region's economic performance and connectivity quality today...



Both diagrams are at the same scale

...and in a potential future where the region is on par with the Rhine-Ruhr, Germany



Enhancing connectivity between UK towns and cities in the North and Midlands – as set out in this report, and as the NIC recently recommended – is economically vital to the economic growth of this region and the nation.

These connectivity improvements of course need to be paired with consistent policymaking and investment in many other areas, such as skills and housing, over a sustained time period. But as Germany has seen in the Rhine-Ruhr, which shares many of the underlying demographic and geographic traits as this

part of the UK, such a commitment can lead to transformational economic and social outcomes.

If this region became as economically productive as the Rhine-Ruhr, it would mean c.£90-100bn in additional GDP to the UK economy – increasing the current UK GDP by approximately 3%. This growth could mean as many as 30,000 new jobs coming to the region, alongside a massive uplift in living standards.

## Acknowledgements

We would like to express sincere gratitude to Mayors Andy Burnham, Andy Street and Richard Parker. Without the Mayors stepping up and demonstrating crucial leadership on this issue, this review would not have happened, and urgently-needed thinking, conversations, and solutions would be even further delayed. Their shared visions for prosperity and placemaking across Greater Manchester and the West Midlands have been the central tenets guiding this work.

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GODDARD**

 **ARCADIS**

 **EY**

 **mace**

**SKANSKA**

**DRAGADOS**

## Strategic Rail Member Reference Group – Terms of Reference

### Purpose

This Group was initially established as part of the Council's preparations for petitioning against the HS2 Phase 2b Hybrid Bill in accordance with the proposed approach to member engagement as referenced in the Council resolution of 24th February 2022.

Following the cancellation of HS2, north of Birmingham in October 2023, Government announced its intention to accelerate the delivery of the section of Northern Powerhouse Rail (NPR) between Liverpool and Manchester – the Liverpool to Manchester Railway, of which, several kilometres of the route is proposed to pass through the Borough. In January 2024, Government announced that it intended to utilise the HS2 Phase 2b hybrid bill to seek the consents to deliver the eastern section of the railway, between Millington and Manchester Piccadilly. As such, the Phase 2b hybrid bill was read into the 2024/25 Parliament in the Kings Speech in July 2024.

In addition, following HS2 north's cancellation, the mayors of Greater Manchester and the West Midlands brought together a private sector consortium to look at alternative options for improving rail connectivity between the West Midlands and Manchester. In September 2024, the consortium published this review which proposed a new rail link between Handsacre Junction, where HS2 Phase 1 ends, and High Legh, where the proposed Liverpool to Manchester Railway would connect with the new rail link. It is proposed that the route would follow the alignment of HS2 phases 2a and 2b, much of which would pass through Cheshire East, with the recommended solution passing through a tunnel under Crewe and not through Crewe station.

Given the current and forecast activity around future rail plans for the North and Midlands, of which many would directly impact Cheshire East, a repurposed Member Reference Group is required to provide the necessary steer to officers in responding to the emerging and possible opportunities, challenges and risks for the borough from these proposed investments.

### Members

- Cllr Nick Mannion (Chair) – Leader of the Council
- Cllr Michael Gorman (Deputy Chair) – Deputy Leader of the Council
- Cllr Mark Goldsmith – Chair of Highways and Transport Committee
- Cllr Laura Crane – Deputy Chair of Highways and Transport Committee
- Cllr Janet Clowes – Leader of the Conservative Group
- Cllr Hannah Moss – Cheshire East Rail Champion
- Cllr Alan Coiley - Cheshire East Rail Champion

### Roles and responsibilities

- Provide a steer to officers on the priority issues, opportunities and risks relating to emerging rail plans, policies and projects.
- Provide feedback and endorsement of any Council response to such proposals.
- Supporting officers in seeking to influence and challenge proposals and plans for the betterment of the Borough.
- Receive feedback on the issues raised by local ward members and key stakeholders to gain a full understanding and appreciation of local issues, which could be incorporated into the Council's petition where a position is agreed
- Hear feedback on the areas where the Council is working collaboratively with neighbouring authorities, central government and stakeholders on shared issues

## Key Principles for members of the Group

- Work as an advisory body for the Council
- Have no formal delegated decision making authority from the Council
- Attend on a voluntary basis and receive no remuneration
- Be expected to maintain the confidentiality and integrity of any confidential information that they may receive that is not publicly available

## Periodicity

Frequency as required

## Support

Meetings will be chaired by the Head of Rail and Transport Integration and other attendees will include officers from across the Place Directorate and other technical officers by exception, where the agenda dictates. Meetings will be confidential to maintain the commercial sensitivity and position of the Council.

## Meetings

The primary purpose of the first meeting will be to introduce the Cheshire East officers to the Member Reference group, agree the purpose of the meetings and explain the petitioning process.

The group may need to meet on a more regular basis where there is key activity or deliverables.

Substitutes will be subject to the approval of the Chair prior to the meeting.

The Secretariat for the Board will be provided by Cheshire East Council Officers, preparing agendas and supporting papers.

Meetings will either be held by Teams or a Council venue will be provided for face to face meetings.



OPEN

## Corporate Policy Committee

28 November 2024

### Second Financial Review 2024/25

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**Report of: Adele Taylor, Interim Executive Director Resources and S151 Officer**

**Report Reference No: CP/17/24-25**

**Ward(s) Affected: Not applicable**

**For Decision or Scrutiny: Scrutiny**

#### **Purpose of Report**

- 1 This report provides the current forecast outturn for the financial year 2024/25 based on our income, expenditure and known commitments as at the end of August 2024. It also identifies actions that are being taken to address adverse variances to urgently address our financial sustainability.
- 2 The report provides the forecast outturn for all services, to provide Members with contextual information on the position for the whole Council. Members are asked to focus their scrutiny on the forecasts and supporting information relating to services within the remit of the Committee whilst understanding the overall context as a whole.
- 3 The report highlights any changes and external pressures that are impacting the Council since setting the budget in February 2024. Annex 1, Section 2 of the report highlights what the Council is forecasting to achieve as part of the 2024/25 approved budget changes per line (growth and savings).
- 4 As set out in the First Financial Review, the requirement to continue to identify further actions in order to bring the Council back to a position where we are living within our means remains, and it will be important that these actions are closely monitored, and appropriate action taken to manage our resources. This report includes information on the actions that are currently underway.

- 5 Reporting the financial forecast outturn at this stage, and in this format, supports the Council's vision to be an open Council as set out in the Cheshire East Council Plan 2024/25. In particular, the priorities for an open and enabling organisation, ensure that there is transparency in all aspects of council decision making.
- 6 The report also requests member approval for amendments to the Council's budget in line with authorisation levels within the Constitution.

## Executive Summary

- 7 The Council operates a financial cycle of planning, review, management and reporting. This report ensures that we review where we are and provides a forecast **outturn** position for the 2024/25 financial year whilst also identifying the actions that need to be taken to manage our overall resources. The information in this report also supports planning for next year's budget by identifying issues that may have medium term impacts.
- 8 The Council set its 2024/25 annual budget in February 2024. The budget was balanced, as required by statute, with planned use of reserves of £22m, plus £30m of savings to achieve in year, and included important assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2024 to 2028.
- 9 The Second Financial Review (FR2) forecast revenue outturn is an **adverse variance of £20.1m** (prior to the application of any Exceptional Financial Support), an improvement of £6.5m from FR1, as detailed below in **Table 1**:

| Table 1<br>2024/25 FR2      | Revised<br>Budget | Forecast<br>Outturn | Forecast<br>Variance | Forecast Variance<br>FR1 | Movement<br>from FR1<br>to FR2 |
|-----------------------------|-------------------|---------------------|----------------------|--------------------------|--------------------------------|
|                             | (NET)<br>£m       | £m                  | £m                   | £m                       | £m                             |
| <b>Service Committee</b>    |                   |                     |                      |                          |                                |
| Adults and Health           | 138.0             | 158.7               | 20.8                 | 20.7                     | 0.0                            |
| Children and Families       | 93.0              | 98.4                | 5.4                  | 7.3                      | (1.9)                          |
| Corporate Policy            | 41.8              | 44.2                | 2.4                  | 0.0                      | 2.4                            |
| Economy and Growth          | 28.1              | 24.8                | (3.3)                | (2.6)                    | (0.7)                          |
| Environment and Communities | 48.4              | 48.3                | (0.1)                | 0.6                      | (0.7)                          |
| Highways and Transport      | 16.0              | 15.4                | (0.6)                | (0.5)                    | (0.1)                          |
| <b>Sub-Committee</b>        |                   |                     |                      |                          | -                              |
| <b>Finance Sub:</b>         |                   |                     |                      |                          | -                              |
| Central Budgets             | 30.0              | 25.6                | (4.5)                | 0.9                      | (5.4)                          |
| Funding                     | (395.4)           | (395.4)             | 0.0                  | -                        | 0.0                            |
| <b>TOTAL</b>                | <b>(0.0)</b>      | <b>20.1</b>         | <b>20.1</b>          | <b>26.5</b>              | <b>(6.5)</b>                   |

- 10 Whilst an improvement on the First Financial Review of £6.5m (see mitigations in para 29), the forecast overspend of £20.1m remains a significant financial challenge for the Council. The FR2 forecast reserves,

after agreed movements budgeted for in the 2024-28 MTFS, are currently £10.0m, being £0.5m of General Fund Reserves (including the forecast use of £4m for transformation costs) and £9.5m of Earmarked Reserves, as shown below. The Council's level of reserves is therefore insufficient to cover the current forecast revenue outturn for the year without further action.

| Reserves & Exceptional Financial Support          |             |
|---|-------------|
|   | £m          |
| <b>Reserves</b>                                   |             |
| General Fund                                      | 4.5         |
| Earmarked Reserves                                | 9.5         |
| Original Forecast at 31st March 2025              | 14.0        |
| Forecast Transformation spend                     | (4.0)       |
| <b>Forecast Total Reserves at 31st March 2025</b> | <b>10.0</b> |
| <b>Exceptional Financial Support</b>              | <b>17.6</b> |

- 11 This forecast does not assume the use of the Exceptional Finance Support (EFS) that was requested in 2023/24 and 2024/25 that was agreed in principle, subject to a number of conditions being satisfied, including the submission of a transformation plan at the end of August 2024. It also does not assume the cost of accepting that EFS support which would impact on the cost of borrowing over the medium term. A further condition of the EFS was that an independent review was undertaken by CIPFA on behalf of MHCLG to understand the Council's financial management and sustainability. The review was commissioned by and for MHCLG and the Council has not yet had sight of this review to understand any implications or improvements that could be made to existing processes. This was submitted to MHCLG in August 2024.
- 12 The FR2 forecast position indicates that further urgent action to reduce the overspend, and bring spending back in line with budget, is required. Failure to do so would require the Council to use the existing conditional Exceptional Financial Support (£17.6m) which would be the only way for the S151 Officer to avoid having to issue a S114 notice to the Council.
- 13 The level of EFS support would need to be agreed and finalised with the government and the financial impact of this would need to be built into the overall financial modelling for the Council. As reported to members in June 2024 in the 'Medium Term Financial Strategy Assumptions and Reporting Cycle for 2024/25 to 2028/29' the Council faces a significant four-year funding gap, with the shortfall in 2025/26 identified in February 2024 MTFS estimated at £41.9m. There remains a risk that pressures leading to the latest FR2 forecast position may increase that shortfall figure if further rapid action does not take place to stabilise our financial position.
- 14 The FR2 forecast position for capital spending for 2024/25 indicates forecast capital expenditure of £157.7m against the MTFS budget of £215.8m (FR1 £164.5m). The re-profiling of Capital expenditure to future

years to match scheme delivery and ongoing capital review to ensure that our capital borrowing remains affordable is continuing.

- 15 **Table 2** sets out the capital programme profiling changes:

| <b>Table 2</b>                 | 2024/25  | 2025/26  | 2026/27  | 2027/28  | 2024/28 |
|--------------------------------|----------|----------|----------|----------|---------|
|                                | Estimate | Estimate | Estimate | Estimate | Total   |
|                                | £000s    | £000s    | £000s    | £000s    | £000s   |
| Capital Programme FR1          | 164,545  | 141,232  | 109,679  | 231,837  | 647,293 |
| Funded by:                     |          |          |          |          |         |
| Borrowing                      | 51,878   | 53,566   | 10,180   | 27,779   | 143,403 |
| Grants and other contributions | 112,667  | 87,666   | 99,499   | 204,058  | 503,890 |
|                                | 164,545  | 141,232  | 109,679  | 231,837  | 647,293 |
| Capital Programme FR2          | 157,661  | 151,770  | 115,852  | 225,173  | 650,456 |
| Funded by:                     |          |          |          |          |         |
| Borrowing                      | 45,101   | 57,996   | 14,802   | 25,044   | 142,943 |
| Grants and other contributions | 112,560  | 93,774   | 101,050  | 200,129  | 507,513 |
|                                | 157,661  | 151,770  | 115,852  | 225,173  | 650,456 |
| Movement from FR1              | (6,884)  | 10,538   | 6,173    | (6,664)  | 3,163   |

- 16 **Table 3** sets out the summary revised capital programme:

| <b>Table 3</b>            | FR1          | SCEs       | Virements  | Budget       | Revised      |
|---------------------------|--------------|------------|------------|--------------|--------------|
|                           | Budget       | in Quarter | in Quarter | Reductions   | FR2          |
|                           | 2024/28      | 2024/25    | 2024/25    | 2024/25      | Budget       |
|                           | £m           | £m         | £m         | £m           | 2024/28      |
|                           | £m           | £m         | £m         | £m           | £m           |
| Adults and Health         | 0.8          |            |            |              | 0.8          |
| Children and Families     | 108.9        |            |            |              | 108.9        |
| Highways & Transport      | 287.0        | 2.7        |            | (0.2)        | 289.5        |
| Economy & Growth          | 184.7        | 0.9        |            |              | 185.6        |
| Environment & Communities | 42.0         |            |            |              | 42.0         |
| Corporate Policy          | 23.8         |            |            | (0.2)        | 23.6         |
|                           | <b>647.2</b> | <b>3.6</b> | <b>-</b>   | <b>(0.4)</b> | <b>650.4</b> |

- 17 **Table 4** sets out the movement from FR1 by committee:

| <b>Table 4</b>            | Forecast<br>2024/25<br>£000 | Forecast<br>2025/26<br>£000 | Forecast<br>2026/27<br>£000 | Forecast<br>2027/28<br>£000 | 2024/28<br>Total<br>£000 |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------|
| Adults and Health         | -                           | -                           | -                           | -                           | -                        |
| Children and Families     | (3,576)                     | 3,571                       | (1)                         | -                           | (6)                      |
| Highways & Transport      | 2,082                       | 3,566                       | 1,001                       | (4,123)                     | 2,526                    |
| Economy & Growth          | (2,018)                     | 2,630                       | 2,798                       | (2,563)                     | 847                      |
| Environment & Communities | (3,624)                     | 1,142                       | 2,478                       | 22                          | 18                       |
| Corporate Policy          | 252                         | (371)                       | (103)                       | -                           | (222)                    |
|                           | (6,884)                     | 10,538                      | 6,173                       | (6,664)                     | 3,163                    |
| Funded by:                |                             |                             |                             |                             |                          |
| Government Grants         | (139)                       | 5,239                       | 3,461                       | (7,735)                     | 825                      |
| External Contributions    | (4)                         | 1,086                       | (969)                       | 2,629                       | 2,742                    |
| Revenue Contributions     | 55                          | -                           | -                           | -                           | 55                       |
| Capital Receipts          | (19)                        | (217)                       | (941)                       | 1,177                       | (1)                      |
| Prudential Borrowing      | (6,777)                     | 4,430                       | 4,622                       | (2,735)                     | (460)                    |
|                           | (6,884)                     | 10,538                      | 6,173                       | (6,664)                     | 3,163                    |

- 18 Significant items of slippage/reprofiling from 2024/25 to 2025/26 include:
- £2.3m for Childrens Social Care (Crewe Youth Zone and Childrens Homes Sufficiency),
  - £0.8m in Education (Springfield and Wilmslow),
  - £2.4m for Economy and Growth (Corporate Landlord and Crewe Town Regeneration),
  - £3m for Environment & Neighbourhood (Weekly Food collections and Fleet EV).
- 19 Highways and Infrastructure have increased capital spend in 2024/25 partly due to bringing forward £1.7m for Network North, together with an SCE of £600,000 for Bridge Maintenance.
- 20 As part of the urgent actions required to reduce the Council overspend a full review of the capital programme is being undertaken with a view to removing as much future borrowing as possible. The forecast borrowing included in the capital programme at FR2 will have the following revenue impact:

## Revenue Impact

| Table 5                                      | 2024/25      | 2025/26      | 2026/27      | 2027/28       | 2024-28        |
|--|--------------|--------------|--------------|---------------|----------------|
|  | Estimate     | Estimate     | Estimate     | Estimate      | Total          |
|  | £000s        | £000s        | £000s        | £000s         | £000s          |
| Forecast borrowing to fund capital programme | 45,101       | 57,996       | 14,802       | 25,044        | 142,943        |
| MRP  | -            | 3,857        | 5,036        | 6,498         | 15,391         |
| Interest                                     | 2,264        | 3,712        | 3,537        | 4,288         | 13,801         |
| <b>Total annual revenue impact</b>           | <b>2,264</b> | <b>7,569</b> | <b>8,573</b> | <b>10,786</b> | <b>29,192</b>  |
| <b>Movement from FR1</b>                     |              |              |              |               |                |
| <b>Increase / (reduction)</b>                | <b>(346)</b> | <b>(143)</b> | <b>(288)</b> | <b>(370)</b>  | <b>(1,147)</b> |

- 21 In order to alleviate the revenue pressure from external borrowing further immediate reductions in capital spend are required. This will reduce the related revenue impact of interest costs and Minimum Revenue Provision (MRP) both of which are charged to revenue through the Capital Financing Budget (CFB). The council must aim to optimise use of all other available sources to fund our capital programme and must minimise the use of borrowing to reduce the pressures on the revenue budget. We have also commissioned an external review of our balance sheet with our Treasury Management advisors to review our borrowing strategy.
- 22 The current forecast for achievable capital receipts in year is £2.5m, with a further £0.6m to £1.5m also achievable in year (to be updated at FR3). These receipts can be used to reduce revenue pressures from borrowing in year or could be used to assist with funding of transformation activity.
- 23 Due to the long-term nature of capital investment the revenue implications of decisions taken by the council now will extend well beyond the term of the current year and into the medium term.
- 24 In the review of the capital programme the long-term capital repayment commitments (MRP) are the initial area of focus. Reducing the annual MRP associated with any new borrowing on a scheme-by-scheme basis is a priority. There will be a secondary impact of reducing forecast interest which will also reduce the effect on the revenue account, but it is the reduction in new borrowing and new commitment to long term capital repayments that will allow the programme to remain affordable and sustainable.
- 25 Reductions in borrowing can be achieved through:
- (a) Reduce, delay or remove schemes funded by borrowing;
  - (b) Focus on existing contractual commitments, fulfilling statutory services and public safety requirements;
  - (c) Prioritise the capital projects that will have most beneficial impact on the revenue budget in the medium term;
  - (d) Remove forward funding;



(e) Reprioritise use of grants and apply appropriate S106 contributions to schemes.

- 26 The Strategic Finance Management Board leads on a number of key tasks to urgently reduce spend and identify additional savings, including:
- Line-by-line reviews of all budgets to further identify immediately any underspends and/or additional funding;
  - Stop any non-essential spend;
  - Actively manage vacancies, particularly agency usage and reduce any overspends on staffing as soon as possible;
  - Review of Section 106 legacy budgets, the effects of which are partly reflected in the FR2 forecast outturn as a one-off contribution to reserves (to be further updated at FR3);
  - Review of capital receipts available and potential surplus assets that can be sold (for best consideration);
  - Identification of any other areas of discretionary spend including grants awarded, where spend can be reduced or stopped;
  - Review Debt management/overall level of bad debt provision – work undertaken to date, focussing on the Adult Social Care bad debt provision, has identified through adopting a new approach to reviewing and monitoring these debts, an improvement (reduction) of the Council’s bad debt provision of £0.8m, further work is ongoing and will be updated at FR3.

### **Overall mitigations planned to manage pressures**

- 27 The Strategic Finance Management Board is leading on a number of key tasks to urgently reduce spend and identify additional savings as noted above.
- 28 In addition, any directorate that is identified as being off target by more than 5% is now subject to a detailed finance and performance review on a weekly basis through a financial recovery review process. This includes a detailed action plan, identifying what can be done to sustainably reduce the pressure and gaining assurance over the management of those actions to deliver improved financial outturns. This process has been put in place for Adults Services and Children and Families and is being chaired by the S151 Officer.
- 29 As reported in paragraphs 35-57 below, work is underway across all Services to look at mitigating actions which can be taken to reduce the forecast position in-year, some of the actions below having contributed to the £6.5m improvement from FR1 position, including:

- Adults - more certainty about the FR2 projections and the delivery of in-year mitigations, including a reduction in the forecast number of placements in-year.
- Children & Families – reviewing costs of placements, establishment reviews, Reunification of children, and Work on Edge of Care Service proposals to identify early intervention and cost reduction.
- Place Services – mitigations in year through further vacancy management, reducing expenditure and maximising funding opportunities.
- Corporate – Vacancy management and some additional income.
- Finance Sub – S106 and bad debt reviews generating one-off in year contributions to assist in reducing the in year overspend and review/reset process moving forward.

30 Paragraphs 57-59 below provides a summary overview of the forecast against the approved 2024/25 budget change items, including RAG rating. In addition, there is further detail per change item with accompanying commentary, as reviewed by the Council's Corporate Leadership Team, in respect of each item within **Annex 1, Section 2**.

### 31 **Annex 1: Detailed Second Financial Review 2024/25**

- **Section 1** 2024/25 Forecast Outturn
- **Section 2** 2024/25 Approved Budget Change Items
- **Section 3** Revenue Grants for approval
- **Section 4** Capital
- **Section 5** Reserves
- **Section 6** Treasury Management

#### RECOMMENDATIONS

The Corporate Policy Committee to:

1. Review the factors leading to a forecast adverse Net Revenue financial pressure of £20.1m against a revised budget of £395.4m (5.1%). To scrutinise the contents of **Annex 1, Section 2** and review progress on the delivery of the MTFS approved budget policy change items, the RAG ratings and latest forecasts, and to understand the actions to be taken to address any adverse variances from the approved budget.
2. Review the in-year forecast capital spending of £157.7m against an approved MTFS budget of £215.8m, due to slippage that has been re-profiled into future years.
3. Note the available reserves position as per **Annex 1, Section 5**.

4. Note the Supplementary Capital Estimates to be approved by Council as per **Annex 1, Section 4, Table 5**

## Background

- 32 This single view of the financial picture of the Council provides the overall financial context.
- 33 The management structure of the Council is organised into four directorates: Adults, Health and Integration; Children's Services; Place; and Corporate Services. The Council's reporting structure provides forecasts of a potential year-end outturn within each directorate during the year, as well as highlighting activity carried out in support of each outcome contained within the Corporate Plan. Budget holders are responsible for ensuring they manage their resources in line with the objectives of the Council and within the approved budget.
- 34 For the purposes of each committee, these directorate budgets are aligned to a specific committee and the appendices to this report provides information at a level that the committee should have the ability to be able to scrutinise what is causing any variations in budget and appropriate actions to bring the council back into line in terms of managing its resources.

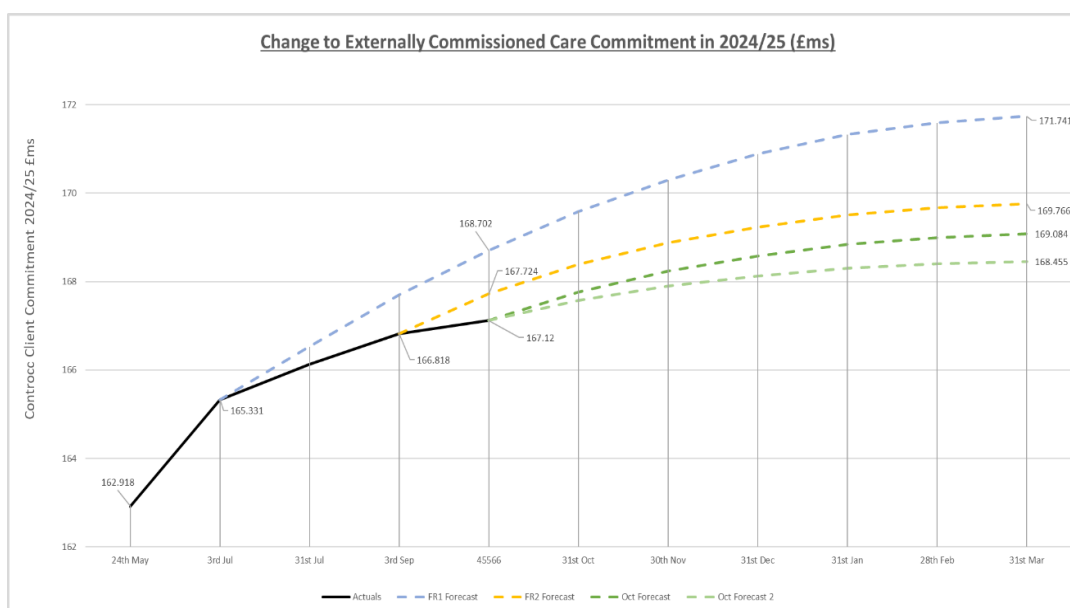
## Key issues causing the pressures

- 35 There are a number of key issues causing the forecast revenue overspend, including:
- Ongoing adverse effects of the extended period of high inflation and interest rates;
  - Continued increasing demand and complexity of care beyond the levels that had been previously identified;
  - Increase in staff costs, including use of agency staff and impact of National Living Wage which also impacts on our third party commissioned contracts;
  - Increased borrowing costs associated with the unfunded Dedicated Schools Grant (DSG) deficit;
  - Non delivery of some previously agreed savings and/or income targets;
  - The financial impact of investment in transformation and improvement activity over the medium term.

## Specific commentary on the forecast outturn position by Committee

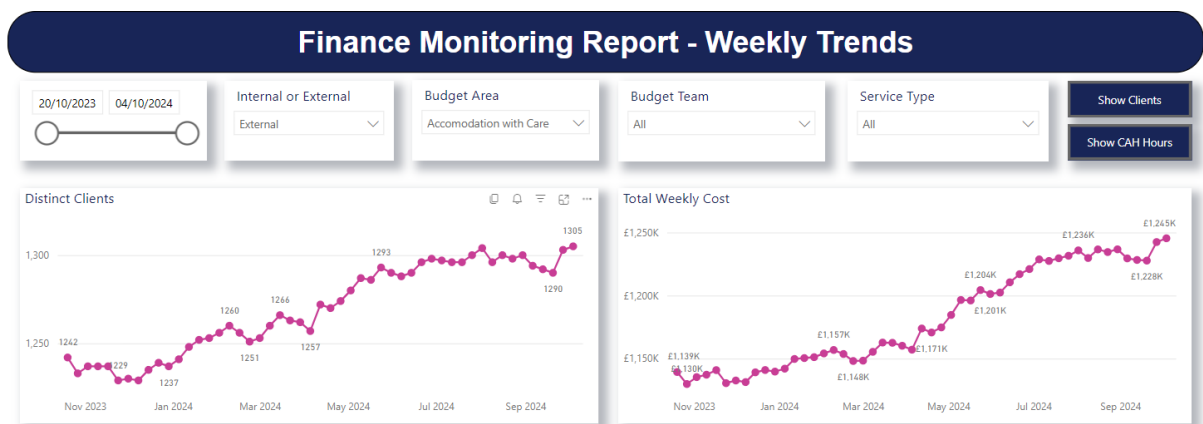
### Adults and Health adverse variance of £20.7m

- 36 The Adults, Health and Integration budget is forecast to overspend by £20.7m. The £20.7m is primarily driven by an overspend of £22.5m linked to care costs and pressures on staffing of £3.1m. These pressures are reduced by a favourable variance in client income of £3.8m, and other mitigations totalling £1.1m. The key drivers of forecast expenditure remain price increases, staff costs and increase in complexity.
- 37 Although the forecast has not changed since FR1 there is more certainty about the projections and the delivery of in-year mitigations, including a reduction in the forecast number of placements in-year as shown in the graph below.

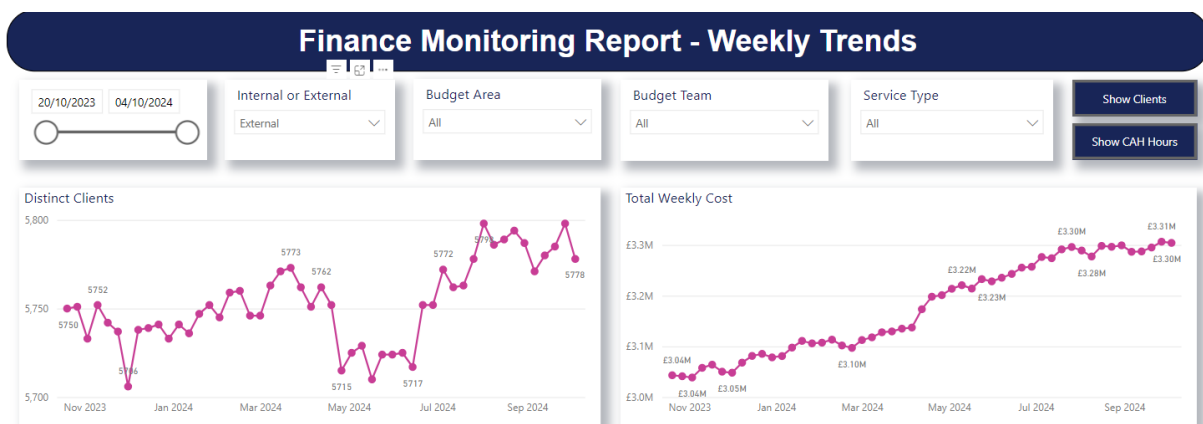


- 38 As noted previously the key driver of expenditure in adult social care is the number of people in receipt of care and the cost of each individual's care. The forecast has stabilised because we believe we will make fewer new placements in the second half of the year than we made in the first half of the year.
- 39 There is close alignment between the work being undertaken to manage budget pressures and the transformation plan. There will be some impact in-year including in respect of pricing, the focus on the review of supported living services, and services to support people at home. However, there are also risks including the reduction in the number of agency staff which has led to an increase in waiting times for services and disputes with providers in respect of price increases.

## Residential and Nursing placements for 65+



## All Service Users in Adults services



## Children and Families adverse variance of £5.4m

- 40 At the end of the last financial year the outturn for Children and Families was an overspend of £8.2m. The Medium-Term Financial Strategy included growth to address the pressures that were emerging throughout 2023/24. The costs of children's social care are a concern for many local authorities and not unique to Cheshire East. The Second Financial Review for 2024/25 reflects a £5.4m in-year pressure.

The key pressure areas for the directorate include:

- 41 Children's social care placements (£2.6m adverse variance) where the complexity of children in care has continued to increase and the number of children in care has increased from 528 at April 2024 to 555 at October

2024 (compared to a decrease from 586 at April 2023 to 573 at June 2023). Placement costs are increasing by significantly more than inflation and more than was projected for growth in-year.

- 42 The use and cost of agency staff in children's social care to cover vacancies, sick absence, and maternity leave.
- 43 The number of staff is greater than the planned establishment to ensure we are able to meet our statutory needs. Work is underway to ensure the staffing structure is suitably funded and factored into the MTFS for 2025/26.
- 44 Home to school transport costs (£0.3m adverse variance) – where a mix of increasing numbers of pupils with an education, health and care plan (EHCP), and increasing fuel costs have seen overall costs rise.
- 45 Schools Catering (£0.5m adverse variance) – where the costs of the service are above the current charged income level and base budget.
- 46 Work is underway in the services to look at mitigating actions which can be taken to reduce this forecast position in-year, and these pressures will be considered as part of the developing MTFS for 2025/26. These include:
  - Reviewing costs of placements as more detailed reviews are underway focusing on the expected length that some placements may need to be in place for;
  - Staffing establishment reviews now scheduled on a 6 weekly basis including a review of agency staff and alternative working;
  - Reunification children to be identified with targeted work in place for individual cases;
  - Tracking of similar spend across teams to be held in the same place as residential and supported accommodation spend to increase overall grip and understanding;
  - Work on Edge of Care Service proposals to identify early intervention that may reduce admissions and costs.

### **Dedicated School Grant (DSG)**

- 47 The key pressure on DSG relates to the high needs block where the SEND service continues to see a significant increase in the number of pupils with an EHCPs, and the associated school placement costs.
- 48 This has placed pressure on the grant used to provide funding for children with SEND in various settings and led to a £31.7m deficit in 2023/24. This adds on to the brought forward deficit of £46.9m to take the DSG Reserve to a £78.6m deficit position at the end of 2023/24.
- 49 This is an improvement on the budget gap as determined by the Council's DSG Management Plan that was reported to Children and Families



Committee in April 2024 and set out the planned expenditure and income on high needs over the medium term.

- 50 The current forecast is showing an in-year deficit of £41.5m which would increase the overall deficit to £120.1m.

### **Corporate Policy adverse variance of £2.4m**

- 51 The Corporate Services Directorate has a net budget of £41.7m. At Second Finance Review (FR2), the budget is forecast to overspend by £2.4m compared to a £23,000 overspend at First Finance Review (FR1). The main reason for this change is that the forecast cost of the Transformation Programme (£2.8m) has now been included within Corporate Services. Without this, the forecast would be a £0.5m underspend. It also must be noted that, following a recent review of staffing establishments, there are pending staffing budgets realignments to be actioned which will change individual service forecasts but not the overall figure for Corporate Services. There is a compensating underspend in central budgets reflecting the way in which this transformation work is being funded.
- Vacancy management in Corporate Services has resulted in the majority of services forecast an underspend on staffing budgets totalling £2.1m (£2m at FR1);
  - Vacancy management has been combined with tighter control on non-pay spending across all services which is achieving a forecast underspend of £0.7m; and
  - additional income of £0.3m is forecast in the Registrations Service.
  - However, these underspends have been offset by the following:
  - forecast spend of £2.8m on the Transformation Programme. The cost of the programme will be met from reserves or use of flexible capital receipts, the financial impact of these are shown elsewhere in the accounts;
  - a forecast £1.3m under-recovery of Rent Allowances;
  - a forecast overspend of £0.4m on the Transactional Service Centre (TSC), hosted by Cheshire West and Chester, mainly due to the additional costs of the stabilisation programme which has been put in place to improve the performance of the service and recognises the need to change the way in which Unit4 is used. This was an issue highlighted in the Corporate Peer Review that needs significant attention;
  - a £0.5m shortfall in charging staff time to capital projects within ICT Strategy. This partially offsets savings from vacancy management within ICT Strategy included in the vacancy management figure above, and a forecast balanced position in ICT Shared Service - this is an improvement over the £0.1m overspend due to lower than budgeted project income and schools recharge income reported at FR1;

- There is a forecast overspend of £0.3m (£0.4m at FR1) in Accountancy mainly due to additional costs including Bank Charges and External Audit fees; and
- a staff budget pressure of £0.1m across Corporate Services relating to the estimated impact of the latest pay award offer versus the amount included in the MTFS.

### **Place Directorate favourable variance of £4.0m**

- 52 Overall, the Place Directorate is forecasting an underspend of £4m at the second Financial Review stage against a £92.5m budget. Pressures from reducing planning application income (£0.5m), increased waste collection and disposal costs (£0.7m) and yet to be secured savings against leisure (£0.2m) have been mitigated through further vacancy management, reducing expenditure and maximising funding opportunities.

### **Economy & Growth favourable variance of £3.3m**

- 53 Growth and Enterprise Directorate and Place Directorate are forecasting an underspend of £3.3m against a net budget of £28.1m which is a £0.7m improvement on the FR1 position. The key reasons for the underspend are:
- Facilities Management: there is a £1.9m underspend forecast. This includes pressures against maintenance budgets of £0.5m (additional pressures and delivery of savings), costs of workplace initiatives and equipment of £0.5m, the transfer of underspends to offset Place MTFS targets across the Directorate £0.6m and these have been offset by:
    - Savings against gas and electricity compared to much higher budgeted costs £3.1m.
    - Business rates underspend of £0.1m due to revaluations and appeals.
    - Underspends from vacancy management £0.3m.
  - Economic Development: £0.3m underspend from vacancy management, reduced supplies £0.1m and increased income £0.1m.
  - Housing: £0.5m underspend from vacancies and extra grant funding.
  - Green infrastructure and Cultural Economy £0.4m due to vacancies.

### **Environment & Communities favourable variance of £0.1m**

- 54 Environment and Neighbourhood Services is forecasting an underspend of £0.1m against a net budget of £48.4m. This is a £0.7m improvement from FR1. The key reasons for the forecasting underspend are:

- Development Management: £0.4m overspend reflecting pressures from a shortfall in income from planning applications £0.5m and pressures on supplies and services of £0.1m. These are offset by vacancy management £0.1m and funding the one-off costs of the new planning system £0.1m from reserves.
- Environmental – Commissioning: ANSA reporting a £0.1m overspend overall including pressures from the ANSA contract of net £0.2m and Cheshire East pressures from recycling costs of £0.4m. These are being offset by the use of the ASDV reserve of £0.5m.
- Libraries: £0.1m overspend including pressures of £0.5m from the delivery of the MTFS savings which is offset by £0.3m vacancy management and £0.1m underspend from MTFS growth for exploring a charitable trust model. This is an improvement of £0.1m since the FR1 position due to additional vacancies.
- Leisure Commissioning: £0.2m overspend (delivery of MTFS savings) unchanged from FR1.
- Other service issues: £0.9m underspend, which is an improvement of £0.1m on the FR1 position:
  - Building Control: £0.2m underspend (£0.2m building control offset by £0.4m vacancies).
  - Local Land Charges and Planning Support: £0.2m underspend from vacancies.
  - Strategic Planning: £0.3m (£0.1m vacancy management plus £0.2m delayed Local Plan costs).
  - Regulatory Services: £0.2m (£0.3m vacancies offset by £0.1m CCTV costs).

### **Highways & Transport favourable variance of £0.6m**

55 Highways & Infrastructure are forecasting an underspend of £0.6m against a net budget of £16m. The key reasons for the underspend are:

- Car Parking: £0.4m underspend through vacancies of £0.1m and increased income of £0.3m.
- Strategic Transport: £0.1m underspend from vacancies.
- Rail and Transport Integration: £0.1m underspend from vacancies.

### **Finance Sub favourable variance of £4.5m**

56 Finance Sub Committee are reporting a positive variance of £4.5m against a revised net budget of £30.0m.

- Financing and Investment £0.3m net pressure reflecting £1.4m increased cost of interest payments on borrowing offset by £1.1m increased interest receipts from investments.
- Reserves use of £3.5m (net change from MTFS) reflects £0.5m additional Flexible Capital Receipts offset by £1m reduction in available Capital Financing Reserve at outturn compared to forecast balance reflected in the February 2024 MTFS. There is also an additional £4m use of the General Fund reserve forecast to fund transformation activities.
- There is a further £1.2m positive variance as a result of in year reviews of S106 balances/schemes and bad debt. The S106 Review identifying a one off contribution in year where work has been completed in prior years but has not been reflected in transferring money from S106 into the general fund, £0.5m initially reflected at FR2 with potential for further increased contributions at FR3; £0.8m reduction in the Adult Social Care bad debt provision, as referred to in para 74 below.

### Progress on delivery of the 2024/25 approved budget change items

- 57 Table 5 presents a summary of the progress on the delivery of the 2024/25 approved budget change items. For items rated as Amber these are for items where there are risks and/or mitigating actions in place. For items rated as red these are for items where services are projecting an adverse variance and there is risk of in year non delivery/achievement. New mitigation items have also been included that have come forward since the approval of the MTFS to help the in-year position where identified.
- 58 As the green and blue columns show, £21.5m of the budget change items are either delivered or on track to be delivered or even exceed in some cases. However, there is also a pressure of £59.3m as shown in the red column that has a high risk of not being achieved within this financial year. There are new in year mitigations of £16.8m, unrelated to the change item rows that has been identified to assist the outturn position. The table below summarises the progress by Committee:

**Table 5: Summary of the progress on the delivery of the 2024/25 approved budget change items**

| Committee                 | Approved Change Budget<br>£'000 | Forecast Outturn<br>£'000 | Completed<br>£'000 | Could Exceed<br>£'000 | Green<br>£'000 | Amber<br>£'000 | Red<br>£'000  | Mitigations<br>£'000 |
|---------------------------|---------------------------------|---------------------------|--------------------|-----------------------|----------------|----------------|---------------|----------------------|
| Adults & Health           | 1,136                           | 21,900                    | -2,723             | 0                     | -9,482         | 0              | 37,468        | -3,363               |
| Children & Families       | 9,909                           | 15,311                    | 922                | 0                     | -856           | 273            | 15,751        | -779                 |
| Corporate Policy          | 489                             | 2,866                     | -173               | 0                     | 2,013          | 0              | 1,581         | -555                 |
| Economy & Growth          | 3,316                           | 41                        | -61                | 0                     | 3,861          | 38             | 690           | -4,487               |
| Environment & Communities | -52                             | -178                      | -2,220             | -1,480                | 3,273          | -1,523         | 3,510         | -1,738               |
| Finance Sub               | -19,667                         | -24,082                   | 600                | 0                     | -19,348        | 0              | 0             | -5,334               |
| Highways & Transport      | 4,869                           | 4,267                     | 2,488              | 0                     | 1,700          | 305            | 328           | -554                 |
| <b>TOTAL</b>              | <b>-</b>                        | <b>20,124</b>             | <b>-1,167</b>      | <b>-1,480</b>         | <b>-18,839</b> | <b>-907</b>    | <b>59,328</b> | <b>-16,811</b>       |

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- 59 A complete list of all approved budget change items, with progress noted against each item, can be found in **Annex 1, Section 2**.

### Revenue Grants for Approval

- 60 Approvals for Supplementary Revenue Estimates for allocation of additional grant funding are detailed in **Annex 1, Section 3**.

### Reserves Position

- 61 On 1 April 2024, Earmarked Reserves totalled £32.278m and the General Fund Reserve Balance totalled £5.580m. Of the total earmarked reserves, more than £22m (70.5%) will be spent in 2024/25, on supporting the revenue budget for 2024/25.
- 62 Table 6 and 7 shows the forecast level of Earmarked and General reserves by the end of 2024/25.

**Table 6: Earmarked Reserves**

| Earmarked Reserves by Committee | Opening Balance<br>01 April 2024<br>£000 | Drawdowns to General Fund<br>£000 | Approved Movement Forecast<br>£000 | Additional Drawdown Requests*<br>£000 | Closing Balance Forecast<br>31 March 2025<br>£000 |
|---------------------------------|--|-----------------------------------|------------------------------------|---------------------------------------|---|
| Adults and Health               | 5,226                                    | (2,795)                           | (110)                              | 0                                     | 2,321   |
| Children and Families           | 1,724                                    | 0                                 | (1,593)                            | (131)                                 | 0   |
| Corporate Policy                | 20,773                                   | (6,551)                           | (2,830)                            | (4,545)                               | 6,847   |
| Economy and Growth              | 2,777                                    | (662)                             | (1,004)                            | (765)                                 | 346   |
| Environment and Communities     | 870                                      | (390)                             | (402)                              | (78)                                  | 0   |
| Highways and Transport          | 908                                      | (205)                             | (415)                              | (288)                                 | 0   |
| <b>EARMARKED RESERVES TOTAL</b> | <b>32,278</b>                            | <b>(10,603)</b>                   | <b>(6,354)</b>                     | <b>(5,807)</b>                        | <b>9,514</b>                                      |

\* All 'Additional Drawdown Requests' are subject to approval.

\* Total excludes schools' balances

**Table 7: General Fund Reserve**

| General Fund Reserve              | Opening Balance<br>01 April 2024<br>£000 | Drawdowns to General Fund<br>£000 | Approved Movement Forecast | Additional Forecast Movement<br>£000 | Closing Balance Forecast<br>31 March 2025<br>£000 |
|-----------------------------------|--|-----------------------------------|----------------------------|--------------------------------------|---|
| General Fund Reserve              | 5,580                                    | (1,051)                           | 0                          | (4,043)                              | 486   |
| <b>GENERAL FUND RESERVE TOTAL</b> | <b>5,580</b>                             | <b>(1,051)</b>                    | <b>0</b>                   | <b>(4,043)</b>                       | <b>486</b>  |

- 63 At FR1 stage the closing balance at 31 March 2025 in the Council's General Fund Reserve was forecast to be £4.5m. However, at the FR2 stage, a

further £4m transformational spend has been included within the service forecasts which will be funded from General reserves, reducing the forecast balance to £0.5m. If it is possible to identify additional capital receipts these could potentially be used to capitalise this expenditure and this will remain an area that is under review.

- 64 The Council is currently forecast to have £9.534m of earmarked reserves at the end of the financial year 2024/25. Of this £2.279m can be considered ringfenced, with specific conditions limiting their use.
- 65 A full list of all earmarked reserves can be found in **Annex 1, Section 5**.

### **Dedicated Schools Grant Reserve**

- 66 The Dedicated Schools Grant (DSG) is ring-fenced funding received for: schools; high needs / special educational needs; and early years provision. In recent years there has been a pressure on the DSG high needs block where funding has not kept pace with the increasing numbers and cost of children with an Education, Health and Care Plan. This has created a deficit DSG reserve balance which is held in an unusable reserve.
- 67 The on-going pressure is regularly reviewed; at the end of 2023/24 the deficit was £78.6m and this is forecast to increase by £41.5m by the end of 2024/25. This is an improvement on the Council's DSG Management Plan approved in April 2024, which sets out the planned expenditure and income on high needs over the medium term. The DSG Management Plan is currently being updated and will be reported to Committee on completion.

**Table 8: Dedicated Schools Grant**

| <b>Dedicated Schools Grant Deficit</b>  | <b>£m</b>    |
|---|--------------|
| Deficit Balance Brought forward         | <b>78.6</b>  |
| Additional In-year Pressures            | <b>41.5</b>  |
| <b>Deficit Balance at 31 March 2025</b> | <b>120.1</b> |

### **Debt**

- 68 Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates). The balance of outstanding debt at 30<sup>th</sup> September 2024 has increased by £0.516m since FR1 (end of July 2024).
- 69 Annually, the Council raises invoices with a total value of over £80m. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including Highways, Property Services, Licensing and Building Control.
- 70 The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice

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and assistance in all aspects of debt management, including facilitating access to debt collection services (currently provided by Bristow & Sutor).

- 71 After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of September 2024 was £17.8m.
- 72 The total amount of service debt over six months old is £10.5m; split as £9m of Adult Social Care debt and £1.5m of Sundry Debt. A provision of £6.8m was made at year ended 31st March 2024 to cover doubtful debt in the event that it needs to be written off. There is an ongoing in year review of the Bad Debt provision which has to date focussed on Adult Social Care debt, has identified a forecast £0.8m reduction in the provision in 2024/25, reflected in the FR2 position.
- 73 The level of Adult Social Care debt can fluctuate depending on when in the month the snapshot is taken, for example if it is before or after the Direct Debit income is received and allocated. The debt also has different levels of risk depending on the type of debt. For example, around £3.5m is linked to deferred arrangements which is debt that is secured on property or assets, and therefore carries a low risk. There is also around £5m of debt which is deemed to be lower risk as its linked to areas such as probate, property sales or deputyship. As noted above, the current review of Debt provision for Adult Social Care has identified an £0.8m reduction in the ASC debt provision having reviewed the provision process across the 3 main categories of ASC all of which have distinct provision calculations. Further work is ongoing and will extend to wider Council debt throughout the review.
- 74 The Highways position for outstanding debt is consistent throughout the year. The debt is generally made up of three elements: the movement of funds from Cheshire West and Chester Council and Warrington Borough Council in relation to the Cheshire Road Safety Group (these are settled quickly); third party claims for damage to the highway; and permit fees. The third party claims are often paid in instalments.

The previous outturn positions are:

- 31 March 2024 Outstanding debt £1.6m, over 6 months old £0.7m.
  - 31 March 2023 Outstanding debt £1m, over 6 months old £0.5m
- 74 The Council has robust processes in place to ensure that all outstanding debt is chased up (where commercially viable) and, where necessary, payment plans are put in place with advice from Legal Services.

**Table 9 – Debt Summary as at 30<sup>th</sup> September 2024**

|  | Outstanding Debt £000 |               |                       | Over 6 months old £000 |               |                       |
|--|-----------------------|---------------|-----------------------|------------------------|---------------|-----------------------|
|  | FR1                   | FR2           | Increase / (Decrease) | FR1                    | FR2           | Increase / (Decrease) |
| <b>Adults and Health Committee</b>           |                       |               |                       |                        |               |                       |
| Adults, Public Health and Communities        | 14,534                | 14,967        | 433                   | 9,091                  | 9,060         | (31)                  |
| <b>Children and Families Committee</b>       |                       |               |                       |                        |               |                       |
| Children's Social Care (Incl. Directorate)   | 182                   | 189           | 8                     | 14                     | -             | (14)                  |
| Prevention and Early Help                    | 72                    | 69            | (3)                   | (7)                    | (7)           | -                     |
| Schools                                      | 22                    | 17            | (5)                   | 2                      | 2             | 0                     |
| <b>Highways and Transport Committee</b>      |                       |               |                       |                        |               |                       |
| Highways and Infrastructure                  | 1,189                 | 1,115         | (75)                  | 751                    | 760           | 9                     |
| <b>Economy and Growth Committee</b>          |                       |               |                       |                        |               |                       |
| Growth and Enterprise                        | 704                   | 740           | 37                    | 393                    | 394           | 0                     |
| <b>Environment and Communities Committee</b> |                       |               |                       |                        |               |                       |
| Environment and Neighbourhood Services       | 355                   | 398           | 43                    | 209                    | 215           | 7                     |
| <b>Corporate Policy Committee</b>            |                       |               |                       |                        |               |                       |
| Finance and Customer Services                | 109                   | 135           | 25                    | 73                     | 69            | (3)                   |
| Governance and Compliance                    | 37                    | (1)           | (37)                  | -                      | -             | -                     |
| Human Resources                              | 8                     | -             | (8)                   | 1                      | -             | (1)                   |
| ICT  | 119                   | 217           | 98                    | 1                      | 2             | 2                     |
| <b>Total</b>                                 | <b>17,331</b>         | <b>17,846</b> | <b>516</b>            | <b>10,527</b>          | <b>10,496</b> | <b>(31)</b>           |

## Council Tax and Business Rates

### Council Tax

- 75 **Table 10** details each precepting authorities share of the budgeted collectable rates income.

| <b>Table 10</b>                               | <b>Band D</b>   | <b>Collectable</b> |
|---|-----------------|--------------------|
| <b>Share of Council Tax Collectable Rates</b> | <b>Charge</b>   | <b>Rates</b>       |
|   |                 | <b>£m</b>          |
| <b>Cheshire East Council</b>                  | <b>1,792.59</b> | <b>287.1</b>       |
| Town and Parish Councils                      | 71.57           | 11.5               |
| Cheshire Police and Crime Commissioner        | 262.94          | 42.1               |
| Cheshire Fire Authority                       | 90.09           | 14.4               |
| <b>Total</b>                                  | <b>2,217.19</b> | <b>355.1</b>       |

- 76 The collectable rates valuation is based on the assumption that of the total amount billed, at least 99% will be collected. **Table 11** demonstrates that, excluding a slight reduction during the Covid-19 pandemic, the target to collect at least 99% of Council Tax within three years continues to be achieved.

| <b>Table 11</b>                     | <b>2020/21</b> | <b>2021/22</b> | <b>2022/23</b> | <b>2023/24</b> | <b>2024/25</b> |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Council Tax Collection Rates</b> | <b>%</b>       | <b>%</b>       | <b>%</b>       | <b>%</b>       | <b>%</b>       |
| After 1 year                        | 97.4           | 97.8           | 98.2           | 98.0           | *55.58         |
| After 2 years                       | 98.6           | 98.5           | 98.8           | **             | **             |
| After 3 years                       | 98.9           | 99.0           | **             | **             | **             |

\* 2024/25 rate is up to 30<sup>th</sup> September 2024.

\*\* Data is not yet available.

- 77 After accounting adjustments, the Council Tax Collection Fund is forecasting a £0.080m surplus for 2024/25, of which, £0.067m is attributable to Cheshire East Council. This surplus will be paid out in 2025/26 and will be held in the Collection Fund Earmarked Reserve until such time.

### Non-Domestic Rates (NDR)

- 78 Collectable rates are distributed between Cheshire East Council (49%), Cheshire Fire Authority (1%), and Central Government (50%).
- 79 Non-domestic Rates valuations for 2024/25 were set out in the NNDR1 return to Central Government in January 2024. Any variance to this forecast is included in the following years' NNDR1 return and any gain or loss will be recovered in 2025/26. The total Net Rates Payable into the Collection Fund was forecast at £155.7m.
- 80 **Table 12** demonstrates that the target to collect at least 99% of Non-Domestic Rates within three years continues to be achieved.

| <b>Table 12<br/>Non-Domestic<br/>Collection<br/>Rates</b> | <b>2020/21<br/>%</b> | <b>2021/22<br/>%</b> | <b>2022/23<br/>%</b> | <b>2023/24<br/>%</b> | <b>2024/25<br/>%</b> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| After 1 year  | 92.4                 | 95.6                 | 98.2                 | 97.7                 | *56.43               |
| After 2 years   | 97.4                 | 98.3                 | 98.8                 | **                   | **                   |
| After 3 years   | 99.0                 | 99.2                 | **                   | **                   | **                   |

\* 2024/25 rate is up to 30<sup>th</sup> September 2024.

\*\* Data is not yet available.

- 81 After accounting adjustments, the Non-Domestic Rates Collection Fund is forecasting a £2.1m deficit for 2024/25, of which, £1.0m is attributable to Cheshire East Council. This deficit will be repayable in 2025/26 and will be managed through the Collection Fund Earmarked Reserve.

### Treasury Management Strategy update

- 82 Treasury Management income to 30 September 2024 is £1.5m which is higher than the budgeted £0.9m. However, borrowing costs are also higher than budgeted at £9.2m compared to budget of £8m. This is caused by a combination of increasing interest rates with an increased borrowing requirement. From the projected cash flows for the remainder of 2024/25 the net additional financing costs (borrowing less investment interest) is expected to be £0.7m in excess of that budgeted.
- 83 Interest rates have seen substantial rises over the last two years which has significantly increased the cost of borrowing. The expectation is that borrowing costs will start to fall although market uncertainty and tightening liquidity in the markets suggests we will not benefit from lower rates until 2025/26.

- 84 At the moment, cash shortfalls are generally being met by temporary borrowing from other local authorities which for a number of years has been considerably cheaper than other sources of borrowing and allowed the Council to keep financing costs low. The cost of these loans is currently relatively high compared with longer term loans but interest forecasts suggest it is still the cheaper option in the long term. However, liquidity risk remains an issue as funds become more scarce towards year end and the request to the Government for exceptional financial support has raised credit worthiness concerns with some lenders. To reduce liquidity risk and any potential credit related penalisation on interest costs, consideration is being given to taking more longer term PWLB loans.
- 85 The cost of short term borrowing for the first six months of 2024/25 is 5.45% which is an increase from 4.82% in 2023/24. These costs are now expected to reduce as the outlook is for reducing interest rates.

## **Investment Strategy**

- 86 There have not been any material changes to the Investment Strategy since that reported at Final Outturn 2023/24, see link [Final Outturn 2023-24 Annex 1.pdf \(cheshireeast.gov.uk\)](#)

## **Consultation and Engagement**

- 87 As part of the budget setting process the Pre-Budget Consultation provided an opportunity for interested parties to review and comment on the Council's Budget proposals. The budget proposals described in the consultation document were Council wide proposals and that consultation was invited on the broad budget proposals. Where the implications of individual proposals were much wider for individuals affected by each proposal, further full and proper consultation was undertaken with people who would potentially be affected by individual budget proposals.

## **Reasons for Recommendations**

- 88 The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The budget and policy framework sets out rules for managing the Council's financial affairs and contains the financial limits that apply in various parts of the Constitution. As part of sound financial management and to comply with the constitution any changes to the budgets agreed by Council in the MTFS require approval in line with the financial limits within the Finance Procedure Rules.
-

- 89 This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring and management processes for financial and non-financial management of resources.

### **Other Options Considered**

- 90 None. This report is important to ensure Members of the Committee are sighted on the financial pressure the Council is facing and the activity to date to try and mitigate this issue and are given an opportunity to scrutinise this activity and identify any further actions that could be taken to learn to live within our means Do nothing. Impact – Members are not updated on the financial position of the Council. Risks – Not abiding by the Constitution to provide regular reports.

### **Implications and Comments**

#### *Monitoring Officer/Legal*

- 91 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget and require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 92 The provisions of section 25 of the Local Government Act 2003, require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
- 93 The Council should therefore have robust processes in place so that it can meet statutory requirements and fulfil its fiduciary duty. It must ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans. Local authorities are creatures of statute and are regulated through the legislative regime and whilst they have in more recent times been given a general power of competence, this must operate within that regime. Within the statutory framework there are specific obligations placed upon a local authority to support communities. These duties encompass general and specific duties and there is often significant local discretion in respect of how
-

those services or duties are discharged. These will need to be assessed and advised on as each circumstance is considered.

- 94 The financial position of the Council must therefore be closely monitored, and Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings or alternative mitigations.
- 95 This report provides an update on progress for 2024/25 for all services.
- 96 It also provides updates and comments regarding the Council's request for Exceptional Financial Support under The Levelling-up and Regeneration Act 2023 which inserted an amended Section 12A as a trigger event within the Local Government Act 2003, in relation to capital finance risk management. The legislation also provides for risk mitigation directions to be given to the Council which limit the ability to undertake certain financial action. The limitations are based on identified risk thresholds.

#### *Section 151 Officer/Finance*

- 97 The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
  - 98 Reserve levels are agreed, by Council, in February each year and are based on a risk assessment that considers the financial challenges facing the Council. If spending associated with in-year delivery of services is not contained within original forecasts for such activity it may be necessary to vire funds from reserves.
  - 99 The unplanned use of financial reserves could require the Council to deliver a greater level of future savings to replenish reserve balances and / or revise the level of risks associated with the development of the Reserves Strategy in future.
  - 100 As part of the process to produce this report, senior officers review expenditure and income across all services to support the development of mitigation plans that will return the outturn to a balanced position at year-end.
-



- 101 Forecasts contained within this review provide important information in the process of developing the Medium-Term Financial Strategy. Analysis of variances during the year will identify whether such performance is likely to continue, and this enables more robust estimates to be established.
- 102 The risk associated with the scale of these challenges is that the Council could act illegally, triggering the requirement for a s.114 report from the Chief Financial Officer. Illegal behaviour in this context could materialise from two distinct sources:
- i) Spending decisions could be made that exceed the available resources of the Council. This would unbalance the budget, which is unlawful.
  - ii) Spending decisions to restrict or hide pressures could be made that avoid an immediate deficit, but in fact are based on unlawful activity.
- 103 The consequences of the Council undermining a budget with illegal activity, or planned illegal activity, is the requirement to issue a s.114 report. Under these circumstances statutory services will continue and existing contracts and commitments must be honoured. But any spending that is not essential or which can be postponed must not take place.
- 104 Further consequences would be highly likely and could include the appointment of Commissioners from the MHCLG, and potential restrictions on the decision-making powers of local leaders.

### *Policy*

- 105 This report is a backward look at Council activities and predicts the year-end position. It supports the Corporate Plan aim Open and priority to be an open and enabling organisation.
- 106 The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2025 to 2029 Medium-Term Financial Strategy.
- 107 The approval of supplementary estimates and virements are governed by the Finance Procedure Rules section of the Constitution.

### *Equality, Diversity and Inclusion*

- 108 Any equality implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.
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*Human Resources*

- 109 This report is a backward look at Council activities at outturn and states the year end position. Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

*Risk Management*

- 110 Financial risks are assessed and reported on a regular basis, and remedial action taken if required. Risks associated with the achievement of the 2023/24 budget and the level of general reserves were factored into the 2024/25 financial scenario, budget, and reserves strategy.

*Rural Communities*

- 111 The report provides details of service provision across the borough.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 112 The report provides details of service provision across the borough and notes the pressure on Children in Care.

*Public Health*

- 113 This report is a backward look at Council activities at the first review and provides the forecast year end position. Any public health implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

*Climate Change*

- 114 There are no direct implications for climate change.

| <b>Access to Information</b> |   |
|------------------------------|---|
| Contact Officer:             | Adele Taylor, Interim Executive Director Resources and S151 Officer<br><a href="mailto:adele.taylor@cheshireeast.gov.uk">adele.taylor@cheshireeast.gov.uk</a><br>Paul Goodwin, Head of Finance & Deputy Chief Finance Officer<br><a href="mailto:paul.goodwin@cheshireeast.gov.uk">paul.goodwin@cheshireeast.gov.uk</a> |
| Appendices:                  | <b>Annex 1 including:</b> <ul style="list-style-type: none"> <li>• <b>Section 1</b> 2024/25 Forecast Outturn</li> </ul>   |

|                    |  |
|--------------------|--|
|                    | <ul style="list-style-type: none"> <li>• <b>Section 2</b> 2024/25 Approved Budget Change Items</li> <li>• <b>Section 3</b> Revenue Grants for approval</li> <li>• <b>Section 4</b> Capital</li> <li>• <b>Section 5</b> Reserves</li> <li>• <b>Section 6</b> Treasury Management</li> </ul> |
| Background Papers: | <p>The following are links to key background documents:</p> <p><a href="#">Medium-Term Financial Strategy 2024-2028</a></p> <p><a href="#">First Financial Review 2024/25</a></p>  |

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# **Second Financial Review 2024/25**

## **Results to end of August 2024**

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# Section 1: 2024/25 Forecast Outturn

- 1.1 Table 1 provides a service summary of financial performance based on information available as at the end of August 2024. The current forecast is that services will be £24.5m over budget in the current year.
- 2.1 It also shows that central budgets are forecast to be £4.5m under budget resulting in an overall outturn of £20.1m overspend against a net revenue budget of £395.4m, an improvement of £6.5m from FR1.
- 3.1 The overall revenue position does not include the impact of applying any Exceptional Financial Support.
- 4.1 The forecast outturn position is based on a full financial management review across all service and reflects the following assumptions:
  - Includes those savings that have been identified as non-achievable though the tracker on our High Level Business Cases (HLBC) with no/some alternative actions currently presented;
  - A review of the on-going impacts of adverse variances identified in 2023/24;
  - Any identified, emerging items of significance:
    - Within Adult Social Care, significant growth is forecast for care costs in line with position seen year to date, less mitigations linked to delivery of the Impower savings;
    - Includes the assumptions around additional revenue resources in Childrens Services to resource the draft improvement plan in relation to the recent OFSTED inspection;
  - Forecast impact of the proposed increased 2024/25 pay award £1.6m (unfunded);
  - Detailed review of any vacancy underspends in all areas;
  - One-off items that have been identified so far through line by line reviews and/or identification of additional funding that has been announced since the MTFS was set.
  - Mitigation activities delivered or forecast to be delivered by 31 March as reflected in paragraph 28 of the main covering report.
  - Review of Section 106 legacy budgets, the effects of which are partly reflected in the FR2 forecast out-turn as a one off contributions to reserves (to be further updated at FR3), work undertaken to date has identified an improvement (reduction) of the Council's bad debt provision of £0.8m,

Further items impacting on the level of the Council's balances are detailed in **Section 5**.

| 2024/25 FR2                                    | Revised<br>Budget<br><br>(NET)<br><br>£m | Forecast<br>Outturn<br><br>£m | Forecast<br>Variance<br><br>£m | Forecast<br>Variance<br>from FR1 to<br>FR2<br><br>£m | Movement<br>from FR1 to<br>FR2<br><br>£m |
|--|--|-------------------------------|--------------------------------|--|--|
| <b>SERVICE DIRECTORATES</b>                    |  |                               |                                |  |  |
| Adult Social Care - Operations                 | 145.9                                    | 167.8                         | 21.9                           | 21.7   | 0.2                                      |
| Commissioning                                  | (8.0)                                    | (9.1)                         | (1.1)                          | (1.0)  | (0.1)                                    |
| Public Health                                  | -  | -                             | -                              | -  | -  |
| <b>Adults and Health Committee</b>             | <b>138.0</b>                             | <b>158.7</b>                  | <b>20.8</b>                    | <b>20.7</b>  | <b>0.0</b>                               |
| Directorate                                    | 2.3                                      | 3.4                           | 1.1                            | 1.3  | (0.2)                                    |
| Children's Social Care                         | 55.3                                     | 58.9                          | 3.6                            | 4.6  | (1.0)                                    |
| Education, Strong Start & Integration          | 35.4                                     | 36.1                          | 0.7                            | 1.4  | (0.7)                                    |
| <b>Children and Families Committee</b>         | <b>93.0</b>                              | <b>98.4</b>                   | <b>5.4</b>                     | <b>7.3</b>   | <b>(1.9)</b>                             |
| Directorate                                    | (0.34)                                   | (0.37)                        | (0.03)                         | (0.03)   | -  |
| Growth & Enterprise                            | 28.4                                     | 25.2                          | (3.2)                          | (2.6)  | (0.7)                                    |
| <b>Economy and Growth Committee</b>            | <b>28.1</b>                              | <b>24.8</b>                   | <b>(3.3)</b>                   | <b>(2.6)</b>   | <b>(0.7)</b>                             |
| Environment & Neighbourhood Services           | 48.4                                     | 48.3                          | (0.1)                          | 0.6  | (0.7)                                    |
| <b>Environment and Communities Committee</b>   | <b>48.4</b>                              | <b>48.3</b>                   | <b>(0.1)</b>                   | <b>0.6</b>   | <b>(0.7)</b>                             |
| Highways & Infrastructure                      | 16.0                                     | 15.4                          | (0.6)                          | (0.5)  | (0.1)                                    |
| <b>Highways and Transport Committee</b>        | <b>16.0</b>                              | <b>15.4</b>                   | <b>(0.6)</b>                   | <b>(0.5)</b>   | <b>(0.1)</b>                             |
| Directorate                                    | 1.4                                      | 1.2                           | (0.2)                          | (0.2)  | (0.0)                                    |
| Finance & Customer Services                    | 12.2                                     | 14.0                          | 1.8                            | 1.9  | (0.1)                                    |
| Transformation                                 | -  | 2.8                           | 2.8                            | 1.9  | 0.9                                      |
| Governance & Compliance Services               | 10.9                                     | 9.6                           | (1.3)                          | (1.2)  | (0.1)                                    |
| Communications                                 | 0.7                                      | 0.7                           | (0.0)                          | (0.0)  | 0.0                                      |
| HR   | 2.4                                      | 2.1                           | (0.3)                          | (0.3)  | (0.0)                                    |
| ICT  | 12.2                                     | 11.9                          | (0.3)                          | (0.1)  | (0.2)                                    |
| Policy & Change                                | 2.0                                      | 1.8                           | (0.1)                          | (0.0)  | (0.1)                                    |
| <b>Corporate Policy Committee</b>              | <b>41.8</b>                              | <b>44.2</b>                   | <b>2.4</b>                     | <b>0.0</b>   | <b>2.4</b>                               |
| <b>TOTAL SERVICES NET EXPENDITURE</b>          | <b>365.3</b>                             | <b>389.9</b>                  | <b>24.5</b>                    | <b>25.6</b>  | <b>(1.1)</b>                             |
| <b>CENTRAL BUDGETS</b>                         |  |                               |                                |  |  |
| Capital Financing                              | 31.7                                     | 32.0                          | 0.3                            | 0.4  | (0.1)                                    |
| Transfer to/(from) Earmarked Reserves          | (13.0)                                   | (16.5)                        | (3.5)                          | 0.6  | (4.1)                                    |
| Parish Precepts & Other Operating Expenditure  | 11.4                                     | 10.1                          | (1.3)                          | (0.1)  | (1.2)                                    |
| <b>Finance Sub-Committee - Central Budgets</b> | <b>30.0</b>                              | <b>25.6</b>                   | <b>(4.5)</b>                   | <b>0.9</b>   | <b>(5.4)</b>                             |
| <b>TOTAL NET EXPENDITURE</b>                   | <b>395.4</b>                             | <b>415.4</b>                  | <b>20.1</b>                    | <b>26.5</b>  | <b>(6.5)</b>                             |
| Business Rates Retention Scheme                | (69.5)                                   | (69.5)                        | 0.0                            | -  | 0.0                                      |
| Specific Grants                                | (32.4)                                   | (32.4)                        | -                              | -  | -  |
| Council Tax                                    | (293.5)                                  | (293.5)                       | -                              | -  | -  |
| <b>Finance Sub-Committee - Net Funding</b>     | <b>(395.4)</b>                           | <b>(395.4)</b>                | <b>0.0</b>                     | <b>-</b>   | <b>0.0</b>                               |
| <b>NET (SURPLUS) / DEFICIT</b>                 | <b>(0.0)</b>                             | <b>20.1</b>                   | <b>20.1</b>                    | <b>26.5</b>  | <b>(6.5)</b>                             |

## Section 2: 2024/25 Approved Budget Change Items

The following table provides up detailed commentary on the progress against the approved budget change items that were agreed as part of the budget agreed in February 2024. These are split by relevant committee.

| MTFS Ref No | Detailed List of Approved Budget Changes – Service Budgets                           | 2024/25 MTFS £m | 2024/25 Forecast Outturn £m | 2024/25 Forecast Outturn Variance £m | Progress 2024/25 (RAG rating and commentary)  |
|-------------|--|-----------------|-----------------------------|--------------------------------------|---|
|             | <b>Adults and Health Committee</b>   | <b>+1.136</b>   | <b>+21.900</b>              | <b>+20.764</b>                       |   |
| 1           | Fees and Charges   | -1.800          | -1.800                      | 0                                    | Green – see below   |
| 2           | Client Contributions Increase  | -0.800          | -4.649                      | -3.849                               | Green - £3.85m surplus vs client contribution budget forecasted for 2024/25. This is in addition to achieving the budgeted increase for Fees and Charges & Client Contribution increase in-year (£2.6m) |
| 3           | Working Age Adults - Prevent, Reduce, Delay  | -1.467          | -1.467                      | 0                                    | Green - Multiple activities contributing to these savings. Validation of delivery and measures being developed by SROs and Finance.   |
| 4           | Older People – Prevent, Reduce, Delay  | -1.566          | -1.566                      | 0                                    | Green - Multiple activities contributing to these savings. Validation of delivery and measures being developed by SROs and Finance.   |
| 5           | Market Sustainability and Workforce grant  | -1.100          | -1.100                      | 0                                    | Completed   |
| 6           | Revenue grants for Adult Social Care   | -2.480          | -2.480                      | 0                                    | Completed   |
| 7           | Pension Costs Adjustment   | -0.493          | -0.493                      | 0                                    | Completed   |
| 8           | Investment in Adult Social Care  | +7.600          | +30.133                     | +22.533                              | Red – MTFS growth for Care Costs not sufficient to cover the pressure seen in 2023/24 plus the expected growth in 2024/25. Mitigations to reduce pressure reported separately.                          |
| 9           | Pay Inflation  | +1.892          | +2.104                      | +0.212                               | Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS.                      |
| 10          | Resettlement Revenue Grants – reversal of 2023/24 use                                | +0.850*         | +0.850*                     | 0                                    | Completed   |
| 11          | Adult Social Care Transformation Earmarked Reserve Release – reversal of 2023/24 use | +0.500*         | +0.500*                     | 0                                    | Completed   |

| MTFS Ref No | Detailed List of Approved Budget Changes – Service Budgets            | 2024/25 MTFS £m | 2024/25 Forecast Outturn £m | 2024/25 Forecast Outturn Variance £m | Progress 2024/25 (RAG rating and commentary)  |
|-------------|---|-----------------|-----------------------------|--------------------------------------|---|
| 12          | Market Sustainability and Fair Cost of Care – Removal of Grant Income | -               | -                           | -                                    | Completed - Now a 2025/26 Item  |
| 13          | Asset Management  | TBC             | TBC                         | -                                    | Green - It is expected that the NHS will confirm their intentions for usage of one of the key CEC sites in question by September 2024. Once this is received, the business case for future usage of the site will be revisited and taken through the appropriate CEC governance procedures. The model of care in relation to high-cost adult social care and health provisions will be part of this work. |
| 14          | Investigate potential agency creation                                 | TBC             | TBC                         | -                                    | Green - This proposal has been consistently delivered in relation to the usage of a Care Workers agency in all but name. Care4CE, the Council's in house care provider, has been utilising workers, both casual and agency, as a bank of workers for several years to successfully deliver operational requirements. The establishment of a CEC.  |
| In year     | Other variances to reconcile to 2024/25 FR2 forecast                  | 0               | +2.888                      | +2.888                               |   |
| In year     | Mitigations reducing the FR2 reported forecast position               | 0               | -1.020                      | -1.020                               |   |

*\* Item represented a one-off spend in 2023/24. As it is not a permanent part of the budget, the value of the proposal is reversed in 2024/25.*

| MTFS Ref No | Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS) | 2024/25 MTFS £m | 2024/25 Forecast Outturn £m | 2024/25 Forecast Outturn Variance £m | Progress 2024/25 (RAG rating and commentary)   |
|-------------|--|-----------------|-----------------------------|--------------------------------------|--|
|             | <b>Children and Families Committee</b>   | <b>+9.909</b>   | <b>+15.311</b>              | <b>+5.402</b>                        |  |
| 15          | Discretionary offer to children with disabilities  | -0.900          | -0.903                      | -0.003                               | Green - On track, project team progressing multiple improvements to redesign the service offer, ensuring consistency and efficiency.   |
| 16          | Remove school catering subsidy   | -0.516          | -0.049                      | +0.467                               | Red - In progress, rate uplift applied from September 2024 in order to cover the costs of the service through to the end of March 2025 when it ends. However, as some schools are making their own arrangements before the end of the financial year, this will impact on the savings target.      |
| 17          | Review of structure to further integrate children and families services  | -1.000          | -0.200                      | +0.800                               | Red - Delivery Planning in progress to address saving. Including: further Establishment review, service redesign, cross directorate risk management.   |
| 18          | Reduce discretionary Post-16 Travel Support  | -0.400          | -0.250                      | +0.150                               | Red - Agreed by Committee so progressing, too early to confirm take-up.  |
| 19          | Achieve the Family Hub model   | -0.250          | -0.250                      | 0                                    | Green - Committee approved permission to consult. Following the consultation period, a report will go back to Committee in November for a decision to move forward with the new model. Savings are not going to be delivered in year therefore alternative saving being found to cover this.       |
| 20a         | Other Service Reviews – Review of commissioned services across the C&F directorate. Review of the current Domestic Abuse Service                       | -0.100          | -0.143                      | -0.043                               | Completed.   |
| 20b         | Other Service Reviews – Maximise grant allocation to cover all costs   | -0.100          | 0                           | +0.100                               | Red - Plan to explore current / future grants to ensure where T&Cs allow, contribution to fund base costs (e.g. staffing and on costs) is maximised.   |
| 20c         | Other Service Reviews – Traded services  | -0.050          | +0.020                      | +0.070                               | Red - Part delivered but may need to look for alternative options to cover the remaining saving for this year.   |
| 21a         | Reduce Growth in expenditure – review of high cost, low outcome external residential placements  | -1.000          | -1.000                      | 0                                    | Red - Whilst work has been taking place to open CE Children's Homes and our first open is now open, with our second due in autumn/winter, our collaboration with Foster4 working well to increase our foster carers, we still are seeing more children coming into carer. There is also increasing |

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|-------------|--|-----------------|-----------------------------|--------------------------------------|---|
|             |  |                 |                             |                                      | instability with the residential market,, driving up prices. Complex young people need high packages of support, which are extremely expensive. We are due to review all high cost placements and other placements to identify children for whom reunification to family would be appropriate. Processes are also in place by the Head of Provider Services to review costs being paid to providers.  |
| 21b         | Reduce Growth in expenditure – increase commissioning approach to establish greater opportunities to provide accommodation for +16 young people        | -0.400          | -0.200                      | +0.200                               | Red - 16+ and 18+ Commissioning Plans / Market Shaping in Progress. Responding to increasing demand and complexity.   |
| 21c         | Reduce Growth in expenditure – Foster Care   | -0.250          | -0.250                      | 0                                    | Amber - Developing a Delivery Plan to increase Foster Care provision.   |
| 21d         | Reduce Growth in expenditure – reduced spend on expert assessment in court proceedings and services post public law proceedings                        | -0.250          | -0.250                      | 0                                    | Amber - Establishing a Task & Finish Group to explore and develop processes and capacity to reduce costly legal proceedings.  |
| 22          | Pension Costs Adjustment   | -0.515          | -0.342                      | +0.173                               | Red - Teacher's pension legacy costs are not reducing as anticipated.<br>Completed - CEC pension reduction.   |
| 23          | Growth to deliver statutory Youth Justice service, and growth to ensure budget is sufficient to meet Safeguarding Partnership duties                   | +0.170          | +0.197                      | +0.027                               | Amber - It is incumbent upon the three statutory safeguarding partners, the police, health and the Local Authority, to ensure that adequate funding is allocated to the Children's Safeguarding Partnership so it can fulfil its statutory functions in delivering the multi-agency safeguarding arrangements. An internal audit identified the Local Authority had not reviewed its contributions to the partnership and was insufficiently contributing to the delivery of the partnership arrangements. As a result, growth was approved by committee. This has been supported by an increase in contributions from all partner agencies. A vacancy has also been held in the business unit. |
| 24          | Growth to provide capacity to deliver transformation for SEND  | +0.500          | +0.297                      | -0.203                               | Green.  |



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|-------------|--|-----------------|-----------------------------|--------------------------------------|---|
| 25          | Wraparound Childcare Programme (funded)  | +0.587          | +0.587                      | 0                                    | Amber - Currently reviewing sufficiency and funding details to manage delivery within budget.   |
| 25          | Wraparound Childcare Programme (funded)  | -0.587          | -0.587                      | 0                                    | Amber - Currently reviewing sufficiency and funding details to manage delivery within budget.   |
| 26          | Legal Proceeding - Child Protection  | +0.770          | +0.576                      | -0.194                               | Amber   |
| 27          | Growth in School Transport budget  | +0.936          | +1.036                      | +0.100                               | Red.  |
| 28          | Pay Inflation  | +1.374          | +1.915                      | +0.541                               | Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS.                              |
| 29          | Use of Children & Families Transformation Reserve – reversal of 2023/24 use  | +1.065*         | +1.065*                     | 0                                    | Completed.  |
| 30          | Growth in Childrens Placement costs  | +10.825         | +12.987                     | +2.162                               | Red - Will need to be closely monitored throughout the year to ensure that funding is sufficient to meet demand and complexity.   |
| 31          | Revenue costs for the Crewe Youth Zone (as above) aligned to Supporting Families Funding   | -               | -                           | -                                    | Green   |
| 31          | Early Help budget to support funding towards the Crewe Youth Zone  | -               | -                           | -                                    | Green   |
| 32          | SEND Capital Modification  | TBC             | TBC                         | -                                    | Amber - Contingent upon wider asset management and associated timelines. Extensive work underway to plan and progress development opportunities. Captured as part of the Capital Program reported to Committee. |
| 33          | Childrens Social Work Bank   | TBC             | TBC                         | -                                    | Red - Various options currently being explored as part of wider C&F Establishment review and potential peripatetic resource options.  |
| 34          | Safe Walking Routes to School  | TBC             | TBC                         | -                                    | Green - Features as part of School Transport Programme.   |
| 35          | Withdrawal of the CEC School Meals Service   | TBC             | TBC                         | -                                    | Green - Features as part of School Catering subsidy project - CF2428-16.  |
| In year     | In-year emerging variance Education, Strong Start and Integration  | 0               | -0.779                      | -0.779                               | Green. Underspend relates to vacancy management, reduced spend and income generation across services.   |

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|-------------|--|-----------------|-----------------------------|--------------------------------------|---|
| In year     | In-year emerging variance Children and Families Directorate  | 0               | +0.165                      | +0.165                               | Red. Overspend relates to supplier compensation payment, external Quality Assurance Agency costs and cost of establishment. |
| In year     | In-Year emerging variance Children's Social Care   | 0               | +1.669                      | +1.669                               | Red. Overspend mainly relates to staffing costs.  |

*\* Item represented a one-off spend in 2023/24. As it is not a permanent part of the budget, the value of the proposal is reversed in 2024/25.*

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|-------------|--|-----------------|-----------------------------|--------------------------------------|--|
|             | <b>Corporate Policy Committee</b>  | <b>+0.489</b>   | <b>+2.966</b>               | <b>+2.477</b>                        |  |
| 36          | Reduce leadership and management costs   | -0.540          | -                           | +0.540                               | Red - The feedback from the DMA review is that senior management vacancies will require recruitment to in order to complete the complement of Corporate Managers. In year vacancy savings will continue but will be time limited. There is potential to increase costs by additional management support during transformation. This will result in increased budget pressure. This pressure is being mitigated through the four in-year items at the end of this table. Most of those will be permanent and used to deliver this saving. |
| 37          | Close the Emergency Assistance Scheme  | -0.220          | -0.220                      | 0                                    | Completed  |
| 38          | Reduce election costs and increase charges where possible  | -0.150          | -0.150                      | 0                                    | Green - The proposal is to make a payment during 2024/25 of £70k-£80k from the existing election account, as part of this one-off saving. The remainder will be delivered by reducing the sum which would normally be paid into the election reserve. This might be mitigated in the year of the next local elections by monies which will be raised by charging town and parish councils for their elections in 2027. However, this will not be sufficient and will be likely to lead to the need for a supplementary estimate.         |
| 39a         | Accelerate Digital Transformation (ICT Operational efficiencies)   | -0.100          | -0.100                      | 0                                    | Green – third party costs have been reduced and there are plans to reduce further during the year.   |
| 39b         | Accelerate Digital (Digital efficiencies)  | -0.150          | -0.150                      | 0                                    | Green – Removal of temporary budget for Solutions Architect Resource, now covered by an Earmarked Reserve.   |
| 40          | Enforce prompt debt recovery and increase charges for costs  | -0.150          | -0.150                      | 0                                    | Completed - The award of costs is a matter for the Magistrates at each court hearing. However, only by exception will they vary from the level already agreed by us with the Court Manager. The approach to the Court Manager has been made and the revised level agreed. The action is therefore complete, but the financial benefits will accrue as we continue  |

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|-------------|--|-----------------|-----------------------------|--------------------------------------|---|
|             |  |                 |                             |                                      | the regular recovery process during the year.   |
| 41a         | Other efficiencies and reductions across Corporate Services – School Subsidy (ICT)   | -0.032          | -0.033                      | -0.001                               | Green   |
| 41b         | Other efficiencies and reductions across Corporate Services – Organisational Development   | -0.100          | -0.100                      | 0                                    | Completed   |
| 41c         | Other efficiencies and reductions across Corporate Services – Registration Services  | -0.050          | -0.050                      | 0                                    | Green   |
| 41d         | Other efficiencies and reductions across Corporate Services – School Subsidy   | -0.018          | 0                           | +0.018                               | Amber - Part of the £50k School Subsidy saving - Finance team to assist in identifying options. These are listed at the end of the table.   |
| 41e         | Other efficiencies and reductions across Corporate Services  | -0.010          | 0                           | +0.010                               | Amber - Finance team to assist in identifying options. These are listed at the end of the table.  |
| 41f         | Other efficiencies and reductions across Corporate Services – Printing   | -0.050          | 0                           | +0.050                               | Amber - Finance team to assist in identifying options. These are listed at the end of the table.  |
| 41g         | Other efficiencies and reductions across Corporate Services – Hybrid working / mileage   | -0.050          | 0                           | +0.050                               | Amber – Options being considered regarding reduced travel spend including ensuring efficient planning around meeting attendance and minimising unnecessary movements across the area. This maximises efficient use of time as well for teams. |
| 42          | Pension Costs Adjustment   | -0.378          | -0.378                      | 0                                    | Completed   |
| 43          | Mitigation of reduction in the Dedicated Schools Grant   | +0.136          | +0.136                      | 0                                    | Completed   |
| 44          | Pay Inflation  | +1.446          | +1.581                      | +0.135                               | Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS.  |
| 45          | Legal Services Capacity  | +0.455          | +0.455                      | 0                                    | Completed   |
| 46          | ICT Review 1   | +0.450          | +0.450                      | 0                                    | Green   |
| 47          | Workforce Strategy Review  | TBC             | -                           | -                                    | Amber - There are no savings attributed to this area in 2024/2025. Opportunities to explore workforce options are being considered alongside transformation work. Any savings are likely to be realised in                                    |

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|-------------|--|-----------------|-----------------------------|--------------------------------------|--|
|             |  |                 |                             |                                      | 2025/26 at the earliest. It is recommended that this item is removed from the list.                                      |
| In year     | Recognising the increased level of Registration service income of £350k.   | 0               | -0.350                      | -0.350                               | This will be a permanent change to deliver the Red ranked items above.   |
| In year     | Recognising the receipt of £45k of Police and Crime Commissioner grant income.   | 0               | -0.045                      | -0.045                               | This will be a permanent change to deliver the Red / Amber ranked items above.   |
| In year     | Taking the underspend on phones in corporate services (mobiles and rental) compared to budget.   | 0               | -0.060                      | -0.060                               | This will be a permanent change to deliver the Red / Amber ranked items above.   |
| In year     | Additional mitigations to balance to FR1 position of +£23k for corporate incl ICT.   | 0               | +2.130                      | +2.130                               | These will be a mix of permanent and temporary items to assist the in-year position. This includes Transformation costs. |

| MTFS Ref No | Detailed List of Approved Budget Changes – Service Budgets                | 2024/25 MTFS £m | 2024/25 Forecast Outturn £m | 2024/25 Forecast Outturn Variance £m | Progress 2024/25 (RAG rating and commentary)  |
|-------------|---|-----------------|-----------------------------|--------------------------------------|---|
|             | <b>Economy and Growth Committee</b>                                       | <b>+3.316</b>   | <b>+0.041</b>               | <b>-3.275</b>                        |   |
| 49          | Service Restructures within Place based Services                          | -0.787          | 0                           | +0.787                               | Amber – achievement through permanent savings remains challenging without a full restructure – which is pending the LGA review. Mitigation is through offset of underspend 'in year' and proposals are to be considered to offset permanently.  |
| 50          | Reduce opening hours for main offices                                     | -0.050          | -0.050                      | 0                                    | Completed   |
| 51          | Office estate rationalisation   | -0.550          | -0.250                      | +0.300                               | Amber - due to the timeline for the transfer of buildings being extended. This item is being mitigated by in year savings and by the items at the end of the table which are a mix of permanent and temporary measures.   |
| 52          | Tatton Park   | -0.046          | -0.046                      | 0                                    | Amber - Savings can be achieved through investment in the Tatton Vision Programme. To date this programme has achieved cumulative MTFS savings of £624k. Amber rating reflects the fact that the Tatton Vision capital programme is currently under review. Lack of investment to maintain infrastructure or develop visitor attractions is likely to reduce savings. |
| 53          | Transfer of Congleton Visitor Information Centre                          | -0.020          | -0.020                      | 0                                    | Green - Transfer of Congleton VIC to the Town Council has already occurred.   |
| 54          | Pension costs adjustment  | -0.157          | -0.157                      | 0                                    | Completed   |
| 55          | Tatton Park ticketing and electronic point of sale (EPOS) upgrade         | +0.005          | +0.005                      | 0                                    | Green - A procurement process is currently underway to source a supplier who can ensure onsite and web-based delivery of a new system which aligns with present and future needs. Improved functionality should enable future savings delivery.   |
| 56c         | West Park collection  | +0.012          | +0.012                      | 0                                    | Green - Cost for vital conservation and storage of West Park Museum collections and ongoing temporary storage requirements.   |
| 56d         | CEC archives  | +0.008          | 0                           | -0.008                               | Amber - Timescales for implementation of the Archives capital project have slipped due to grant funding decisions, with revised opening date of Spring 2026.  |
| 57          | Property Information and Management System - Estates – Revenue Adjustment | +0.030          | +0.031                      | +0.001                               | Completed   |



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|-------------|--|-----------------|-----------------------------|--------------------------------------|---|
| 58          | Housing  | +0.035          | +0.035                      | 0                                    | Green - Consultation on the Housing Restructure commences 22 May and includes the post that the funding is attributed to. The new structure will be implemented by 1 August 2024.   |
| 59          | Environmental Hub Waste Transfer Station   | +0.040          | +0.040                      | 0                                    | Green - Project on track delivery Q1/2. The replacement of bay 1 in the Councils Environmental Hub Residual Waste Transfer Station building with a new design more likely to provide long-term resilience to wear and tear, to enable the continuation of waste processing at the transfer station.       |
| 60          | Rural and Visitor Economy  | +0.045          | +0.045                      | 0                                    | Green - Additional revenue support is required to cover the increase in electricity charges for the Rural and Culture Economy Service to maintain existing service provision at Tatton Park and Countryside sites.  |
| 61          | Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment  | +0.079          | +0.079                      | 0                                    | Amber – Prioritised negotiations with 3rd parties/tenants occupying premises being expedited to avoid delays on obtaining access for surveys, completing necessary improvement works and legally completing lease renewals.   |
| 62          | Public Rights of Way Income Realignment  | +0.115          | +0.115                      | 0                                    | Completed. Adjustments made to budget forecasts 2024/25   |
| 63          | Pay inflation  | +0.788          | +0.940                      | +0.152                               | Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being mitigated by the items at the end of the table which are a mix of permanent and temporary measures. |
| 64          | Crewe town centre maintenance and operation  | +0.650          | +0.630                      | -0.020                               | Green   |
| 65          | Assets - Buildings and Operational   | +3.119          | +3.119                      | 0                                    | Green   |
| 66          | Landfill Site Assessments revenue adjustment - Estates – CE Owned Landfill sites (53 sites) Review and Risk Assessment completions | -               | -                           | -                                    | Amber - £10k cost growth in for 25/26. Second stage of the review to commence shortly. Internal capacity within Environmental Services to be identified.  |
| 67          | Tatton Park Estate Dwellings Refurbishment   | -               | -                           | -                                    | Completed - Provision for response maintenance issues for 8 onsite dwellings to ensure properties meet standards required as part of tenancy agreements and the National Trust lease.   |

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|-------------|--|-----------------|-----------------------------|--------------------------------------|--|
| 68          | Improving Crewe Rented Housing Standards   | -               | -                           | -                                    | Green  |
| In year     | Growth & Enterprise 2024/25 mitigations to balance back to finance review position | 0               | -3.672                      | -3.672                               |  |
| In year     | Place Directorate 2024/25 mitigations to balance back to finance review position   | 0               | -0.815                      | -0.815                               |  |

| MTFS Ref No | Detailed List of Approved Budget Changes – Service Budgets                         | 2024/25 MTFS £m | 2024/25 Forecast Outturn £m | 2024/25 Forecast Outturn Variance £m | Progress 2024/25 (RAG rating and commentary)  |
|-------------|--|-----------------|-----------------------------|--------------------------------------|---|
|             | <b>Environment and Communities Committee</b>                                       | <b>-0.052</b>   | <b>-0.178</b>               | <b>-0.126</b>                        |   |
| 69          | Refresh wholly owned company overheads and contributions                           | -1.000          | -1.500                      | -0.500                               | Green - ASDV Review recommendations have now been approved in full by Finance Sub-Committee in their role as shareholder of the wholly owned companies. The process of insourcing these services is now underway which will release an element of their reserves in year to meet this one-off contribution.   |
| 70          | Strategic Leisure Review (Stage 2)   | -1.305          | -1.185                      | +0.120                               | Amber - Initial savings secured via committee decision on 11th March 2024. Proposals are being developed with EHL and town and parish councils to secure the residual £250k amount - dialogue is ongoing.   |
| 71          | Mitigate the impact of contract inflation and tonnage growth                       | -0.490          | -0.490                      | 0                                    | Completed - Mitigate the impact of contract inflation and tonnage growth.   |
| 72          | Emergency reduction of Household Waste Recycling Centres (HWRC) to four core sites | -0.263          | -0.200                      | +0.063                               | Amber - Full saving on basis of original HLBC will not be achieved due to introduction of mobile provision offer as a result of Full Council decision and costs associated with trial of booking system. Following implementation of temporary closures final negotiations with supply chain are nearing conclusion in relation to savings in year, which include adjustment for waste diversion. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures.           |
| 73          | Libraries Strategy   | -0.365          | -0.302                      | +0.063                               | Amber - Development of and consultation on Libraries Strategy is now reaching a conclusion following public consultation. Need to secure committee decision to implement final Strategy (target Nov 2024) – engagement with Town and Parish Councils undertaken to shape the Strategy proposals and seek funding contributions, which is continuing and producing results. This item is being partly mitigated by the item at the end of the table, which is a mix of permanent and temporary measures, principally vacancy management. |
| 74          | Reduce costs of street cleansing operations  | -0.200          | -0.200                      | 0                                    | Green - Value of saving now reduced from ANSA Management Fee for 2024/25, proposals to achieve which include immediate reductions in service  |

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|-------------|--|-----------------|-----------------------------|--------------------------------------|--|
|             |  |                 |                             |                                      | resilience, due to removal of any vacancies and under utilised fleet.  |
| 75          | Reduce revenue impact of carbon reduction capital schemes  | -0.336          | 0                           | +0.336                               | Amber – Carbon Neutral Council target deferred from 2025 to 27, as agreed at Full Council on 27.02.24, large scale prudential borrowing funded schemes spend now reprofiled to suit, however budget not sat within E&C Committee. Discussion with Corporate Financing team to re-allocate. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures. |
| 76          | Increase Garden Waste charges to recover costs   | -0.045          | -0.045                      | 0                                    | Green – Increase Garden Waste charges for the calendar year 2025 to recover costs  |
| 77          | MTFS 80 (Feb 23) – Waste Disposal – Contract Inflation and Tonnage Growth (updated forecast)                                       | +3.577          | +3.977                      | +0.400                               | Green – rating due to fluctuations in waste markets relating to recyclates and continued levels of inflation, outside CEC control and not aligned to projections. Mitigation is to continue with monthly financial monitoring and detailed update of forecasting to year end, based on market intelligence from suppliers and historical seasonal trends data.   |
| 78          | Pay Inflation – CEC & ASDV   | +1.861          | +2.397                      | +0.536                               | Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures.   |
| 79          | Pension Costs Adjustment   | -0.151          | -0.151                      | 0                                    | Completed  |
| 80          | MTFS 90 (Feb 23) Strategic Leisure Review  | +1.250          | +1.250                      | 0                                    | Completed - Growth item budget adjustment only - replacing 2023/24 £1.3m savings target.   |
| 81          | MTFS 91 (Feb 23) – Green Spaces Maintenance Review   | -0.200          | -0.200                      | 0                                    | Green - Year 2 saving - Policy now implemented and full saving secured from ANSA contract.   |
| 82          | MTFS 92 (Feb 23) - Review Waste Collection Service - Green Waste   | -3.150          | -3.150                      | 0                                    | Green - Subscription levels in line with original business model.  |
| 83          | Review MTFS 92 (Feb 23) Garden waste subscription financial model in line with latest subscription levels and with actual observed | -0.429          | -0.429                      | 0                                    | Green - Continued monitoring of subscription levels and any adverse impacts is already in place, update to original business plan assumptions.   |

| MTFS Ref No | Detailed List of Approved Budget Changes – Service Budgets           | 2024/25 MTFS £m | 2024/25 Forecast Outturn £m | 2024/25 Forecast Outturn Variance £m | Progress 2024/25 (RAG rating and commentary)  |
|-------------|--|-----------------|-----------------------------|--------------------------------------|---|
|             | position on any waste migration                                      |                 |                             |                                      |   |
| 84          | MTFS 93 (Feb 23) Libraries - Service Review                          | -0.200          | -0.200                      | 0                                    | Amber - Year 2 of Service Review - reduction in staffing levels have been implemented and now include vacancy management in year to ensure achievement of saving. Currently covered temporarily by vacancy savings  |
| 85          | Explore a Trust delivery model for Libraries and other services      | +0.150          | +0.020                      | -0.130                               | Green - Growth item to cover one off costs relating to implementation of alternative delivery model(s) for libraries service. Aligned to development of Libraries Strategy.   |
| 86          | CCTV – Service Efficiencies  | -0.030          | -0.030                      | 0                                    | Green – Ongoing actions to increase customer base for existing services, identification of new chargeable services/customers and service efficiency savings as well as increased fees and charges to meet the target.   |
| 87          | Congleton Town Council Collaboration Agreement – Grounds Maintenance | -0.062          | -0.062                      | 0                                    | Completed - Congleton Town Council Collaboration Agreement on Grounds Maintenance Cheshire East Contribution reduced in line with reductions in Cheshire East Maintained green space.   |
| 88          | Closed Cemeteries  | +0.005          | +0.005                      | 0                                    | Completed - Inflationary adjustment to previous budget allocation only.   |
| 89          | Environmental Hub maintenance  | +0.023          | +0.023                      | 0                                    | Completed - Inflationary adjustment to previous budget allocation only.   |
| 90          | Review Closed Landfill Sites   | +0.300*         | +0.300*                     | 0                                    | Completed - The Council has responsibility for a number of closed landfill sites across the borough for which it holds a provision.   |
| 91          | Land Charge Income Adjustment  | +0.050          | +0.064                      | +0.014                               | Amber - Uncertainty around implementation timescales of HMLR changes to centralise some aspects of land charges functions hence understanding of actual impact, to be regularly monitored.  |
| 92          | Building Control Income Alignment                                    | +0.203          | +0.403                      | +0.200                               | Amber - Due to current national trend of downturn in planning and related building control income. To be monitored through more regular financial forecasting in service. Reforms to national planning policy recently consulted upon may have a positive impact on this position moving forward due to uplift in both volume and pace of developments coming forward. To be considered in due course following Govt announcement.<br>This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures. |

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|-------------|---|-----------------|-----------------------------|--------------------------------------|---|
| 93          | Local Plan Review   | +0.255          | +0.255                      | 0                                    | Completed - Budget adjustment to provide additional one-off funding towards development of new Local Plan, now commenced.   |
| 94          | Planning income   | +0.400          | +0.910                      | +0.510                               | Amber – Forecast reduced income in year due to current national trend of downturn in planning applications and hence income. Proactively monitored through regular financial forecasting in service. Partially mitigated by continued high level of vacancies and the item at the end of the table. Recent national planning policy forms announced by Govt which were subject to a consultation process may help to alleviate the income position, but will require vacancies to be filled to cater for the likely increase in applications. To be considered as and when further announcement made. |
| 95          | Planning Service Restructure  | -               | -                           | -                                    | Green - No action for 2024/25. Growth for 2025/26 to be kept under review.  |
| 96          | Review of Household Waste Recycling Centres   | +0.100          | +0.100                      | 0                                    | Green - all activities are on track for completion on time following decision at Environment and Communities Committee on 26 September 2024 to proceed with preferred option and finalisation of new operating contract procurement process.  |
| In year     | Environment & Neighbourhood Services mitigations 2024/25 to balance back to finance review position | 0               | -1.738                      | -1.738                               |   |

\* Item represented a one-off saving in 2023/24. As it is not a permanent part of the budget, the value of the proposal is reversed in 2024/25.



| MTFS Ref No | Detailed List of Approved Budget Changes – Service Budgets                | 2024/25 MTFS £m | 2024/25 Forecast Outturn £m | 2024/25 Forecast Outturn Variance £m | Progress 2024/25 (RAG rating and commentary)  |
|-------------|---|-----------------|-----------------------------|--------------------------------------|---|
|             | <b>Highways and Transport Committee</b>                                   | <b>+4.869</b>   | <b>+4.267</b>               | <b>-0.602</b>                        |   |
| 97          | Highway maintenance savings   | -0.750          | -0.750                      | 0                                    | Green - Savings are being achieved through:<br>- reducing the number of cuts on grass verges from 10 to 8;<br>- directly employing staff to carry out surveys, rather than sub-contracting;<br>- reductions in staffing and vacancy management; and<br>- reliance on the Council's adverse weather reserve for snow clearance. Service budgets have been reduced to reflect the savings being made. |
| 98          | Introduce annual increases to car parking charges                         | -0.150          | -0.150                      | 0                                    | Green - Annual inflation adjustment to existing P&D tariffs can be implemented by 1st July 2024, in advance of bringing charges into effect in the "free towns". This is 3 months earlier than planned.   |
| 99          | Pension Costs Adjustment  | -0.052          | -0.052                      | 0                                    | Completed   |
| 100         | Highways  | -0.031          | -0.031                      | 0                                    | Completed - This saving was delivered by changes to response times to defects in 2023/24.   |
| 101         | Safe Haven outside schools (Parking)                                      | -0.023          | -0.023                      | 0                                    | Red - Introduction of CCTV camera enforcement of waiting/loading restrictions at school gates on a trial basis using bespoke equipment that is type approved and proven for these purposes in order to improve road safety and increase enforcement capacity at these high risk locations.  |
| 102         | Transport and Infrastructure Strategy Team - Restructure                  | +0.120          | +0.060                      | -0.060                               | Amber - Vacancies in existing structure provide some flexibilities of resourcing and recruitment planning.  |
| 103         | Pay Inflation   | +0.339          | +0.351                      | +0.012                               | Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being mitigated by the item at the end of the table which is a mix of permanent and temporary measures.   |
| 104         | Parking - PDA / Back Office System contract                               | +0.100          | +0.100                      | 0                                    | Green - Market testing completed - exploring a direct award opportunity with implementation testing and data migration.   |
| 105         | Flood and Water Management Act 2010 SuDS & SABs Schedule 3 Implementation | +0.100          | +0.100                      | 0                                    | Green - The requirement is to be ready to implement changes when regulations are implemented nationally.  |

| MTFS Ref No | Detailed List of Approved Budget Changes – Service Budgets                 | 2024/25 MTFS £m | 2024/25 Forecast Outturn £m | 2024/25 Forecast Outturn Variance £m | Progress 2024/25 (RAG rating and commentary)   |
|-------------|--|-----------------|-----------------------------|--------------------------------------|--|
|             |  |                 |                             |                                      | A training plan for existing staff has been identified. Recruitment is to be progressed.   |
| 106         | Energy saving measures from streetlights                                   | +0.242          | +0.242                      | 0                                    | Completed - This entry was in the MTFS to cancel an unachievable saving from 2022/23. There is no further action.  |
| 107         | Parking  | +0.245          | +0.245                      | 0                                    | Amber - Following decisions in January 2024, arrangements are in place to adjust existing Pay & Display tariffs from 1 July 2024 and extend pay and display to car parks in "free towns" by October 2024. Statutory consultations on Sunday and Evening charges will start in July. A trial of demand-responsive tariffs will begin with the opening of the new multistorey car park in Crewe. |
| 108         | Highways Revenue Services  | +2.479          | +2.479                      | 0                                    | Completed - This is a growth item. The growth has been factored into 2024/25 service levels and business plans. No further action.   |
| 109         | Local Bus  | +2.250          | +2.250                      | 0                                    | Green  |
| 110         | FlexiLink Service Improvement Plan   | -               | -                           | -                                    | Green - A bus service review consultation is underway, including proposals relating to flexible transport. Committee received a report updating on the outcomes of the consultation and the approach to procurement on 19 September 2024.  |
| 111         | Highways Depot Improvements  | -               | -                           | -                                    | Red - This later year saving is subject to the approval of the business case for capital investment in depots. This will be reviewed during 2024/25.   |
| 112         | Bus Stop Advertising Revenue Generation                                    | -               | -                           | -                                    | Amber - Opportunity to shadow CWAC council's extension of the existing contract in the interim period.   |
| In year     | Highways & Infrastructure 2024-25 mitigations to balance to finance review | 0               | -0.554                      | -0.554                               |  |

| MTFS Ref No | Detailed List of Approved Budget Changes – Central Budgets            | 2024/25 £m     | 2024/25 Forecast Outturn £m | 2024/25 Forecast Outturn Variance £m | Progress 2024/25 (RAG rating and commentary)   |
|-------------|---|----------------|-----------------------------|--------------------------------------|--|
|             | <b>Finance Sub-Committee</b>  | <b>-19.667</b> | <b>-24.138</b>              | <b>-4.471</b>                        |  |
| 113         | Capital Financing - Minimum Revenue Provision                         | +9.508         | +9.846                      | +0.338                               | Amber – assumes use of reserve of £2.135m (subject to approval). Ongoing capital review seeking to significantly reduce spend funded by borrowing.       |
| 114         | Central Bad Debt Provision adjustment                                 | +0.600         | +0.600                      | 0                                    | Completed - budget adjustment.   |
| 115         | Use of Earmarked Reserves – MTFS Reserve                              | +0.255         | +0.255                      | 0                                    | Completed - budget adjustment / planned use of reserve.  |
| 115         | MTFS Reserve – reversal of 2023/24 use                                | +1.536         | +1.536                      | 0                                    | Completed - budget adjustment / planned use of reserve.  |
| 116         | Collection Fund Reserve - Use of Earmarked Reserves                   | -0.834         | -0.834                      | 0                                    | Completed - budget adjustment / planned use of reserve.  |
| 116         | Collection Fund Reserve – reversal of 2023/24 use of reserves         | +2.234         | +2.234                      | 0                                    | Completed - budget adjustment / planned use of reserve.  |
| 117         | Brighter Futures Transformation – reversal of 2023/24 use of reserves | +1.271         | +1.271                      | 0                                    | Completed - budget adjustment / planned use of reserve.  |
| 118         | Use of General Reserves – Fund in-year budget shortfall [NEW]         | -11.654        | -11.654                     | 0                                    | Completed - Drawn down in line with the MTFS forecast.   |
| Amber 119   | Council Tax - % increase  | -13.527        | -13.527                     | 0                                    | Green - Council tax and business rates income collection managed through the Collection Fund therefore no impact on current year funding target.         |
| 120         | Council Tax – Base increase   | -2.461         | -2.461                      | 0                                    | Green - Council tax and business rates income collection managed through the Collection Fund therefore no impact on current year funding target.         |
| 121         | Business Rates Retention Scheme – use of S31 compensation grants      | -1.350         | -1.350                      | 0                                    | Green - Grants to be received in line with final settlement from MHCLG.  |
| 122         | Unring-fenced Grants + Revenue Support Grant                          | -5.245         | -5.245                      | 0                                    | Green - Grants to be received in line with final settlement from MHCLG.  |
| 123         | Council Tax and Business Rates Collection [NEW]                       | TBC            | -                           | -                                    | Initial case was to implement a working group to review council tax collection. No savings value was assigned to the case. The intention now is to bring |

| MTFS Ref No | Detailed List of Approved Budget Changes – Central Budgets                          | 2024/25 £m | 2024/25 Forecast Outturn £m | 2024/25 Forecast Outturn Variance £m | Progress 2024/25 (RAG rating and commentary)  |
|-------------|---|------------|-----------------------------|--------------------------------------|---|
|             |   |            |                             |                                      | forward via an informal briefing to include options around the council tax support scheme review (FS2428)   |
| 124         | Council Tax Support [NEW]   | TBC        | -                           | -                                    | Preparations to be made during 2024/25 with a view to amending the council tax support scheme in 2025/26. No value is assigned to 2024/25 as any savings/growth will be realised in 2025/26. Consultation dates / material to come via Finance Sub-Committee for summer launch. Final decision point will be December Council meeting 2024. |
| In year     | Bad Debt Provision reduction (one off)  | -          | -0.839                      | -0.839                               |   |
| In year     | S106 (Estimate provisional – one off – may increase, still under review)            | -          | -0.452                      | -0.452                               |   |
| In year     | Increased use of reserves re Transformation spend included in Service FR2 forecasts | -          | -4.034                      | -4.043                               |   |
| In year     | Adjustment to use of Earmarked reserves budgeted figure within Service Budgets      | -          | +0.525                      | +0.525                               |   |

## Section 3: Revenue Grants for approval

- 3.1. Cheshire East Council receives two main types of Government grants; specific purpose grants and general use grants. Specific purpose grants are held within the relevant service with a corresponding expenditure budget. Whereas general use grants are held in central budgets with a corresponding expenditure budget within the allocated service area.
- 3.2. Spending in relation to specific purpose grants must be in line with the purpose for which it is provided.
- 3.3. **Table 1** shows additional specific purpose grant allocations that have been received over £1m that **Council** will be asked to approve.
- 3.4. **Table 2** shows additional specific purpose grant allocations that have been received which are over £500,000 and up to £1m, and are for **Committee** approval.

**Table 1 – Council Decision**

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) over £1,000,000

| Committee                                   | Type of Grant                                    | £000  | Details  |
|---|--|-------|--|
| Children and Families – Children’s Services | Household Support Fund<br><br>(Specific Purpose) | 2,200 | This grant is from the Department for Work and Pensions. This is an extension to the Household Support Fund (HSF) and will cover the period from October 2024 to March 2025. The HSF is to provide crisis support to financially vulnerable households most in need. |

**Table 2 – Committee Decision**

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) over £500,000 up to £1,000,000

| Committee         | Type of Grant                                     | £000 | Details   |
|-------------------|---|------|---|
| Adults and Health | Asylum Dispersal Scheme<br><br>(Specific Purpose) | 770  | This grant is from the Home Office (HO). Funding allocated by the Home Office for Cheshire East to support the Asylum Dispersal Scheme. |

# Section 4: Capital

**Table 1: Financial Parameters for 2023/24 to 2026/27**

| Parameter  | Value (£m)   |              |             |             |
|--|--------------|--------------|-------------|-------------|
|  | 2023/24      | 2024/25      | 2025/26     | 2026/27     |
| <b>Repayment of Borrowing</b>                      |              |              |             |             |
| <b>Minimum Revenue Provision*</b>                  | 17.5         | 18.8         | 23.2        | 24.9        |
| <b>External Loan Interest</b>                      | 14.3         | 18.1         | 16.5        | 15.0        |
| <b>Investment Income</b>                           | (3.8)        | (3.5)        | (2.2)       | (1.8)       |
| <b>Contributions from Services Revenue Budgets</b> | (1.2)        | (1.3)        | (1.8)       | (2.4)       |
|  |              |              |             |             |
| <b>Total Capital Financing Costs</b>               | <b>26.8</b>  | <b>32.1</b>  | <b>35.7</b> | <b>35.7</b> |
| <b>Use of Financing EMR</b>                        | <b>(7.9)</b> | <b>(2.1)</b> | <b>0</b>    | <b>0</b>    |
| <b>Actual CFB in MTFS</b>                          | <b>19.0</b>  | <b>28.5</b>  | <b>35.2</b> | <b>35.5</b> |
| <b>Budget Deficit</b>                              | <b>(0)</b>   | <b>1.5</b>   | <b>0.5</b>  | <b>0.2</b>  |
| <b>Capital Receipts targets*</b>                   | <b>1.0</b>   | <b>1.0</b>   | <b>1.0</b>  | <b>1.0</b>  |
| <b>Flexible use of Capital Receipts</b>            | <b>1.0</b>   | <b>1.0</b>   | <b>1.0</b>  | <b>1.0</b>  |

\*Anticipated MRP based on achieving capital receipts targets

- 1.1. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 2**.
- 1.2. **Table 3** lists details of Delegated decisions up to £500,000 for noting.
- 1.3. **Table 4** lists Capital Supplementary Estimates over £500,000 and up to £1,000,000 for committee approval and Capital Virements over £500,000 and up to and including £5,000,000 that require Relevant Member(s) of CLT and Chief Finance Officer in consultation with Chair of the relevant Committee and the Chair of Finance Sub-Committee to approve.
- 1.4. **Table 5** lists Supplementary Capital Estimates over £1,000,000 which Finance Sub-committee are asked to recommend to Council for approval.



Table 2: Capital Programme Update

| CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY  |                             |                             |                             |                             |                                      |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------------|
| CAPITAL PROGRAMME 2024/25 - 2027/28              |                             |                             |                             |                             |                                      |
|  | Forecast<br>2024/25<br>£000 | Forecast<br>2025/26<br>£000 | Forecast<br>2026/27<br>£000 | Forecast<br>2027/28<br>£000 | Total<br>Forecast<br>2024-28<br>£000 |
| <b>Committed Schemes - In</b>                    |                             |                             |                             |                             |                                      |
| Adults and Health                                | 800                         |                             |                             |                             | 800                                  |
| Children and Families                            | 32,551                      | 25,086                      | 16,355                      | 17,749                      | 91,741                               |
| Highways & Transport                             | 46,992                      | 36,385                      | 27,297                      | 126,015                     | 236,689                              |
| Economy & Growth                                 | 43,747                      | 32,669                      | 44,164                      | 61,502                      | 182,082                              |
| Environment & Communities                        | 13,184                      | 17,001                      | 3,414                       | 22                          | 33,621                               |
| Corporate Policy                                 | 11,962                      | 6,627                       | 3,173                       | 1,834                       | 23,596                               |
| <b>Total Committed Schemes - In Progress</b>     | <b>149,236</b>              | <b>117,768</b>              | <b>94,403</b>               | <b>207,122</b>              | <b>568,529</b>                       |
| CAPITAL PROGRAMME 2024/25 - 2027/28              |                             |                             |                             |                             |                                      |
|  | Forecast<br>2024/25<br>£000 | Forecast<br>2025/26<br>£000 | Forecast<br>2026/27<br>£000 | Forecast<br>2027/28<br>£000 | Total<br>Forecast<br>2024-28<br>£000 |
| <b>New Schemes</b>                               |                             |                             |                             |                             |                                      |
| Adults and Health                                |                             |                             |                             |                             | 0                                    |
| Children and Families                            | 1,738                       | 7,200                       | 5,248                       | 3,000                       | 17,186                               |
| Highways & Transport                             | 895                         | 21,842                      | 15,051                      | 15,051                      | 52,839                               |
| Economy & Growth                                 | 3,145                       | 358                         | 0                           | 0                           | 3,503                                |
| Environment & Communities                        | 2,647                       | 4,602                       | 1,150                       | 0                           | 8,399                                |
| Corporate Policy                                 |                             |                             |                             |                             | 0                                    |
| <b>Total New Schemes</b>                         | <b>8,425</b>                | <b>34,002</b>               | <b>21,449</b>               | <b>18,051</b>               | <b>81,927</b>                        |
| <b>Total</b>                                     | <b>157,661</b>              | <b>151,770</b>              | <b>115,852</b>              | <b>225,173</b>              | <b>650,456</b>                       |
| Funding Requirement                              |                             |                             |                             |                             |                                      |
| <b>Indicative Funding Analysis:</b> (See note 1) |                             |                             |                             |                             |                                      |
| Government Grants                                | 96,481                      | 81,330                      | 71,168                      | 114,808                     | 363,786                              |
| External Contributions                           | 15,402                      | 11,784                      | 12,642                      | 67,855                      | 107,683                              |
| Revenue Contributions                            | 444                         | 0                           | 0                           | 0                           | 444                                  |
| Capital Receipts                                 | 233                         | 660                         | 17,240                      | 17,466                      | 35,599                               |
| Prudential Borrowing (See note 2)                | 45,101                      | 57,996                      | 14,802                      | 25,044                      | 142,943                              |
| <b>Total</b>                                     | <b>157,661</b>              | <b>151,770</b>              | <b>115,852</b>              | <b>225,173</b>              | <b>650,456</b>                       |

**Note 1:**

The funding requirement identified in the above table does not currently represent a balanced and affordable position, in the medium term. The Council will need to transform the capital programme to reduce the number of schemes requiring Cheshire East Resources and the need to borrow. The level of capital receipts are based on a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

**Note 2:**

The schemes marked \*\*and highlighted in the MTFs cannot proceed until the Capital Programme Review has been completed. Any urgent requests to continue prior to the reviews completion will require approval from the Chair of Finance Sub Committee and the S.151 Officer

**Note 3:**

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

**Table 3: Delegated Decisions – Supplementary Capital estimates and Budget virements up to £500,000**

| Committee / Capital Scheme  | Amount Requested<br>£ | Reason and Funding Source   |
|---|-----------------------|---|
| <b>Supplementary Capital Estimates that have been made up to £500,000</b> |                       |   |
| <b>Highways &amp; Transport</b>   |                       |   |
| <b>Infrastructure</b>   |                       |   |
| S106 M6 J17 Improvements  | 57,295                | To add S106 monies received into the Programme.   |
| Alvaston Roundabout Works   | 448,281               | To add S106 monies received into the Programme.   |
| <b>Total Supplementary Capital Estimates Requested</b>                    | <b>505,576</b>        |   |
| <b>£</b>  |                       |   |
| <b>Capital Budget Virements that have been made up to £500,000</b>        |                       |   |
| <b>Economy &amp; Growth</b>   |                       |   |
| Macclesfield Indoor Market Refurbishment                                  | 243,000               | To be moved from Macc on Foot, both Shared Prosperity Fund (UK) grant funded projects.  |
| <b>Highways</b>   |                       |   |
| Programme Management  | 118,320               | To match budget to cost alignment, funded by virement from "Client Contract and Asset Management". All funded by Local Transport Grant.   |
| Bridge Maintenance Minor Works  | 254,593               | Works in relation to A523 Mill house Bridge, to be funded by virements from "Transport & Infrastructure Development Studies" (£50,000); "Client Contract and Asset Management" (£154,593); "LTP Development & Monitoring Studies" (£50,000). All funded by Local Transport Grant. |
| <b>Total Capital Budget Virements Approved</b>                            | <b>615,913</b>        |   |
| <b>Total Supplementary Capital Estimates and Virements</b>                | <b>1,121,489</b>      |   |

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

| Committee / Capital Scheme  | Amount Requested<br>£ | Reason and Funding Source  |
|---|-----------------------|--|
| <b>Service Committee are asked to approve the Supplementary Capital Estimates above £500,000 up to and including £1,000,000</b>   |                       |  |
| <b>Highways &amp; Transport</b>   |                       |  |
| <b>Transport</b>  |                       |  |
| Bridge Maintenance Minor Wks  | 602,407               | Works in relation to A523 Mill house Bridge, to be funded by reimbursements in relation to insurance claims. |
| <b>Total Supplementary Capital Estimates Requested</b>  | <b>602,407</b>        |  |
| <b>Service committee are asked to note Capital Budget Virements above £500,000 up to and including £5,000,000 for approval by Relevant Member(s) of CLT and Chief Finance Officer in consultation with Chair of the relevant Committee and the Chair of Finance Sub-Committee</b> |                       |  |
| <b>Highways &amp; Transport</b>   |                       |  |
| <b>Infrastructure</b>   |                       |  |
| Middlewich Eastern Bypass   | 2,243,000             | } Virements from Congleton Relief Road whose revised forecasts are expected to be significantly less.        |
| Poynton Relief Road   | 2,191,429             |  |
| <b>Total Capital Virements requested</b>  | <b>4,434,429</b>      |  |
| <b>Total Supplementary Capital Estimates and Virements</b>  | <b>5,036,836</b>      |  |

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

| Committee  | Amount Requested<br>£ | Reason and Funding Source   |
|--|-----------------------|---|
| <b>Recommendations to Council for the approval of the Supplementary Capital Estimates (SCEs) over £1,000,000</b> |                       |   |
| <b>Economy &amp; Growth</b>  |                       |   |
| <b>Facilities Management</b>   |                       |   |
| Public Sector Decarbonisation Grant - 3C   | 1,449,274             | New Public Sector Decarbonisation Grant Funding to fund carbon reduction measures for Municipal Building Crewe, Knutsford Leisure Centre, Nantwich Library and Congelton Library. Acceptance of the grant was approved by Urgent Decision on 26th March 2024 and ratified by full council on 15th May 2024. |
| <b>Highways &amp; Transport</b>  |                       |   |
| <b>Infrastructure</b>  |                       |   |
| Burford Roundabout Works   | 1,389,281             | To add S106 monies received against planning application 13/2471N plus any subsequently applied interest into the Programme so that initial works can take place.   |
| <b>Total Supplementary Capital Estimates Requested</b>   | <b>2,838,555</b>      |   |
| <b>Total Supplementary Capital Estimates and Virements</b>   | <b>2,838,555</b>      |   |

# Section 5: Reserves

## Management of Council Reserves

- 5.1. The Council's Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.
- 5.2. The opening balance at 1 April 2024 in the Council's General Fund Reserves was £5.6m, as published in the Council's Statement of Accounts for 2023/24.
- 5.3. At FR1 stage the closing balance at 31 March 2025 in the Council's General Fund Reserve was forecast to be £4.5m. However, at the FR2 stage, a further £4m transformational spend has been included within the service forecasts which will be funded from General reserves, reducing the forecast balance to £0.5m.
- 5.4. The current balance on reserves is insufficient in order to provide adequate protection against established and newly emerging risks, such as inflation and particularly the DSG deficit, which is projected to rise to £120.1m by year end and has been highlighted in the MTFS as having no alternative funding.
- 5.5. The Council also maintains Earmarked Revenue Reserves for specific purposes. The opening balance at 1 April 2024 was £32.3m.
- 5.6. During 2024/25, a net total of £10.6m has been drawn down to the support the in-year deficit position. A further £6.3m is being forecast to fund expenditure specifically provided for by services. These balances fall within the forecasts approved during the MTFS budget setting process.
- 5.7. Additional drawdown requests, above those forecast during MTFS, have been made by various services to support specific expenditure totalling £5.8m. These drawdowns, as detailed in the tables below, will be subject to approval by the Section 151 Officer.
- 5.8. The closing balance at 31 March 2025, is forecast at £9.5m.
- 5.9. Unspent schools' budgets that have been delegated, as laid down in the Schools Standards Framework Act 1998, remain at the disposal of the school and are not available for Council use. These balances are therefore excluded from all reserve forecasts.

**Table 1 – Reserves Balances**

| Reserve                                     | 2023/24 Outturn | 2024/25 Forecast |
|---|-----------------|------------------|
|   | £m              | £m               |
| General Reserves                            | 5.6             | 0.5              |
| Earmarked Reserves (Excluding Schools)      | 32.3            | 9.5              |
| <b>Total Reserves Balance at 31st March</b> | <b>37.9</b>     | <b>10.0</b>      |

**Table 2 - Earmarked Reserves Summary**

| Committee Reserves                          | Opening<br>Balance<br>1st April<br>2024<br>£000 | Transfers<br>to General<br>Fund<br>£000 | Forecast<br>Movement<br>in Reserves<br>£000 | Additional<br>Drawdown<br>Requests<br>£000 | Forecast<br>Closing<br>Balance<br>31 March<br>2025<br>£000 |
|---|---|---|---|--|--|
| Adults and Health                           | 5,226   | (2,795)                                 | (110)                                       | 0  | 2,321  |
| Children and Families                       | 1,724   | 0                                       | (1,593)                                     | (131)                                      | 0  |
| Corporate Policy                            | 20,773  | (6,551)                                 | (2,830)                                     | (4,545)                                    | 6,847  |
| Economy and Growth                          | 2,777   | (662)                                   | (1,004)                                     | (765)                                      | 346  |
| Environment and Communities                 | 870   | (390)                                   | (402)                                       | (78)                                       | 0  |
| Highways and Transport                      | 908   | (205)                                   | (415)                                       | (288)                                      | 0  |
| <b>TOTAL EARMARKED RESERVE<br/>MOVEMENT</b> | <b>32,278</b>                                   | <b>(10,603)</b>                         | <b>(6,354)</b>                              | <b>(5,807)</b>                             | <b>9,514</b>   |

\* All 'Additional Drawdown Requests' are subject to approval.

\* Total excludes schools' balances

**Adults and Health Committee**

| Reserve Account                                | Opening Balance<br>01 April<br>2024<br>£000 | Drawdowns<br>to General<br>Fund<br>£000 | Approved<br>Movement<br>Forecast<br>£000 | Additional<br>Drawdown<br>Requests*<br>£000 | Closing<br>Balance<br>Forecast<br>31 March<br>2025<br>£000 | Notes   |
|--|---|---|--|---|--|---|
| <b><u>Adults Social Care Commissioning</u></b> |   |   |  |   |  |   |
| PFI Equalisation -<br>Extra Care<br>Housing    | 2,857                                       | (2,795)                                 | 0  | 0   | 62   | Surplus grant set aside<br>to meet future<br>payments on existing<br>PFI contract and the<br>anticipated gap at the<br>end of the agreement.  |
| <b><u>Public Health</u></b>                    |   |   |  |   |  |   |
| Public Health<br>Reserve                       | 2,369                                       | 0                                       | (110)                                    | 0   | 2,259  | Ring-fenced<br>underspend to be<br>invested in areas to<br>improve performance<br>against key targets;<br>including the creation<br>of an Innovation Fund<br>to support partners to<br>deliver initiatives that<br>tackle key health<br>issues. |
| <b>ADULTS AND<br/>HEALTH<br/>RESERVE TOTAL</b> | <b>5,226</b>                                | <b>(2,795)</b>                          | <b>(110)</b>                             | <b>0</b>                                    | <b>2,321</b>   |   |

\* All 'Additional Drawdown Requests' are subject to approval.

**Children and Families Committee**

| Reserve Account   | Opening Balance<br>01 April<br>2024<br>£000 | Drawdowns<br>to General<br>Fund<br>£000 | Approved<br>Movement<br>Forecast<br>£000 | Additional<br>Drawdown<br>Requests*<br>£000 | Closing<br>Balance<br>Forecast<br>31 March<br>2025<br>£000 | Notes   |
|---|---|---|--|---|--|---|
| <b><u>Childrens Social Care</u></b>                     |   |   |  |   |  |   |
| Domestic Abuse<br>Partnership                           | 131   | 0                                       | 0  | (131)                                       | 0  | To sustain preventative<br>services to vulnerable<br>people as a result of<br>partnership funding in<br>previous years.       |
| <b><u>Strong Start, Family Help and Integration</u></b> |   |   |  |   |  |   |
| Troubled Families<br>Initiative                         | 1,593                                       | 0                                       | (1,593)                                  | 0   | 0  | Crewe Youth Zone and<br>ACT have been<br>assigned funding from<br>shared outcomes of the<br>Supporting Families<br>Programme. |
| <b>CHILDREN AND<br/>FAMILIES<br/>RESERVE TOTAL</b>      | <b>1,724</b>                                | <b>0</b>                                | <b>(1,593)</b>                           | <b>(131)</b>                                | <b>0</b>   |   |

\* All 'Additional Drawdown Requests' are subject to approval.

## Corporate Policy Committee and Central Reserves

| Reserve Account                            | Opening Balance<br>01 April<br>2024<br>£000 | Drawdowns<br>to General<br>Fund<br>£000 | Approved<br>Movement<br>Forecast<br>£000 | Additional<br>Drawdown<br>Requests*<br>£000 | Closing<br>Balance<br>Forecast<br>31 March<br>2025<br>£000 | Notes  |
|--|---|---|--|---|--|--|
| <b><u>Corporate Directorate</u></b>        |   |   |  |   |  | To support a number of widespread projects within the Corporate Directorate.   |
| Corporate Directorate Reserve              | 1,164                                       | (935)                                   | 0  | 0   | 229  |  |
| <b><u>Finance and Customer Service</u></b> |   |   |  |   |  | To manage cash flow implications as part of the Business Rates Retention Scheme.   |
| Collection Fund Management                 | 8,154                                       | (1,235)                                 | (2,915)                                  | 0   | 4,004  |  |
| Capital Financing Reserve                  | 4,531                                       | 0                                       | 0  | (4,531)                                     | 0  | To provide for financing of capital schemes, other projects and initiatives  |
| MTFS Reserve                               | 2,914                                       | (741)                                   | 255                                      | 0   | 2,428  | To support the financial strategy and risk management. £1.2m of the remaining reserve balance had previously been earmarked for future voluntary redundancy costs.           |
| Brighter Futures Transformation Programme  | 490   | (470)                                   | (20)                                     | 0   | 0  | To fund the Council's four year transformation programme and its five outcomes of Culture; Estates and ICT systems; Customer Experience, Commercial Approach and Governance. |
| Section 31 Revenue Grants                  | 14  | 0                                       | 0  | (14)  | 0  | Unspent specific use grant carried forward into 2024/25.   |
| <b><u>Governance and Compliance</u></b>    |   |   |  |   |  | To settle insurance claims and manage excess costs. The full reserve has been released to the general fund to support the in-year deficit pressure.                          |
| Insurance Reserve                          | 3,098                                       | (3,098)                                 | 0  | 0   | 0  |  |
| Elections General                          | 132   | 0                                       | 0  | 0   | 132  | To provide funds for Election costs every 4 years.   |
| Brexit Funding                             | 13  | (13)                                    | 0  | 0   | 0  | Residual reserve balance has been released to the general fund to support the in-year deficit pressure.  |



## Corporate Policy Committee and Central Reserves Continued

| Reserve Account   | Opening Balance<br>01 April<br>2024 | Drawdowns<br>to General<br>Fund | Approved<br>Movement<br>Forecast | Additional<br>Drawdown<br>Requests* | Closing<br>Balance<br>Forecast<br>31 March<br>2025 | Notes   |
|---|-------------------------------------|---------------------------------|----------------------------------|-------------------------------------|--|---|
|   | £000                                | £000                            | £000                             | £000                                | £000   |   |
| <b><u>Human Resources</u></b>   |                                     |                                 |                                  |                                     |  |   |
| HR (CARE4CE Review, Culture Change, Pay realignment, Learning Mgt System) | 59                                  | (59)                            | 0                                | 0                                   | 0  | Residual reserve balance has been released to the general fund to support the in-year deficit pressure.   |
| Pay Structure (M Grade Review)  | 54                                  | 0                               | 0                                | 0                                   | 54   | Created to help fund ongoing changes to pay structure.  |
| <b><u>ICT</u></b>   |                                     |                                 |                                  |                                     |  |   |
| Digital Solutions Architect   | 150                                 | 0                               | (150)                            | 0                                   | 0  | New reserve created in 23/24 to fund a role for the Digital Customer Enablement programme and will be key to realising the cost savings and efficiencies across the Council from the deployment of a number of digital initiatives. |
| <b>CORPORATE<br/>POLICY AND<br/>CENTRAL<br/>RESERVE TOTAL</b>             | <b>20,773</b>                       | <b>(6,551)</b>                  | <b>(2,830)</b>                   | <b>(4,545)</b>                      | <b>6,847</b>                                       |   |

\* All 'Additional Drawdown Requests' are subject to approval.

## Economy and Growth Committee

| Reserve Account                                 | Opening Balance<br>01 April<br>2024<br>£000 | Drawdowns<br>to General<br>Fund<br>£000 | Approved<br>Movement<br>Forecast<br>£000 | Additional<br>Drawdown<br>Requests*<br>£000 | Closing<br>Balance<br>Forecast<br>31 March<br>2025<br>£000 | Notes  |
|---|---|---|--|---|--|--|
| <b><u>Directorate</u></b>                       |   |   |  |   |  |  |
| Place Directorate Reserve                       | 1,164                                       | 0                                       | (473)                                    | (385)                                       | 306  | To support a number of widespread projects within the Place Directorate.   |
| Investment (Sustainability)                     | 610   | 0                                       | (427)                                    | (143)                                       | 40   | To support investment that can increase longer term financial independence and stability of the Council.                             |
| <b><u>Growth and Enterprise</u></b>             |   |   |  |   |  |  |
| Legal Proceedings                               | 212   | 0                                       | (104)                                    | (108)                                       | 0  | To enable legal proceedings on land and property matters.  |
| Investment Portfolio                            | 534   | (534)                                   | 0  | 0   | 0  | The full reserve has been released to the general fund to support the in-year deficit pressure.                                      |
| Homelessness & Housing Options - Revenue Grants | 129   | 0                                       | 0  | (129)                                       | 0  | Grant committed for the purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families. |
| Tatton Park Trading Reserve                     | 128   | (128)                                   | 0  | 0   | 0  | The full reserve has been released to the general fund to support the in-year deficit pressure.                                      |
| <b>ECONOMY AND GROWTH RESERVE TOTAL</b>         | <b>2,777</b>                                | <b>(662)</b>                            | <b>(1,004)</b>                           | <b>(765)</b>                                | <b>346</b>   |  |

\* All 'Additional Drawdown Requests' are subject to approval.

## Environment and Communities Committee

| Reserve Account                                      | Opening Balance<br>01 April<br>2024<br>£000 | Drawdowns<br>to General<br>Fund<br>£000 | Approved<br>Movement<br>Forecast<br>£000 | Additional<br>Drawdown<br>Requests*<br>£000 | Closing<br>Balance<br>Forecast<br>31 March<br>2025<br>£000 | Notes   |
|--|---|---|--|---|--|---|
| <b><u>Environment and Neighbourhood Services</u></b> |   |   |  |   |  |   |
| Strategic Planning                                   | 568   | (281)                                   | (287)                                    | 0   | 0  | To meet costs associated with the Local Plan - site allocations, minerals and waste DPD.  |
| Trees / Structures Risk Management                   | 139   | (55)                                    | (55)                                     | (29)  | 0  | To help respond to increases in risks relating to the environment, in particular the management of trees, structures and dealing with adverse weather events. |
| Air Quality  | 36  | 0                                       | (17)                                     | (19)  | 0  | Air Quality Management - DEFRA Action Plan. Relocating electric vehicle chargepoint in Congleton.   |
| Licensing Enforcement                                | 8   | 0                                       | 0  | (8)   | 0  | Three year reserve to fund a third party review and update of the Cheshire East Council Taxi Licensing Enforcement Policies.                                  |
| Flood Water Management (Emergency Planning)          | 2   | 0                                       | (2)                                      | 0   | 0  | Relating to Public Information Works.   |
| Neighbourhood Planning                               | 82  | (41)                                    | (41)                                     | 0   | 0  | To match income and expenditure.  |
| Spatial Planning - revenue grant                     | 13  | (13)                                    | 0  | 0   | 0  | Residual reserve balance has been released to the general fund to support the in-year deficit pressure.   |
| Street Cleansing                                     | 22  | 0                                       | 0  | (22)  | 0  | Committed expenditure on voluntary litter picking equipment and electric blowers.   |
| <b>ENVIRONMENT AND NEIGHBOURHOOD RESERVE TOTAL</b>   | <b>870</b>                                  | <b>(390)</b>                            | <b>(402)</b>                             | <b>(78)</b>                                 | <b>0</b>   |   |

\* All 'Additional Drawdown Requests' are subject to approval.

## Highways and Transport Committee

| Reserve Account                           | Opening Balance<br>01 April<br>2024<br>£000 | Drawdowns<br>to General<br>Fund<br>£000 | Approved<br>Movement<br>Forecast<br>£000 | Additional<br>Drawdown<br>Requests*<br>£000 | Closing<br>Balance<br>Forecast<br>31 March<br>2025<br>£000 | Notes  |
|---|---|---|--|---|--|--|
| <b><u>Highways and Infrastructure</u></b> |   |   |  |   |  |  |
| Rail and Transport Integration            | 385   | (185)                                   | (200)                                    | 0   | 0  | To support the Council's committed costs to the rail and transport networks across the borough.  |
| Flood Recovery Works                      | 400   | 0                                       | (200)                                    | (200)                                       | 0  | To help the service manage risks such as the impact of adverse weather, specifically flooding or extensive periods where winter maintenance is required. |
| Highways Procurement Project              | 104   | (20)                                    | (15)                                     | (69)  | 0  | To finance the development of the next Highway Service Contract. Depot mobilisation costs, split over 7 years from start of contract in 2018.            |
| LEP-Local Transport Body                  | 19  | 0                                       | 0  | (19)  | 0  | Contribution to LEP transport studies/consultancy. Ongoing working around Transport Legacy issues.   |
| <b>ECONOMY AND GROWTH RESERVE TOTAL</b>   | <b>908</b>                                  | <b>(205)</b>                            | <b>(415)</b>                             | <b>(288)</b>                                | <b>0</b>   |  |

\* All 'Additional Drawdown Requests' are subject to approval.

# Section 6: Treasury Management

## Prudential Indicators revisions to: 2023/24 and 2024/25 – 2026/27 and future years

### Background

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

### Estimates of Capital Expenditure

- 6.2. In 2024/25, the Council estimates to spend £157.7m on capital expenditure as summarised below.

| Capital Expenditure | 2023/24<br>Actual<br>£m | 2024/25<br>Estimate<br>£m | 2025/26<br>Estimate<br>£m | 2026/27<br>Estimate<br>£m | Future<br>years<br>£m |
|---------------------|-------------------------|---------------------------|---------------------------|---------------------------|-----------------------|
| <b>Total</b>        | 136.9                   | 157.7                     | 151.8                     | 115.9                     | 225.1                 |

Source: Cheshire East Finance

### Capital Financing

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

| Capital Financing                  | 2023/24<br>Actual<br>£m | 2024/25<br>Estimate<br>£m | 2025/26<br>Estimate<br>£m | 2026/27<br>Estimate<br>£m | Future<br>years<br>£m |
|------------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|-----------------------|
| Capital receipts                   | 0.1                     | 0.2                       | 0.7                       | 17.2                      | 17.5                  |
| Government Grants                  | 61.2                    | 96.5                      | 81.3                      | 71.2                      | 114.8                 |
| External Contributions             | 8.8                     | 15.4                      | 11.8                      | 12.7                      | 67.8                  |
| Revenue Contributions              | 1.3                     | 0.5                       | 0.0                       | 0.0                       | 0.0                   |
| <b>Total Financing</b>             | <b>71.4</b>             | <b>112.6</b>              | <b>93.8</b>               | <b>101.1</b>              | <b>200.1</b>          |
| Prudential Borrowing               | 65.5                    | 45.1                      | 58.0                      | 14.8                      | 25.0                  |
| <b>Total Funding</b>               | <b>65.5</b>             | <b>45.1</b>               | <b>58.0</b>               | <b>14.8</b>               | <b>25.0</b>           |
| <b>Total Financing and Funding</b> | <b>136.9</b>            | <b>157.7</b>              | <b>151.8</b>              | <b>115.9</b>              | <b>225.1</b>          |

Source: Cheshire East Finance

### Replacement of debt finance

- 6.4. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital

assets may be used to replace debt finance. Planned MRP repayments are as follows.

| Replacement of debt finance | 2023/24<br>Actual<br>£m | 2024/25<br>Estimate<br>£m | 2025/26<br>Estimate<br>£m | 2026/27<br>Estimate<br>£m | 2027/28<br>Estimate<br>£m |
|-----------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Total</b>                | <b>17.5</b>             | <b>18.8</b>               | <b>23.0</b>               | <b>24.9</b>               | <b>25.3</b>               |

Source: Cheshire East Finance

### Estimates of Capital Financing Requirement

- 6.5. The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP repayments and capital receipts used to replace debt. The CFR will decrease by £2m during 2024/25. This assumes that were there has been significant forward funding of certain schemes that grants and other contributions are received in year to repay that forward funding. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows.

| Capital Financing Requirement | 2023/24<br>Actual<br>£m | 2024/25<br>Estimate<br>£m | 2025/26<br>Estimate<br>£m | 2026/27<br>Estimate<br>£m | 2027/28<br>Estimate<br>£m |
|-------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Total</b>                  | <b>488</b>              | <b>486</b>                | <b>517</b>                | <b>506</b>                | <b>501</b>                |

Source: Cheshire East Finance

### Asset disposals

- 6.6. When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council received £3.5m of capital receipts from asset sales in 2023/24 and plans to receive a further £4.8m in future years.

| Capital Receipts | 2023/24<br>Actual<br>£m | 2024/25<br>Estimate<br>£m | 2025/26<br>Estimate<br>£m | 2026/27<br>Estimate<br>£m | 2027/28<br>Estimate<br>£m |
|------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Asset Sales      | 3.4                     | 2.3                       | 4.0                       | 4.0                       | 4.0                       |
| Loans Repaid     | 0.1                     | 0.2                       | 0.2                       | 0.2                       | 0.2                       |
| <b>Total</b>     | <b>3.5</b>              | <b>2.5</b>                | <b>4.2</b>                | <b>4.2</b>                | <b>4.2</b>                |

Source: Cheshire East Finance

### Gross Debt and the Capital Financing Requirement

- 6.7. The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting and the Council therefore seeks to strike a balance between cheap short term loans (currently available at around 4.95%) and long term fixed rate loans where the future cost is known but fixed over a period when rates are expected to fall (currently 4.99%– 5.3%).
- 6.8. Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement.

| Gross Debt and the Capital Financing Requirement | 2023/24 Actual | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate | 2027/28 Estimate |
|--|----------------|------------------|------------------|------------------|------------------|
|  | £m             | £m               | £m               | £m               | £m               |
| Borrowing  | 337            | 374              | 439              | 454              | 480              |
| PFI Liabilities                                  | 18             | 17               | 17               | 15               | 14               |
| Total Debt                                       | <b>355</b>     | <b>391</b>       | <b>456</b>       | <b>469</b>       | <b>494</b>       |
| Capital Financing Req.                           | <b>488</b>     | <b>486</b>       | <b>517</b>       | <b>506</b>       | <b>501</b>       |

Source: Cheshire East Finance

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

### Liability Benchmark

- 6.10. To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £20m at each year end. This benchmark is currently £331m and is forecast to rise to £415m over the next four years.

| Borrowing and the Liability Benchmark | 2023/24 Actual | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate | 2027/28 Estimate |
|---------------------------------------|----------------|------------------|------------------|------------------|------------------|
|                                       | £m             | £m               | £m               | £m               | £m               |
| Outstanding Debt                      | 337            | 374              | 439              | 454              | 480              |
| Liability Benchmark                   | 331            | 355              | 403              | 412              | 415              |

Source: Cheshire East Finance

- 6.11. The table shows that the Council expects to borrow above its liability benchmark.

### Affordable borrowing limit

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



|  | 2023/24<br>limit<br>£m | 2024/25<br>limit<br>£m | 2025/26<br>limit<br>£m | 2026/27<br>Estimate<br>£m | 2027/28<br>Estimate<br>£m |
|--|------------------------|------------------------|------------------------|---------------------------|---------------------------|
| Authorised Limit for Borrowing                       | 540                    | 570                    | 590                    | 590                       | 590                       |
| Authorised Limit for Other Long-Term Liabilities     | 18                     | 17                     | 17                     | 15                        | 14                        |
| <b>Authorised Limit for External Debt</b>            | <b>558</b>             | <b>587</b>             | <b>607</b>             | <b>605</b>                | <b>604</b>                |
| Operational Boundary for Borrowing                   | 530                    | 560                    | 580                    | 580                       | 580                       |
| Operational Boundary for Other Long-Term Liabilities | 18                     | 17                     | 17                     | 15                        | 14                        |
| <b>Operational Boundary for External Debt</b>        | <b>548</b>             | <b>577</b>             | <b>597</b>             | <b>595</b>                | <b>594</b>                |

Source: Cheshire East Finance

### Investment Strategy

- 6.13. Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 6.14. The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with money market funds, other local authorities or selected high quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in shares and property, to balance the risk of loss against the risk of returns below inflation.

| Treasury Management Investments | 31/03/24<br>Actual<br>£m | 31/03/25<br>Estimate<br>£m | 31/03/26<br>Estimate<br>£m | 31/03/27<br>Estimate<br>£m | 31/03/28<br>Estimate<br>£m |
|---------------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Short term                      | 22                       | 20                         | 20                         | 20                         | 20                         |
| Long term                       | 20                       | 20                         | 20                         | 20                         | 20                         |
| <b>Total Investments</b>        | <b>42</b>                | <b>40</b>                  | <b>40</b>                  | <b>40</b>                  | <b>40</b>                  |

Source: Cheshire East Finance

- 6.15. Further details on treasury investments are in pages of the Treasury Management Strategy, reported here: [Final Outturn 2023-24 Annex 1.pdf \(cheshireeast.gov.uk\)](#)
- 6.16. Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Section 151 Officer and staff, who must act in line with the treasury management strategy approved by Council. Quarterly reports on treasury activity are reported to Cabinet as part of the Finance Update reports. The Audit and Governance Committee is responsible for scrutinising treasury management decisions.

- 6.17. Further details on investments for service purposes and commercial activities are in the Investment Strategy, reported here: [Final Outturn 2023-24 Annex 1.pdf \(cheshireeast.gov.uk\)](#)
- 6.18. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by an investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.

| Ratio of Financing Costs to Net Revenue Stream | 31/03/24 Actual | 31/03/25 Estimate | 31/03/26 Estimate | 31/03/27 Estimate | 31/03/28 Estimate |
|--|-----------------|-------------------|-------------------|-------------------|-------------------|
| Financing Costs (£m)                           | 19.0            | 28.5              | 35.3              | 35.5              | 33.3              |
| Proportion of net revenue stream %             | <b>5.38</b>     | <b>7.20</b>       | <b>8.77</b>       | <b>8.60</b>       | <b>7.84</b>       |

Source: Cheshire East Finance

## Treasury Management Indicators

- 6.19. The Authority measures and manages its exposures to treasury management risks using the following indicators.
- 6.20. **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limit on the one-year revenue impact of a 1% rise in interest rates is:
- 6.21. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates. The Council is expected to remain a net borrower in 2024/25 so a fall in rates would lead to savings rather than incurring additional cost so a limit of £0 was set. Rates are now more likely to reduce than increase so full revenue impact of changing rates is likely to be beneficial.

| Interest Rate Risk Indicator   | Limit      |
|--|------------|
| Upper limit on one-year revenue impact of a 1% <b>rise</b> in interest rates | £2,270,000 |
| Likely revenue impact in 2024/25 of a 1% <b>rise</b> in interest rates       | £1,240,000 |

- 6.22. **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. Lower limits have been set at 0%. The upper limits on the maturity structure of borrowing and the actual maturity profiles as at 30 September 2024 are:

| Refinancing rate risk indicator | Upper Limit | Actual |
|---------------------------------|-------------|--------|
| Under 12 months                 | 75%         | 68%    |

| Refinancing rate risk indicator | Upper Limit | Actual |
|---------------------------------|-------------|--------|
| 12 months and within 24 months  | 75%         | 1%     |
| 24 months and within 5 years    | 75%         | 6%     |
| 5 years and within 10 years     | 75%         | 12%    |
| 10 years and within 20 years    | 100%        | 5%     |
| 20 years and above              | 100%        | 8%     |

- 6.23. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. The upper limit for loans maturing in under 12 months is relatively high as short term has been considerably cheaper than alternatives and allows for LOBO loans which have the potential to be repaid early. This will be kept under review as it does increase the risk of higher financing costs in the future.
- 6.24. **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

| Price Risk Indicator                        | 2024/25 | 2025/26 | 2026/27 |
|---|---------|---------|---------|
| Limit on principal invested beyond year end | £25m    | £15m    | £10m    |
| Actual amounts committed beyond year end    | £0m     | £0m     | £0m     |

OPEN

## **Corporate Policy Committee**

**Thursday, 28 November 2024**

### **Medium Term Financial Strategy Update and Consultation 2025/26 - 2028/29 (Corporate Policy Committee)**

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**Report of: Adele Taylor, Interim Executive Director of Resources  
(S151 Officer)**

**Report Reference No: CP/21/24-25**

**Ward(s) Affected: All Wards**

**For Decision or Scrutiny: Scrutiny**

#### **Purpose of Report**

- 1 The Medium-Term Financial Strategy (MTFS) sets out how the Council will resource the achievement of the Cheshire East Plan and is subject to consultation and approval on an annual basis.
- 2 This report sets out progress during this financial year against the gaps that had been identified in February 2024 when setting the budget and medium-term financial plan. Since then, there have been a number of reports that have updated the committee on the current financial forecasts for the medium term, taking into account the latest information from the in-year monitoring and the impact of the 30 October budget announcements and what that means for the 2025/26 budget setting.
- 3 This report sets out the process to be undertaken for budget consultation and stakeholder engagement for the financial year 2025/26 as part of the MTFS 2025-29.
- 4 Developing the MTFS requires a wide range of stakeholder engagement. Members are key stakeholders in their capacity as community leaders, but also in their capacity as decision makers in setting the Council's budget. The Finance-Sub Committee formed a working group to scrutinise the financial assumptions underpinning the current MTFS and

the latest report on those assumptions was considered early in November 2024.

- 5 Individual Committees have been asked to review the in-year budget position and consider how this performance will impact on services they are responsible for (see Second Financial Review report which is on the same Agenda as this report).
- 6 Stakeholder engagement on the overall budget will be undertaken as well as any necessary individual consultations for specific actions. The January cycle of Committee meetings will be the forum to scrutinise the draft proposals put forward, alongside other feedback from consultees. All feedback will be collated and provided as evidence to the Corporate Policy Committee on 6 February 2025.
- 7 Final approval of the 2025/26 budget will take place at full Council on 26 February 2025, following recommendation from the Corporate Policy Committee.

### **Executive Summary**

- 8 The financial strategy underpins how Cheshire East Council will allocate resources, achieve the Cheshire East (Corporate) Plan and provide in the region of 500 local services every day. It must be affordable, based on robust estimates and balanced against adequate reserves.
- 9 There have been two previous reports to Finance Sub-Committee during 2024 setting out the budget assumptions underpinning the MTFS, including assumptions relating to funding, based on current expectations.
- 10 There has been a significant amount of work since that time to capture all the proposed budget changes for 2025/26 and over the medium term, both as a result of the transformation work and also outside of that programme, to ensure that a complete picture is being recorded.
- 11 The proposed budget changes put forward to date have been scrutinised in a series of officer challenge sessions to ensure accuracy, completeness and likelihood of success, to ensure that any future budget estimates are robust. See Appendix A for the full list of proposed growth and savings items per Committee.
- 12 Consideration has been made of the need to fully reflect the costs of services that the council is statutorily responsible to deliver, as well as recognising the importance of properly funding improvement activity within our Children's services. If we do not invest in this improvement activity the longer-term costs both financially, and in terms of the impact on our residents, will be much more significant within a short period of

time if investment is not made now. We also need to re-size our demand led service budgets recognising that the pressure that is currently being experienced will not reduce immediately as it is based on current people in care placements. Whilst transformation of services in the medium to long term can reduce overall costs, the immediate budget pressures need to be funded.

- 13 The proposed changes that have been compiled to date **do not yet go far enough to balance the budget** in line with the revised estimated funding envelope for 2025/26 as it is currently known. There are however a significant number of moving parts in terms of funding, that have a significant amount of uncertainty in them, and further detail is awaited via the Local Government Provisional Settlement.
- 14 The Chancellors Budget published on 30 October did not give detailed settlement information in terms of the extra grant funding announcements. However, analysis by Pixel, our financial advisors, has identified likely local allocations from the announced additional national funding levels. This has resulted in forecast increases totalling £3.8m for 2025/26 but this will not be certain until we see detailed information which is likely to be announced in late December. We are aware that the allocation of grant funding may not follow the way it has previously been allocated which could have a significant impact on what funding we may receive.
- 15 However, this does not take into account all of the potential changes to funding. Assumptions have also been made around the impact of changes to salary costs that impact both directly and indirectly on the costs of running services such as the increase in National Living Wage (NLW) and changes to National Insurance costs (NIC). We have included our current assessment of the potential impact of these costs but have not yet made a judgement on what, if any, funding may come through announcements that the public sector may receive some protection from NIC changes. These are included in our tables as part of the overall contingency line within the budget, recognising that the impact is subject to negotiation with suppliers and contractors and will not be equally felt across all services, but is a corporate issue that needs to be dealt with.
- 16 The Second Financial Review (FR2) forecasts (separate report on the Agenda) have shown an improvement of £6.5m compared to FR1 (reported to September committee meetings) but are still projecting an in-year adverse variance of £20.1m which remains a significant financial challenge for the Council. The FR2 forecast reserves, after agreed movements budgeted for in the 2024-28 MTFs, are currently £10.0m, being £0.5m of General Fund reserves (including the forecast use of £4m for transformation costs) and £9.5m of Earmarked reserves. The Council's level of reserves is therefore insufficient to cover the current

forecast revenue outturn for the year without further action.

- 17 The in-year forecast does not assume the use of Exceptional Financial Support (EFS) that was agreed in principle with central government. The council remains in discussion with central government about the use of EFS which would ensure that the Council remained solvent during 2024/25. The way in which the EFS could be funded is through either capitalisation of revenue costs (using proceeds of any additional capital receipts identified) or through borrowing to fund the gap. Any gaps in future years funding could also be subject to EFS but this is not a long-term solution given this incurs further additional revenue cost to finance the borrowing required.
- 18 After taking into account the in-year position and the future forecast budget changes required to address known pressure, this leaves the position for 2025/26 where the current budget gap that needs to be closed is now £31.4m (see Table 1). It is recognised that this gap still needs significant further refinement subject to the announcement of the detailed Provisional Local Government Finance Settlement later in December, continued urgent focus on identifying additional savings, efficiencies and income, consider further significant service change/reductions and live discussions on our ability to capitalise costs through Exceptional Financial Support.

| <b>Table 1: Summary position for 2025/26 to 2028/29</b> | <b>Revised Budget 2024/25<br/>£m</b> | <b>Estimated Net Budget 2025/26<br/>£m</b> | <b>Estimated Net Budget 2026/27<br/>£m</b> | <b>Estimated Net Budget 2027/28<br/>£m</b> | <b>Estimated Net Budget 2028/29<br/>£m</b> |
|---|--------------------------------------|--|--|--|--|
| Childrens   | 89.0                                 | 96.9                                       | 103.0                                      | 108.8                                      | 115.4                                      |
| Adults  | 137.5                                | 159.1                                      | 157.9                                      | 159.5                                      | 161.1                                      |
| Place   | 92.5                                 | 95.9                                       | 96.8                                       | 97.8                                       | 99.1                                       |
| Corporate   | 41.5                                 | 28.9                                       | 12.7                                       | 3.0  | 3.9  |
| <b>Total Service Budgets</b>                            | <b>360.5</b>                         | <b>380.8</b>                               | <b>370.4</b>                               | <b>369.2</b>                               | <b>379.5</b>                               |
| <i>CENTRAL BUDGETS:</i>                                 |                                      |  |  |  |  |
| Capital Financing                                       | 28.5                                 | 36.8                                       | 38.5                                       | 40.3                                       | 41.8                                       |
| Income from Capital Receipts                            | -1.0                                 | -1.0                                       | -1.0                                       | -1.0                                       | -1.0                                       |
| Contingency Budget                                      | 0.0                                  | 9.3  | 20.6                                       | 26.7                                       | 33.1                                       |
| Risk Budget   | 0.0                                  | 0.0  | 3.5  | 1.9  | 0.7  |
| Pension adjustment                                      | 0.0                                  | -0.7                                       | -0.7                                       | -0.7                                       | -0.7                                       |
| Use of (-) / Top up (+) Reserves                        | -12.2                                | 5.0  | 5.0  | 5.0  | 5.0  |
| <b>Total Central Budgets</b>                            | <b>15.2</b>                          | <b>49.3</b>                                | <b>65.7</b>                                | <b>72.1</b>                                | <b>78.7</b>                                |
| <b>TOTAL: SERVICE + CENTRAL BUDGETS</b>                 | <b>375.7</b>                         | <b>430.1</b>                               | <b>436.1</b>                               | <b>441.3</b>                               | <b>458.3</b>                               |
| <i>FUNDED BY:</i>                                       |                                      |  |  |  |  |
| Council Tax   | -287.1                               | -307.3                                     | -325.6                                     | -345.0                                     | -365.5                                     |
| Business Rate Retention Scheme                          | -56.6                                | -57.1                                      | -57.1                                      | -57.1                                      | -57.1                                      |
| Revenue Support Grant                                   | -0.4                                 | -0.4                                       | -0.4                                       | -0.4                                       | -0.4                                       |
| Specific Unring-fenced Grants                           | -31.6                                | -33.9                                      | -29.3                                      | -29.3                                      | -29.3                                      |
| <b>TOTAL: FUNDED BY</b>                                 | <b>-375.7</b>                        | <b>-398.7</b>                              | <b>-412.4</b>                              | <b>-431.8</b>                              | <b>-452.3</b>                              |
| <b>Funding Position (+shortfall)</b>                    | <b>0.0</b>                           | <b>31.4</b>                                | <b>23.7</b>                                | <b>9.5</b>                                 | <b>6.0</b>                                 |



- 19 The budget also needs to consider the revenue costs of the current and future capital programme for the next four years. More detail is included in the main body of the report but Table 2 below provides a summary of our forecast borrowing (includes Capital and DSG borrowing requirement – see Table 8).

| <b>Table 2 Estimated Net Borrowing</b> | <b>2024/25<br/>£m</b> | <b>2025/26<br/>£m</b> | <b>2026/27<br/>£m</b> | <b>2027/28<br/>£m</b> | <b>2028/29<br/>£m</b> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Net Borrowing Requirement        | 282.2                 | 375.2                 | 412.1                 | 448.5                 | 449.6                 |

- 20 The Capital Review to date has had a limited impact in the reduction in borrowing; although there has been slippage to future years projects that are still assumed to be delivered and so there has not been a reduction in significant amounts of borrowing within the overall programme. There remains a revenue pressure over the next four years before the impact of new growth requests. More detail is included within the main body of the report – paragraphs 44-51. The Capital Financing figures within Table 1 reflect the revenue cost of the current capital programme and the growth requests.
- 21 Due to the level of uncertainty set out above and ongoing development of the MTFS, the approach to stakeholder engagement and consultation on the budget for 2025/26 will be necessarily different this year.
- 22 In addition, the Council has already agreed a Transformation Plan setting out the programmes and projects for the medium to long-term. Any transformational savings for 2025/26 are built into the draft proposals listed in Appendix A.
- 23 The majority of proposals do not require formal consultation as they are achievable within existing policies or do not impact statutory services. However, it is good practice to give all stakeholders the opportunity to provide feedback on the proposals and draft budget, to help generate additional ideas and provide members with insights into the potential wider effects of their decisions.
- 24 The Council has a statutory obligation to consult businesses on the draft budget. This will be done through existing networks such as the Chambers of Commerce with feedback reported to Economy and Growth Committee in January 2025. Any business is welcome to provide comments for consideration as part of finalising the budget for 2025/26.
- 25 All stakeholders, businesses and residents are invited to give feedback on the overall approach to budget setting including the following principles and the draft budget 2025/26:

- (a) taking the opportunity to resize and reshape the budget particularly for demand led social care services, supporting Cheshire East's residents most in need;
- (b) investment in improvement in Children's Services;
- (c) progressing transformation projects across the council to provide longer-term stability;
- (d) addressing unfunded pressures such as National Living Wage increases;
- (e) identifying specific proposals and service changes to deliver cost reduction, cost avoidance or additional income.

26 Any specific savings proposals requiring consultation as part of the budget setting process will be set out in the consultation documentation and for the relevant Committee meeting in January 2025.

#### RECOMMENDATIONS

The Corporate Policy Committee is being asked to:

- (a) Note the forecast revenue budget position for the medium term as set out in Table 1 following the 30 October budget announcements;
- (b) Note the draft growth and savings budget proposals for 2025/26 to 2028/29 as included in Appendix A;
- (c) Note the detailed list of Capital Growth Requests in Appendix B;
- (d) Note that officers will continue to challenge draft proposals and develop further proposals in consultation with Members prior to approval by Council;
- (e) Note that discussions continue with central government about potential requirements around Exceptional Financial Support as part of the options to close the gaps in our budget;
- (f) Note the approach to budget consultation and engagement;
- (g) Note that Committees will be presented with the opportunity to review the full set of financial proposals, designed to achieve a balanced budget, as part of their January cycle of meetings prior to recommendations being made to Council for approval.

## Background

- 27 The Council's financial resources are provided from a combination of local taxes, government grants, investment returns on assets and other direct contributions from individuals or organisations including fees and charges levied for services delivered. Financial plans are based on estimated spending and income over the next four years and the report of the Chief Finance Officer brings Members' attention to the processes and risks associated with developing these estimates.
- 28 The Council must demonstrate how we achieve best value for money based on Economy (how much we pay for things), Efficiency (how well we use things) and Effectiveness (how we use things to achieve outcomes). Public feedback and internal and external scrutiny create the necessary framework to hold the Council to account for achieving these aims.
- 29 All councils are legally required to set a balanced budget each year and the immediate focus will be on balancing the 2025/26 financial year, and on the whole medium term, as has been the case previously. This replicates the focus last year and reflects the extremely challenging circumstances all councils are still facing. It also recognises that decisions that are being made about resource allocation must not solely consider the immediate impact, but take into account the longer term impact. The Council must learn to live within its means, which is why we have focussed efforts on transforming the way we do things and not just simply focus on cutting costs as this is not sustainable in the longer term. The Council is facing immediate pressures that we must deal with whilst balancing our efforts over the longer-term to become fully financially sustainable.

## Funding assumptions

- 30 Finance Sub-Committee received a report in June setting out the MTFS 2025-29 original planned timetable and budget assumptions underpinning the current MTFS. A working group then met during August to discuss these assumptions and their suitability for the medium term.
- 31 A further update report was then received in September setting out likely improvements to the funding envelope forecast over the medium term which reduced the overall 4-year target down from a savings position of c.£100m to c.£78m.
- 32 Since that report there have been some further refinements to the funding envelope for 2025/26 following the calculation of the taxbase for next year. Therefore, the revised funding envelope for 2025/26 increased from £380.3m (as set out in the MTFS in February 2024) to £394.8m as

at early October 2024. This is an increase of £14.5m. For context, the funding envelope for 2024/25 was approved at £375.7m.

- 33 The Chancellor then announced in the Budget on 30 October that Core Spending Power will increase by 3.2% in real terms (inclusive of assumed average Council Tax increases of 4.8% and taxbase increases of 0.8%), and that this will include an increase of £1.3bn nationally in grant funding. This, for example, compares to the increase announced for the National Health Service of £22bn and is insufficient to address the funding shortfalls and pressures being faced by the local government sector which are estimated to be in the region of £2.3bn for 2025/26 “just to stand still”.
- 34 It was also confirmed that the increase planned for the Employer National Insurance (ENI) contributions (13.8% up to 15%, and a threshold reduction down from £9,100 to £5,000) will also be funded (assumed to be outside of the additional £1.3bn national allocation). This will be included in the MTFS at a net nil position on the assumption that the grant will cover the estimated additional cost of c.£3m. However, of particular concern is that although this ENI increase will also flow through to all external suppliers and will be particularly impactful to our social care providers, there is no specific funding set aside for this in the budget announcement. We await further detail on this and so the position for our funding against our internal costs may change.
- 35 The Budget did not give detailed settlement information in terms of the extra grant funding announcements. However, analysis by Pixel, our financial advisors, has identified some possible local allocations from the announced additional national funding levels. This has resulted in further forecast increases in funding totalling £3.8m for 2025/26 as shown in Table 3 below.

| Table 3 – Budget announcements – grant improvements                             | National allocation | Forecast additional grant 2025/26 |
|---|---------------------|-----------------------------------|
| Social Care unringfenced (grant)  | +£600m              | +1.7m                             |
| Targeted additional unringfenced funding (grant)                                | +£700m              | +£1.6m                            |
| Settlement Funding Assessment – inflationary increase (Business Rates baseline) |                     | +£0.5m                            |
| <b>Total</b>  |                     | <b>£3.8m</b>                      |

- 36 All items in Table 3 above will be classed as a permanent increase to the base budget except for the £1.6m targeted funding increase which is thought to be a one-year allocation only. These assumptions may yet

change depending on the way in which funding is allocated and there is a risk that funding may be lower than we anticipate and we will not know this until more detail is published, likely to be in December 2024 at the earliest.

- 37 There were also announcements on additional Homelessness grant (£230m), Disabled Facilities grant (£86m – capital monies) and SEND (£1bn – DSG funding) but our allocation for these is yet to be quantified with any certainty.
- 38 This takes the estimated funding envelope to **£398.7m** for 2025/26 as shown in Table 1. This figure is still £31.4m lower than the forecast service expenditure of **£430.1m** for next year.
- 39 A local government financial policy statement is due to be issued during November which will set out further details on 2025/26 and the multi-year settlement from 2026/27. The Provisional Local Government Finance Settlement is then due to be announced in late December alongside a consultation paper on principles for funding reform. There is then likely to be the Spending Review phase two in spring 2025 with a view to full implementation of multi-year settlements and funding reforms in December 2025.
- 40 This makes it very difficult to predict the funding levels over the medium term hence the approach to maintaining levels in line with 2025/26 where there is reasonable confidence. Council tax is projected to increase by 4.99% per annum over the next four years.

### **Proposed growth and savings budget changes**

- 41 There has been a substantial amount of work undertaken since the September update to bring forward the detailed list of proposed budget change items included in the totals in Table 1 for 2025/26 and the later years. An internal management “MTFS tracker” system has been put in place to capture all proposals in one place. This includes all items identified with our transformation partner as per the Transformation Plan that was approved by the Corporate Policy Committee in August 2024.
- 42 A full list of the proposed growth and savings items, per committee is included in Appendix A.
- 43 Challenge sessions have since been held during October with every directorate to ensure that all proposals that have been put forward as changes for the next MTFS have been fully scrutinised for accuracy and completeness, including the ongoing effects of the pressures forecast for 2024/25. Some of the items that have been considered are as follows:

- (a) Growth – demand/ complexity/ cost changes; to reflect elements that affect future years, respectively;
  - (b) Required investment in improvement activity in Children’s Services to ensure we meet our statutory duties and provide a stable platform on which to transform our services;
  - (c) Contractual inflation;
  - (d) Revenue effects of capital projects – central financing and service budgets as part of the ongoing Capital Programme Review; and to bring the programme back to an affordable position;
  - (e) Housekeeping – items that are one-year only as opposed to permanent – to ensure correctly reflected in the MTFS tracker;
  - (f) Fees and charges – price/ income increases – all years;
  - (g) What discretionary services/ functions can be reduced/ stopped;
  - (h) Savings – transformation/ other - clarity on the level of actual savings and the realistic profile to ensure that these savings are deliverable.
- 44 Transformation plan proposals have been reviewed with relevant officers and support from Inner Circle, our transformation partner, to understand, interpret and develop the ideas initially put forward. All transformation proposals in the MTFS tracker have been reviewed against the following criteria:
- (a) Clarity around what can change; how/ when can it be delivered - is the phasing correct and deliverable;
  - (b) Fully reflect the costs and benefits of change (net deliverable positions);
  - (c) Reflect realistic and deliverable savings per year - important to consider/ document the detail, establish expenditure and income budget impacts.

### **Capital programme review**

- 45 The current capital programme for the next four years totals £493m of which £98m is currently forecast to be funded by borrowing. In addition, there are currently new growth requests for the period of the MTFS 2025-29 of £55m, the majority of which would need to be funded from borrowing, unless other savings can be made within the programme or capital receipts are available. The detail for the new requests can be found in Appendix B.

| <b>Table 4 –<br/>Capital<br/>Programme<br/>Prudential<br/>Borrowing<br/>Forecast for<br/>MTFS 2025-29</b> | <b>2025/26<br/>£000s</b> | <b>2026/27<br/>£000s</b> | <b>2027/28<br/>£000s</b> | <b>2028/29<br/>£000s</b> | <b>Total<br/>Borrow-<br/>ing in<br/>Forecast<br/>£000s</b> | <b>Total<br/>Capital<br/>Prog<br/>2025-29<br/>£000s</b> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--|---|
| Current Programme   | 57,996                   | 14,802                   | 25,044                   | -                        | 97,842   | 492,795   |
| New requests funded by borrowing  | 19,641                   | 12,719                   | 13,233                   | 6,299                    | 51,893   | 55,229  |
| <b>Changes to borrowing if approved</b>   | <b>77,637</b>            | <b>27,521</b>            | <b>38,277</b>            | <b>6,299</b>             | <b>149,735</b>   | <b>548,024</b>  |

- 46 The Capital Review to date has had a limited impact in the reduction in borrowing; although there has been slippage to future years, projects are still assumed to be delivered, therefore, there has not been a significant reduction in the amount of borrowing within the overall programme. A complete list of the capital schemes within the current programme and slippage between MTFS 2024-28 and the Second Financial review will be made available to Councillors. Please also refer to the Second Financial Review report (separate report on the Agenda).
- 47 A revenue pressure remains against the Capital Financing budget over the next four years before the impact of any new growth requests. More scrutiny over the need to complete projects at all, needs to be assessed. Table 5 below shows the pressures on the Capital Financing budget of the current programme including the impact of any new scheme proposals, (subject to approval) by borrowing.



| <b>Table 5 – Capital Financing Budget (Revenue implications)</b>                      | <b>2025/26<br/>£000s</b> | <b>2026/27<br/>£000s</b> | <b>2027/28<br/>£000s</b> | <b>2028/29<br/>£000s</b> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Original Capital Financing Budget (restated)  | 35,263                   | 35,507                   | 33,333                   | 33,333                   |
| Capital Financing Requirement excluding new growth                                    | 36,346                   | 37,295                   | 37,674                   | 36,743                   |
| <b>(Savings) / Growth in cost to revenue of current programme</b>                     | <b>1,083</b>             | <b>1,788</b>             | <b>4,341</b>             | <b>3,410</b>             |
| Capital Financing Requirement including new growth requests (as reflected in Table 1) | 36,839                   | 38,463                   | 40,265                   | 41,765                   |
| <b>Total (Savings)/Growth in cost to revenue impact with new asks approved</b>        | <b>1,576</b>             | <b>2,956</b>             | <b>6,932</b>             | <b>8,432</b>             |

- 48 The Capital Financing Budget (CFB) covers both the interest costs of borrowing as well as the Minimum Revenue Provision (MRP) charge to revenue each year. Isolating the annual MRP charge to the CFB arising from the capital borrowing gives more clarity over the capital impact to revenue before accounting for interest costs. Over the last 5 years there has been significant growth in the MRP charge to revenue and this growth is expected to continue unless we significantly reduce the amount of borrowing that is being used to fund the capital programme. The current level of growth is not sustainable.

| <b>Table 6 – Change to MRP charged to Revenue p.a. over time (with no new asks)</b> | <b>2025/26<br/>£000s</b> |
|---|--------------------------|
| Growth in last 5 years  | 9,233                    |
| Growth in next 5 years  | 6,584                    |
| Growth over 10 year period 2019/20 to 2029/30                                       | 15,817                   |

- 49 The impact of borrowing for capital has a long-lasting impact on the revenue budget and the table below compares the ongoing MRP charged to revenue in different scenarios for the capital programme.

| <b>Table 7 – Impact of Minimum Revenue Provision charged to revenue</b> | <b>5 years ago<br/>2019/20<br/>£000s</b> | <b>Last year<br/>2023/24<br/>£000s</b> | <b>Current year<br/>2024/25<br/>£000s</b> | <b>5 years time<br/>2029/30<br/>£000s</b> | <b>15 years time<br/>2039/40<br/>£000s</b> | <b>25 years time<br/>2049/50<br/>£000s</b> |
|---|--|--|---|---|--|--|
| Current programme with no new growth                                    | 9,528                                    | 17,496                                 | 18,761                                    | 25,345                                    | 18,024                                     | 9,989                                      |
| If stopped all capital funded by borrowing at 31/3/25                   | 9,528                                    | 17,496                                 | 18,761                                    | 20,856                                    | 14,212                                     | 6,948                                      |
| If current capital programme and new growth goes ahead*                 | 9,528                                    | 17,496                                 | 18,761                                    | 28,443                                    | 20,363                                     | 10,561                                     |
| Difference between all stopped / new growth position                    | -  | -                                      | -   | 7,587                                     | 6,151                                      | 3,613                                      |

\* only includes the current growth requests and does not take into account the possibility of any further new growth requests now or in future years that would require borrowing as funding.

- 50 In addition to the MRP charge, the capital financing budget includes the interest forecast that contains two elements of borrowing, capital and the Dedicated Schools Grant (DSG) deficit. Table 8 below provides a summary of the forecast borrowing below.

| <b>Table 8 - Borrowing</b>              | <b>2024-25<br/>£m</b> | <b>2025-26<br/>£m</b> | <b>2026-27<br/>£m</b> | <b>2027-28<br/>£m</b> | <b>2028-29<br/>£m</b> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Borrowing related to rising DSG deficit | 120.1                 | 155.2                 | 186.1                 | 210.3                 | 228.3                 |
| Borrowing related to capital programme  | 162.1                 | 220.0                 | 226                   | 238.2                 | 221.3                 |
| <b>Total Net Borrowing</b>              | <b>282.2</b>          | <b>375.2</b>          | <b>412.1</b>          | <b>448.5</b>          | <b>449.6</b>          |

- 51 Following the recent Budget, interest rates in the medium term are now expected to be slightly higher than previously forecast, the effects have

been included in the current figures for the MTFS. The total forecast for interest costs is found in Table 9 below

| <b>Table 9 - Cost of borrowing</b> | <b>2024-25<br/>£m</b> | <b>2025-26<br/>£m</b> | <b>2026-27<br/>£m</b> | <b>2027-28<br/>£m</b> | <b>2028-29<br/>£m</b> |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Capital element of borrowing       | 13.6                  | 12.3                  | 11.6                  | 11.9                  | 10.7                  |
| DSG deficit element of borrowing   | 4.9                   | 5.6                   | 6.4                   | 7.4                   | 7.7                   |
| Interest receivable                | (3.8)                 | (2.3)                 | (2.1)                 | (2.0)                 | (2.0)                 |
| <b>Net Cost of Borrowing</b>       | <b>14.7</b>           | <b>15.6</b>           | <b>15.9</b>           | <b>17.3</b>           | <b>16.4</b>           |

- 52 The financial impact of funding any Exceptional Finance Support (EFS) has not yet been included in the figures for the Capital Financing Budget above, nor the MRP calculations. However, the use of EFS will clearly have a direct impact upon the CFB and the effects will depend ultimately on the actual amount of EFS utilised from either the existing approved amount, any additional EFS amount sought/approved and the timing of when the any EFS is actual taken up (see also paragraphs 60-63).

#### **In year forecast outturn (2024/25) impact**

- 53 The Second Financial Review (FR2) projections (separate report) have shown an improvement on FR1 of £6.5m; but are forecasting an in-year adverse variance of £20.1m which remains a significant financial challenge for the Council.
- 54 FR2 forecast reserves, after agreed movements budgeted for in the 2024-28 MTFS, are currently £10.0m, being £0.5m of General Fund Reserves (including the forecast use of £4m for transformation costs) and £9.5m of Earmarked Reserves. The Council's level of reserves is therefore insufficient to cover the current forecast revenue outturn for the year without further action.

#### **Dedicated Schools Grant**

- 55 The key pressure on DSG relates to the high needs block where the SEND service continues to see a significant increase in the number of pupils with an EHCPs, and the associated school placement costs.
- 56 This has placed pressure on the grant used to provide funding for children with SEND in various settings and led to a £31.7m deficit in 2023/24. This adds on to the brought forward deficit of £46.9m to take the DSG Reserve to a £78.6m deficit position at the end of 2023/24.

- 57 This is an improvement on the budget gap as determined by the Council's DSG Management Plan that was reported to Children and Families Committee in April 2024 and set out the planned expenditure and income on high needs over the medium term.
- 58 The current forecast is showing an in-year deficit of £41.5m which would increase the overall deficit to £120.1m.
- 59 The cost of interest to fund the DSG deficit continues to place pressure on the Councils revenue budgets, with interest costs forecast to be in the region of £5m in 2024/25.

### **Exceptional Financial Support**

- 60 This forecast for the in year 2024/25 outturn position does not assume the use of the Exceptional Finance Support (EFS) that was requested in 2023/24 and 2024/25, or therefore the cost of borrowing to finance any related borrowing costs. The EFS was agreed in principle, subject to a number of conditions being satisfied, including the submission of a transformation plan by the end of August 2024.
- 61 Given the budget shortfall of c.£31m for 2025/26, in the short term, the Council will need to look at all available options for balancing the 2025/26 budget as this will at least allow the Council time to consider the outcome of the spending review and changes to the local government funding formula and the announcements of the three year settlement from next spring. If a solution cannot be found then the S151 officer would need to consider the issuing of a S114 notice, although the Council is already taking many of the actions that would be required if that notice was issued.
- 62 With the very low level of reserves available as noted in the FR2 report and paragraph above, and the likelihood of being unable to find the level of further savings required to balance the budget on a recurring and sustainable basis, further Exception Financial Support needs to be considered, including all options of what form that may take including flexible use of capital receipts, potential flexibility around council tax etc.
- 63 Options around the form of what this may look like will need to be considered once there is more clarity on our overall funding levels as well as demonstrating that the council has taken all reasonable steps to live within our own means because exceptional financial support has ongoing revenue implications for a significant period of time.

### **Capital Receipts**

- 64 A prudent view of the capital receipts available over the term of the MTFS is shown below.

| <b>Table 10 - Capital Receipts</b>           | <b>2024-25<br/>£m</b> | <b>2025-26<br/>£m</b> | <b>2026-27<br/>£m</b> | <b>2027-28 &amp;<br/>beyond<br/>£m</b> |
|--|-----------------------|-----------------------|-----------------------|--|
| Capital receipts                             | 2.3                   | 9.0                   | 10.9                  | 12.7                                   |
| Already included in MTFS / capital programme | (2.0)                 | (2.2)                 | (2.7)                 | (5)                                    |
| Capital receipts available                   | 0.3                   | 6.8                   | 8.2                   | 7.7                                    |

### **Scenario planning and key risks**

- 65 Although growth has been included to reflect the potential impacts of recent changes to cost drivers such as NLW within our contracts, there may yet be consequences that have yet to be assessed around other inflation factors that are, difficult to model with any certainty.
- 66 Concerns remain also that the government's compensation plan for Employer National Insurance funding may not cover in full the increase in direct employment costs, currently estimated to be in the region of £3m. Government have set aside £4.7bn for the "direct impact of tax changes" on the public sector but as yet we have not received confirmation about the specific allocation which will hopefully be received as part of the November policy statement ahead of the December Provisional Local Government Finance Settlement.
- 67 The current statutory override for the DSG deficit was extended until the 31 March 2026. The current forecast deficit at the end of 2024/25 is £120.1m. Without the override the size of the negative reserve for the council would present a financial stability issue for the 2026/27 financial year. The council does not have sufficient reserves to be able to cover the cost of the cumulative deficit if the override is removed, which is forecast to be c.£155m by the end of 2025/26.
- 68 This is also before the cost of interest is considered. The forecast revenue cost of interest on borrowing to fund the deficit is anticipated to be in the region of £5m for 2024/25. This is also resulting in further pressure on the MTFS as the revenue impact linked to interest has to be built into future years budgets.

### **Consultation**

- 69 Due to the level of uncertainty and ongoing development of the MTFS, the approach to consultation on the budget for 2025/26 will be necessarily different this year.

- 70 The Council has already agreed a Transformation Plan setting out the programmes and projects for the medium to long-term. Any transformational savings for 2025/26 are built into the proposals listed in Appendix A.
- 71 The majority of proposals do not require formal consultation as they are achievable within existing policies or do not impact statutory services. However, it is good practice to give all stakeholders the opportunity to provide feedback on the proposals and draft budget, to help generate additional ideas and provide members with insights into the potential wider impacts of their decisions.
- 72 The Council has a statutory obligation to consult businesses on the draft budget. This will be done through existing networks such as the Chambers of Commerce with feedback reported to Economy and Growth Committee in January 2025. Any business is welcome to provide comments for consideration as part of finalising the budget for 2025/26.
- 73 All stakeholders, businesses and residents are invited to give feedback on the overall approach to budget setting including the following principles and the draft budget 2025/26:
- (a) taking the opportunity to resize and reshape the budget particularly for demand led social care services, supporting Cheshire East's residents most in need
  - (b) investment in improvement in Children's Services
  - (c) progressing transformation projects across the council to provide longer-term stability
  - (d) addressing unfunded pressures such as National Living Wage increases
  - (e) identifying specific proposals and service changes to deliver cost reduction, cost avoidance or additional income.
- 74 Any specific savings proposals requiring consultation as part of the budget setting process will be set out in the consultation documentation and for the relevant Committee meeting in January 2025.
- 75 The consultation will consist of an online survey, direct engagement with stakeholders directly impacted by any of the service specific proposals and use of existing networks and groups to gain both quantitative and qualitative feedback to inform decision making.

### **Timetable**

- 76 The timetable to Budget Council in February 2025 is set out below:

| Date  | Who?   | What?  |
|---|--|--|
| <b>Monday 2 December</b>                          | Online survey covering principles, draft budget summary and any service specific proposals | Launch Budget Consultation and engagement activities                     |
| <b>Monday 2 December to Sunday 5 January 2025</b> | All stakeholders including businesses  | Respond to formal consultation via meetings or online survey             |
| <b>December/January</b>                           | Members  | All members informal engagement events                                   |
| <b>Late December</b>                              | Central Government   | Local Government Provisional Finance Settlement                          |
| <b>January 2025</b>                               | CEC Officers   | Collate survey and engagement responses and feed into service committees |
| <b>January 2025</b>                               | All committees   | Analyse survey and engagement responses and finalise budget position     |
| <b>6 February 2025</b>                            | Corporate Policy Committee   | Recommend MTFS 2025-29 to Council  |
| <b>26 February 2025</b>                           | Council  | Approve 2025/26 budget, Council Tax and MTFS 2025-29                     |

## Consultation and Engagement

- 77 This report sets out the process to be undertaken for budget consultation and engagement for the financial year 2025/26 as part of the MTFS 2025-29.
- 78 Once a set of draft budget change proposals have been finalised and the consultation and engagement responses have been received, there will be opportunity during the January cycle of committee meetings to give formal feedback, from each committee, to the Corporate Policy Committee, ahead of the full Budget Council meeting in February 2025.

## Reasons for Recommendations

- 79 In accordance with the Constitution, Committees play an important role in planning, monitoring and reporting on the Council's finances. Each Committee has specific financial responsibilities.
- 80 The Council's annual budget must be balanced. The proposals within it must be robust and the strategy should be supported by adequate reserves. The assessment of these criteria is supported by each Committee having the opportunity to help develop the budget and financial proposals before they are approved by Full Council.



- 81 The consultation and engagement process provides an important opportunity for interested parties to understand and comment on how the Council proposes to balance the Council's budget in line with its commitment to be open and transparent in its decision making.
- 82 The purpose of the consultation and engagement activity is to obtain feedback on the draft budget, broad budget proposals and principles, and meet the statutory obligation to consult businesses. The Council will also undertake specific consultation on individual proposals with people who would potentially be directly affected such as staff and trade unions if required before implementation. This means that some proposals may change during the financial year, and this will be recognised when the overall strategy is presented to Council in February.

### **Other Options Considered**

- 83 The Council has a legal duty to set a balanced annual budget taking regard of the report from the Chief Finance Officer. As such options cannot be considered that would breach this duty. Any feedback from the Committee must still recognise the requirement for Council to fulfil this duty.
- 84 There is no option to "do nothing". The Council has statutory obligations to provide certain services, which would be unaffordable if the Council failed to levy an appropriate Council Tax.
- 85 There is the option to delay publication of the consultation and engagement activity until after the Provisional Local Government Finance Settlement has been confirmed, which is usually late December, and adopt the minimum level of engagement. This is not desirable because it is not transparent and leaves very little time for consultation and meaningful engagement activities.
- 86 There is also the option of consulting on the material in a detailed line by line format for all changes to the Council's budget. This approach is now not favoured and has come under criticism in the past years for being too lengthy and not helpful to gaining feedback on the proposals that are most likely to affect residents.

### **Implications and Comments**

#### *Monitoring Officer/Legal*

- 87 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget and require the Council to make prudent

allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

- 88 The provisions of section 25 of the Local Government Act 2003, require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
- 89 The Council should therefore have robust processes in place so that it can meet statutory requirements and fulfil its fiduciary duty. It must ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans. Local authorities are creatures of statute and are regulated through the legislative regime and whilst they have in more recent times been given a general power of competence, this must operate within that regime. Within the statutory framework there are specific obligations placed upon a local authority to support communities. These duties encompass general and specific duties and there is often significant local discretion in respect of how those services or duties are discharged. These will need to be assessed and advised on as each circumstance is considered.
- 90 The financial position of the Council must therefore be closely monitored, and Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings or alternative mitigations.
- 91 This report provides an update towards the setting of the budget for 2025/26 and clarifies the proposals going forward. It would be appropriate to consult on the proposals beyond the statutory consultation requirements, as this may help to facilitate early implementation of proposals once the budget is set.

#### *Section 151 Officer/Finance*

- 92 The current financial assumptions and revised timescales within this report provide up-to-date information on the Council's MTFs progress for the period 2025/26 to 2028/29, specifically aimed to setting the budget for 2025/26 which legally has to be completed by March 2025. Further details are contained within the body of this report.

#### *Policy*

- 93 The Cheshire East Plan 2021-25, refreshed for 2024/25 approved in July 2024, has driven and informed Council policy and priorities for service

delivery. A new Cheshire East Plan from 2025 is being developed in parallel to the budget and the MTFS is the resource plan for its delivery. The draft Cheshire East Plan will follow the same timeline as the MTFS and taken to Corporate Policy Committee and full Council in February 2025. The Plan will set out the vision and priorities for Cheshire East.

### *Equality, Diversity and Inclusion*

- 94 Under the Equality Act 2010, decision makers must show “due regard” to the need to:
  - (a) Eliminate unlawful discrimination, harassment and victimisation;
  - (b) Advance equality of opportunity between those who share a protected characteristic and those who do not share it; and
  - (c) Foster good relations between those groups.
- 95 The protected characteristics are age, disability, sex, race, religion and belief, sexual orientation, gender re-assignment, pregnancy and maternity, and marriage and civil partnership.
- 96 Having “due regard” is a legal term which requires the Council to consider what is proportionate and relevant in terms of the decisions they take.
- 97 The Council needs to ensure that in taking decisions on the Medium-Term Financial Strategy and the Budget that the impacts on those with protected characteristics are considered. The Council undertakes equality impact assessments where necessary and continues to do so as proposals and projects develop across the lifetime of the Council Plan and the MTFS. The process assists us to consider what actions could mitigate any adverse impacts identified. Completed equality impact assessments form part of any detailed Business Cases.
- 98 The proposals within the MTFS include positive and negative impacts. A separate Equality Impact Assessment for the budget as a whole is routinely included in the full MTFS report each year.
- 99 The Council Plan’s vision reinforces the Council’s commitment to meeting its equalities duties, promoting fairness and working openly for everyone. Cheshire East is a diverse place and we want to make sure that people are able to live, work and enjoy Cheshire East regardless of their background, needs or characteristics.

### *Human Resources*

- 100 Any HR implications that arise from activities funded by the budgets that the budget report deals with will be dealt with in the individual reports to Members or Officer Decision Records to which they relate.

*Risk Management*

- 101 Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2024/25 budget and the assumptions underpinning it were factored into the 2024/25 financial scenario, budget and reserves strategy.

*Rural Communities*

- 102 The budget report, as approved at Council on 27 February 2024, provides details of current service provision across the borough. Appendix A sets out any future impacts for 2025/26 and beyond.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 103 The budget report, as approved at Council on 27 February 2024, provides details of current service provision across the borough. Appendix A sets out any future impacts for 2025/26 and beyond.

*Public Health*

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

*Climate Change*

- 105 Any climate change implications that arise from activities funded by the budgets that the budget report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

| <b>Access to Information</b> |  |
|------------------------------|--|
| Contact Officer:             | <p>Adele Taylor</p> <p>Interim Director of Finance and Customer Services<br/>(Section 151 Officer)</p> <p><a href="mailto:adele.taylor@cheshireeast.gov.uk">adele.taylor@cheshireeast.gov.uk</a></p>   |
| Appendices:                  | <p>Appendix A – List of proposed growth and savings items per Committee.</p> <p>Appendix B – Detailed list of Capital Growth Requests</p>  |
| Background Papers:           | <p>The following are links to key background documents:</p> <p><a href="#">Cheshire East Plan 2024/25</a></p> <p><a href="#">Medium-Term Financial Strategy 2024-28</a></p> <p><a href="#">Corporate Policy Committee 21 August 2024 - Approved Transformation Plan</a></p> <p><a href="#">Finance Sub Committee 24 June 2024 Agenda</a></p> <p><a href="#">Finance Sub Committee 12 September 2024 Agenda</a></p> |

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# Appendix A

## Proposed Budget Change Items

Items in these table are shown as a negative (-) if they relate to a saving or additional income. Items shown as a positive (+) are a growth item or reduction in income.

**These tables show budgets as the INCREMENTAL position on from the previous year and assume that any prior year deficits have not been addressed.**

| SUMMARY – proposed budget change total per Committee | 2025/26<br>£m  | 2026/27<br>£m  | 2027/28<br>£m  | 2028/29<br>£m  |
|--|----------------|----------------|----------------|----------------|
| Adults and Health Committee                          | +21.614        | -1.211         | +1.632         | +1.580         |
| Children and Families Committee                      | +7.870         | +6.089         | +5.843         | +6.540         |
| Corporate Policy Committee                           | -12.619        | -16.165        | -9.680         | +0.915         |
| Environment and Communities Committee                | +2.879         | -0.306         | 0.350          | +1.163         |
| Economy and Growth Committee                         | +0.040         | +1.003         | +0.480         | +0.380         |
| Highways and Transport Committee                     | +0.481         | +0.187         | +0.182         | -0.215         |
| <b>TOTAL SERVICE COMMITTEES</b>                      | <b>+20.265</b> | <b>-10.403</b> | <b>-1.193</b>  | <b>+10.363</b> |
| Finance Sub Committee Central Budget                 | +34.117        | +16.416        | +6.340         | +6.653         |
| <b>TOTAL SERVICE BUDGETS</b>                         | <b>+54.382</b> | <b>+6.013</b>  | <b>+5.147</b>  | <b>+17.016</b> |
| Finance Sub Committee - Funding                      | -22.959        | -13.711        | -19.391        | -20.515        |
| <b>CURRENT POSITION (+Deficit/-Surplus)</b>          | <b>+31.423</b> | <b>-7.698</b>  | <b>-14.244</b> | <b>-3.499</b>  |



| Prev MTFS or TP* No.  | Detailed List of Proposed Budget Changes – Service Budgets | 2025/26<br>£m  | 2026/27<br>£m | 2027/28<br>£m | 2028/29<br>£m |
|---|--|----------------|---------------|---------------|---------------|
| * Transformation Plan   | <b>Adults and Health Committee</b>                         | <b>+21.614</b> | <b>-1.211</b> | <b>+1.632</b> | <b>+1.580</b> |
| MTFS 2024-2028 budget changes (figures may have been updated since that time) |  |                |               |               |               |
| 2   | Client Contributions                                       | -5.182         | -0.879        | -1.654        | -1.706        |
| 5   | Market Sustainability and Workforce Funding Ending         | +1.100         |               |               |               |
| 6   | Revenue Grants for Adult Social Care                       | -0.220         |               |               |               |
| 7   | Pensions Cost Adjustment                                   | -0.517         |               |               |               |
| 8   | Demand in Adult Social Care                                | +5.000         | +5.000        | +5.000        | +5.000        |
| 9   | Pay Inflation  | +1.301         | +1.116        | +1.116        | +1.116        |
| New MTFS 2025-2029 proposals  |  |                |               |               |               |
| New   | Funding the staffing establishment                         | +3.800         |               |               |               |
| New   | Fully Funding current care demand levels 2024/25           | +24.500        |               |               |               |
| New   | Remodel extra care housing catering service                | -0.300         |               |               |               |
| Transformation Plan proposals   |  |                |               |               |               |
| SC4b  | Prevent, Reduce, Enable - Older People                     | -1.500         | -2.830        | -2.830        | -2.830        |
| SC5   | Learning Disability service transformation                 | -2.500         | -2.500        |               |               |
| SC4a  | Commissioning and brokerage transformation                 | -0.500         | -0.250        |               |               |
| SC3   | Preparing for Adulthood                                    | -0.868         | -0.868        |               |               |
| SC1   | Health & Social Care Partnership Case Review               | -2.500         |               |               |               |

| Prev MTFS or TP* No.  | Detailed List of Proposed Budget Changes – Service Budgets                                   | 2025/26<br>£m | 2026/27<br>£m | 2027/28<br>£m | 2028/29<br>£m |
|---|--|---------------|---------------|---------------|---------------|
| * Transformation Plan   | <b>Children and Families Committee</b>   | <b>+7.870</b> | <b>+6.089</b> | <b>+5.843</b> | <b>+6.540</b> |
| MTFS 2024-2028 budget changes (figures may have been updated since that time) |  |               |               |               |               |
| 22  | Pension costs adjustment   | -0.537        |               |               |               |
| 23  | Growth to deliver statutory Youth Justice service, and meet Safeguarding Partnership duties. | +0.203        | +0.167        | +0.031        | +0.034        |
| 27  | Growth in School, SEND and Social Care Transport budget                                      | +1.501        | +1.548        | +0.476        |               |
| 28  | Pay Inflation  | +1.597        | +1.096        | +1.124        | +1.152        |
| 30  | Demand in Children's Placements  | +4.645        | +5.230        | +5.889        | +6.631        |
| New MTFS 2025-2029 proposals  |  |               |               |               |               |
| New   | Court Progression Improvement  | +0.023        |               |               |               |
| New   | Growth for annual contribution to the Regional Adoption Agency                               | +0.213        | +0.048        | +0.048        | +0.048        |
| New   | Growth for UASC due to emerging pressures  | +0.500        |               |               |               |
| New   | Reversal of a one year policy change for traded services                                     | +0.120        |               |               |               |
| New   | Schools Improvement  | +0.175        |               |               |               |
| New   | Funding the staffing establishment   | +2.600        |               | -1.000        | -0.600        |
| New   | Transport - Permitted Routes   | -0.250        |               |               |               |
| Transformation Plan proposals   |  |               |               |               |               |
| SC2   | New accommodation with support offer for 16-25 young people                                  | -1.100        | -0.700        |               |               |
| SC2   | Children's Commissioning   | -0.500        |               |               |               |
| SC6, SC7 & SC8  | Right Child, Right Home  | -1.320        | -1.300        | -0.725        | -0.725        |

| Prev MTFS or TP* No.  | Detailed List of Proposed Budget Changes – Service Budgets   | 2025/26<br>£m  | 2026/27<br>£m  | 2027/28<br>£m | 2028/29<br>£m |
|---|--|----------------|----------------|---------------|---------------|
| * Transformation Plan   | <b>Corporate Policy Committee</b>  | <b>-12.619</b> | <b>-16.165</b> | <b>-9.680</b> | <b>+0.915</b> |
| MTFS 2024-2028 budget changes (figures may have been updated since that time) |  |                |                |               |               |
| 39b   | Accelerate Digital (Digital efficiencies)  | +0.250         | +0.100         |               |               |
| 40  | Enforce prompt debt recovery and increase charges for costs  | -0.077         |                |               |               |
| 42  | Pension costs adjustment   | -0.396         |                |               |               |
| 44  | Pay Inflation  | +1.028         | +0.915         | +0.915        | +0.915        |
| 46a   | Capital - Infrastructure Investment Programme  | +0.006         |                |               |               |
| 46c   | Shared Services Review - Move to Hybrid Model  | -0.733         |                |               |               |
| New MTFS 2025-2029 proposals  |  |                |                |               |               |
| New   | The achievement of additional Registration Service income, over and above that which is currently identified as required.  | -0.350         |                |               |               |
| New   | Recognising the receipt of £45k of Police and Crime Commissioner grant income.   | -0.045         |                |               |               |
| New   | Taking the underspend on phones in corporate services (mobiles and rental) compared to budget.   | -0.060         |                |               |               |
| New   | Digital Customer Enablement Invest to Save - Overall Capital Investment to deliver the Digital Programme is £12.8m, of which £10.7m is the new requirement identified. | -0.750         | -0.750         | -0.700        |               |
| New   | Digital Acceleration Invest to Save - Overall Capital Investment to deliver the Digital Programme is £12.8m, of which £10.7m is the new requirement identified.        | -0.600         | -6.250         | -5.250        |               |
| New   | Digital Blueprint - Invest to Save - Overall Capital Investment to deliver the Digital Programme is £12.8m, of which £10.7m is the new requirement identified.         | -4.000         | -6.000         | -4.500        |               |
| New   | Digital Acceleration Revenue Growth  |                | +1.150         |               |               |
| New   | Digital Blueprint Revenue Growth   |                | +2.400         | +0.435        |               |
| New   | TSC stabilisation plan - permanent impact  | +0.270         |                |               |               |
| New   | Additional cost of External Audit Fees   | +0.230         |                |               |               |

| Prev MTFS or TP* No.          | Detailed List of Proposed Budget Changes – Service Budgets                                    | 2025/26<br>£m | 2026/27<br>£m | 2027/28<br>£m | 2028/29<br>£m |
|-------------------------------|---|---------------|---------------|---------------|---------------|
| New                           | Reduce Members Allowances budget for excess budget relating to a pay award that was not taken | -0.100        |               |               |               |
| New                           | Additional Cost of Bank Charges from 25/26  | +0.120        |               |               |               |
| New                           | Reverse reduction in leadership and management costs as posts are being retained.             | +0.540        |               |               |               |
| New                           | Reinstatement of a one-off saving of £150,000 from election budgets, for the 2024/25 year.    | +0.150        |               |               |               |
| Transformation Plan proposals |   |               |               |               |               |
| WF1                           | Target Operating Model (TOM)  | -3.000        | -7.000        |               |               |
| WF2                           | Agency Staffing   | -0.352        |               |               |               |
| WF3                           | Workforce Productivity  | -1.000        |               |               |               |
| SP1                           | Fees and Charges  | -0.750        | -0.040        | -0.040        |               |
| SP2                           | Third Party Spend   | -3.000        | -0.690        | -0.540        |               |

| Prev MTFS or TP* No.  | Detailed List of Proposed Budget Changes – Service Budgets  | 2025/26<br>£m | 2026/27<br>£m | 2027/28<br>£m | 2028/29<br>£m |
|---|---|---------------|---------------|---------------|---------------|
| * Transformation Plan   | <b>Environment and Communities Committee</b>  | <b>+2.879</b> | <b>-0.306</b> | <b>+0.350</b> | <b>+1.163</b> |
| MTFS 2024-2028 budget changes (figures may have been updated since that time) |   |               |               |               |               |
| 70  | Strategic Leisure Review (Stage 2)  | +0.403        | -0.203        | -0.166        |               |
| 73  | Libraries Strategy - Stage 1  | -0.100        |               |               |               |
| 75  | Reduce revenue impact of carbon reduction capital schemes   | +0.171        |               |               |               |
| 78  | Pay inflation   | +1.476        | +0.947        | +0.974        | +1.002        |
| 79  | Pension Costs Adjustment  | -0.159        |               |               |               |
| 85  | Explore a Trust delivery model for Libraries and other services   | -0.150        |               |               |               |
| 91  | Land Charge Income Adjustment   | +0.147        |               |               |               |
| 93  | Local Plan Review   |               | -0.160        | +0.033        |               |
| New MTFS 2025-2029 proposals  |   |               |               |               |               |
| New   | Review of CCTV service - realisation of service efficiencies and income generation from existing services | -0.040        |               |               |               |
| New   | Environmental Services Growth 2025/26 onwards   | +3.041        | +1.882        | +0.690        | +0.710        |
| New   | Environmental Services Savings 2025/26 onwards  | -2.637        | -2.580        | -1.181        | -0.549        |
| New   | Environmental Services Growth - Pensions  | +0.727        |               |               |               |
| Transformation Plan proposals   |   |               |               |               |               |
| PL6   | Libraries Strategy - Stage 2 (2026/27 onwards)  |               | -0.192        |               |               |

| Prev MTFS or TP* No.  | Detailed List of Proposed Budget Changes – Service Budgets  | 2025/26<br>£m | 2026/27<br>£m | 2027/28<br>£m | 2028/29<br>£m |
|---|---|---------------|---------------|---------------|---------------|
| * Transformation Plan   | <b>Economy and Growth Committee</b>   | <b>+0.040</b> | <b>+1.003</b> | <b>+0.480</b> | <b>+0.380</b> |
| MTFS 2024-2028 budget changes (figures may have been updated since that time) |   |               |               |               |               |
| 51  | Office estate rationalisation   | -0.150        |               |               |               |
| 54  | Pension Costs Adjustment  | -0.164        |               |               |               |
| 55  | Tatton Park ticketing and EPOS upgrade  | +0.001        | +0.001        | +0.001        | +0.001        |
| 56d   | CEC Archives  | +0.014        | +0.093        | +0.004        |               |
| 60  | Rural and Visitor Economy Electricity costs   | -0.021        |               |               |               |
| 61  | Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment                                     | +0.023        |               | -0.055        | -0.047        |
| 63  | Pay Inflation   | +0.570        | +0.424        | +0.435        | +0.445        |
| 64  | Maintenance and operation of new assets in Crewe town centre  | +0.205        | +0.279        | +0.118        | +0.006        |
| 66  | LFSA Revenue Adjustment - Estates – CE Owned Landfill sites (53 sites) Review and Risk Assessment completions | +0.010        |               |               |               |
| 67  | Tatton Park Estate Dwellings Refurbishment  | +0.015        |               |               |               |
| 68  | Improving Crewe Rented Housing Standards  | +0.188        | -0.188        |               |               |
| New MTFS 2025-2029 proposals  |   |               |               |               |               |
| New   | Maximise potential of Countryside Access Management System  | +0.020        | -0.018        |               |               |
| New   | Assets - building and operational – Energy  | -0.860        |               |               |               |
| New   | Assets - building and operational - Maintenance   | +0.465        | +0.533        |               |               |
| New   | Tatton Park - Increase Fees and Charges   | -0.126        | -0.021        | -0.023        | -0.025        |
| Transformation Plan proposals   |   |               |               |               |               |
| PL2   | Corporate Landlord Model Refresh  | -0.050        |               |               |               |
| PL3   | Asset Strategy Refresh  | -0.100        | -0.100        |               |               |

| Prev MTFS or TP* No.  | Detailed List of Proposed Budget Changes – Service Budgets  | 2025/26<br>£m | 2026/27<br>£m | 2027/28<br>£m | 2028/29<br>£m |
|---|---|---------------|---------------|---------------|---------------|
| * Transformation Plan   | <b>Highways and Transport Committee</b>   | <b>+0.481</b> | <b>+0.187</b> | <b>+0.182</b> | <b>-0.215</b> |
| MTFS 2024-2028 budget changes (figures may have been updated since that time) |   |               |               |               |               |
| 98  | Increase parking charges  | -0.450        | -0.186        | -0.191        | -0.197        |
| 99  | Pension Costs Adjustment  | -0.055        |               |               |               |
| 101   | Safe Haven outside schools (Parking)  | +0.010        |               |               |               |
| 102   | Transport and Infrastructure Strategy Team - Restructure  |               | -0.150        |               |               |
| 103   | Pay inflation   | +0.164        | +0.111        | +0.114        | +0.117        |
| 104   | Parking PDA / Back Office System contract - fall out of one off set up cost   | -0.030        |               |               |               |
| 105   | Flood and Water Management Act 2010 SuDS & SABs Schedule 3 Implementation   | -0.050        |               | +0.100        |               |
| 107a  | Parking - Part-year effect of strategy changes  | -0.720        |               |               |               |
| 107b  | Parking - Staff and member parking  | -0.250        |               |               |               |
| 108   | Highways Revenue Services   | +0.175        | +0.193        | +0.212        |               |
| 109   | Local Bus   | +1.120        |               |               |               |
| 110   | FlexiLink Service Improvement Plan - invest to save   | +0.592        | +0.294        | -0.003        | -0.135        |
| 112   | Bus Stop Advertising Revenue Generation - Replacement Contract  | -0.025        | -0.025        |               |               |
| Transformation Plan proposals   |   |               |               |               |               |
| PL1   | Advertising Income. Initial project scoping work being undertaken to understand scale/complexity and resourcing needs |               | -0.050        | -0.050        |               |



| Prev MTFS or TP* No.  | Detailed List of Proposed Budget Changes – Central Budgets  | 2025/26 £m     | 2026/27 £m     | 2027/28 £m    | 2028/29 £m    |
|---|---|----------------|----------------|---------------|---------------|
| * Transformation Plan   | <b>Finance Sub Committee – Central Budgets</b>  | <b>+34.117</b> | <b>+16.416</b> | <b>+6.340</b> | <b>+6.653</b> |
| MTFS 2024-2028 budget changes (figures may have been updated since that time) |   |                |                |               |               |
| 113   | Capital Financing - Minimum Revenue Provision   | +8.331         | +1.624         | +1.802        | +1.500        |
| 115/116/17  | Use of Earmarked Reserves (reversal of 2024/25 one off use of central EMRs)   | +0.579         |                |               |               |
| 118   | Use of General Reserves (reversal of one off use in 2024/25)  | +11.654        |                |               |               |
| New MTFS 2025-2029 proposals  |   |                |                |               |               |
| New   | Top up General Reserves as per Finance Sub Committee June Budget Assumptions report   | +5.000         |                |               |               |
| New   | Creation of Contingency Budget to cover inflation risks across the council including changes resulting from recent national budget changes impacting on our contractors | +9.280         | +11.342        | +6.098        | +6.363        |
| New   | Risk of unachievable budget savings or growth demands exceeding estimates –provisional estimate (as per FSC June report)  |                | +3.450         | -1.560        | -1.210        |
| New   | Pension adjustment – linked to E&C growth item  | -0.727         |                |               |               |

| Prev MTFS or TP* No.  | Detailed List of Proposed Budget Changes – Funding Budgets                                       | 2025/26 £m     | 2026/27 £m     | 2027/28 £m     | 2028/29 £m     |
|---|--|----------------|----------------|----------------|----------------|
| * Transformation Plan   | <b>Finance Sub Committee – Central Budgets</b>   | <b>-22.959</b> | <b>-13.711</b> | <b>-19.391</b> | <b>-20.515</b> |
| MTFS 2024-2028 budget changes (figures may have been updated since that time) |  |                |                |                |                |
| 119   | Increase forecast Domestic Tax Base Growth % increase  | -14.325        | -15.290        | -16.204        | -17.214        |
| 120   | Increase forecast Domestic Tax Base Growth   | -5.852         | -3.037         | -3.187         | -3.301         |
| 121   | Settlement funding assessment - inflationary increase (reflected in the business rates baseline) | -0.485         |                |                |                |
| 122   | Change in unringfenced specific grant estimates  | -2.297         | +4.616         |                |                |

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## Appendix B

### Capital Growth Requests

This table show the new requests that have been raised to date in addition to the current Capital Programme.

| Detailed List of Capital Growth Requests                         | 2025/26<br>£000 | 2026/27<br>£000 | 2027/28£000   | 2028/29<br>£000 | Total<br>£000 |
|--|-----------------|-----------------|---------------|-----------------|---------------|
| <b>Corporate Policy</b>  |                 |                 |               |                 |               |
| Accelerated digital-additional budget                            | 1,532           | 1,350           | 1,377         |                 | 4,259         |
| Digital Blueprint - Additional Budget                            | 3,490           | 1,663           | 1,377         |                 | 6,530         |
| Core Financials  | 334             | 492             | 800           | 200             | 1,826         |
| <b>Economy &amp; Growth</b>                                      |                 |                 |               |                 |               |
| Green Structures Investment                                      |                 | 300             | 116           | 250             | 666           |
| Disabled Facilities Grant  | 936             | 800             | 800           | 3,600           | 6,136         |
| Septic Tanks   |                 |                 |               | 49              | 49            |
| Premises Capital   | 822             | 2,351           | 3,000         | 3,000           | 9,173         |
| <b>Environment &amp; Communities</b>                             |                 |                 |               |                 |               |
| Additional Capital Requirement for weekly Food waste collections | 5,510           |                 |               |                 | 5,510         |
| Bringing back into use second chapel Macclesfield Cemetery       | 600             |                 |               |                 | 600           |
| <b>Highways &amp; Transport</b>                                  |                 |                 |               |                 |               |
| Booth's Bridge, Plumley  | 790             |                 |               |                 | 790           |
| Highway Maintenance capital programme                            | 6,563           | 6,563           | 6,563         |                 | 19,690        |
| <b>Total of new requests</b>                                     | <b>20,577</b>   | <b>13,519</b>   | <b>14,033</b> | <b>7,099</b>    | <b>55,228</b> |
|  |                 |                 |               |                 |               |
| <b>Funded by:</b>  |                 |                 |               |                 |               |
| <b>Grant</b>   | 936             | 800             | 800           | 800             | 3,336         |
| <b>Borrowing</b>   | 19,641          | 12,719          | 13,233        | 6,299           | 51,892        |
| <b>Total</b>   | <b>20,577</b>   | <b>13,519</b>   | <b>14,033</b> | <b>7,099</b>    | <b>55,228</b> |

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OPEN

## Corporate Policy Committee

Thursday, 28 November 2024

### Council Tax Base 2025/26

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**Report of: Adele Taylor, Interim Executive Director of Resources and S151 Officer**

**Report Reference No: CP/13/24-25**

**Ward(s) Affected: All Wards;**

**For Decision or Scrutiny: Both**

### Purpose of Report

- 1 This report sets out the Council taxbase calculation 2025/26 for recommendation from Corporate Policy Committee to Council in December 2024.

### Executive Summary

- 2 The calculation sets out the estimates of new homes less the expected level of discounts and the level of Council Tax Support (CTS). This results in a band D equivalent taxbase position for each Town and Parish Council.
- 3 The taxbase reflects an increase of £5.9m (1.9%) on the 2024/25 budgeted position which is £2.7m higher than the £3.2m (1%) forecast increase reported in February 2024. £1.2m of this improvement relates to the introduction of the new 100% premium chargeable on second furnished homes from April 2025. A further £1m income is also being raised from the introduction of the empty homes premium for properties over 1 year which commenced in April 2024 but had not been included in the taxbase calculation for 2024/25.
- 4 Additional new homes, property premiums and more properties brought back into use over the last fifteen years, have increased the taxbase by 23.3% since 2010/11.

- 5 No changes are proposed to the Council Tax Support Scheme for 2025/26 other than to increase the income bands and non-dependant deductions in line with CPI. This continues the higher levels of support provided since 2022/23 to allow up to 100% relief for those on the lowest income. The scheme will be reviewed again during 2025/26.

#### RECOMMENDATIONS

Corporate Policy Committee recommends to Council that:

1. In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount to be calculated by Cheshire East Council as its Council taxbase for the year 2025/26 as 163.261.10 for the whole area.

Corporate Policy Committee note that:

2. The Council Tax Support scheme is agreed for 2025/26 as unchanged other than the increases in line with CPI as agreed in the last consultation.

#### Background

- 6 Cheshire East Council is required to approve its taxbase before 31 January 2025 so that the information can be provided to the Cheshire Police and Crime Commissioner and Cheshire Fire Authority for their budget processes. It also enables each Town and Parish Council to set their respective budgets. Details for each parish area are set out in **Appendix A**.
- 7 The taxbase for the area is the estimated number of chargeable dwellings expressed as a number of band D equivalents, adjusted for an estimated number of discounts, exemptions and appeals plus an allowance for non-collection. A reduction of 1% is included in the taxbase calculation to allow for anticipated levels of non-collection.
- 8 Processes to collect Council Tax locally continue to be effective despite the challenges of the impact on residents of the cost of living. However, strong collection is continuing and the forecast level of non-collection at Cheshire East has been maintained at 1% for 2025/26.
- 9 Analysis of recent trends in new homes, and homes being brought back into use, suggest an increase of nearly 4,100 homes is likely between the setting of the 2025/26 taxbase in October 2024 and the 31 March 2026. The impact of this growth is affected by when properties may be

available for occupation and the appropriate council tax banding and this is factored into the taxbase calculation.

- 10 In common with most Billing Authorities, Cheshire East Council charges a Council Tax premium of 100% on property that has been empty for 1 year or more in order to encourage homes to be brought back into use. The Local Government Finance Act 1992 (amended) enables Councils to charge a premium on empty properties.
- 11 Cheshire East now charges the following premiums for empty properties:

| Time empty/unfurnished | Premium |
|------------------------|---------|
| 1 to 5 years           | 100%    |
| 5 to 10 years          | 200%    |
| Over 10 years          | 300%    |

- 12 The Government's Levelling Up and Regeneration Bill received royal ascent on 26 October 2023 and included a further discretionary option for the application of Council Tax premiums on furnished second homes subject to a 12 month notice period. This was approved as part of the MTFS 2023-27 in February 2023 subject to the passing of the Bill. Therefore, the introduction of the 100% premium on furnished second homes will come into effect on 1 April 2025. The additional income due to be raised from the introduction of this premium (subject to some exclusions to the premium) is estimated to be £1.2m and has been included in the calculation of the taxbase for 2025/26.
- 13 The taxbase also reflects assumptions around Council Tax Support payments. The Cheshire East CTS scheme was introduced in 2013/14 and subsequently amended following consultations in 2016/17, 2020/21 and was amended again for 2022/23 to make the scheme more supportive in the light of funding being provided by central government (£3.3m) to be able to assist the pandemic recovery.
- 14 The funding for this Local Council Tax Support grant was received in 2020/21 and was transferred to the Collection Fund Earmarked reserve. The funding has been used over the last four years to support the revenue budget to compensate for suppressed council tax levels as a result of higher Council Tax Support payments. This funding has now been used in full and no further funding has been made available.



- 15 No changes are proposed to the Council Tax Support scheme for 2025/26 other than to increase the income bands and non-dependant deductions in line with CPI. This continues the higher levels of support for those on the lowest income. The scheme will be reviewed again during 2025/26.
- 16 The taxbase and subsequent collection of council tax is subject to overall risks from a variety of sources, such as inaccuracies within:
- Numbers of new homes forecast;
  - Levels of discounts and premium charges estimated;
  - Under collection rate.
- 17 Risks particularly associated with Council Tax Support levels include:
- Challenges over the medium-term economic position, especially in the light of increased inflation and economic slowdown;
  - The risk of a major employer leaving the area;
  - The risk of delay in the significant development projects delaying employment opportunities;
  - The prospect of a greater number of residents becoming of pensionable age and potentially becoming eligible for CTS;
  - The risk of increased non-collection due to the increasing demand on non-protected residents.
- 18 Risks are managed throughout the year and regular monitoring and reporting takes place to ensure that preceptors are made aware of any shortfalls in the Collection fund.

## **Consultation and Engagement**

- 19 The calculation of the taxbase is not subject to consultation.

## **Reasons for Recommendations**

- 20 In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 Cheshire East Council is required to agree its taxbase before 31<sup>st</sup> January 2025.

## **Other Options Considered**

- 21 None.
- 22 Do nothing – Impact/risk would be high. Members would not be performing in accordance with the Local Government Finance Act 1992 (as amended); The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

## **Implications and Comments**

### *Monitoring Officer/Legal*

- 23 The recommendations are supportable and legal position is as set out within the report, which includes additional options introduced by the Levelling UP and Regeneration Act 2023.
- 24 In accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended and Chapter 4 of the Council's Constitution, the calculation of the Council taxbase is a matter for full Council following a recommendation by Corporate Policy Committee.

### *Section 151 Officer/Finance*

- 25 The calculation of the taxbase provides an estimate that contributes to the calculation of overall funding for Cheshire East Council in each financial year. The taxbase calculation as set out in this report will be used to calculate the council tax budgeted income for 2025/26 and will be included in the Medium-Term Financial Strategy 2025-29.

### *Policy*

- 26 There are no direct policy implications arising from this report.
- 27 The report supports the Council Plan aim Open and priority to be an open and enabling organisation.

### *Equality, Diversity and Inclusion*

- 28 There are no direct equality, diversity and inclusion implications arising from this report.

### *Human Resources*

- 29 There are no direct human resources implications arising from this report.

### *Risk Management*

- 30 Consideration and recommendation of the taxbase for 2025/26 to Council ensures that the statutory requirement to set the taxbase is met.
- 31 Estimates contained within the Council taxbase calculation, such as the loss on collection and caseload for Council Tax Support, will be monitored throughout the year. Any significant variation will be reflected in a surplus or deficit being declared in the Collection Fund which is then shared amongst the major precepting authorities.

*Rural Communities*

32 This report provides details of taxbase implications across the borough.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

33 There are no direct children and young people implications arising from this report.

*Public Health*

34 There are no direct public health implications arising from this report.

*Climate Change*

35 There are no direct climate implications arising from this report.

| <b>Access to Information</b> |  |
|------------------------------|--|
| Contact Officer:             | Honor Field, Paul Manning, Paul Goodwin,<br>honor.field@cheshireeast.gov.uk,<br>paul.manning@cheshireeast.gov.uk<br>paul.goodwin@cheshireeast.gov.uk |
| Appendices:                  | Appendix A – Taxbase 2025/26   |
| Background Papers:           | None   |

## APPENDIX A

## COUNCIL TAX - TAXBASE 2025/26

| CHESHIRE EAST                     | BAND D<br>EQUIVALENTS | TAX BASE 99.00% |
|-----------------------------------|-----------------------|-----------------|
| Acton                             | 142.59                | 141.17          |
| Adlington                         | 645.39                | 638.93          |
| Agden                             | 97.69                 | 96.71           |
| Alderley Edge                     | 2,806.65              | 2,778.58        |
| Alpraham                          | 269.63                | 266.93          |
| Alsager                           | 5,853.44              | 5,794.91        |
| Arclid                            | 197.60                | 195.62          |
| Ashley                            | 178.56                | 176.77          |
| Aston-by-Budworth                 | 204.20                | 202.16          |
| Aston-juxta-Mondrum               | 96.18                 | 95.22           |
| Audlem                            | 1,064.94              | 1,054.29        |
| Austerson                         | 49.14                 | 48.65           |
| Baddiley                          | 95.86                 | 94.90           |
| Baddington                        | 61.68                 | 61.06           |
| Barthomley                        | 104.34                | 103.30          |
| Basford                           | 96.57                 | 95.61           |
| Batherton                         | 30.53                 | 30.22           |
| Betchton                          | 300.79                | 297.79          |
| Bickerton                         | 132.77                | 131.44          |
| Blakenhall                        | 78.30                 | 77.51           |
| Bollington                        | 3,237.33              | 3,204.96        |
| Bosley                            | 230.01                | 227.71          |
| Bradwall                          | 95.93                 | 94.97           |
| Brereton                          | 866.50                | 857.83          |
| Bridgemere                        | 70.56                 | 69.86           |
| Brindley                          | 71.68                 | 70.96           |
| Broomhall                         | 91.93                 | 91.01           |
| Buerton                           | 253.43                | 250.89          |
| Bulkeley                          | 156.06                | 154.50          |
| Bunbury                           | 728.86                | 721.57          |
| Burland                           | 339.71                | 336.31          |
| Calveley                          | 149.08                | 147.59          |
| Checkley-cum-Wrinehill            | 50.16                 | 49.66           |
| Chelford                          | 836.63                | 828.26          |
| Cholmondeley                      | 96.36                 | 95.40           |
| Cholmondeston                     | 87.84                 | 86.97           |
| Chorley                           | 284.47                | 281.63          |
| Chorley (Crewe)                   | 65.14                 | 64.49           |
| Chorlton                          | 685.71                | 678.85          |
| Church Lawton                     | 890.96                | 882.05          |
| Church Minshull                   | 220.39                | 218.18          |
| Congleton                         | 11,469.99             | 11,355.29       |
| Coole Pilate                      | 37.81                 | 37.43           |
| Crnage                            | 686.62                | 679.76          |
| Crewe                             | 14,963.77             | 14,814.13       |
| Crewe Green                       | 121.51                | 120.30          |
| Disley                            | 2,094.33              | 2,073.39        |
| Dodcott-cum-Wilkesley             | 213.12                | 210.99          |
| Doddington                        | 21.41                 | 21.19           |
| Eaton                             | 193.26                | 191.32          |
| Edleston                          | 37.51                 | 37.14           |
| Egerton                           | 35.80                 | 35.44           |
| Faddiley                          | 82.56                 | 81.73           |
| Gawsworth                         | 840.48                | 832.08          |
| Goostrey                          | 1,108.35              | 1,097.27        |
| Great Warford                     | 473.78                | 469.04          |
| Handforth                         | 2,618.43              | 2,592.24        |
| Hankelow                          | 183.03                | 181.20          |
| Haslington                        | 2,854.07              | 2,825.53        |
| Hassall                           | 114.00                | 112.86          |
| Hatherton                         | 190.00                | 188.10          |
| Haughton                          | 105.11                | 104.06          |
| Henbury                           | 442.82                | 438.40          |
| Enhull                            | 22.81                 | 22.58           |
| High Legh                         | 907.49                | 898.42          |
| Higher Hurdfield                  | 332.32                | 329.00          |
| Holmes Chapel                     | 2,988.87              | 2,958.98        |
| Hough                             | 345.48                | 342.03          |
| Hulme Walfield & Somerford Booths | 479.91                | 475.11          |
| Hunston                           | 81.08                 | 80.27           |
| Hurleston                         | 39.24                 | 38.85           |

## COUNCIL TAX - TAXBASE 2025/26

| CHESHIRE EAST                      | BAND D<br>EQUIVALENTS | TAX BASE 99.00%   |
|------------------------------------|-----------------------|-------------------|
| Kettleshulme                       | 170.94                | 169.24            |
| Knutsford                          | 6,206.22              | 6,144.16          |
| Lea                                | 21.75                 | 21.53             |
| Leighton                           | 2,018.31              | 1,998.13          |
| Little Bollington                  | 124.20                | 122.95            |
| Little Warford                     | 39.50                 | 39.10             |
| Lower Peover                       | 76.26                 | 75.49             |
| Lower Withington                   | 332.78                | 329.45            |
| Lyme Handley                       | 78.89                 | 78.10             |
| Macclesfield                       | 19,632.97             | 19,436.66         |
| Macclesfield Forest/Wildboarclough | 133.97                | 132.63            |
| Marbury-cum-Quoisley               | 142.61                | 141.18            |
| Marton                             | 121.23                | 120.02            |
| Mere                               | 481.35                | 476.54            |
| Middlewich                         | 5,190.75              | 5,138.85          |
| Millington                         | 91.57                 | 90.65             |
| Minshull Vernon                    | 138.52                | 137.13            |
| Mobberley                          | 1,510.11              | 1,495.01          |
| Moston                             | 188.94                | 187.05            |
| Mottram St Andrew                  | 427.56                | 423.29            |
| Nantwich                           | 6,823.78              | 6,755.54          |
| Nether Alderley                    | 677.31                | 670.54            |
| Newbold Astbury-cum-Moreton        | 363.11                | 359.48            |
| Newhall                            | 481.39                | 476.57            |
| Norbury                            | 110.84                | 109.73            |
| North Rode                         | 137.94                | 136.56            |
| Odd Rode                           | 2,048.70              | 2,028.22          |
| Ollerton with Marthall             | 365.23                | 361.57            |
| Over Alderley                      | 302.81                | 299.78            |
| Peckforton                         | 77.92                 | 77.15             |
| Peover Superior                    | 426.32                | 422.05            |
| Pickmere                           | 401.28                | 397.26            |
| Plumley with Toft and Bexton       | 433.51                | 429.17            |
| Poole                              | 85.90                 | 85.04             |
| Pott Shrigley                      | 163.81                | 162.17            |
| Poynton with Worth                 | 6,400.23              | 6,336.22          |
| Prestbury                          | 2,275.32              | 2,252.57          |
| Rainow                             | 622.21                | 615.99            |
| Ridley                             | 86.07                 | 85.21             |
| Rope                               | 812.48                | 804.36            |
| Rostherne                          | 82.04                 | 81.22             |
| Sandbach                           | 9,059.91              | 8,969.31          |
| Shavington-cum-Gresty              | 2,659.20              | 2,632.61          |
| Siddington                         | 185.26                | 183.41            |
| Smallwood                          | 335.76                | 332.40            |
| Snelson                            | 85.07                 | 84.22             |
| Somerford                          | 1,050.51              | 1,040.00          |
| Sound                              | 123.26                | 122.03            |
| Spurstow                           | 210.54                | 208.43            |
| Stapeley                           | 1,716.94              | 1,699.77          |
| Stoke                              | 115.43                | 114.27            |
| Styal                              | 391.33                | 387.42            |
| Sutton                             | 1,346.08              | 1,332.62          |
| Swettenham                         | 189.50                | 187.60            |
| Tabley                             | 264.35                | 261.71            |
| Tatton                             | 13.26                 | 13.13             |
| Twemlow                            | 126.28                | 125.02            |
| Walgherton                         | 72.21                 | 71.49             |
| Wardle                             | 78.66                 | 77.88             |
| Warrington                         | 119.71                | 118.52            |
| Weston                             | 1,002.08              | 992.06            |
| Wettenhall                         | 120.57                | 119.36            |
| Willaston                          | 1,605.34              | 1,589.29          |
| Wilmslow                           | 12,339.30             | 12,215.90         |
| Wincle                             | 96.21                 | 95.24             |
| Wirswall                           | 42.53                 | 42.10             |
| Wistaston                          | 3,398.66              | 3,364.67          |
| Woolstanwood                       | 242.78                | 240.35            |
| Worleston                          | 119.06                | 117.87            |
| Wrenbury                           | 540.74                | 535.34            |
| Wybunbury                          | 852.49                | 843.97            |
|                                    | <b>164,910.20</b>     | <b>163,261.10</b> |

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## **Corporate Policy Committee**

**28 November 2024**

### **Performance Report – Cheshire East Plan, Quarter 2 2024/25**

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**Report of: Karen Wheeler – Interim Assistant Chief Executive**

**Report Reference No: CPC/34/24-25**

**Ward(s) Affected: All**

**Decision or Scrutiny: Scrutiny**

#### **Purpose of Report**

- 1 To provide the Committee with oversight of organisational performance against the priorities and vision set out in the Cheshire East Plan 2024/25. The report covers Quarter 2 2024/25, 1<sup>st</sup> July 2024 to 30<sup>th</sup> September 2024.
- 2 This report supports the responsibility of the Corporate Policy Committee to have a co-ordinating role across all committees and to exercise corporate oversight of outcomes, performance, budget monitoring and risk management.
- 3 The committee can comment on performance and direction of travel and consider any amendments in reporting, and/or additional data and intelligence that should be included.
- 4 Appendix 1 provides the detail of progress against the Cheshire East Plan priorities for Quarters 1 and 2, and Appendix 2 provides a summary of performance against the organisational health indicators.

#### **Executive Summary**

- 5 This report gives an update on delivery and performance against the priorities in the Cheshire East Plan 2024/25 for Quarter 2 (July to September 2024) including progress since Quarter 1.

- 6 Appendix 1 of the report shows that there are 66 priority actions included within the Cheshire East Plan 2024/25 and progress can be summarised as follows:

|  | Q1 | Q2 |   |
|--|----|----|---|
| Green – on track                           | 48 | 50 | ↑ |
| Amber – mainly on track, some minor issues | 12 | 9  | ↓ |
| Red – off track with major issues          | 2  | 2  | ↔ |
| Complete                                   | 2  | 2  | ↔ |
| Not yet started                            | 2  | 3  |   |
| To be updated                              | 0  | 0  |   |
|  | 66 | 66 |   |

- 7 Appendix 2 provides a summary of key organisational health performance indicators.
- 8 The Corporate Plan 2021-25 has three key themes - Open, Fair and Green. Although the Cheshire East Plan has been refreshed for 2024/25 to better reflect the financial context, development of a new Plan for 2025 onwards is now essential to provide our residents, partners and the organisation with clarity of purpose and strategic direction aligned to a new operating model and MTFS. A small Member task and finish group has been set up to support the process. The draft new plan will be presented to this Committee then Council in February 2025 alongside the MTFS for approval.

#### RECOMMENDATION

The Corporate Policy Committee is recommended to:

1. Note and comment on progress and performance against delivery of the Cheshire East Plan 2024/25 in Quarter 2 2024/25.

### Background

- 9 The Cheshire East Plan 2024/25 outlines three aims and 20 priorities for the Council aligned with the vision of being an “Open, Fairer and Greener Cheshire East”.
- 10 This report reviews progress with delivery and performance against the priorities and actions in the Cheshire East Plan and focuses upon a “One Council” approach to performance management. This includes a balance of quantitative and qualitative data.



- 11 Appendix 1 of the report shows that there are 66 priority actions included within the Cheshire East Plan 2024/25 and progress can be summarised as follows:

|  | Q1 | Q2 |   |
|--|----|----|---|
| Green – on track                           | 48 | 50 | ↑ |
| Amber – mainly on track, some minor issues | 12 | 9  | ↓ |
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| Complete                                   | 2  | 2  | ↔ |
| Not yet started                            | 2  | 3  |   |
| To be updated                              | 0  | 0  |   |
|  | 66 | 66 |   |

- 12 Feedback from Corporate Policy Committee in September on the Quarter 1 report has been taken on board with a review of the RAG ratings applied to ensure consistency e.g. where action is yet to be taken and in line with other reporting. The Quarter 1 position is included alongside Quarter 2 so that Members can see the direction of travel.
- 13 The actions which are amber are set out below with an explanation and mitigating actions to be taken:

| Priority Action | What will we do  | Lead Officer                              | Q2 update   |
|-----------------|--|---|---|
| A1.1.1          | Introduce a new decision-making framework to streamline the current arrangements and improve quality and clarity of reports.                             | Head of Democratic Services               | Linked to Corporate Peer Challenge Action Plan - Considering options to streamline committees, train report authors, emphasise Modern.gov software use – slightly behind timeline due to meeting schedule   |
| A1.3.3          | Deliver the savings set out in MTFS 2024-28 proposals within the agreed timescales to contribute to a balanced the budget and build sustainable reserves | Head of Finance                           | First Financial Review reported to September Cycle of service committees, showing forecast overspend of £26.5 million   |
| A2.3.3          | Update the Cheshire East Domestic Abuse and Sexual Violence Strategy   | Head of Service Early Help and Prevention | Service Manager in post since October. Interim DCS also in post. Priority is to update the strategy, using the findings from the Safe Lives review of the service, the feedback from the workshop already held and a further collaborative workshop session to review the initial revised draft plan. Meetings are already underway with key stakeholders such as |

| Priority Action | What will we do   | Lead Officer   | Q2 update  |
|-----------------|---|--|--|
|                 |   |  | commissioning and finance to ensure the new plan aligns with resources available. The performance is off target but will now be progressed at pace.  |
| A2.4.1          | Attract more foster carers to support Cheshire East children through the Foster4 collaboration                    | Head of Provider Services                            | New media campaign was launched and a further 7 carers being assessed, this means on target to recruit our 15 carers by March 2025. Enquiries have increased in this quarter compared to Q1.   |
| A2.4.2          | Prioritise care experienced adults as part of our recovery work to improve employment and training opportunities. | Head of Service: Cared for Children and Care Leavers | Now cared for ambassadors are in post and will be looking to progress this.  |
| A2.4.3          | Deliver the priorities of the Cared for children and care leavers strategy 2022-26                                | Head of Cared for Children and Care Leavers          | Corporate Parenting Strategic group has been revised and new strategic Board planned for November, and task and finish groups set. Part of that is now have a 16-25 accommodation group looking at suitable and increasing provision to reduce the reliance on temporary accommodation. 100% of care leavers now have health passports and we are bringing in sexual health into the care leaver hub to be a continuous offer available to them. Preparation for adulthood requires a transformation programme to drive this and we are having early conversations about how to move this on jointly with adult services. Bus passes now available at no cost to care leavers. 4 care leaver ambassadors now in post to support co-production in care leaver improvements. |
| A2.8.1          | Investment in Adult Social Care (MTFS 8)  | Director of Adult Social Care                        | Growth included in budget for 2024/25 and under review for future years in line with MTFS development and transformation plan.   |
| A3.5.3          | Continue to pursue a compensation package following scrapping of HS2 Phase 2                                      | Programme Director HS2                               | No specific response from new government. Future rail schemes such as Liverpool-Manchester Rail and Birmingham – Manchester Link being engaged.  |
| A3.6.1          | Deliver actions to achieve the objectives of the Carbon Neutral Action Plan 2027 (updated timescale)              | Head of Environmental Services                       | Since the last quarter Council's First solar farm at Leighton Grange has been completed and is now fully operational providing power to the Council's Composting Facility. Commissioning of 11 Air source heat pumps and building mounted solar is progressing. 11 electric vans are now competing construction and starting to be delivered to electrify the  |

| Priority Action | What will we do | Lead Officer | Q2 update   |
|-----------------|-----------------|--------------|---|
|                 |                 |              | Councils southern street cleansing operation. Capital Review continues to delay 2nd solar and further fleet decarbonisation putting 2027 target at risk in future quarters. |

14 The actions which are red and not meeting target are:

| Priority Action | What will we do  | Lead Officer      | Q2 update   |
|-----------------|--|-------------------|---|
| A1.1.4          | A clear and transparent budget setting process, where opportunities to inform and influence decision-making are clearly understood by stakeholders | Head of Finance   | Strategic Finance Management Board drives MTFS review, budget setting process in progress but subject to further details on impact of Budget announcements before Christmas – Member briefings w/c 18 November and update to Corporate Policy Committee 28 November – see agenda item |
| A2.7.1          | Deliver the Kingsbourne Academy primary school in Nantwich   | Head of Education | The delivery of this primary school has been further delayed due to the ongoing legal issues. The project team has met with the developer and is hoping to achieve a resolution imminently.   |

- 15 The Quarter 2 organisational health performance report is at Appendix 2. This gives further details on progress made against delivery of the Cheshire East Plan during Quarter 2 of the 2024/25 municipal year.
- 16 There are 2,799 FTE staff in Cheshire East Council as at quarter 2, a reduction in the level reported in quarter 1 (2,829). The vacancy rate across the Council has increased from 13.05% in Q1 to 14.24% in Q2 2024/25.
- 17 The greatest numbers of vacancies are reported in Corporate (16.39%) and Place (14.82%) directorates.
- 18 There has also been an increase in the levels of staff turnover, from 4.4% in Q1, to 5.5% in Q2 2024/25. With the Children's directorate reporting a rate of 10.3% for the period.
- 19 There has been an increase in the number of agency staff from 232 in Q1, to 246 in Q2 2024/25.

- 20 There has been a decrease in the variance between the forecast outturn and total net budget, increasing from 6.8% in Q1 to 5.1% in Q2 2024/25. Full details of finance reporting period 2 is a separate item on the committee's agenda.
- 21 Service committees receive performance information on a regular basis through their subject matter expert officers, specific to the subject of the committee. This performance report offers an oversight of progress against the Cheshire East (Corporate) Plan 2024/25 and should complement the more detailed performance and service specific dashboards that are considered at service committees.
- 22 The Corporate Plan 2021-25 has three key themes - Open, Fair and Green. Although the Cheshire East Plan has been refreshed for 2024/25 to better reflect the financial context, development of a new Plan for 2025 onwards is now essential to provide our residents, partners and the organisation with clarity of purpose and strategic direction aligned to a new operating model and MTFS. A small Member task and finish group has been set up to support the process. The draft new plan will be presented to this Committee then Council in February 2025 alongside the MTFS for approval.

### **Consultation and Engagement**

- 23 Consultation was undertaken in developing the Cheshire East Plan and priority actions within it.

### **Reasons for Recommendations**

- 24 The Corporate Policy Committee is responsible for reviewing and scrutinising performance against the strategic aims and objectives in the Cheshire East Plan 2024/25.
- 25 The performance management framework continues to be developed and seeks to provide a robust, customer focussed view of performance. Member input into this development is valued to ensure that performance management reports are of use.
- 26 Performance management is a tool to allow oversight of the Council's key activities and to enable transparency and understanding around where the Council is performing well, and what are the areas of challenge and improvement.

### **Other Options Considered**

- 27 Not applicable.

### **Implications and Comments**

*Monitoring Officer/Legal*

28 There are no legal implications arising from this report.

*Section 151 Officer/Finance*

29 There are no direct financial implications arising from this report. Any financial implications arising from performance matters will be covered in other reports to respective service committees, including separate financial reporting in-year, as well as in further development and reporting of the Medium-Term Financial Strategy, as required.

*Policy*

30 This report demonstrates progress against all priorities within the Cheshire East Corporate Plan 2021-25.

|   |   |  |
|---|---|--|
| <b>An open and enabling organisation.</b> | <b>A council which empowers and cares about people.</b> | <b>A thriving and sustainable place.</b> |
|   |   |  |

*Equality, Diversity and Inclusion*

31 The range of council activities covered in the Corporate Plan aim to meet the Public Sector Equality Duty and the obligations under the Equality Act 2010.

*Human Resources*

32 There are no direct human resources implications arising from this report.

*Risk Management*

33 Performance and risk are intrinsically linked. Where risks are identified, performance data can evidence the likelihood of the risk and can also show if risks materialise. The performance report identifies areas where performance is strong and areas for development and improvement. This supports the risk management process by providing the opportunity to review progress and identify areas for improvement and any necessary mitigating actions.

*Rural Communities*

34 The Corporate Plan aims to support greater inclusion for rural communities. In 2022/23 a Rural Action Plan was approved by the

Economy and Growth committee, which includes priorities around digital connectivity, access, housing, visitor economy and support for rural based businesses.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 35 Performance management of the priorities relating to children and young people and cared for children ensure that there is a focus on children receiving the best start in life and that we deliver on our commitments to children and young people in Cheshire East.

*Public Health*

- 36 This report supports our Public Health priorities using the Joint Strategic Needs Assessment and Tartan Rug to ensure that we work with partners to address issues of poor housing, poverty, employment and education across urban and rural communities.

*Climate Change*

- 37 Performance against the Corporate Plan contributes to overall achievement of the net zero targets for the council and for the borough.

| <b>Access to Information</b> |   |
|------------------------------|---|
| Contact Officer:             | Karen Wheeler – Interim Assistant Chief Executive<br><a href="mailto:karen.wheeler@cheshireeast.gov.uk">karen.wheeler@cheshireeast.gov.uk</a> |
| Appendices:                  | Appendix 1 – The Cheshire East Plan Progress and Performance Report Q2<br><br>Appendix 2 – Organisational Health Performance Report Q2        |
| Background Papers:           | <a href="#">Cheshire East Plan 2024/25</a>  |

*Cheshire East Council*

# Cheshire East plan 2024-25



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**Open**

**Fair**

**Green**



## Vision

**An open, fairer, greener Cheshire East**

## Aims

### Aim 1 - An open and enabling organisation

We will provide strong community leadership and work transparently with our residents, businesses and partners to deliver our ambition in Cheshire East.

### Aim 2 - A council which empowers and cares about people

We aim to reduce inequalities, promote fairness and opportunity for all and support our most vulnerable residents.

### Aim 3 - A thriving and sustainable place

We will lead our communities to protect and enhance our environment, tackle the climate emergency and drive sustainable development.

## Priorities

P1.1) Ensure that there is transparency in all aspects of council decision making  
P1.2) Listen, learn and respond to our residents, promoting opportunities for a two-way conversation  
P1.3) Support a sustainable financial future for the council, through service development, improvement and transformation  
P1.4) Look at opportunities to bring more income into the borough  
P1.5) Support and develop our workforce to be confident, motivated, innovative, resilient and empowered  
P1.6) Promote and develop the services of the council through regular communication and engagement with all residents

P2.1) Work together with residents and partners to support people and communities to be strong and resilient  
P2.2) Reduce health inequalities across the borough  
P2.3) Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation  
P2.4) Be the best Corporate Parents to our children in care  
P2.5) Support all children to have the best start in life  
P2.6) Increase opportunities for all children and young adults with additional needs  
P2.7) Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential  
P2.8) Reduce the reliance on long term care by improving services closer to home and providing more extra care facilities, including dementia services

P3.1) A great place for people to live, work and visit  
P3.2) Welcoming, safe and clean neighbourhoods  
P3.3) Reduce impact on the environment  
P3.4) A transport network that is safe and promotes active travel  
P3.5) Thriving urban and rural economies with opportunities for all  
P3.6) Be a carbon neutral council by 2027

**Off track – with major issues (R)**

**Mainly on track – minor issues (A)**

**On Track (G)**

**Scheduled - not yet started**

**Completed (B)**

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| What we will do - Priority actions for 2024/25 |        |  | Lead Officer                        | Committee | Q1 RAG | Q2 RAG | Update  |
|--|--------|--|-------------------------------------|-----------|--------|--------|---|
| P1.1   | A1.1.1 | Introduce a new decision-making framework to streamline the current arrangements and improve quality and clarity of reports.   | Head of Democratic Services         | CPC       | G      | A      | Linked to Corporate Peer Challenge (CPC) Action Plan - Consider options to streamline committees, train report authors, emphasise Modern.gov software use – slightly behind timeline due to meeting schedule  |
|  | A1.1.2 | Improve understanding of effective scrutiny in a committee system of decision-making   | Head of Democratic Services         | CPC       | G      | G      | Scrutiny training for committee members by December 2024  |
|  | A1.1.3 | Member training to clarify roles and responsibilities for decision-making within the committee system  | Head of Democratic Services         | CPC       | G      | G      | Training programme for committee members by December 2024   |
|  | A1.1.4 | A clear and transparent budget setting process, where opportunities to inform and influence decision-making are clearly understood by stakeholders   | Head of Finance                     | CPC       | R      | R      | Strategic Finance Management Board drives MTFS review, budget setting process in progress but subject to further details on impact of Budget announcements before Christmas – Member briefings w/c 18 November and update to CPC 28 November – see agenda item                      |
| P1.2   | A1.2.1 | Review and embed consultation and engagement approach across the organisation to put resident and customer voice at the heart of evidence base for decisions, including assessing alternative approaches such as a 'people panel' to embed citizen voice into key decisions and policy development | Head of Communications              | CPC       | G      | G      | Preliminary work on wider engagement approach began in Q2 alongside development of new multi-year Cheshire East Plan for 2025 onwards. Digital Influence Panel to be refreshed and recruitment to Community/Residents' Panel to take place with supporting communications campaign. |
|  | A1.2.2 | Review equality, diversity and inclusion strategy and EIAs to embed the voices of seldom-heard audiences and those with protected characteristics at the heart of decision-making and service redesign across the organisation.  | Head of Business Change             | CPC       |        |        | Update Equality, Diversity and Inclusion strategy in line with new Cheshire East Plan development and develop new EIA template.   |
|  | A1.2.3 | Review and refresh the aims and priorities in the Customer Experience Strategy as part of a wider review of customer experience and resident engagement.   | Head of Customer Services           | CPC       |        |        | Refocused strategy review with transformation programme including target operating model and approach to digital into 2025.   |
|  | A1.2.4 | Achieve the Armed Forces Covenant Gold Award   | Head of Communities and Integration | E+C       | B      | B      | COMPLETE: Cheshire East Council gained Gold award. Armed Forces Officer supports veterans with clubs, events and crisis aid. Further promotion of the Veterans Staff Network taking place.  |

Off track – with major issues (R)

Mainly on track – minor issues (A)

On Track (G)

Scheduled - not yet started

Completed (B)

| What we will do - Priority actions for 2024/25 |        |  | Lead Officer                     | Committee | Q1 RAG | Q2 RAG | Update   |
|--|--------|--|----------------------------------|-----------|--------|--------|--|
| P1.3   | A1.3.1 | Embark on a whole organisation transformation and improvement programme – The primary aim in the short term must be to ensure that the Council is financially stable and delivering support to those who need it most. | Director of Transformation       | CPC       | G      | G      | Approved transformation plan, children's services improvement plan and peer challenge action plan marked significant progress in Q1. Focus on Q2 has been delivery and standing up transformation boards and reporting. Good progress across all plans and reporting to Assurance Panel. |
|  | A1.3.2 | Review commissioning approach across all directorates  | Head of Integrated Commissioning | A+H/C+F   | G      | G      | Significant work done in the last quarter to align the commissioning approach to transformation  |
|  | A1.3.3 | Deliver the savings set out in MTFS 2024-28 proposals within the agreed timescales to contribute to a balanced the budget and build sustainable reserves   | Head of Finance                  | CPC       | A      | A      | First Financial Review reported to September cycle of service committees and Second Financial Review currently going through which details the projected overspend and mitigating actions being taken. See separate agenda item.   |
|  | A1.3.4 | We will refresh the council's Digital Strategy and delivery programme. The Digital Strategy identifies forty-seven digital projects and emphasises a digital-by-design approach to offering services to customers.     | Head of ICT                      | CPC       | G      | G      | This is aligned with the Digital Programme which is part of the Transformation Plan. The opportunities identified are going through a validation and business case process.  |
| P1.4   | A1.4.1 | Comprehensive review of each existing alternative service delivery vehicle (ASDV) including review of governance, management, business planning and performance management arrangements.                               | Director of Environment          | FSC       | B      | B      | COMPLETE: Review complete  |
| P1.5   | A1.5.1 | Review Workforce Strategy and update for 2025 onwards.   | Head of HR                       | CPC       |        | G      | Workforce Strategy 2025-2028 approach approved; development ongoing, approval expected January 2025 with alignment to Target Operating Model.  |
|  | A1.5.2 | Complete the office moves related WorkplaCE programme, making more efficient use of the council's office estate and technology to support modern ways of working   | Executive Director – Place       | CPC, E+G  | G      | G      | Office moves are progressing as planned and on schedule.   |
|  | A1.5.3 | Review and update the Brighter Future culture programme  | Head of HR                       | CPC       |        | G      | Values and behaviours being developed as part of Target Operating Model with ongoing staff engagement for updated culture programme. Brighter Futures Champions engaged in development of Target Operating Model.  |
|  | A1.5.4 | Complete the DMA review of senior capacity and extend DMA across the organisation as part of service re-design   | Head of HR                       | CPC       | G      | G      | Full Council approved senior structure in October, recruitment partner to be appointed and recruitment to commence in Q3. Phase 2 will commence in Q4.   |

Off track – with major issues (R)

Mainly on track – minor issues (A)

On Track (G)

Scheduled - not yet started

Completed (B)

| What we will do - Priority actions for 2024/25 |        |   | Lead Officer           | Committee | Q1 RAG | Q2 RAG | Update   |
|--|--------|---|------------------------|-----------|--------|--------|--|
| P1.6   | A1.6.1 | Review and refresh communications and engagement strategy and resourcing as part of a wider review of customer experience and resident engagement.  | Head of Communications | CPC       | G      | G      | Preliminary work on wider engagement strategy in Q2 alongside development of new multi-year Cheshire East Plan for 2025 onwards. |
|  | A1.6.2 | Establish a range of subscriber e-newsletters and digital content to share key updates and council services, support and decisions with a range of stakeholders – to extend reach of messages | Head of Communications | CPC       |        | G      | Review of current estate underway in Q2  |
|  | A1.6.3 | Review and update the approach, across the organisation, to employee communications and workforce engagement  | Head of Communications | CPC       | G      | G      | Model and planner for strategic internal communications and engagement priorities developed in Q2.                               |

| Priority<br>What we will do - Priority actions for 2024/25 |        |  | Lead Officer                        | Committee | Q1 RAG | Q2 RAG | Update   |
|--|--------|--|-------------------------------------|-----------|--------|--------|--|
| P2.1   | A2.1.1 | Support VCFSE to build upon the People Helping People initiative and work collaboratively through 'Growing our communities'. | Head of Communities and Integration | A+H       | G      | G      | <p>Supporting vulnerable adults out of hospital with voluntary support:<br/>874 patients on Pathway 1 or 2 that consequently returned to their normal place of residence</p> <p>Developing our volunteer approach:</p> <ul style="list-style-type: none"> <li>Data gap analysis completed to show areas of need for volunteering.</li> <li>Marketing plan led to several successful marketing programmes</li> <li>Service risk assessment completed and approved</li> <li>Several volunteer training session completed</li> <li>Volunteer recognition programme created</li> </ul> <p>Grants to the voluntary sector:</p> <ul style="list-style-type: none"> <li>Cost of Living Community Response Fund 37 organisations funded. 19,455 service beneficiaries.</li> <li>The Flourish Fund 19 organisations funded, 27 awaiting approval. 433 service beneficiaries.</li> <li>Healthy Neighbourhoods Fund 13 organisations funded. 1564 service beneficiaries.</li> </ul> |

|                                   |                                    |              |                             |               |
|-----------------------------------|------------------------------------|--------------|-----------------------------|---------------|
| Off track – with major issues (R) | Mainly on track – minor issues (A) | On Track (G) | Scheduled - not yet started | Completed (B) |
|-----------------------------------|------------------------------------|--------------|-----------------------------|---------------|

| Priority<br>What we will do - Priority actions for 2024/25 |        |  | Lead Officer                        | Committee | Q1<br>RAG | Q2<br>RAG | Update   |
|--|--------|--|-------------------------------------|-----------|-----------|-----------|--|
|  | A2.1.2 | Complete construction of the Traveller transit site  | Head of Housing                     | E+G       | G         | G         | Handover of the site from the contractors is due in November and the site will become operational in December 24   |
|  | A2.1.3 | Support and contribute to the achievements of the borough's eight care communities and neighbourhood partnerships  | Head of Communities and Integration | A+H       | G         | G         | <p>Place based communities:</p> <ul style="list-style-type: none"> <li>26 New projects/ groups /events created</li> <li>42 Community Groups receiving support through Grantfinder searches</li> <li>14 Neighbourhood Partnership Meetings</li> <li>60 Care Community wider &amp; Planning Group Meetings</li> <li>105 Community Newsletters have been sent out across all Care Communities to more than 2,500 organisations &amp; residents</li> </ul> <p>Releasing and measuring Social Value:</p> <ul style="list-style-type: none"> <li>10 new requests for support on Connected Community Notice Board (CCNB)</li> <li>4 new offers of support on CCNB</li> <li>11 successful matches completed</li> </ul> <p>Minority groups and communities:<br/>Afghanistan Scheme (also known as ARAP/ACRS) 16 Family groups in 16 properties</p> <p>Homes for Ukraine scheme<br/>Ongoing support for 118 groups</p> |
| P2.2   | A2.2.1 | Focus delivery of targeted activity to reduce alcohol and substance misuse, smoking, domestic abuse and violence and increase healthy eating and physical exercise in areas that experience worse health outcomes. | Director of Public Health           | A+H       | G         | G         | <p>The final draft of the multiagency strategy for Reducing Drug and Alcohol Harm in Cheshire East has been produced.</p> <p>The 'One You' wellbeing service recommissioning was completed.</p> <p>The third meeting of the 'Eat Well, Move More' Partnership was held.</p>  |
|  | A2.2.2 | Continue to deliver activity to deliver the <a href="#">Cheshire East Harm and Suicide Prevention Action Plan 2023-2025</a>  | Director of Public Health           | A+H       | G         | G         | <p>Online World Suicide Prevention Day Conference was organised and held on 5th September.</p> <p>Ongoing work planning the suicide audit in the Coroner's Office</p>  |

|                                   |                                    |              |                             |               |
|-----------------------------------|------------------------------------|--------------|-----------------------------|---------------|
| Off track – with major issues (R) | Mainly on track – minor issues (A) | On Track (G) | Scheduled - not yet started | Completed (B) |
|-----------------------------------|------------------------------------|--------------|-----------------------------|---------------|

| Priority<br>What we will do - Priority actions for 2024/25 |        |  | Lead Officer                              | Committee | Q1<br>RAG | Q2<br>RAG | Update   |
|--|--------|--|---|-----------|-----------|-----------|--|
|  |        |  |   |           |           |           | Suicide and self-harm prevention training has been ongoing.  |
|  | A2.2.3 | Continue to deliver activity to deliver the <a href="#">Living Well in Crewe plan</a>                        | Director of Public Health                 | A+H       | G         | G         | Work has begun on the site of the Crewe Youthzone 'The Dome' and engagement with young people is underway.<br><br>Council officers are in discussion with the team leading the 'Healthier Futures work' at Leighton Hospital, to explore what opportunities the rebuild of the hospital might provide in relation to transport connectivity, active travel, job opportunities etc. |
|  | A2.2.4 | Continue to deliver activity to deliver the <a href="#">Cheshire East Place Mental Health Plan 2024-2029</a> | Director of Public Health                 | A+H       | G         | G         | Outcomes completed so far:<br>Train the Trainer education and awareness on SMI and physical health funded by Public Health to multi agency partners<br>1-year funded 2024 -25 engagement service programme in 2 PCN (Crewe Hungerford and Middlewood partnership)  |
| P2.3   | A2.3.1 | Continue to embed our Signs of Safety practice model   | Principal Social Worker (Children)        | C+F       |           |           | The council is not a signs of safety authority and have moved to restorative practice. However, they can sit alongside but will see less reference to Signs of Safety as Cheshire East continues through our improvement and embeds Restorative Practice.  |
|  | A2.3.2 | Update the <a href="#">Cheshire East Safeguarding Adults Board Strategic Plan</a>                            | Head of Adult Safeguarding                | A+H       | G         | G         | Quarterly Safeguarding Board held in July 2024. Safeguarding continues<br>SAR agreed and is progressing<br>Mental Capacity UTube produced by CEC to enhance professional practice  |
|  | A2.3.3 | Update the <a href="#">Cheshire East Domestic Abuse and Sexual Violence Strategy</a>                         | Head of Service Early Help and Prevention | C+F       | A         | A         | Service Manager started in October. Priority is to update the strategy, using the findings from the Safe Lives review of the service.<br>Meetings are underway with key stakeholders.  |
| P2.4   | A2.4.1 | Attract more foster carers to support Cheshire East children through the Foster4 collaboration               | Head of Provider Services                 | C+F       | A         | A         | New media campaign was launched and a further 7 carers being assessed, this means on target to recruit our 15 carers by March 2025. Enquiries have increased in this quarter compared to Q1.   |

|                                   |                                    |              |                             |               |
|-----------------------------------|------------------------------------|--------------|-----------------------------|---------------|
| Off track – with major issues (R) | Mainly on track – minor issues (A) | On Track (G) | Scheduled - not yet started | Completed (B) |
|-----------------------------------|------------------------------------|--------------|-----------------------------|---------------|

| Priority<br>What we will do - Priority actions for 2024/25 |        |   | Lead Officer  | Committee | Q1<br>RAG | Q2<br>RAG | Update   |
|--|--------|---|---|-----------|-----------|-----------|--|
|  | A2.4.2 | Prioritise care experienced adults as part of our recovery work to improve employment and training opportunities.           | Head of Service:<br>Cared for Children and Care Leavers | C+F       | A         | A         | Now cared for ambassadors are in post and will be looking to progress this.  |
|  | A2.4.3 | Deliver the priorities of the <a href="#">Cared for children and care leavers strategy 2022-26</a>                          | Head of Cared for Children and Care Leavers             | C+F       | A         | A         | Corporate Parenting Strategic group has been revised and new strategic Board planned for November, and task and finish groups set. Part of that is now have a 16-25 accommodation group looking at suitable and increasing provision to reduce the reliance on temporary accommodation. 100% of care leavers now have health passports and we are bringing in sexual health into the care leaver hub to be a continuous offer available to them. Preparation for adulthood requires a transformation programme to drive this and we are having early conversations about how to move this on jointly with adult services. Bus passes now available at no cost to care leavers. 4 care leaver ambassadors now in post to support co-production in care leaver improvements. |
| P2.5   | A2.5.1 | Continue to develop services and support offered through Family Hub model and promote the <a href="#">Parenting Journey</a> | Head of Early Years                                     | C+F       | A         | G         | Family hub outreach program and children's centre remodelling was on the agenda for the C&F committee on the 11 <sup>th</sup> November 2024 and was endorsed. Delivery plan was completed successfully. Core offer hubs continues to be delivered. Digital parenting workshop offer went live in September.  |
|  | A2.5.2 | Continue work to build Crewe Youth Zone   | Director Education, Strong Start and Integration        | C+F       | G         | G         | Launch of the branding The Dome took place in September, regular project board meetings to review progress of the project  |
|  | A2.5.3 | Continue to deliver the <a href="#">Emotionally Healthy Children and Young People programme</a>                             | Consultant in Public Health (children and young people) | C+F       | G         | G         | The first meeting of the healthy young minds alliance took place in October 2024. We are continuing to implement i-THRIVE, the council's needs-led approach to delivering mental health services for children, young people and families.  |
| P2.6   | A2.6.1 | Establish and deliver against the Dedicated Schools Grant (DSG) management plan   | Strategic lead for SEND and inclusion                   | C+F       | A         | G         | The financial position at Q2 remains the same as Q1. Mitigations which focus on right support, at the right time, in the right place are starting to have an impact  |
|  | A2.6.2 | Capital programme to increase in-borough provision  | Head of Education                                       | C+F       | G         | G         | A number of schemes have been handed over during the summer including Wilmslow High School expansion,  |

Off track – with major issues (R)

Mainly on track – minor issues (A)

On Track (G)

Scheduled - not yet started

Completed (B)



| Priority<br>What we will do - Priority actions for 2024/25 |        |  | Lead Officer                          | Committee | Q1<br>RAG | Q2<br>RAG | Update   |
|--|--------|--|---------------------------------------|-----------|-----------|-----------|--|
|  |        |  |                                       |           |           |           | Springfield (Crewe) expansion, The Dingle Primary expansion and completion of Shavington Academy scheme for additional places.<br>The council is progressing with a number of schemes on site and taking forward a number of feasibility studies, in particular to provide additional SEN places across the borough. |
|  | A2.6.3 | Grow organisational capacity to support transformation of SEND support (MTFS 24)                                       | Strategic lead for SEND and inclusion | C+F       | G         | G         | The Transformation Team has continued to expand since our update in Q1.<br>The council has established a new multi-agency Governance Structure and are continuing to deliver the actions identified through the development plans that sit in this area  |
| P2.7   | A2.7.1 | Deliver the Kingsbourne Academy primary school in Nantwich   | Head of Education                     | C+F       | R         | R         | This scheme has been further delayed due to ongoing issues which has put this on hold, no dates known at this time.  |
|  | A2.7.2 | Process primary and secondary applications efficiently, offering parental choice places where possible.                | Head of Education                     | C+F       | G         | G         | Both primary and secondary applications were opened in September, they are due to close for Secondary places on 31.10.24 and January for Primary places.   |
| P2.8   | A2.8.1 | Investment in Adult Social Care (MTFS 8)   | Director of Adult Social Care         | A+H       | G         | A         | Growth included in budget for 2024/25 and under review for future years in line with MTFS development and transformation plan.   |
|  | A2.8.2 | Continue to develop and promote the Shared Lives service   | Head of Care4CE                       | A+H       | G         | G         | Continuing as Q1   |
|  | A2.8.3 | Use technology to digitally enable people to support themselves ( <a href="#">Digital Inclusion Plan 2023 – 2026</a> ) | Corporate Manager, Health Improvement | A+H       | G         | G         | CEDIP has continued to meet.<br>Collaborative working with the LGA and other LA's in relation to digital inclusion<br>New Digital Buddy schemes have been established.   |
|  | A2.8.4 | Deliver the objectives of the <a href="#">All Age Carers Strategy 2021-25</a>  | Head of Integrated Commissioning      | A+H       | G         | G         | A formal Service Improvement Plan Process was instigated in September to review progress and ensure work commences at pace   |

|                                   |                                    |              |                             |               |
|-----------------------------------|------------------------------------|--------------|-----------------------------|---------------|
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|-----------------------------------|------------------------------------|--------------|-----------------------------|---------------|

| Priority<br>What we will do - Priority actions for 2024/25 |        |  | Lead Officer                            | Committee | Q1<br>RAG | Q2<br>RAG | Update   |
|--|--------|--|---|-----------|-----------|-----------|--|
| P3.1   | A3.1.1 | Develop and begin consultation upon 'New style' Local Plan Strategy  | Head of Planning                        | E+C       | A         | G         | Delivery of the new Local Plan has commenced. An update report is provisionally scheduled for January 2025   |
|  | A3.1.2 | Deliver the Planning Service Improvement Plan  | Head of Planning                        | E+C       | A         | G         | Restructure of the Planning Service now complete with recruitment ongoing, a new IT system has been implemented. A briefing on the progress against the PSIP was provided in October 2024.             |
|  | A3.1.3 | Deliver cultural development activities, including continued activity towards the Cheshire Archives – a Story Shared project (MTFS 56) | Head of Rural and Cultural Economy      | E+G       | G         | G         | Cheshire Archives Project commencing start on site in New Year.  |
|  | A3.1.4 | Update the Statement of Licensing Policy   | Head of Regulatory Services             | Council   | G         | G         | SOLP reviewed and approved by E&C Committee on 18 July 2024. To CPC on 3 October 2024. Final approval of Full Council in December 2024.  |
| P3.2   | A3.2.1 | Monitor the continued successful delivery of the Cleaner Crewe project.  | Head of Neighbourhood Services          | E+C       | G         | G         | Initial phase concluded, Officers to re-introduce as part of mitigation plans relating to forthcoming changes to waste collection systems.   |
|  | A3.2.2 | Update and deliver the Air Quality Strategy, following consultation.   | Head of Regulatory Services             | E+C       | G         | G         | Updated Strategy approved by E&C Committee in July 2024  |
|  | A3.2.3 | Update the <a href="#">Safer Cheshire East Partnership Plan</a>  | Locality Manager, Community Safety      | E+C       | A         | G         | Funding allocations through the office for the Police and Crime Commissioner for 2024 all allocated and impact and outcomes captured in the 2024 SCEP Annual Report                                    |
| P3.3   | A3.3.1 | Continue implementation and monitoring of the Green Spaces Maintenance Policy  | Head of Environmental Services          | E+C       | G         | G         | Savings are delivered in full and work is under way this year to implement new management software / hardware and provide greater visibility of maintenance to the public through the Council website. |
|  | A3.3.2 | Update the Cheshire Local Nature Recovery Strategy   | Head of Planning                        | E+C       |           | G         | Update ongoing and targeted to be presented at Committee for approval in March 2025  |
|  | A3.3.3 | Finalise and implement the <a href="#">Biodiversity Net Gain</a> Supplementary Planning Document                                       | Head of Planning                        | E+C       | G         | G         | Ecology and Biodiversity Net Gain Supplementary Planning Document was approved for adoption by the Council's Environment and Communities Committee in July 2024 and is now published                   |
| P3.4   | A3.4.1 | Complete Bus Service Review and refresh Bus Service Improvement Plan   | Head of Strategic Transport and Parking | H+T       | G         | G         | Procurement has been planned for inviting bids to operate 20 services to commence April 2025.  |

Off track – with major issues (R)

Mainly on track – minor issues (A)

On Track (G)

Scheduled - not yet started

Completed (B)

| Priority<br>What we will do - Priority actions for 2024/25 |        |  | Lead Officer                            | Committee | Q1<br>RAG | Q2<br>RAG | Update  |
|--|--------|--|---|-----------|-----------|-----------|---|
|  | A3.4.2 | Deliver an integrated borough-wide demand-responsive transport service (Go-Too and Flexilink)        | Head of Strategic Transport and Parking | H+T       | G         | G         | Short term developments to the provision of services has been completed. Additional journeys and extended fares and concessions have been introduced.   |
|  | A3.4.3 | Secure further funding for active travel routes  | Head of Strategic Transport and Parking | H+T       | G         | G         | Additional funding will be considered as part of the annual LTP capital programme.  |
|  | A3.4.4 | Update business cases for Middlewich Eastern Bypass and A500 dualling                                | Head of Strategic Infrastructure        | H+T       | G         | G         | Revised MEB Full Business Case was submitted on Friday 6/9/2024. Work towards an updated Outline Business Case for A500 scheme remains on programme.  |
| P3.5   | A3.5.1 | Deliver the <a href="#">Cheshire East Rural Action Plan 2022-26</a>                                  | Head of Rural and Cultural Economy      | E+G       | G         | G         | Progress is being made on various elements of the Rural Action Plan including digital connectivity, access, support for communities and businesses, natural capital, visitor economy, farms strategy review and the local nature recovery strategy. |
|  | A3.5.2 | Continue to deliver Connected Cheshire digital infrastructure  | Head of Economic Development            | E+G       | G         | G         | Progress continuing.  |
|  | A3.5.3 | Continue to pursue a compensation package following scrapping of HS2 Phase 2                         | Programme Director HS2                  | E+G       | A         | A         | No specific response from new government. Future rail schemes such as Liverpool-Manchester Rail and Birmingham – Manchester Link being engaged.   |
|  | A3.5.4 | Develop a clear place marketing approach   | Head of Economic Development            | E+G       | G         | G         | Crewe vision being developed.   |
|  | A3.5.5 | Enable the delivery of Handforth Garden Village  | Head of Economic Development            | E+G       | G         | G         | Continued progress on scheme implementation.  |
| P3.6   | A3.6.1 | Deliver actions to achieve the objectives of the Carbon Neutral Action Plan 2027 (updated timescale) | Head of Environmental Services          | E+C       | A         | A         | Solar farm at Leighton Grange has been completed. Capital Review continues to delay 2nd solar and further fleet decarbonisation   |
|  | A3.6.2 | Update the borough-wide Carbon-Neutrality Action Plan 2045 following public consultation             | Head of Environmental Services          | E+C       | G         | G         | Action Plan now complete following public consultation and ready for consideration for adoption at November Environment and Communities Committee.  |

Off track – with major issues (R)

Mainly on track – minor issues (A)

On Track (G)

Scheduled - not yet started

Completed (B)

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Open

### Number of FTE Staff



| Directorate   | Q1       | Q2       |
|---------------|----------|----------|
| Cheshire East | 2,829.77 | 2,799.50 |
| Corporate     | 564.91   | 554.53   |
| Adult's       | 853.14   | 858.22   |
| Children's    | 830.88   | 803.16   |
| Place         | 580.84   | 583.60   |

Open

### Vacancies as % of actual FTE



| Directorate   | Q1    | Q2    |
|---------------|-------|-------|
| Cheshire East | 13.05 | 14.24 |
| Corporate     | 15.59 | 16.39 |
| Adult's       | 13.59 | 13.25 |
| Children's    | 10.00 | 13.40 |
| Place         | 14.21 | 14.82 |

Open

### Number of Agency Staff



| Directorate   | Q1  | Q2  |
|---------------|-----|-----|
| Cheshire East | 232 | 246 |
| Corporate     | 58  | 55  |
| Adult's       | 126 | 128 |
| Children's    | 44  | 57  |
| Place         | 4   | 6   |

Open

### % Staff Turnover



| Directorate   | Q1  | Q2   |
|---------------|-----|------|
| Cheshire East | 4.4 | 5.5  |
| Corporate     | 6.9 | 3.4  |
| Adult's       | 3.9 | 3.5  |
| Children's    | 3.7 | 10.3 |
| Place         | 4.1 | 3.8  |

Open

### % variance between forecast outturn and total net budget



| Directorate   | Q1   | Q2   |
|---------------|------|------|
| Cheshire East | 6.8  | 5.1  |
| Corporate     | 0.1  | 5.7  |
| Adult's       | 15.0 | 15.0 |
| Children's    | 8.0  | 5.8  |
| Place         | -2.7 | -4.3 |

Open

### % of complaints resolved within timescales Stage 1



| Directorate   | Q1    | Q2    |
|---------------|-------|-------|
| Cheshire East | 71.75 | 74.50 |
| Corporate     | 86.00 | 78.00 |
| Adult's       | 81.00 | 83.00 |
| Children's    | 35.00 | 49.00 |
| Place         | 85.00 | 88.00 |

Open

### % of complaints resolved within timescales Stage 2



| Directorate   | Q1   | Q2    |
|---------------|------|-------|
| Cheshire East | 46.0 | 63.0  |
| Corporate     | 88.0 | 100.0 |
| Children's    | 50.0 | 0.0   |
| Place         | 77.0 | 87.5  |

Open

### % of Freedom of Information requests completed within timescales



| Directorate   | Q1 | Q2  |
|---------------|----|-----|
| Cheshire East | 88 | 88  |
| Corporate     | 92 | 96  |
| Adult's       | 94 | 100 |
| Children's    | 89 | 84  |
| Place         | 85 | 83  |

Open

Fair

Green

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OPEN

## **Corporate Policy Committee**

**28 November 2024**

### **HR Policies and Procedures**

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**Report of: Adele Taylor, Interim Executive Director Resources and S151 Officer**

**Report Reference No: CPC/45/24-25**

**Ward(s) Affected: Not applicable**

**Report for Decision or Scrutiny: Both**

### **Purpose of Report**

- 1 The purpose of this report is to outline and seek approval of the new Sexual Harassment Policy and Procedure and Social Media Policy as well as the changes to the current Dignity at Work Policy and Procedure, and Equality, Diversity and Inclusion Policy.

### **Executive Summary**

- 2 The purpose of this report is to seek approval of two new HR policies and significant changes to an existing policy, as outlined below, in line with Chapter 2 of the council's Constitution requiring the agreement of Corporate Policy Committee before they can be adopted.
- 3 The Dignity at Work Policy and Procedure has also been included given its link with the Sexual Harassment Policy and Procedure. Although changes to this policy and procedure are only minor and would not normally require approval under Chapter 2 of the council's Constitution, it was felt it would be beneficial to share it at the same time.
- 4 With the introduction of the Worker Protection (Amendment of Equality Act 2010) Act 2023, from 26 October 2024 employers of any size in England, Wales and Scotland have a specific duty to take reasonable steps to prevent sexual harassment of workers in the course of their employment. In order to meet this duty a new Sexual Harassment Policy and Procedure has been produced. This new policy outlines the



council's zero-tolerance approach to sexual harassment and provides a separate procedure to follow to report incidents of sexual harassment by an employee or third party.

- 5 The new Social Media Policy sets out the council's expectations on the use of social media at work and personal capacities to ensure it is used effectively, lawfully and does not compromise the council. Information on the use of social media is currently guidance and has been in place for some time. With the increasing importance of social media and to effectively deal with issues arising around its use, it is best practice to have a policy in place to provide clarity and ensure compliance.
- 6 The Equality, Diversity and Inclusion Policy replaces the current Equality in Employment Policy, to reflect current best practice. It includes more information on what discrimination, harassment and victimisation are, strengthens the information around training and support available, as well as allocated time for staff network duties to align with the council's commitment and approach to equality, diversity and inclusion. It also includes information on breaches of the policy.
- 7 Key elements of the new policies and updates for the existing policies above are outlined in paragraphs 9, 14, 17 and 20 of this report.

### **RECOMMENDATIONS**

The Corporate Policy Committee is recommended to:

1. Approve the Sexual Harassment Policy and Procedure and Social Media Policy.
2. Approve the changes to the Dignity at Work Policy and Procedure and Equality, Diversity and Inclusion Policy.

## **Background**

### **Social Media Policy**

- 8 The council has had a guidance note on the use of social media since 2011, which sets out its expectations. Following advice from Legal Services it was felt a policy would be more effective when dealing with breaches of the policy under a disciplinary procedure. Social media issues are increasingly important, and a policy would be best placed to enable us to deal with issues as effectively as possible to preserve the reputation of the council.

- 9 The purpose of the Social Media Policy is to set out the council's expectations in relation to the use of social media in work and the behaviours expected when posting on social media, to ensure it is used in an effective and lawful way that does not compromise the council.
- 10 The Social Media Policy covers the following:
  - a. Definition of social media, the corporate social media accounts and the context of use.
  - b. Compliance with related policies and procedures.
  - c. The use of social media for work purposes and personal usage.
  - d. Breaches of the policy and the support available to anyone affected or involved.

### **Sexual Harassment Policy and Procedure**

- 11 With the introduction of the Worker Protection (Amendment of Equality Act 2010) Act 2023, from 26 October 2024 employers of any size in England, Wales and Scotland have a specific duty to take reasonable steps to prevent sexual harassment of workers in the course of their employment.
- 12 The purpose of the Sexual Harassment Policy and Procedure is to provide a framework for dealing with any sexual harassment that occurs, whether by employees or third parties. This will in part help the council to meet its duty to prevent sexual harassment as outlined in the Worker Protection Act 2023.
- 13 In addition to the policy and procedure a mandatory Sexual Harassment in the Workplace eLearning module is being produced, with the aim of helping staff to understand what sexual harassment is and what they need to do if they experience or witness harassment.
- 14 A dedicated page is available on the CEntranet - preventing sexual harassment at work. This outlines the new law and provides information on what to do if employees experience sexual harassment and the support available. This page will be updated with details of the training when it is available as well as the new policy and procedure.
- 15 Key elements of the Sexual Harassment Policy and Procedure covers the following:

- a. What is sexual harassment, including victimisation and third party sexual harassment.
- b. Reporting incidents of sexual harassment, both informal and formal routes, including the right to appeal.
- c. Consequences of breaching the policy.
- d. Timescales, recording of meetings and malicious complaints.
- e. Advice and support.

### **Dignity at Work Policy and Procedure**

- 16 With the introduction of the Worker Protection (Amendment of Equality Act 2010) Act 2023 and the introduction of a Sexual Harassment Policy and Procedure, the Dignity at Work Policy and Procedure has been updated to reference the change to the law and refer staff to the appropriate policy should they experience or witness harassment.
- 17 Minor additional amendments have been made to the policy and procedure at the same time, to bring it in line with more recent HR policies and to provide more clarity, particularly around elements of the informal and formal procedures. Given the changes to this policy are not significant it would not normally require approval at Corporate Policy Committee, however, given its link to the proposed Sexual Harassment Policy and Procedure it was deemed appropriate to share at the same time.
- 18 Changes to the Dignity at Work Policy and Procedure are as follows:
  - a. Scope and Expectations expanded in line with more recent HR policies and reference to virtual settings and meetings throughout.
  - b. Updated definitions of bullying and harassment.
  - c. Section included on bullying and harassment by third parties and reference included to Sexual Harassment Prevention Duty.
  - d. Informal and formal procedure sections expanded to provide more clarity.
  - e. Removed grounds for appeal to avoid denying anyone the right to appeal.

## **Equality, Diversity and Inclusion Policy**

- 19 To reflect current best practice, the council's Equality in Employment Policy has been re-named Equality, Diversity and Inclusion Policy.
- 20 Additional information has been included in the policy, including, on Legal advice a new section on breaches of the policy. The policy now sets out the council's commitment to promoting equal opportunities in all aspects of employment, making equality an integral part of the way the council works.
- 21 Changes to the Equality, Diversity and Inclusion Policy are as follows:
- a. Inclusion of a Discrimination section to provide further information on harassment, victimisation and bullying.
  - b. Equality and Diversity Staff Network Groups section added to the policy, including allowing chairs of the staff network groups time to undertake their duties.
  - c. Breaches of the policy included and additional information on help and support available.

## **Consultation and Engagement**

- 22 The council's recognised trade unions and relevant internal stakeholders have been consulted in relation to the new and updated policies and procedures.

## **Reasons for Recommendations**

- 23 With the introduction of the Worker Protection Act 2023, from 26<sup>th</sup> October 2024, the council has a legal duty to take reasonable steps to prevent sexual harassment of its workers during the course of their work. The Sexual Harassment Policy and Procedure is a key element in communicating the council's position on sexual harassment and what it will do in the event of a sexual harassment complaint being raised.
- 24 Changes to the Dignity at Work Policy and Procedure reflect the introduction of the Workers Protection Act 2023 and the introduction of a Sexual Harassment Policy and Procedure, as well as some additional minor changes.
- 25 The Social Media Policy and Equality, Diversity and Inclusion Policy set out the council's expectations in relation to these topics and the behaviours it expects of the workforce.

## **Other Options Considered**

- 26 Consideration was given to including information around sexual harassment into the Dignity at Work Policy and Procedure. On Legal advice it was decided this would not show sufficient action to prevent sexual harassment and a separate policy and procedure was required.
- 27 The council could have reviewed and updated the social media guidance note. However, Legal advice was that this may lead to issues should there be a breach in this area that could be taken through the disciplinary procedure.
- 28 The Equality, Diversity and Inclusion Policy could have remained the same, however, current best practice is to help staff understand what discrimination is and they can have an impact in helping the council to avoid it.

## **Implications and Comments**

### *Monitoring Officer/Legal*

- 29 Under the new Worker Protection Act 2023 which came into force on 26 October 2024, employers have a legal duty to take reasonable steps to prevent sexual harassment of their employees during the course of their employment. This is a new, positive action requirement and the Council needs to be able to demonstrate reasonable steps are being taken to comply with the new obligations. The new Sexual Harassment Policy and supporting materials seeks to ensure the Council is meeting its obligations and protecting/supporting staff in this regard.
- 30 The use of social media by individuals in and outside of the workplace is widespread. However, improper and inappropriate use by employees carries significant legal risk for the Council, including:
  - a. Potential unauthorised disclosure of confidential and proprietary information.
  - b. Infringement of third party intellectual property rights.
  - c. Liability for discriminatory or defamatory comments posted by employees.
- 31 Having a pragmatic and enforceable social media policy will help the Council to minimise risk associated with employee use of social media by proactively defining acceptable and unacceptable uses in the context of the employment relationship. It also allows for breaches of the policy to be dealt with under the disciplinary procedure, ensuring appropriate action can be taken for breaches and a consistent approach to non-compliance.

- 32 The other existing policies have been updated in line with latest legislation and best practice. This seeks to ensure that the council remains legally compliant, protects against Employment Tribunals/legal action and supports good employee relations across the organisation.

#### *Section 151 Officer/Finance*

- 33 There are no direct financial implications in respect of the Sexual Harassment, Dignity at Work and Social Media policies and procedures.
- 34 In respect of the Equality, Diversity and Inclusion policy, the service area in which the Chair and Vice Chair of the network groups are employed will be meeting the salary cost for the time off for network duties are outlined.

#### *Policy*

- 35 Any decisions relating to sexual harassment, dignity at work, the use of social media and equality, diversity and inclusion should comply with the policies in place at the time.

#### *Equality, Diversity and Inclusion*

- 36 The changes to the Equality, Diversity and Inclusion Policy strengthen and clarifies the council's commitment to Equality, Diversity and Inclusion.
- 37 There are no direct equality implications associated with approving the Sexual Harassment Policy and Procedure, Dignity at Work Policy and Procedure, Social Media Policy and Equality, Diversity and Inclusion Policy.

#### *Human Resources*

- 38 Associated policies have been reviewed to ensure that they complement the Sexual Harassment Policy and Procedure, Dignity at Work Policy and Procedure, Social Media Policy and Equality, Diversity and Inclusion Policy. The Code of Conduct is also under review.
- 39 The Sexual Harassment Policy and Procedure, Dignity at Work Policy and Procedure, Social Media Policy and Equality, Diversity and Inclusion Policy will help to clarify the council's expectations on staff and in turn what they can expect from the council as their employer.

#### *Risk Management*

40 If the council does not implement a Sexual Harassment Policy and Procedure it risks not demonstrating the preventative steps required in the Worker Protection Act 2023.

41 Where a tribunal finds an employer failed to comply with the preventative duty, they have the power to increase discrimination compensation by up to 25%. The Equality and Human Rights Commission (EHRC) could also take enforcement action.

#### *Rural Communities*

42 There are no direct implications for rural communities.

#### *Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

43 There are no direct implications for children and young people.

#### *Public Health*

44 There are no direct implications for public health.

#### *Climate Change*

45 There are no direct implications on climate change.

| <b>Access to Information</b> |   |
|------------------------------|---|
| Contact Officer:             | Sara Duncalf, Head of HR<br>Email: <a href="mailto:sara.duncalf@cheshireeast.gov.uk">sara.duncalf@cheshireeast.gov.uk</a>   |
| Appendices:                  | Appendix 1 – Draft Social Media Policy<br>Appendix 2 – Draft Sexual Harassment Policy and Procedure<br>Appendix 3 – Draft Dignity at Work Policy and Procedure<br>Appendix 4 – Draft Equality, Diversity and Inclusion Policy |
| Background Papers:           | None  |





*Working for a  
brighter future  
together*

## Social Media Policy

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## Scope

This policy applies to all employees of Cheshire East Borough Council, except school/academy-based employees. There are separate policies, procedures and guidance for school and academy employees, and these are available from the school/academy.

The principles of this policy also apply to consultants, self-employed contractors, casual workers, agency workers and volunteers. Anyone working or volunteering for the council is a representative of the local authority, both offline and when online (including on social media); the same standards apply to the behaviour and conduct of employees in all circumstances.

There is social media guidance for Members on the Local Government Association (LGA) website: [Social media guidance for councillors | Local Government Association](#).

This policy does not form part of any employee's contract of employment, and it may be amended at any time to reflect changing technologies and compliance standards following consultation with the recognised trade unions.

## Policy statement

This policy sets out the council's expectations on the use of social media in work and personal capacities to ensure that its use is effective, lawful and does not compromise the council. It outlines the standards of behaviour you are required to adhere to when you are posting on social media, as well as the consequences of falling below those standards.

It does not provide any guidance or direction about communications, public/stakeholder engagement or customer service strategies that may apply to use of specific social media accounts for customer interactions, campaigns or providing information to residents and other stakeholders, including in an emergency. This guidance should be found in specific communications, engagement plans and/or service-delivery plans.

This policy is not intended to prevent the use of social media but to ensure that anyone working for, or with, Cheshire East Council uses it with appropriate regard for the council's values and zero tolerance of bullying and harassment at work, including sexual harassment.

We know that digital technology has revolutionised the way in which people communicate and share information at local, national, and international levels. You need to understand these changes so that you can operate effectively in a dynamic media environment.

Social media is a public forum and posts online are not necessarily private, so the same considerations apply as would to speaking in public or writing something for publication, either officially or in a personal capacity outside of work.

This policy seeks to ensure that:

- the council is not exposed to legal challenge;
- the reputation of the council, its employees and members is not adversely affected or put at risk of reputational damage;
- you do not put yourself in a vulnerable position;
- you understand how information provided via social media applications can be representative of the council;
- the use of social media does not have a negative impact on the council; and
- any cyber-bullying, intimidation or harassment (including sexual harassment) through social media are reported so your manager can support and advise you on the appropriate next steps.

This document should be read in conjunction with the council's Code of Conduct, ICT Policies (policies on the internet and security), Disciplinary Policy and Procedure, and the Dignity at Work Policy and Procedure which are available on [Centranet](#).

### What you can expect from the council

We will:

- Make you aware if you are required to use social media as part of your role and provide you with any relevant login details for the social media account/s.
- Address any concerns with you and/or issues of misuse arising out of the use of social media.
- Report and escalate any incidents or concerns regarding social media as appropriate.
- Support you if you are subject to cyber-bullying, intimidation or harassment (including sexual harassment) through social media, for example, defamation in connection with your job role and where it may result in a social media smear campaign, misinformation or malicious communications.

Your manager is key to enabling the council's commitment to you.

### What the council expects of you

We expect you to:

- Familiarise yourself with the detail and spirit of this policy when using social media.

- Use social media appropriately if it is part of your job role and adhere to the rules in this policy.
- Keep up to date with the latest changes and functionality of the social media platforms.
- Seek to ensure that any content, communication or contribution made on social media in a work capacity remains professional.
- Comply with ICT policies and procedures when using social media for work purposes, including having robust security measures in place to seek to ensure the protection of passwords to social media profiles. There is guidance on [Centranet](#) on how to create a secure password.
- Inform your manager if you suspect that any Cheshire East Council social media accounts have been compromised or accessed by an unauthorised person.
- Do not post, like or share content that could damage the council's reputation in both a work and personal capacity.
- Speak to your manager if you are unsure about any interaction on social media that may contravene the expected standards.
- Report any incidents of cyber-bullying, intimidation or harassment through social media in the course of their employment to your manager.
- Read and abide by the ICT Internet Policy (available on [Centranet](#)) relating to the use of social media and the council's Code of Conduct (available on [Centranet](#)).

## Definition of social media

The term 'social media' is used to describe forms of electronic communication through which users create online communities to share information, ideas, personal messages and other content. This includes blogs, photo sharing, video sharing, social networks and apps.

Social media is an increasingly popular form of communication as it allows people to share content quickly, efficiently and in real-time. It is used both socially and for business.

Social media differs from a telephone conversation or email; it is an interactive broadcast medium. This means your messages can be viewed by a much wider audience than just the intended recipient.

The most important thing to remember is that once your message is out there on social media it will always be out there even if you delete the post (or message), it is likely to have been seen and shared by someone.

With respect to this policy, social media is any online platform or app that allows parties to communicate instantly with each other or to share data in a public forum. This includes social forums such as X (formerly known as Twitter), Facebook, and LinkedIn.

Social media also covers blogs and video and image-sharing websites such as YouTube and TikTok. This is not an exhaustive list, there are many more examples of social media than can be included in this policy and this is a constantly changing area. You should adhere to this policy in relation to any social media that you use or any app that is used that has features which align with social media platforms, for example, Snapchat or WhatsApp (status updates, group chats etc.).

### Corporate social media accounts

Cheshire East Council regularly reviews its use of corporate social media accounts in what is an ever-changing landscape to reach different audiences with our messages. Corporately, we currently use the following social media platforms:

- Facebook: <https://www.facebook.com/CheshireEastCouncil/>
- X (formerly known as Twitter): <https://twitter.com/CheshireEast>
- LinkedIn: <https://www.linkedin.com/company/346296/admin/>
- Instagram: <https://www.instagram.com/cheshireeast>
- YouTube: <https://www.youtube.com/user/CheshireEast>

There are also multiple service-led social media profiles.

### Context of use

The council recognises that the internet provides an opportunity to participate in interactive discussions and share information using a wide variety of social media. The scope of this policy applies to those who are likely to use social media privately (outside of work) as well as in their role during office hours or otherwise - whether the social media is accessed using council ICT facilities, or by using personal equipment where they may be representing the council such as that of an employee.

### Compliance with related policies and procedures

You should never use social media in a way that breaches any council policies. If an internet post would breach any of our policies in another forum, it will also breach them in an online forum. You are prohibited from using social media to:

- breach our ICT policies and procedures;
- breach the council's obligations with respect to the rules of relevant regulatory bodies;
- breach any obligations contained in those policies relating to confidentiality;
- breach the council's Disciplinary Policy and Procedure;
- breach the council's Dignity at Work Policy and Procedure;
- unlawfully discriminate against other employees or third parties;

- breach the council's Data Protection Policy (for example, never disclose any confidential, personal, secure, or protected information obtained in your capacity as an employee of Cheshire East Council); or
- breach any other laws or regulatory requirements.

If you are unsure about any interaction on social media that may contravene the council's expected standards for personal social media usage or breaches any of our other council policies, you should speak to your line manager for clarification and refrain from posting it until it has been discussed.

You should never provide references for other individuals on social or professional networking sites. These references, positive and negative, can be attributed to the organisation and create legal liability for both the author of the reference and the organisation.

### Prohibited use

We recognise that you may be a Cheshire East resident as well an employee, so there may be council matters that you wish to comment on or contribute to, for example, public/resident consultations. It is also recognised that you may connect with colleagues ('friends') in a personal/social capacity through social media. However, you must avoid making any social media communications that could damage council interests, reputation or working relationships, even indirectly. You must:

- not use social media to bring the council into disrepute or make defamatory or disparaging comments or grievances about the council, colleagues, councillors or service users;
- not post, like or share images or graphic content that are inappropriate or share links to inappropriate images or graphic content;
- not post or share links to inappropriate sexually explicit or provocative images or content;
- use caution if posting any content regarding council business/interests or political statements/issues concerning council business, particularly if you are in a politically restricted post (guidance available on [Centranet](#));
- not breach confidentiality by uploading, sharing, discussing or posting comments about sensitive, personal, secure or protected information owned by the council or partner organisations or information about service users, employees or other individuals associated with the council, for example, agency workers and consultants;
- not make false representations or post/share content in the course of your work that could breach copyright, for example, using someone else's images or written content without permission or failing to give acknowledgement where permission has been given to reproduce something;

- not post anything that could be considered discriminatory against, bullying or harassment of any individual;
- not allow your interaction with social media to damage working relationships between colleagues or other stakeholders;
- not use social media to deliberately make false or misleading statements; and
- not use social media to impersonate colleagues.

You are not permitted to connect with clients/service users you are dealing with in your job role – for example, if you are a social worker or support worker – through personal social media accounts, especially where these people are children or vulnerable adults. The council considers it inappropriate to have your clients/service users, including their families, as ‘friends’ on social media.

Contact through social media in this capacity will only be permitted where it has been firmly established with your grandparent manager.

You should also avoid using social media platforms as a means of contacting colleagues outside of normal working hours about work.

## Social media usage for work purposes

Your manager is responsible for making you aware if you are required to use a corporate social media account as part of your job role, and you will be provided with relevant login details for the account/s.

Managers should contact the council’s [Communications Team](#) in the first instance for advice on the best channel to meet communication requirements. The Communications Team are responsible for the day-to-day management and monitoring of corporate social media accounts, for example, X (formerly known as Twitter), Facebook and Instagram as outlined previously, including the content and audiences. Guidance is also available on [Centranet](#) on setting up a social media page or profile. Managers may also need to liaise with other enabling services such as ICT when setting up a social media page or profile.

The council encourages you to make reasonable and appropriate use of social media if it is part of your role. However, you must be always aware that, while contributing to the council’s social media activities, you are representing the council. If you use social media as part of your job, you must adhere to the rules outlined previously (see ‘Prohibited Use’).

You should use the same safeguards as you would with any other form of communication about the council in the public domain. These safeguards include ensuring that the communication has a purpose and benefit for the council, and that the timing is appropriate and relevant. All content should also be reviewed and relevant permission sought prior to posting to ensure accuracy and that it is suitable



for its intended audience, this includes ensuring [accessibility requirements](#) are met where necessary.

You should also understand and abide by each individual social media platform's privacy notices and guidelines, and you should not use corporate social media profiles, for example, Facebook, in the course of your work to actively monitor and 'watch' members of the public. There is a specific criteria for this type of direct surveillance, please see the Surveillance Policy and Procedures document Cheshire East Council Use of RIPA, Policy and Procedures and the Online Investigations Policy to investigate the use of online material for enquiries/investigations (available on [Centranet](#)).

Managers should refer to the HR guidance on undertaking internal investigations when dealing with disciplinary matters (available on [Centranet](#)), and seek further advice from Human Resources if and when issues arise.

You must also be aware of [data protection](#), particularly where customers and/or members of the public provides personal details on our social media accounts, for example, a comment on a post or through a direct message. When this happens, you must protect that information in the same way as if it was received by email or letter and be careful how you store and share it. Personal information can be anything that identifies an individual, for example a photograph, contact details or other identifiable factors.

If there has been an information security breach, i.e. an incident which puts confidential information at risk of being lost/stolen, accessed inappropriately (either deliberately or accidentally), or disclosed to the wrong people, it must be reported straight away so that the council can take immediate steps to mitigate any risks, including suspending social media accounts. More information about reporting an information security breach or incident is available on [Centranet](#).

As part of any exit process, i.e. where employee leaves the council/job and they use social media for work purposes, the manager is responsible for arranging for any access/passwords to be changed and/or social profiles to be deleted to ensure that there are business continuity arrangements in place.

## Guidelines for responsible use of social media in your personal life

Your personal online profile should not contain the name of Cheshire East Council (such as a username or 'handle') or use the council's logos or other trademarks unless you are authorised to do so as part of your duties of your role. You should also seek to ensure that your profile information on social media accounts is appropriate, and you should check your privacy and security settings.

You should ensure that your profile and any content you post are consistent with your professional status, relevant professional standards, and the values and behaviours that are expected – see [Values and behaviours](#).

Be mindful that, even if you do not expressly identify yourself as working for the council, it may be possible to identify you as an employee by the content of information you have posted on your social media profile or through other work colleagues you are friends with. This can make you identifiable to service users, as well as people you know in a private capacity.

You should be mindful that your actions on your personal social media accounts could potentially damage the council's reputation, especially if you have specified your role and/or employer as part your social media account.

Be respectful to others when making any statement on social media and be aware that you are personally responsible for all communications which are published on the internet for anyone to see.

You should adhere to the standards of behaviour set out in the council's Code of Conduct (available on [Centranet](#)) when using social media, which includes declaring any external activities, for example, income-generating social media presence/content, that may affect your employment with the council.

If you are uncertain or concerned about the appropriateness of any statement or posting, refrain from posting it or discuss any concerns with your line manager.

If you see social media content that disparages or reflects poorly on us, you should contact your line manager.

### Social media usage during working hours

The council's Internet Policy (available on [Centranet](#)) sets out the how you should use your council Internet facility, including your personal responsibilities and informs what you must and must not do in relation to social networking services, for example, Facebook, in business contexts.

One of the key messages of the ICT policy is that personal use of social media is not permitted during working hours or by means of the council's computers, networks and other IT resources and communications systems, unless this is explicitly part of your role or within your own time (for example during your lunch break). However, care must be taken when using social networking sites in and out of work and you must adhere to this policy and the ICT policy.

### Monitoring use of internet

We reserve the right to monitor, intercept and review, without further notice, your activities using the council's IT resources and communications systems, including but not limited to social media postings and activities, for legitimate business purposes which include:

- ascertaining and demonstrating that in using the systems you are meeting expected standards; and
- the detection and investigation of unauthorised use of the systems (including where this is necessary to prevent or detect crime).

For further information, see the council's Internet Policy (available on [Centranet](#)).

### Breach of this policy

In situations where you have breached this policy and/or it becomes known that you have used social media in a way that has breached any of our other council policies, for example, posted potentially damaging material or other incidents such as bullying colleagues, it may constitute misconduct or gross misconduct, and may be dealt with in accordance with the council's [Disciplinary Policy and Procedure](#).

For consultants, self-employed contractors, casual workers, agency workers and volunteers who are found to have breached this policy, there may be consequences including non-renewal or termination of contract.

You may be required to remove any social media content that we consider to constitute a breach of this policy. Failure to comply with the request may in itself result in disciplinary action.

### Support for those affected or involved

In situations where you may have been accused of social media misconduct or are the subject of cyber-bullying, intimidation or harassment through social media in the course of your employment, you are encouraged to speak up without delay and ask for support.

You are also encouraged to report any incidents, including incidents perpetrated by a third party (for example, a service user or supplier), to your manager as soon as possible. Your manager will advise and support you on the next steps and signpost you to the appropriate procedure (this will depend on the nature of the complaint). Further advice may be sought by your manager from Human Resources.

You should also seek support from your colleagues, friends, family or a trade union if you are a member, because any form of cyber-bullying, intimidation or harassment can have a negative impact on your mental health and wellbeing.

The council provides access to occupational health support. Other external sources of help and support are also available:

- [Employee Assistance Programme \(EAP\) \(cheshireeast.gov.uk\)](#)
- [Mental health support for people at work | Able Futures Mental Health Support Service \(able-futures.co.uk\)](#)

### Useful links

[Values and behaviours \(cheshireeast.gov.uk\)](#)

[CEC Code of Conduct](#)

[CEC ICT Policies](#)

[Social Media Guide](#)

## Disciplinary Policy and Procedure

### Equality

The council is committed to promoting equal opportunities in employment. You (and any job applicants) will receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, religion or belief, sex or sexual orientation or caring responsibility. This means that the application of the policy may need to be adjusted to cater for the specific needs of an individual including the provision of information in alternative formats where necessary.

### Monitoring and review

The council will monitor this policy to ensure that it is operating fairly, consistently, and effectively. The policy will be reviewed in the light of operating experience and/or changes in legislation.

Prepared by: HR Operations

Date: November 2024

Revision: New policy – previously guidance:

[Social media guide \(cheshireeast.gov.uk\)](https://www.cheshireeast.gov.uk/social-media-guide)

## Appendix 2



*Working for a  
brighter future  
together*

## Sexual Harassment Policy and Procedure

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## Scope

This policy and procedure applies to all employees of Cheshire East Borough Council except school/academy-based employees. There are separate policies and procedures for school and academy employees.

This policy and procedure applies to all employees, officers, consultants, self-employed contractors, casual workers, agency workers, apprentices and volunteers. The policy also relates to job applicants and is relevant to all stages of the employment relationship.

The policy also applies to sexual harassment by third parties.

It does not form part of any employee's contract of employment, and we may amend it at any time following consultation with the recognised trade unions.

## Policy statement

The purpose of this policy and procedure is to set out the council's framework for dealing with any sexual harassment that occurs, whether by employees (including consultants, contractors, agency workers and volunteers), and also by third parties such as customers, suppliers or visitors to our buildings.

With the introduction of the Worker Protection (Amendment of Equality Act 2010) Act 2023, from 26<sup>th</sup> October 2024 employers of any size in England, Wales and Scotland have a specific duty to take reasonable steps to prevent sexual harassment of workers in the course of their employment.

The council is committed to having a culture that is diverse, equitable and inclusive, which is core to everything that we strive to achieve and to the organisational environment we wish to protect. One key to protecting our culture and our people is seeking to provide a working environment free from sexual harassment, ensuring all employees are treated, and treat others, with dignity and respect. We recognise that sexual harassment can occur both in and outside the workplace, such as on work-related events or social functions, or on social media.

Sexual harassment or victimisation of any employee, or anyone you encounter during the course of your work, is unlawful and will not be tolerated. The council will take active steps to help prevent the sexual harassment and victimisation of all employees. If you are a victim of, or witness, sexual harassment you are encouraged to report it in accordance with this policy. This will enable us to take appropriate action and provide support. Sexual harassment can place the council and the perpetrator at risk of legal action, whether the perpetrator works for the council or are a third party outside of our control. Sexual harassment may also result in disciplinary action being taken, up to and including dismissal.

The policy and procedure are complemented by the council's Health and Wellbeing Strategy that supports a number of health and wellbeing policies and initiatives, promoting the wellbeing of its staff and our health and safety policies that reflect the Council's duty of care to ensure health at work.

The policy and procedure accompany our Equality in Employment Policy.

## What you can expect from the council

We will:

- Adopt a zero-tolerance approach to all forms of sexual harassment.
- Seek to ensure that your mental health and wellbeing is always treated as a priority and ensure that you are supported if you are facing such issues.
- Ensure that everyone who works for us is aware of the council's values and behaviours and their responsibilities towards each other and understands the impact that their behaviour may have on colleagues.
- Monitor our workplace culture through anonymous surveys, exit interviews, one-to-one conversations and return-to-work meetings to identify and address any issues.
- Undertake risk assessments to identify potential areas where sexual harassment could take place and to determine reasonable measures that can be implemented to minimise the risk of exposure to sexual harassment in the workplace, and by third parties that you may have contact with.
- Treat all complaints promptly, efficiently and sensitively and ensure that they are dealt with in strictest confidence.
- Provide protection against victimisation for anyone raising a complaint.
- Ensure that mandatory equality and anti-harassment training is provided to all employees to enable them to deliver on behalf of the council and that this is properly recorded.
- Ensure managers and supervisors understand their role in handling complaints.
- Treat everyone with dignity and respect at all times.
  - If issues arise with regard to the unacceptable behaviour of employees from other organisations that the council does business with, or customers or visitors to our premises, the council will take appropriate action to address such issues.

Your manager is key to enabling the council's commitment to you.



## What the council expects of you

We expect you to:

- Take personal responsibility for observing, upholding, promoting and applying this policy and act in accordance with the council's values and behaviours (available on [Centranet](#)).
- Treat everyone with dignity and respect at all times.
- Be aware of how your own behaviour may affect others and change it, if necessary – you can still cause offence even if you are “only joking”.
- Make it clear to others, including third parties (clients, suppliers and contractors) when you find their behaviour unacceptable, e.g. inappropriate jokes or comments.
- Challenge unacceptable behaviour, where appropriate, if you see it directed towards a colleague and promptly report any incident to stop sexual harassment and victimisation.
- Speak up without delay and ask for appropriate support if you experience sexual harassment.
- Treat private matters in strictest confidence and refrain from participating in, encouraging or condoning gossip related to cases of alleged or actual sexual harassment and victimisation.
- Support the council's policy by co-operating or participating if requested, for example by acting as a witness or, if you are a manager, undertaking a specific role under the procedures in line with your job responsibilities.
- Undertake mandatory equality and anti-harassment training on an annual basis.
- Always set a good example by your own behaviour and ensure a supportive and positive working environment for your team if you are a manager.

## What is sexual harassment?

Sexual harassment is any unwanted physical, verbal or non-verbal conduct of a sexual nature that has the purpose or effect of violating a person's dignity, or creating an intimidating, hostile, degrading, humiliating or offensive environment for them. A single incident can amount to sexual harassment.

It also includes treating someone less favourably because they have submitted or refused to submit to unwanted conduct of a sexual nature, or that is related to gender reassignment or sex, in the past.

Sexual harassment can occur in many forms and can take place in person or online. While this is not an exhaustive list, examples may include:

- unwanted physical conduct, intimidation or “horseplay”, including touching, pinching, pushing and grabbing;
- continued suggestions for sexual activity after it has been made clear that such suggestions are unwelcome;
- sending or displaying material that is pornographic or that some people may find offensive (including emails, text messages, video clips and images sent by mobile phone or posted on the internet);
- unwelcome sexual advances, propositions or suggestive behaviour (which the harasser may perceive as harmless);
- leering, whistling or making sexually suggestive gestures;
- sharing sexually explicit jokes or anecdotes; or
- offensive emails, text messages or social media content.

It is not necessary for someone to object first before conduct can be described as unwanted. Also, a person may be sexually harassed even if they were not the intended target. For example, a person may be sexually harassed by pornographic images displayed on a colleague's computer in the workplace.

## Victimisation

Victimisation includes subjecting someone to a detriment because they have raised a complaint, given evidence or information in connection with a complaint or alleged that someone has contravened the Equality Act 2010. Victimisation can include, but is not limited to:

- denying someone an opportunity because it is suspected that they intend to make a complaint about sexual harassment;
- excluding someone because they have raised a grievance about sexual harassment;
- failing to promote someone because they accompanied another employee to a grievance meeting; and
- dismissing someone because they gave evidence on behalf of another employee at a grievance meeting.

Sexual harassment and victimisation are unlawful and will not be tolerated. They may lead to disciplinary action up to and including dismissal if they are committed:

- in a work situation;
- during any situation related to work, such as at a social event with colleagues;

- against a colleague or other person connected to the council outside of a work situation, including on social media; or
- against anyone outside of a work situation where the incident is relevant to your suitability to carry out your role.

We will take into account any aggravating factors, such as abuse of power over a more junior colleague, when deciding the appropriate disciplinary action to take.

### Third party sexual harassment

Third party sexual harassment occurs where you are sexually harassed by someone who does not work for, and who is not an agent of, the council, but someone with whom you have come into contact with during the course of your work. Third party sexual harassment could include, for example, unwelcome sexual advances from a client, customer or supplier visiting one of our offices, or where you are visiting a client, customer or supplier's premises or other location in the course of your work.

Third party sexual harassment can result in legal liability and will not be tolerated. You are encouraged to report any third party sexual harassment you are a victim of, or witness, in accordance with this policy. Any sexual harassment by an employee against a third party may lead to disciplinary action up to and including dismissal.

We will take steps wherever possible to prevent third party sexual harassment of employees, and if any third party sexual harassment of employees occurs, we will take steps to remedy any complaints and to prevent it happening again. These can include, but are not limited to:

- issuing a warning to the harasser about their behaviour;
- informing their employer that a complaint has been raised against them, if appropriate;
- banning them from our premises; and
- reporting any criminal acts to the police.

### Reporting incidents of sexual harassment

If you believe that you have been the victim of sexual harassment, we encourage you to come forward and share your concerns with us so we can resolve the matter. We will take all such complaints seriously and, providing that you acted in good faith and your complaint is genuine, you will be protected and will not be penalised or victimised in any way.

If the harasser is a colleague, it can be dealt with in various ways, ranging from informal to more formal procedures as set out below. If you are experiencing sexual harassment by a third party, we encourage you to report this to your line manager without delay so that they can advise and support you on the best course of action.

You do not have to be a recipient or target to make a complaint about sexual harassment. If you see it happening or become aware of any issues of sexual

harassment, you have the right to complain. Tackling sexual harassment is everybody's responsibility.

Some people may be unaware that their behaviour in some circumstances is sexual harassment. If it is clearly pointed out to them that their behaviour is unacceptable, the issue can sometimes be resolved. With this in mind, this policy includes an informal as well as a formal route to deal with complaints of sexual harassment.

If you believe you have witnessed the sexual harassment of a child, young person or vulnerable adult, you must inform your Head of Service (or other senior manager) immediately to ensure that it is raised through the appropriate channels within Children's or Adult Services. A referral to the Local Authority Designated Officer (LADO) or the Person in Position of Trust (PIPOT) process may be required which will be determined by the appropriate service.

#### Informal route

The issue may be raised informally with the help of your manager, trade union representative or another colleague. They should listen to your complaint and work out how best they can help you to resolve the issue informally and in a way with which is most comfortable for you. The following are possible options of how they may help and support you resolving the issue informally:

- provide you with advice on how to approach the issue directly with the alleged harasser;
- support you in raising the issue with the alleged harasser by accompanying you in any discussion or helping you to set out your thoughts in writing;
- raise the matter informally with the harasser on your behalf;
- arrange mediation by a trained mediator between you and the alleged harasser; or
- help to obtain advice on how best to resolve the issue from other sources such as from Human Resources or the Employee Assistance Programme (EAP).

If you feel unable to speak to your line manager because the complaint concerns them, then you should speak to your grandparent manager or Human Resources. If this does not resolve the issue, you should follow the formal procedure below.

If you are not certain whether an incident or series of incidents amounts to sexual harassment, you should initially contact your line manager or Human Resources informally for confidential advice.

We recognise that an informal solution may not be appropriate or may not work in many cases. For example, an informal solution is unlikely to be suitable in more serious cases, you may feel that you are not able to deal with the issue in this way or that informal steps are not appropriate, in which case you should consider making a

formal complaint as set out below. You can make the matter formal at any stage if you wish to.

## Formal route

If you wish to make a formal complaint about sexual harassment, you should submit it in writing to your Head of Service who will acknowledge your complaint within 5 working days of receipt.

Your written complaint should set out full details of the conduct in question, including the name of the harasser, the nature of the sexual harassment, the date(s) and time(s) at which it occurred, the names of any witnesses and any action that has been taken so far to attempt to stop it from occurring.

If you wish to make a formal complaint about victimisation, you should raise the matter formally in writing. Your written complaint should set out full details of the conduct in question, including the name of the person or persons you believe have victimised you, the reason you believe you have been victimised, the nature of the victimisation, the date(s) and time(s) at which it occurred, the names of any witnesses and any action that has been taken so far to attempt to stop it from occurring.

Your written formal complaint should be sent to your Head of Service, who will acknowledge your complaint within 5 working days of receipt. In some situations, we may ask you to provide further information.

## Investigation

Your Head of Service may look into your complaint themselves or they may ask another senior manager called the 'Commissioning Manager' to do this on their behalf. Your Head of Service or the Commissioning Manager will appoint an independent person to act as the 'Investigating Officer' and they will conduct an investigation to gather information. The Investigating Officer will arrange a meeting with you, usually within one week of receiving your complaint, so you have the opportunity to give your account of events. The investigation may also include examination of any documentary evidence (including electronic media), interviews with the person(s) involved and any relevant witnesses.

You and the person against whom the complaint is made have the right to be accompanied by a fellow Cheshire East Council worker, a trade union representative or an official employed by a trade union at any formal meeting (in person and virtual).

Where your complaint is about someone other than an employee, such as a customer, supplier or visitor, we will consider what action may be appropriate to protect you and anyone involved pending the outcome of the investigation, taking into consideration the reasonable needs of the business and the rights of that person. Where appropriate, we will attempt to discuss the matter with the third party.

If you advise us that you have any disability related needs that need to be considered to enable you to participate in such a meeting, then we will make any

reasonable adjustments that are necessary, to enable you to do so. Wherever possible, we will try to ensure that you and the person against whom the complaint is made are not required to work together while the complaint is under investigation. This could involve giving you the option of working from home, where possible, or remaining at home on special leave, if agreed. In the case of serious allegations, we may suspend the employee against whom the complaint is made for a temporary period while the investigation is being carried out.

The Investigating Officer will also meet with the person against whom the complaint is made to hear their account of events. They have a right to be told the details of the allegations against them, so that they can respond.

It may be necessary to interview witnesses to any of the incidents mentioned in your complaint. If so, the importance of confidentiality will be emphasised to them.

The Investigating Officer will adopt an objective and balanced approach to the information gained as a result of the investigation and produce a detailed Investigation Report. The report will be given to the Head of Service or the Commissioning Manager, who will arrange a meeting with you in order to discuss the outcome and what action, if any, should be taken. We aim to hold this meeting within 30 working days of receipt of your original complaint. You have the right to bring a colleague or a trade union representative to the meeting.

A copy of the report and the Commissioning Manager's findings will be given to you and to the person against whom the complaint is made.

## Action following the investigation

If the Head of Service or the Commissioning Manager considers that sexual harassment has occurred, prompt action will be taken to address it.

Where the harasser is an employee, the matter will usually be dealt with as a case of possible misconduct or gross misconduct under the council's Disciplinary Policy and Procedure (see section on [consequences of breaching this policy](#)). Where the harasser is a third party such as a customer or other visitor, we will consider what action would be appropriate to deal with the issue.

We recognise that it is not always possible to arrive at a decisive finding of 'upheld' or 'not upheld' since employment situations are not always clear-cut. Sometimes the outcome may include an acknowledgement of your concerns and/or an agreed action plan (including mediation) to address them.

Whether or not your complaint is upheld, we will consider how best to manage and support any ongoing working relationship between you and the person concerned. It may be appropriate to arrange some form of counselling, or to change the duties, working location or reporting lines of one or both parties.

The outcome and any action/s to be taken will be confirmed in writing.

## Appeal

If you are the person who has made the complaint, you have the right to appeal against the outcome of the investigation. If you wish to appeal, you must do so in writing, including the reasons for the appeal, within 10 working days of receipt of the letter confirming the decision and send it to your Executive Director in the first instance. Your appeal letter should clearly state the full grounds of your appeal, i.e. the basis on which you consider that your grievance has not been satisfactorily resolved. If your grounds of appeal are unclear, we may ask you to clarify these before we hold a sexual harassment appeal hearing.

Appeals will be dealt with impartially and heard by the Staffing Appeals Sub-Committee (three Councillors, established on an ad hoc basis in consultation with the Chair of the Corporate Policy Committee, in accordance with [Council Constitution](#)) and will take place no less than 30 working days following the receipt of your appeal.

You will be given the opportunity to put forward your case and explain why you are not satisfied with the outcome. You have the right to be accompanied by a fellow CEC worker, a trade union representative or an official employed by a trade union.

The decision by the Staffing Appeals Sub-Committee will be final. This is the end of the internal procedure and there is no further appeal.

## Consequences of breaching this policy

If, following a formal investigation, we find that you have committed, authorised or condoned an act of sexual harassment, we will deal with the issue as a possible case of misconduct or gross misconduct in accordance with the Disciplinary Policy and Procedure (available on [Centranet](#)).

We may take disciplinary action against you, up to and including dismissal (or other appropriate action for non-employees). You should be aware that any aggravating factors, such as abuse of power over a more junior colleague, will be taken into account in deciding what disciplinary action to take.

## Protection and support

Anyone who makes a complaint, reports that they have witnessed wrongdoing, or who participate in good faith in any investigation must not suffer any form of detrimental treatment or victimisation as a result. If we find that you have victimised anyone in this way, disciplinary action may be taken against you under our Disciplinary Policy and Procedure (or other appropriate action for non-employees).

If you believe you have suffered any such treatment, you should inform your line manager or Human Resources.



## Malicious complaints

We accept that all formal complaints should be accepted in good faith and investigated accordingly. However, where an investigation finds that the allegation is false and made in bad faith (that is, without an honest truth in its belief), you may face disciplinary action.

You will not be subjected to disciplinary action or to any other detriment simply because your complaint is not upheld.

## Timescales

In the best interests of both the employee who has raised the complaint and the person against whom the complaint is made, it is important that the investigation and resolution of the complaint are completed as promptly as possible and should be notified of the estimated timescales.

All those involved in the sexual harassment process must give appropriate priority to the complaint and adhere to any specified time limits to enable expedition of the process.

Exceptionally, there may be circumstances where it may be necessary to extend timescales. In these circumstances, you will be updated on a regular basis on the progress and any revised timescales.

## Recording of meetings

A written record of all meetings conducted under this procedure will be made, either by the person holding the meeting or by an additional person arranged by us to take notes. You, or any person acting on your behalf, are not normally permitted to record electronically any meeting that we hold under this procedure. This is to encourage openness and full participation. Any breach of this provision may lead to disciplinary action.

## Data protection

The council processes personal data collected during informal and formal complaints in accordance with its data protection policy. In particular, data collected as part of informal complaints and the sexual harassment procedure is held securely and accessed by, and disclosed to, individuals only for the purposes of responding to the complaints or conducting the sexual harassment procedure. Inappropriate access or disclosure of employee data constitutes a data breach and should be reported in accordance with the council's data protection policy immediately. It may also constitute a disciplinary offence, which will be dealt with under the council's Disciplinary Policy and Procedure (available on [Centranet](#)).

## Advice and support

We understand that issues around sexual harassment and victimisation can be difficult and extremely stressful for all concerned, both for colleagues who feel they

have been the victim of sexual harassment or victimisation, but also for those complained about. The council will extend the same support to all employees involved to seek to ensure that they are treated fairly, calmly and receive the appropriate help.

You may seek support from your line manager (or grandparent manager) and your trade union representation who can give informed advice in confidence. You may also seek advice from Human Resources to help you to decide which course of action to take.

## Occupational health and Employee Assistance Programme (EAP)

Support and access to confidential counselling is also available through the council's occupational health provider (see [Centranet](#)) and the Employee Assistance Programme (EAP). The EAP service is confidential and completely free to use. You can access the EAP as follows:

- By phone: 0800 111 6387 (free 24/7 helpline)
- Online: [www.my-eap.com/access](http://www.my-eap.com/access) and log-in using organisation code 'Cheshirewell'
- Live webchat support: Monday – Friday 8-6.30pm and Saturday 8-5pm  
[www.vitahealthgroup.co.uk/corporate-health-services/webchat/](http://www.vitahealthgroup.co.uk/corporate-health-services/webchat/)

More information is also available about the EAP on Centranet: [Employee Assistance Programme \(EAP\) \(cheshireeast.gov.uk\)](#).

External sources of help

[Equality Advisory and Support Service \(equalityadvisoryservice.com\)](http://equalityadvisoryservice.com)

[Protect - Speak up stop harm - Whistleblowing Homepage \(protect-advice.org.uk\)](http://protect-advice.org.uk)

[Home | Rights of Women](#)

## Useful links

Preventing sexual harassment at work: [Preventing sexual harassment at work](#)

Dignity at work: [Dignity at work \(cheshireeast.gov.uk\)](#)

Risk assessments: [Complete a risk assessment \(cheshireeast.gov.uk\)](#)

CEC Human Resources: [HR Operations \(cheshireeast.gov.uk\)](#)

Trade union contacts: [Trade Unions \(cheshireeast.gov.uk\)](#)

## Equality

The council is committed to promoting equal opportunities in employment. You (and any job applicants) will receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, religion or belief, sex or sexual orientation or caring responsibility. This means that the

application of the policy and procedure may need to be adjusted to cater for the specific needs of an individual including the provision of information in alternative formats where necessary.

### Monitoring and review

The council will monitor this policy and procedure to ensure that it is operating fairly, consistently and effectively. The policy and procedure will also be reviewed in the light of operating experience and/or changes in legislation.

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Prepared by: HR Operations

Date: October 2024

Note: This is a new policy in response to the duty to prevent sexual harassment from 26 October 2024. The new law is the Worker Protection (Amendment of Equality Act 2010) Act 2023.



## Dignity at Work Policy and Procedure

### Scope

This policy and procedure applies to all employees of Cheshire East Borough Council except school/academy-based employees. There are separate policies and procedures for school and academy employees.

This policy and procedure applies to all employees, officers, consultants, self-employed contractors, casual workers, agency workers and volunteers. It does not form part of any employee's contract of employment, and we may amend it at any time, following consultation with the recognised trade unions.

### Policy statement

The purpose of this policy and procedure is to set out the council's standards on how we behave towards each other in the workplace (including virtual settings), and to provide a framework for dealing with any bullying and harassment.

The council is committed to building a positive workplace culture and creating an inclusive and welcoming work environment where everyone is treated with dignity and respect. In particular, we will not tolerate bullying, harassment or victimisation of any kind under any circumstances. Such behaviour can not only have serious effects on individuals in terms of their mental health and wellbeing, but it can also lead to loss of morale, staff turnover, poor work performance, and undermine the reputation of the council and the level of service that we aim to provide. In certain circumstances, the behaviour may also be unlawful, placing the council at risk of legal action.

The principle underlying this policy is that you have the right to feel safe, welcome and comfortable in your day-to-day work. You have the right to enjoy a work environment that is free from bullying and harassment. You should feel empowered

to raise challenges and make complaints if you experience any behaviour that falls below this standard.

This policy and procedure explains:

- What you can expect from the council and what the council expects of you
- The behaviours you are expected to demonstrate at work
- What bullying and harassment means
- What you need to do if you think you are being bullied or harassed at work

The policy and procedure are complemented by the council's Health and Wellbeing Strategy that supports a number of health and wellbeing policies and initiatives, promoting the wellbeing of its staff and our health and safety policies that reflect the Council's duty of care to ensure health at work.

### What you can expect from the council

We will:

- Seek to ensure that your mental health and wellbeing is always treated as a priority and ensure that you are supported if you are facing such issues.
- Ensure that everyone who works for us is aware of the council's values and behaviours and their responsibilities towards each other, and understands the impact that their behaviour may have on colleagues.
- Promote a working environment where bullying and harassment is unacceptable and will not be tolerated.
- Provide sources of advice and support to help you understand what you can do if an issue arises.
- Offer access to trained, accredited mediators where mediation may help to provide a resolution.
- Provide the means for you to formally raise a complaint where it has not proved possible to resolve the issue informally or through mediation.
- Treat all complaints seriously and sensitively and ensure that they are dealt with in strictest confidence and in a consistent, fair and timely manner.
- Provide protection against victimisation for anyone raising a complaint.
- Ensure that matters raised are fully investigated and that those involved have the opportunity to put their side of the story before any decision is made.
- Ensure that managers receive training to enable them to deliver on behalf of the council and that this is properly recorded.
- Treat everyone with dignity and respect at all times.

- If issues arise with regard to the unacceptable behaviour of staff from other organisations that the council does business with, or customers or visitors to our premises, the council will take appropriate action to address such issues.

Your manager is key to enabling the Council's commitment to you.

## What the council expects of you

We expect you to:

- Act in accordance with the council's values and behaviours (available on Centranet: [Values and behaviours](#)).
- Treat everyone with dignity and respect at all times.
- Be aware of how your own behaviour may affect others and change it, if necessary – you can still cause offence even if you are “only joking”.
- Make it clear to others when you find their behaviour unacceptable, e.g. inappropriate jokes or comments.
- Challenge unacceptable behaviour, where appropriate, if you see it directed towards a colleague and promptly report any incident to stop bullying and harassment.
- Offer support to anyone who may have experienced bullying and harassment at work.
- Wherever possible, seek to resolve issues informally in the first instance, for example, by discussing the matter privately with the colleague or manager concerned.
- Submit your complaint in writing where you wish to pursue it on a formal basis. You can, of course, ask someone to help you with this.
- Treat private matters in strictest confidence and refrain from participating in, encouraging or condoning gossip related to cases of alleged or actual bullying or harassment.
- Support the council's policy by co-operating or participating if requested, for example by acting as a witness or, if you are a manager, undertaking a specific role under the procedures in line with your job responsibilities.
- Set a good example by your own behaviour and ensure a supportive and positive working environment for your team if you are a manager.

## Bullying and harassment

Bullying is offensive, intimidating, malicious or insulting behaviour and/or the misuse of power that can make a person feel vulnerable, upset, humiliated, undermined or threatened, or causes physical or emotional harm to someone. Power does not always mean being in a position of authority but can include both personal strength

and the power to coerce through fear or intimidation. It may be obvious, or it may be insidious. Whatever form it takes, it is unwarranted and unwelcome to the individual.

Harassment is any unwanted physical, verbal or non-verbal conduct that has the purpose or effect of violating a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for them. A single incident can amount to harassment.

It also includes treating someone less favorably because they have submitted or refused to submit to such behaviour in the past.

Unlawful harassment may involve conduct of a sexual nature (sexual harassment), or it may be related to age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation. Harassment is unacceptable even if it does not fall within any of these categories.

A non-exhaustive list of examples of bullying and harassment can be seen in Appendix 1.

### **Bullying or harassment by a third party**

Where you believe that you have been bullied or harassed by a third party, for example – by an employee/agent of a supplier/partner organisation, self-employed contractor/consultant, volunteer, service user and/or a member of the general public; you should raise the matter with your manager. Your manager should investigate the matter in line with the principles of this procedure and consider what action would be appropriate to deal with the issue.

### **Sexual Harassment Prevention Duty**

From 26<sup>th</sup> October 2024 employers of any size in England, Wales and Scotland have a specific duty to take reasonable steps to prevent sexual harassment of workers in the course of their employment.

The council takes a zero-tolerance approach to sexual harassment and has a separate Sexual Harassment Policy and Procedure to follow if you have been a victim of or witnessed sexual harassment either by a colleague or a third party.

### **Exclusions**

A number of the council's HR policies (e.g. disciplinary, capability, sickness absence etc.) carry their own separate rights of appeal. In these circumstances, the relevant appeals process should be followed. This Dignity at Work Policy and Procedure should not be used to avoid or supplement those appeal processes.

The council also reserves the right to decline to open a fresh formal procedure in respect of a previous complaint made within the last 12 months which had already been investigated and heard under this procedure and the facts of the matter and/or



circumstances have not altered substantially. Further dialogue with you in these circumstances would take place.

The following concerns and complaints are also dealt with more appropriately under alternative policies and procedures:

- Complaints about the conduct of a Councillor or co-opted Member of Cheshire East Council or a Town or Parish Councillor in the Cheshire East area – they must be dealt with in accordance with the council's Member Code of Conduct by completing the Code of Conduct Complaints Form (available on the [Cheshire East Council external website](#)).
- Complaints relating to a statutory or financial matter – such concerns over which the council has no jurisdiction should be dealt with via the relevant external organisation, e.g. Pensions, HMRC (PAYE or National Insurance) etc.
- Grievances at work – other general work matters, other than dignity at work, e.g. terms and conditions of employment, health and safety matters, new working practices, working environment and/or organisational change, should be dealt with under the council's Grievance Policy and Procedure (see Centranet for further information: [Grievance](#)).

Where a formal complaint includes both dignity at work (i.e. bullying and harassment) as well as general work issues, it may be necessary for the different aspects of the complaint to be investigated and heard separately but consideration to this will be given on a case-by-case basis.

- Reporting of suspected wrongdoing or dangers in relation to council activities – (e.g. conduct which is an offence or breach of law, health and safety risks, damage to the environment, the unauthorised use of public funds, possible fraud and corruption, sexual or physical abuse of clients or other unethical conduct) should be raised and dealt with under the council's Whistleblowing Policy (see the council's [external website](#) for full details).

## Reporting incidents of bullying and harassment

If you believe that you have been bullied or harassed, we encourage you to come forward and share your concerns with us so we can resolve the matter. We will take all such complaints seriously and, providing that you acted in good faith and your complaint is genuine, you will be protected and will not be penalised or victimised in any way. Bullying and harassment can be dealt with in various ways, ranging from informal to more formal procedures as set out below.

You do not have to be a recipient or target to make a complaint about bullying or harassment. If you see it happening or become aware of any issues of bullying and harassment, you have the right to complain. Tackling bullying and harassment is everybody's responsibility.

Some people may be unaware that their behaviour in some circumstances is bullying or harassment. If it is clearly pointed out to them that their behaviour is unacceptable, the issue can sometimes be resolved. With this in mind, this policy includes an informal as well as a formal procedure to deal with complaints of bullying and harassment.

### Informal resolution

It may be possible to resolve matters informally, for example, the colleague may not know that the behaviour is unwelcome or upsetting. An informal discussion may help them to understand the effects of their behaviour and agree to change it. Consider whether you feel able to approach the person yourself or with the help of your manager, trade union representative or another colleague.

If this is too difficult, you should speak to your line manager or the HR Department, who can provide confidential advice and assistance in resolving the issue formally or informally. If you feel unable to speak to your line manager because the complaint concerns them, then you should speak informally to your grandparent manager or the HR Department. If this does not resolve the issue, you should follow the formal procedure below.

If you are not certain whether an incident or series of incidents amounts to bullying or harassment, you should initially contact your line manager or the HR Department informally for confidential advice.

While we encourage the informal resolution of complaints, we recognise that it may not always be successful in resolving the matter, or you may feel that you are not able to deal with the issue in this way or you may think the situation is too serious to be dealt with informally, in which case you may want to consider the alternative options of either mediation or making a formal complaint as set out below.

### Mediation

Sometimes it can be helpful to involve an independent third party or mediator to help resolve dignity at work issues. Mediators may be employees trained and accredited by an external mediation service who act as internal mediators in addition to their day jobs. Alternatively, they may be from an external mediation provider. They can work individually or in pairs as co-mediators. The council is committed to maintaining a panel of accredited internal mediators.

Please refer to the guidance on mediation for more information about the process (available on Centranet).

If you think that mediation may provide a suitable option to resolve a dignity at work issue, you should speak to your manager or grandparent manager in the first instance.

If the other party declines the invitation to participate in mediation, you will be informed of this. You may then wish to consider the option of making a formal complaint.

## Formal procedure

### Making a formal complaint

If your complaint has not been resolved informally or through mediation, you are dissatisfied with the informal action taken or the situation is too serious to be dealt with informally, you should raise the matter formally in writing.

If you wish to make a formal complaint of bullying or harassment, you must do so in writing by completing form DAW1 (see [Appendix 2](#)) and sending it to your Head of Service who will acknowledge your complaint within 5 working days of receipt. In some situations, we may ask you to provide further information.

### Investigation

Your Head of Service may look into your complaint themselves or they may ask another senior manager called the 'Commissioning Manager' to do this on their behalf. Your Head of Service or the Commissioning Manager will appoint an independent person to act as the 'Investigating Officer' and they will conduct an investigation to gather information. The investigation may include examination of any documentary evidence (including electronic media), and interviews with you, the person(s) involved and any relevant witnesses.

You and the person against whom the complaint is made have the right to be accompanied by a fellow CEC worker, a trade union representative or an official employed by a trade union at any formal meeting (in person and virtual) dealing with your complaint.

The investigative interview meetings may be conducted in person or remotely via a video platform (e.g. Microsoft Teams). Your rights will not be affected, and we will ensure that the procedure remains fair and reasonable for all parties involved.

If you advise us that you have any disability related needs that need to be considered to enable you to participate in such a meeting, then we will make any reasonable adjustments that are necessary, to enable you to do so. Wherever possible, we will try to ensure that you and the person against whom the complaint is made are not required to work together while the complaint is under investigation. This could involve giving you the option of working from home, where possible, or remaining at home on special leave, if agreed. In the case of serious allegations, we may suspend the employee against whom the complaint is made for a temporary period while the investigation is being carried out.

The Investigating Officer will also meet with the person against whom the complaint is made to hear their account of events. They have a right to be told the details of the allegations against them, so that they can respond.

It may be necessary to interview witnesses to any of the incidents mentioned in your complaint. If so, the importance of confidentiality will be emphasised to them.

The Investigating Officer will adopt an objective and balanced approach to the information gained as a result of the investigation and produce a detailed Dignity at Work Investigation Report. The report will be given to the Head of Service or the Commissioning Manager, who will arrange a meeting with you in order to discuss the outcome and what action, if any, should be taken. We aim to hold this meeting within 30 working days of receipt of your original complaint. You have the right to bring a colleague or a trade union representative to the meeting.

A copy of the report and the Commissioning Manager's findings will be given to you and to the person against whom the complaint is made.

### Action following investigation

If the Head of Service or the Commissioning Manager considers that bullying or harassment has occurred, prompt action will be taken to address it.

Where the bully or harasser is an employee, the matter will usually be dealt with as a case of possible misconduct or gross misconduct under our Disciplinary Policy and Procedure (available on Centranet). If the bully or harasser is a third party such as a customer or other visitor, we will consider what action would be appropriate to deal with the issue.

We recognise that it is not always possible to arrive at a decisive finding of 'upheld' or 'not upheld' since employment situations are not always clear-cut. Sometimes the outcome may include an acknowledgement of your concerns and/or an agreed action plan (including mediation) to address them.

Whether or not your complaint is upheld, we will consider how best to manage and support any ongoing working relationship between you and the person concerned. It may be appropriate to arrange some form of mediation and/or counselling, or to change the duties, working location or reporting lines of one or both parties.

The outcome and any action/s to be taken will be confirmed in writing.

### Appeal

If you are the person who has made the complaint, you have the right to appeal against the outcome of the investigation. If you wish to appeal, you must do so in writing, including the reasons for the appeal, within 10 working days of receipt of the letter confirming the decision and send it to your Executive Director in the first instance. Your appeal letter should clearly state the full grounds of your appeal, i.e. the basis on which you consider that your grievance has not been satisfactorily resolved. If your grounds of appeal are unclear, we may ask you to clarify these before we hold a dignity at work appeal hearing.

Appeals will be dealt with impartially and heard by the Staffing Appeals Sub-Committee (three Councillors, established on an ad hoc basis in consultation with

the Chair of the Corporate Policy Committee, in accordance with [Council Constitution](#)) and will take place no less than 30 working days following the receipt of your appeal.

You will be given the opportunity to put forward your case and explain why you are not satisfied with the outcome. You have the right to be accompanied by a fellow CEC worker, a trade union representative or an official employed by a trade union.

The decision by the Staffing Appeals Sub-Committee will be final. This is the end of the internal procedure and there is no further appeal.

### Malicious or vexatious complaints

We accept that all formal complaints should be accepted in good faith and investigated accordingly. However, where an investigation finds that any employee deliberately provided false information or otherwise acts in bad faith as part of an investigation, they may be subject to action under our Disciplinary Procedure.

### Timescales

In the best interests of both the employee who has raised the complaint and the person against whom the complaint is made, it is important that the investigation and resolution of the complaint are completed as promptly as possible and should be notified of the estimated timescales.

You are encouraged to raise complaints within three months of the event occurring, or final event where there is a sequence of events. However, this should not deter you from highlighting issues which occurred prior to this timescale, which form a sequence or pattern of events and give substance to the complaint.

All those involved in the Dignity at Work process must give appropriate priority to the complaint and adhere to any specified time limits to enable expedition of the process.

Exceptionally, there may be circumstances where it may be necessary to extend timescales. In these circumstances, you will be updated on a regular basis on the progress and any revised timescales.

### Recording of meetings

A written record of all meetings conducted under this procedure will be made, either by the person holding the meeting or by an additional person arranged by us to take notes.

You, or any person acting on your behalf, are not normally permitted to record electronically any meeting that we hold under the dignity at work procedure. This is to encourage openness and full participation. Any breach of this provision may lead to disciplinary action.

In certain limited circumstances, we may permit a meeting to be recorded electronically, for example where it is a reasonable adjustment for an employee with

a disability. If recording a meeting is required for adjustment purposes, this should be raised with HR at the earliest opportunity.

Where we intend to record meetings held remotely, we will comply with our data protection obligations and obtain prior consent from all attendees.

## Data protection

The council processes personal data collected during informal and formal complaints in accordance with its data protection policy. In particular, data collected as part of informal complaints and the dignity at work procedure is held securely and accessed by, and disclosed to, individuals only for the purposes of responding to the complaints or conducting the dignity at work procedure. Inappropriate access or disclosure of employee data constitutes a data breach and should be reported in accordance with the council's data protection policy immediately. It may also constitute a disciplinary offence, which will be dealt with under the council's Disciplinary Policy and Procedure (available on Centranet).

## Advice and support

We recognise that issues around bullying and harassment can be difficult and extremely stressful for all concerned, both for colleagues who feel they have been the victim of bullying or harassment, but also for those complained about. The council will extend the same support to all employees involved to seek to ensure that they are treated fairly, calmly and receive the appropriate help.

You may seek support from your line manager (or grandparent manager) and your trade union representative who can give informed advice in confidence. You may also seek advice from Human Resources to help you to decide which course of action to take. Support and access to confidential counselling is also available through the Council's occupational health provider and the Employee Assistance Programme (EAP) – contact details are available on Centranet: [Employee Assistance Programme \(EAP\)](#).

## Equality

The council is committed to promoting equal opportunities in employment. You (and any job applicants) will receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, religion or belief, sex or sexual orientation or caring responsibility. This means that the application of the policy and procedure may need to be adjusted to cater for the specific needs of an individual including the provision of information in alternative formats where necessary.

## Monitoring and review

The council will monitor this policy and procedure to ensure that it is operating fairly, consistently and effectively. The policy and procedure will also be reviewed in the light of operating experience and/or changes in legislation.

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| Prepared by: | HR Operations  |
| Date:        | April 2018   |
| Reviewed:    | October 2024   |
| Revisions:   | <p>(1) Included 'Scope' section to provide clarity on which employees this policy and procedure relates to (see page 1). This is also consistent with the layout of more recently updated HR policies and procedures.</p> <p>(2) In response to new ways of working, reference to virtual settings and meetings has been included throughout the document.</p> <p>(3) Updated expectations in line with standard expectations in more recently updated HR policies and procedures (see page 2 and 3).</p> <p>(4) Updated definition of bullying and harassment (see pages 4 and 5) and the examples in Appendix 1 (see pages 16 and 17).</p> <p>(5) Included section on 'Bullying and Harassment by Third Party' – employees should raise these issues with their manager so it can be investigated in line with the principles of this procedure (see page 5).</p> <p>(6) Included section "Sexual Harassment Prevention Duty", referring to the new Sexual Harassment Policy and Procedure (see page 4)</p> <p>(7) Changed section on 'Alternative Routes' to 'Exclusions', and in light of operating experience, included that the Council reserves the right to decline to open a fresh formal procedure in respect of a previous complaint made within the last 12 months which had already been investigated and heard under this procedure and the facts of the matter and/or circumstances have not altered substantially (see page 5).</p> <p>Grievances/complaints involving members changed to 'complaints about the conduct of a Councillor or co-opted Member of CEC or a Town or Parish Councillor in the Cheshire East area' – these are all dealt with in accordance with Member Code of Conduct (see page 5).</p> <p>(8) New section on 'Reporting Incidents of Bullying and Harassment' (see pages 6 and 7).</p> <p>(9) Section on 'Informal Resolution' has been expanded – procedure includes speaking to management or HR if an</p> |

employee is unable to approach the person against whom the complaint is made directly (see page 7).

(10) The policy section on 'Mediation' has been summarised and a link to a specific guidance note on mediation has been included (see pages 7 and 8).

(11) Expanded section on 'Formal Procedure' as follows -  
Wherever possible, the employee and the person against whom the complaint is made will not be required to work together while the complaint is under investigation (see page 9).

Procedure now includes a meeting with the Head of Service (or Commissioning Manager) and employee to discuss the outcome and what action, if any, should be taken (see page 10) – before a final decision on the outcome is made.

A copy of the investigation report and the Commissioning Manager's findings will be given to the employee and to the person against whom the complaint is made.

More detail included in the action following investigation – it's not always possible to arrive at a decisive finding so sometimes the outcome may include an acknowledgement of the employee's concerns and/or an agreed action plan (including mediation) to address them, and how best to manage any ongoing working relationship will be considered

(12) Removed grounds for appeal to avoid denying anyone the right to appeal (see page 11).

(13) The Staffing Appeals Sub-Committee has been updated to reflect new arrangements under the Committee Structure (see page 11).

(14) New sections included on 'Timescales' (see page 12) and 'Recording of Meetings' (see page 12).

(15) Form to make a formal Dignity at Work complaint (DAW1) has been updated to include more detail and includes a declaration (see Appendix 2).



## Appendix 1 – Examples of bullying and harassment

Examples of bullying can include (but are not limited to):

- Spreading malicious rumours or insulting someone
- Cyber-bullying, e.g. sending detrimental messages or posting malicious comments/images of colleagues on social media
- Ridiculing someone
- Putting an individual down in meetings
- Someone giving you a heavier workload than everyone else
- Someone has put humiliating, offensive or threatening comments or photos on social media
- Someone at the same or more junior level as you keeps undermining your authority
- Excluding someone from social activities
- Isolation or non-cooperation at work
- Picking on someone or setting them up to fail, e.g. by imposing unrealistic targets or changing priorities unreasonably
- Shouting and/or swearing at someone or the use of obscene gestures
- Persistent negative and unwarranted criticism and consistently undermining someone and their ability to do their job; and any other inappropriate and manipulative behaviour (known as 'Gaslighting' – see [National Bullying Helpline](#)).

Bullying can also happen from an employee towards a more senior employee, a manager or an employer (this can be called 'upward bullying' or 'subordinate bullying'). It can be from one employee or a group of employees.

Examples of upward bullying can include:

- Showing continued disrespect
- Refusing to complete tasks
- Spreading rumours
- Doing things to make you seem unskilled or unable to do your job properly

Examples of harassment can include (but are not limited to):

- Unwanted physical conduct or "horseplay", including touching, pinching, pushing and grabbing
- Continued suggestions for social activity after it has been made clear that such suggestions are unwelcome

- Sending or displaying material that is pornographic or that some people may find offensive (including emails, messages, video clips and images sent by mobile phone or posted on the internet)
- Unwelcome sexual advances or suggestive behaviour (which the harasser may perceive as harmless)
- Racist, sexist, homophobic or ageist jokes, or derogatory or stereotypical remarks about a particular ethnic or religious group or gender
- Outing or threatening to out someone for their sexual orientation
- Offensive emails, messages or social media content
- Mocking, mimicking or belittling a person's disability

A person may be harassed even if they were not the intended target. For example, a person may be harassed by racist jokes about a different ethnic group if the jokes create an offensive environment.

## Appendix 2 - Form to make a formal dignity at work complaint (DAW1)

This form should be used where you wish to make a formal complaint of bullying or harassment under the council's Dignity at Work Policy and Procedure. Please send the completed form to your Head of Service in an envelope marked "confidential" or sent as an email attachment with "confidential" in the subject line.

|  |        |
|--|--------|
| Formal complaint of bullying or harassment   |        |
| Employee's name:   |        |
| Employee's job title:  |        |
| Employee's service and team  |        |
| Name of line manager:  |        |
| Trade Union (if a member):   |        |
| Date:  |        |
| Does your complaint relate to your line manager?   | Yes/No |
| Summary of complaint:  |        |
| <p>Please set out the details of your complaint on the following page including (stick to the facts and avoid language that is insulting or abusive):</p> <ul style="list-style-type: none"> <li>• the name of the person(s) the complaint is about</li> <li>• the nature of their behaviour</li> <li>• where possible details of specific incidents</li> <li>• names of witnesses to any incidents</li> <li>• any action already taken by you (the complainant) to stop the behaviour; and</li> <li>• details of the outcome you are seeking.</li> </ul> <p>You may attach a separate sheet if necessary)</p> |        |
|  |        |

|   |  |
|---|--|
|   |  |
| Declaration:  |  |
| I confirm that the above statements are true to the best of my knowledge, information and belief. I understand that making any false, malicious or untrue allegations may result in disciplinary action being taken against me. |  |
| Form completed by:  |  |
| Signature*:   |  |
| <p>*Note: Electronic signatures are acceptable providing that the form is being sent directly from the employee raising the formal complaint.</p>   |  |



## Equality, Diversity and Inclusion Policy – Employment and Recruitment

### Scope

This policy applies to all employees of Cheshire East Borough Council except school/academy-based employees. There are separate policies and procedures for school and academy employees.

This policy applies to all employees, officers, consultants, self-employed contractors, casual workers, agency workers and volunteers. It does not form part of any employee's contract of employment and we may amend it at any time.

### Policy statement

Cheshire East Council understands each of us is unique, whether in terms of our background, personal characteristics, experience, skills or motivations and we value our staff and communities for the diversity they bring. Our aim is to make equality an integral part of the way the council works by putting it at the centre of everything we do. We are committed to celebrating diversity and promoting equality as an employer, in the services we provide, in the partnerships we have and in the decisions we take.

We recognise that promoting equality, diversity and inclusion will improve public services for everyone and we want Cheshire East to be an area of equal opportunity, where everyone has a fair chance and people from all backgrounds take part in community life. With this in mind, we have an agreed set of equality objectives and encourage everyone to promote universal engagement and community resilience by championing equality, diversity and inclusion.

The purpose of this policy is to set out the council's commitment and approach to equality, diversity and inclusion in respect of its role as an employer, as a provider of services to the residents of Cheshire East and the avoidance of discrimination.

The council is committed to promoting equal opportunities in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, disciplinary process and redundancy decisions. You (and any job applicants) will receive equal treatment regardless of age, sex, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, religion or belief, sexual orientation or caring responsibility. This means that the application of the council's policies may need to be adjusted to cater for the specific needs of an individual, providing reasonable adjustments where necessary and supporting existing employees.

The policy is complemented by the council's Health and Wellbeing Strategy that supports a number of health and wellbeing policies and initiatives promoting the wellbeing of its staff, and our health and safety policies that reflect the council's duty of care to ensure health at work.

### What you can expect from the council

We will:

- Seek to ensure that your mental health and wellbeing is always treated as a priority and ensure that you are supported if you are facing such issues.
- Commit to promoting a working environment based on dignity, trust and respect, and one that is free from discrimination, harassment, bullying or victimisation.
- Ensure that our recruitment, promotion and retention procedures do not treat you less favourably based on your age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, religion or belief, sex or sexual orientation ([Protected Characteristics Equality Act 2010](#)).
- Respect the confidentiality of all information relating to your personal circumstances in line with HR practice and data protection legislation.
- Recognise that people can have more than one protected characteristic, and we will work to prevent all forms of discrimination.
- Support the wider equality, diversity and inclusion agenda to ensure equality of opportunity in employment for all to improve public services.
- Ensure that managers receive training on recognising and avoiding discrimination, to enable them to understand and support their staff on behalf of the council and that this is properly recorded.
- Provide training and regularly review training needs to ensure that you understand and promote equality of opportunity and anti-discriminatory practice in your work.
- Provide you with the opportunity to join or form a staff network group to provide support and engagement for those with protected characteristics and allies.

- Listen, respond and act appropriately and in a timely manner when you tell us about something that is inappropriate or wrong.

Your manager is key to enabling the council's commitment to you.

## What the council expects of you

We expect you to:

- Treat colleagues and residents fairly and with dignity, trust and respect, working co-operatively with colleagues.
- Assist the council to meet its commitment to provide equal opportunities in employment and avoid unlawful discrimination by following and adhering fully to council policies, procedures and good practice.
- Undertake regular equality, diversity and inclusion training provided by the council.
- Tell your manager if you see or experience anything that is inappropriate or wrong so that the issue or your complaint may be properly investigated in a timely manner and, if appropriate, action taken. In the event that you are not satisfied with the outcome and response from your manager, you should refer the issue up to your grandparent manager.
- Act reasonably and co-operate with the terms of the policy.

## Discrimination

Discrimination is the unfair or prejudicial treatment of people and groups based on specific characteristics. The Equality Act 2010 prohibits discrimination based on certain protected characteristics - age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, religion or belief, sex or sexual orientation.

Discrimination can be intentional or unintentional and may occur directly, indirectly, by association or by perception. There are also two specific types of discrimination that apply only to disability: discrimination arising from disability and failing to make reasonable adjustments (See Definitions below).

Discrimination is not always obvious and can be subtle and unconscious. This stems from a person's general assumptions about the abilities, interests and characteristics of a particular group that influences how you treat them, known as unconscious bias. Such assumptions or prejudices may cause you to apply requirements or conditions that put those in particular groups at a disadvantage. This may include steering someone towards a particular type of work based on assumptions about them or using different standards to judge their performance.

You must not unlawfully discriminate against or harass other people, including current and former employees, job applicants, clients, customers, suppliers and visitors.

## Harassment, Victimisation and Bullying

Harassment includes sexual harassment and other conduct related to a protected characteristic which has the purpose or effect of violating a person's dignity or create an intimidating, hostile, degrading, humiliating or offensive environment for them.

Victimisation is treating someone badly either because they have made a complaint of discrimination or harassment, or because they have supported someone else who has.

Bullying is offensive, intimidating, malicious or insulting behaviour, and/or the misuse of power that can make a person feel vulnerable, upset, humiliated, undermined or threatened, or cause physical or emotional harm to someone.

The council has a full range of procedures in place to protect you from any kind of discrimination (whether direct or indirect) bullying, harassment, victimisation or disability discrimination. If you are subjected to unlawful or unacceptable discrimination in the course of your employment you will be fully supported, and you may raise a complaint with your line manager or make use of the [Grievance](#), [Dignity at Work](#) or [Recruitment Complaint procedures](#), available on Centranet.

## Equal opportunities in employment

The council is committed to promoting equal opportunities in all aspects of employment including recruitment, promotion, training opportunities, pay and benefits, disciplinary processes and for redundancy decisions.

We provide a fair pay structure, agile working styles and flexible working arrangements available to support you (including if you are a parent or carer), as well as established consultative and negotiating links with the trade unions and the opportunity for you to join a trade union.

## Recruitment and Selection

As part of the council's commitment to equal opportunities, our recruitment and selection processes and procedures are regularly reviewed to ensure they are appropriate and as inclusive as possible. Selection exercises such as in recruitment, promotion and redundancy will be conducted on the basis of merit, against objective criteria that avoids discrimination.

The council ensures:

- A named person and contact information is included on all of our job adverts to allow applicants to request support and/or ask questions.
- Person specifications and job descriptions are limited to those requirements that are necessary for the effective performance of the job.
- Individuals are selected and promoted based on their relevant merits and abilities.



- Candidates for employment or promotion are assessed objectively against the relevant person specification/job description, taking into account any reasonable adjustments that may be required for candidates with a disability.

The council will also:

- Monitor the ethnic, gender and age composition of the existing workforce and of applicants for jobs, and the number of people with protected characteristics within these groups. We will also consider and address any barriers that may be identified as preventing or deterring applicants because of the monitoring and evaluation process.
- Develop links with community groups and organisations as a means of widening employment opportunities.

If you are involved with recruitment and selection, you have a responsibility to ensure that you have received the appropriate training to enable you to act in a fair and lawful manner, ensuring any stereotypes, unconscious bias or prejudice do not play a part in the process and that no unlawful act of unfair discrimination occurs.

### Equality, Diversity & Inclusion (EDI) board and equality champions

The council will provide an EDI Board and Equality Champions to support, promote and champion Equality, Diversity and Inclusion. The role of Equality Champions is to raise awareness of Equality, Diversity and Inclusion and share best practice and celebrate diversity across the council and the community in Cheshire East, and this will be supported by the EDI Board. More information about the [Equality Champions](#) is available on Centranet.

### Equality and diversity staff network groups

The Council has a range of equality and diversity staff network groups, run by staff, that provide peer support to colleagues that identify with one or more of the protected characteristics. Each of the groups meet regularly and provide its members with an opportunity to influence what happens in equality, diversity and inclusion at the council. More information on the [staff network groups](#) is available on Centranet.

### Allocated time to undertake staff network duties

To facilitate the participation in staff network groups, you are entitled to paid time allowance to organise activities as follows:

- Chairperson – 1 day per month
- Co-ordinating Committee Members and Vice Chairs – 3 hours per month
- Any additional projects or other work in line with the EDI strategy to be raised with the EDI Board Chair and agreed on a case-by-case basis.

If the Chair of a staff network group is absent (for whatever reason) the Vice Chair of the group may take the equivalent of the Chair's paid time allowance if there is an upcoming event.

Staff are encouraged to attend staff network groups with the support of their manager and managers should allow staff time to attend activities as much as practically possible.

## Termination of employment

We will ensure that redundancy criteria and procedures are fair and objective and are not directly or indirectly discriminatory. For specific details of redundancy procedures, please see the relevant policies.

We will also ensure that disciplinary procedures and penalties are applied without discrimination, whether they result in disciplinary warnings, dismissal or other disciplinary action.

## Training

The council will provide you with annual training on dignity at work and equality in the workplace, to help you to understand your rights and responsibilities, and what you can do to help create a working environment free of discrimination, where everyone feels they belong and are able to thrive.

The council also provides training to managers and others likely to be involved in recruitment or other decision making where issues of unconscious bias may arise. More information about [equality, diversity and inclusion training](#) is available on Centranet.

Staff training needs will be identified through regular one to one and performance development conversations, which will be based entirely on an objective assessment of performance and will not be influenced by any Protected Characteristics that you may have. You will be given appropriate access to training to enable you to progress within the organisation and all promotion decisions will be made on the basis of merit.

## Disabilities, help and support

If you are disabled or become disabled, we encourage you to tell us about your condition so that we can support you as appropriate.

If you experience difficulties at work because of your disability, you may wish to contact your line manager or HR to discuss any reasonable adjustments that would help overcome or minimise the difficulty. Your line manager or HR may wish to consult with you and your medical adviser about possible adjustments. We will consider the matter carefully and try to accommodate your needs within reason. If we consider a particular adjustment would not be reasonable, we will explain our reasons and try to find an alternative solution where possible.

We will monitor the physical features of our premises to consider whether they might place anyone with a disability at a substantial disadvantage. Where necessary, we will take reasonable steps to improve access.

If you need help and support, further information can be found in the [Wellbeing Policy](#), available on Centranet.

### Breach of this policy

We take a strict approach to breaches of this policy, which will be dealt with in accordance with our Disciplinary Procedure. Serious cases of deliberate discrimination and victimisation may amount to gross misconduct resulting in dismissal.

If you believe that you have suffered harassment, bullying or discrimination, or witnessed it happening to someone else in the workplace, you can raise the matter through our Grievance Procedure or Dignity At Work Policy as appropriate. Complaints will be treated in confidence and investigated as appropriate.

There must be no victimisation or retaliation against staff who complain about or report discrimination. If you believe you have been victimised for making a complaint or report of discrimination, or have witnessed it happening to someone else in the workplace, you should raise this through the [Dignity at Work](#) or [Grievance Policy](#), available on Centranet.

We encourage the reporting of all types of potential discrimination, as this assists us in ensuring that diversity, equity and inclusion principles are adhered to in the workplace. However, making a false allegation in bad faith, or that you know to be untrue, will be treated as misconduct and dealt with under our Disciplinary Policy and Procedure.

### Data protection

The council processes personal data, including information about your health, in accordance with its data protection policy. Inappropriate access or disclosure of your data constitutes a data breach and should be reported immediately in accordance with the council's data protection policy. It may also constitute a disciplinary offence, which will be dealt with under the council's disciplinary procedure.

### Monitoring and review

The council will monitor this policy to ensure that it is operating fairly, consistently and effectively. The policy will be reviewed in the light of operating experience and/or changes in legislation.

## Definitions

- **Protected Characteristics** – it is unlawful to discriminate directly or indirectly in recruitment or employment because of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, religion or belief, sex or sexual orientation. These are known as “protected characteristics”.
- **Direct discrimination** – treating someone less favourably because of a protected characteristic compared with someone who does not have that characteristic.
- **Indirect discrimination** – where a way working that applies to everyone puts people with a particular characteristic at a disadvantage, compared with people who do not have that characteristic, unless there is reasonable justification.
- **Associative discrimination** – treating someone less favourably because they have an association with someone who has a protected characteristic.
- **Discrimination by perception** – treating someone less favourably because you perceive them to have a protected characteristic, even if they do not.
- **Discrimination arising from disability** – treating someone unfavourably because of something connected with that person’s disability and where such treatment is not justified.
- **Failing to make reasonable adjustments** – employers are legally obliged to make reasonable adjustments to ensure that aspects of employment or the employer’s premises, do not put a disabled person at a substantial disadvantage.

Prepared by: HR Operations

Date: July 2019

Revised: January 2022

Reviewed: November 2024

Revisions: (1) Policy name changed from “Equality in Employment” to “Equality, Diversity and Inclusion Policy – employment and recruitment”.

(2) Policy Statement updated in line with the change to an equality, diversity and inclusion policy with a wider focus.

- (3) "Discrimination" section added, including further information on harassment, victimisation and bullying.
- (4) "Equality and Diversity Staff Network Groups" section included.
- (5) "Termination of employment" section added.
- (6) "Disabilities, help and support" section added.
- (7) "Breaches of this policy" section included.
- (8) "Data Protection" section added.
- (9) "Definitions" section extended for clarity.

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OPEN

**Corporate Policy Committee****28/11/2024****Six Monthly Complaints Update 2024-25**

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**Report of: Adele Taylor, Interim Executive Director Resources and S151 Officer****Report Reference No: CPC/46/24-25****Ward(s) Affected: All****For Decision or Scrutiny: Scrutiny****Purpose of Report**

- 1 This report provides a summary and analysis of complaints and compliments received by the Council during the period 1st April 2024 to 30th September 2024.
- 2 The report highlights any areas of concern and examples of good practice. It provides assurance that matters raised as complaints by customers are being addressed; that action has been taken to rectify issues and that information arising from complaints has informed service improvements. Responsibility for services rests with the relevant service committee and members may wish to seek additional assurances from those service committees.
- 3 The report supports the strategic aims and objectives in the Council's Corporate Plan 2021-25 to become an open and enabling Council and specifically supports the objectives of the Council's Customer Experience Strategy.

**Executive Summary**

- 4 The Council provides the facility for customers to report compliments and complaints in relation to Council services in an accessible and consistent way. Improvements have been made to the processes for these customer engagements following the approval of the Customer Experience Strategy by the Corporate Policy Committee. As part of this approval the Committee continues to receive updated performance information on progress.
- 5 The Council provides in the region of 500 different services across a population of almost 400,000 residents. These range from place-based services, such as waste collection and highways management which are universal, to individual services such as social care and housing.

- 6 The Council received 2,097 complaints and 524 compliments in between April and September 2024. 1% of the total contact received by the Council during the 6-month period.
- 7 In Quarter 1, 1,086 complaints were received compared to 1,011 in Quarter 2. This is a decrease of 7%. In terms of compliments, 245 were received in Quarter 1 compared to 279 in Quarter 2. This is an increase of 14%. Of the 2,097 complaints received over the two quarters, 164 were rejected, withdrawn or not pursued; and the remaining 1,933 were processed as official complaints. Of the 1,933 processed complaints, 103 were Stage 2 complaints and 0 were Stage 3 complaints.
- 8 The Council has a two-stage complaints procedure. Most complaints are resolved at Stage 1 where a complaint is investigated and responded to by a manager from the service being complained about. The council's Customer Charter sets a standard of 10 or 20 days to respond to a complaint (depending on the stage and whether statutory or non-statutory). The customer will generally receive a written response within 10 workings days, unless the matter has been resolved and the customer has been contacted directly by the service via telephone or email. It should be noted that the statutory complaints process for Children's Social Care has the option to go to Stage 3 if required.
- 9 If the customer remains unhappy following the Stage 1 response and outcome, they can request that the complaint is considered at Stage 2. At this stage a review of the complaint is carried out by a manager who has not previously been involved with the complaint.
- 10 Of the 1,913 complaints that had received a response at the time of writing, 51% were upheld, 16% were partly upheld and 33% were not upheld.
- 11 Customer feedback is very important in the future development of services and this report provides data and activities related to feedback in the period 1<sup>st</sup> April to 30<sup>th</sup> September 2024, focusing on those services which received a comparatively high volume of complaints (compared with other services in the same committee); or where complaint volumes have significantly increased for a service. The Customer Services Team has increased engagement with service leads throughout this period in line with the strategy. This has led to process changes and increased awareness.
- 12 Earlier in the year, the Customer Feedback Team introduced a Complaints Customer Satisfaction Survey. We were hopeful that this would provide valuable feedback from residents who had made a complaint. However, the engagement from customers has been sporadic; and what data has been received shows contradictory results. Therefore, the survey will need to be reviewed and revised.



## RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

- 1 Note the Committee complaints and compliments data, and the briefing material in this report relating to first half of the 2024/25 financial year.
- 2 Note the issues raised and improvements made in respect to the management of complaints across the Council contained within the briefing material in this report.
- 3 Note the Council's compliance with the Corporate Complaints Policy, and with the recommendations of the Ombudsman.

## Background

- 13 The Council has a Corporate Complaints Policy covering all complaints about Council services other than Adults & Health and Children's Social Care complaints, which each have separate statutory complaints process.
- 14 The Policy provides for members of the public to contact the Council in several different ways. Most complaints are received either by email, via the Customer Contact Centre or are self-logged via the Council's website.
- 15 The Local Government Act 1974 established the Local Government and Social Care Ombudsman. It empowers the Ombudsman to investigate complaints against councils and adult social care providers and to provide advice and guidance on good administrative practice. Once a complainant has exhausted the Council's Complaints procedure, their next recourse, should they remain dissatisfied with the Council's response, is to contact the Ombudsman.
- 16 The Ombudsman will assess the merits of each case escalated to them and seek clarification from the Council as necessary before making the decision to investigate a complaint. Once the Ombudsman decides to investigate, they will try to ascertain if maladministration/Fault has occurred and whether there has been any resulting injustice to the complainant because of the maladministration/Fault.
- 17 In instances where maladministration/Fault with Injustice is found, the Ombudsman will usually make non-legally binding recommendations which they consider to be appropriate and reasonable. Although not legally binding, refusal to accept the Ombudsman's recommendation(s) will trigger a Public Report. A Public Report is a detailed account of the complaint, outlining the failures by the Council in the investigation.
- 18 All complaints are a useful indicator of performance and provide the Council with an opportunity to review the quality of service provided and to make improvements. The Customer Relations Team within Customer Services reports the volume, outcome and time taken to resolve complaints to each Directorate on a quarterly basis. The volume of compliments, overall customer contact and,

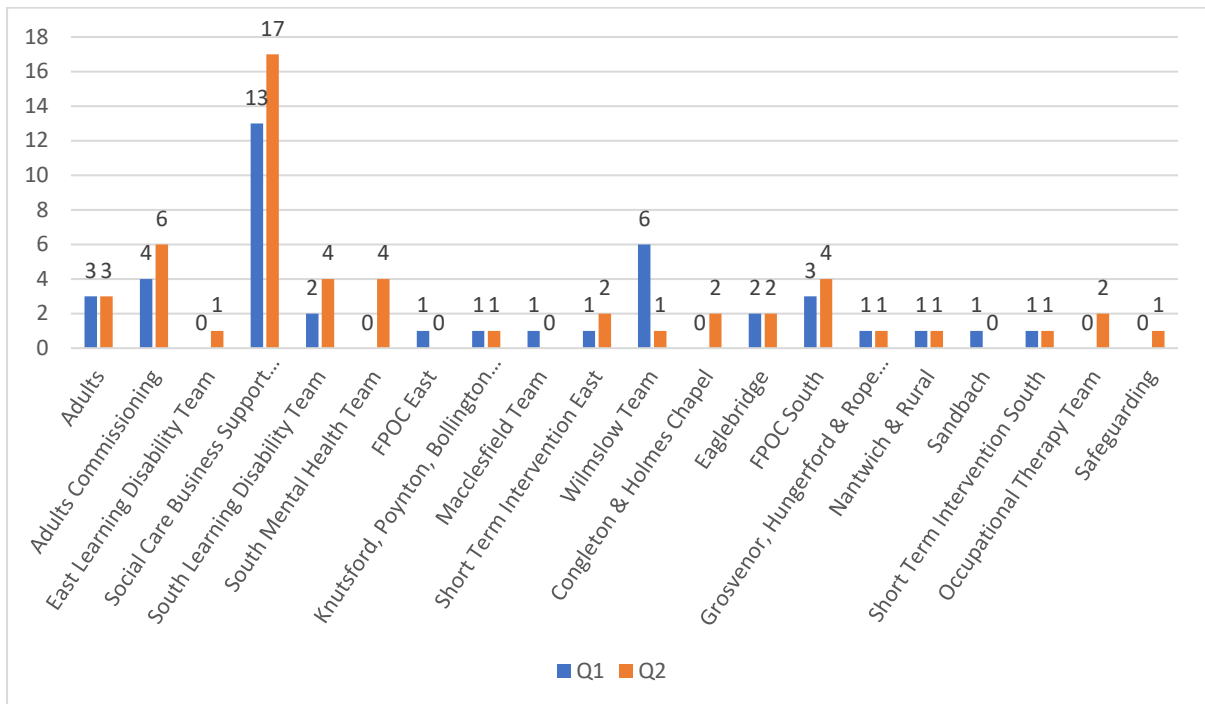
where appropriate, areas of concern and potential for service improvements are also reported.

- 19 Colleagues from a number of services have attended the in-house Customer Experience Training for Managers; and the feedback from the trainees via the training evaluation survey has been very positive.
- 20 Last financial year, the Complaints Team introduced a 'themes tracker' to assist in understanding the root of complaints. This is referenced in the Briefing section below.
- 21 Data provided within this report relates to the 'static' SLAs – which are set out by the Charter. Two services (SEND and Development Management) currently have temporary Stage 1 complaint SLAs of 20 working days rather than 10 working days; and on occasion, services may agree a different SLA with the complainant / correspondent. The Briefing section for each committee gives details of both the static SLA data and the 'non-static' SLA data – SLAs which have been agreed between the complainant and the responder which may fall outside the Charter's SLAs.
- 22 The Adult Social Care policy has been revised and one of the main changes is that the Stage 2 option has been removed in line with the Adults statutory complaints process. Instead, further work at Stage 1 – including the offer of a meeting and a further written response – will be completed where deemed necessary to provide further clarification to the complainant. They will then be referred to the Local Govt & Social Care Ombudsman if they remain dissatisfied.
- 23 It is noted that the LGSCO has launched a new Complaints Handling Code. The Ombudsman believes that a single code that applies to all councils in England will make it easier for customers to know what to expect in terms of how their complaint is going to be dealt with; and that it will improve complaints handling and standards, resulting in better services. The code will officially go live on the 1<sup>st</sup> of April 2026; however, we are currently revising the Corporate Complaints Policy to fall in line with the code.

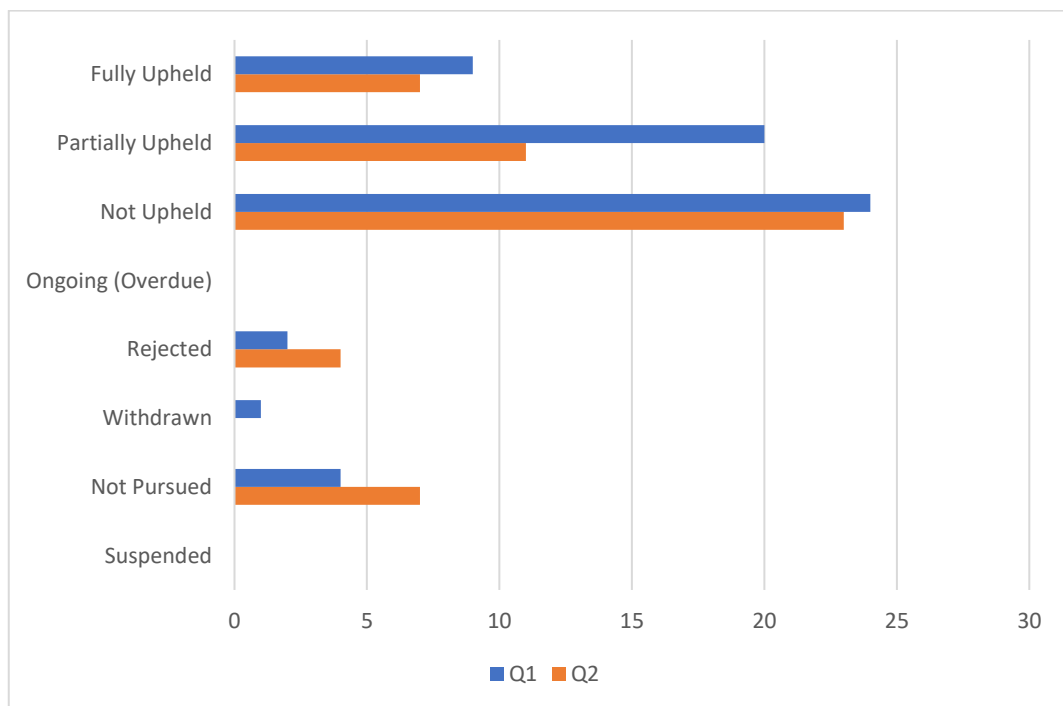
## Briefing

### Adults and Health

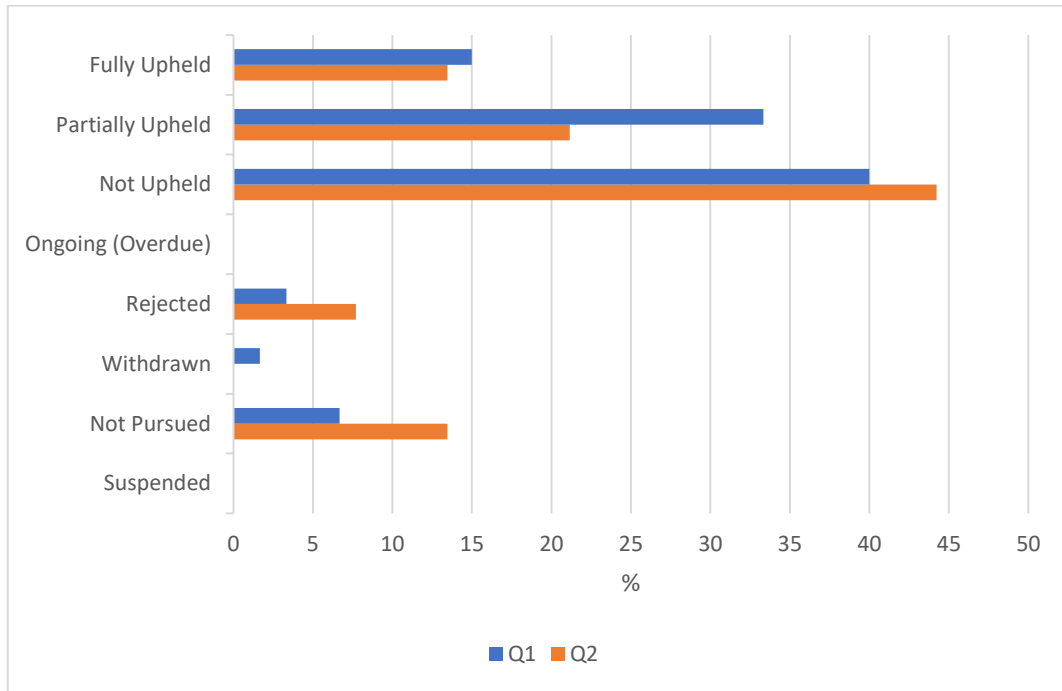
- 24 Adults and Health received 112 complaints in Quarters 1 and 2 of 2024/25, 5% of the total received by the council. Of these, 18 complaints were rejected, withdrawn, or not pursued; the remaining 94 were processed as official complaints.
- 25 Quarter 2 saw a 23% decrease in processed complaints compared with Quarter 1 (53 and 41 respectively). There were 0 Stage 2 complaints processed in the 6 months.
- 26 Adults and Health received 254 compliments between April and September 2024.
- 27 **Table 1:** Complaint Volumes by Service



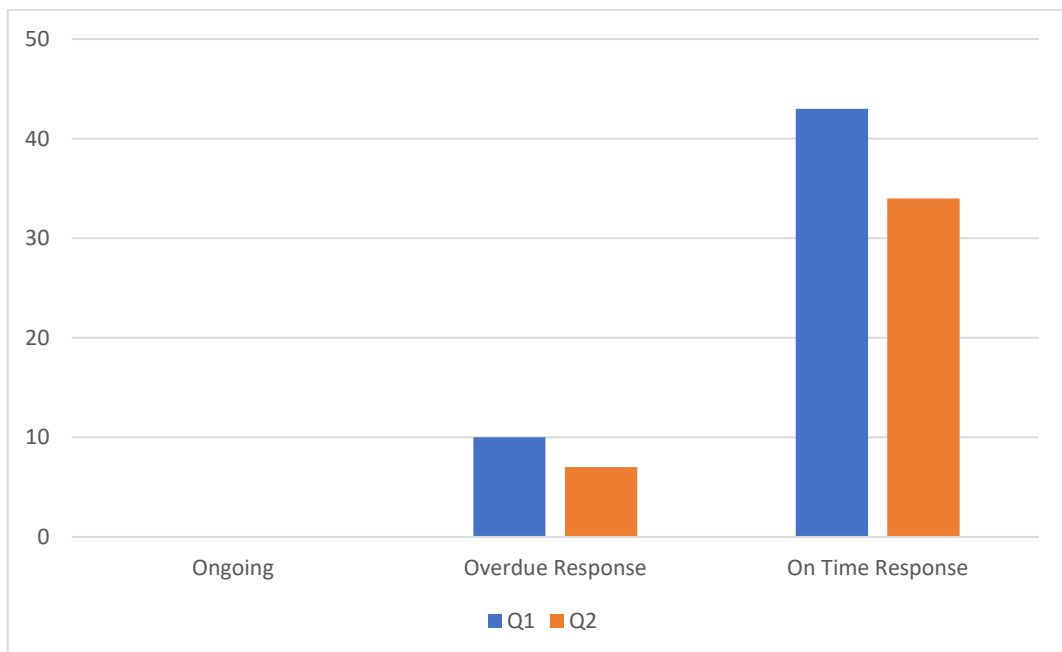
28 **Table 2: Complaints by Outcomes - Numbers**



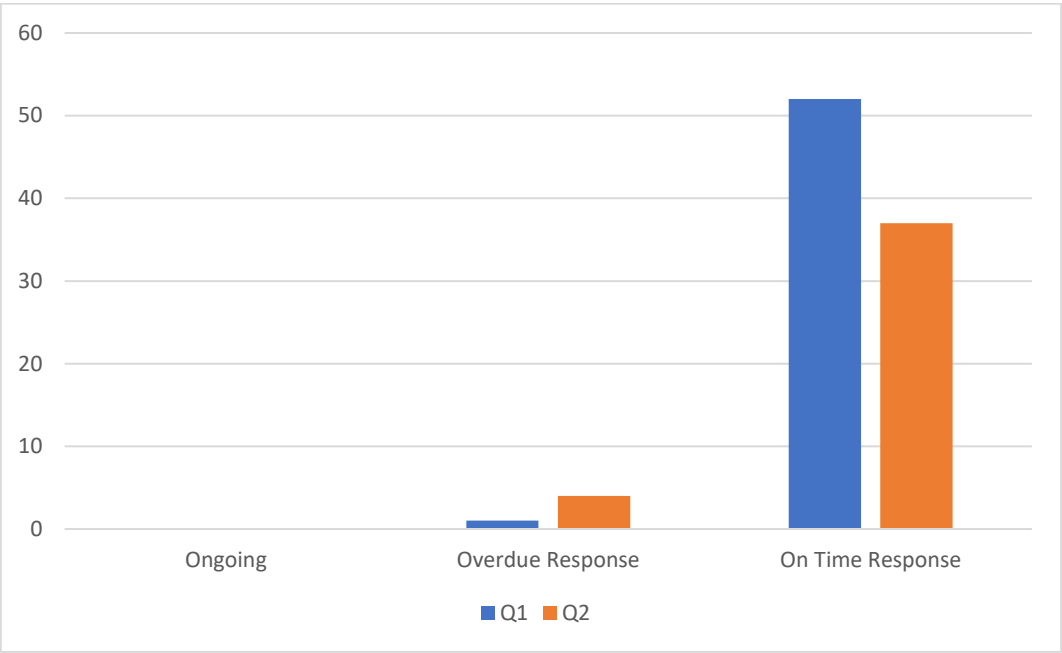
29 **Table 3: Complaints by Outcomes by Percentage**



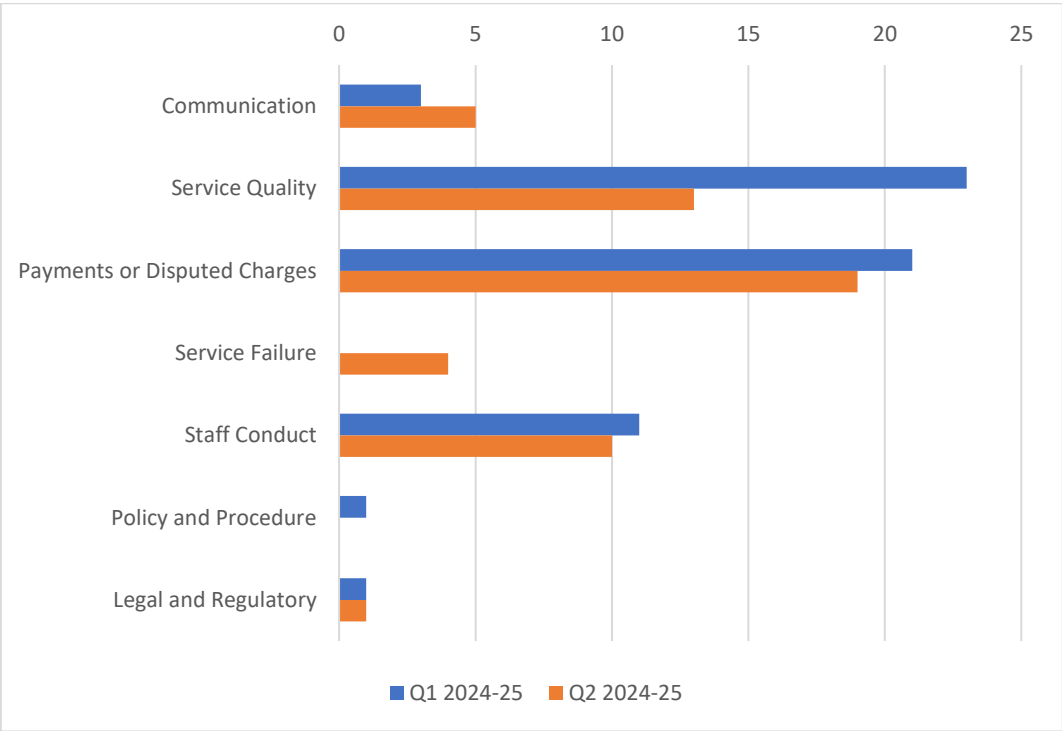
30 **Table 4:** Complaint Timeframes in Q1 and Q2 – Static (answered within 10 working days)



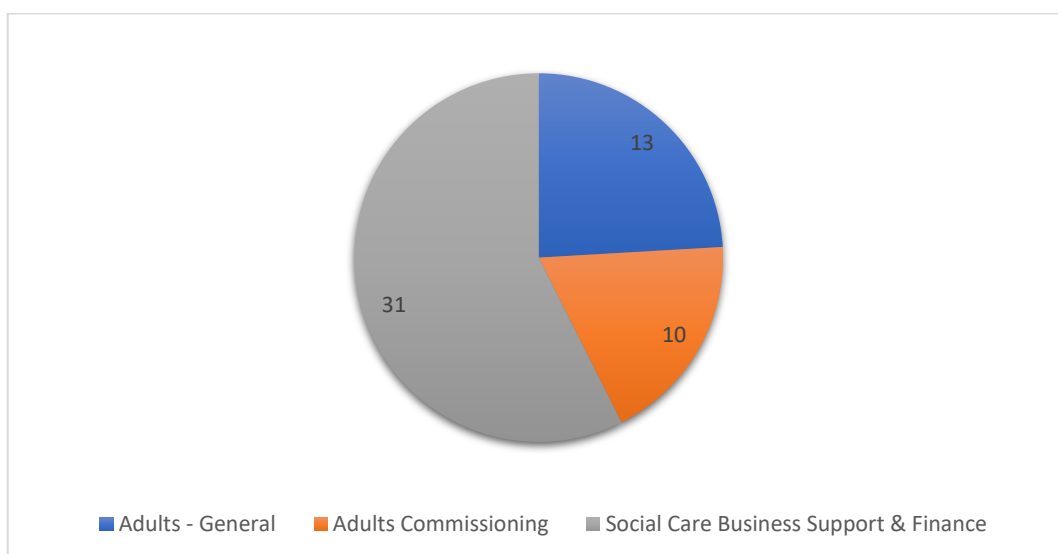
31 **Table 5:** Complaint Timeframes in Q1 and Q2 – Non-Static



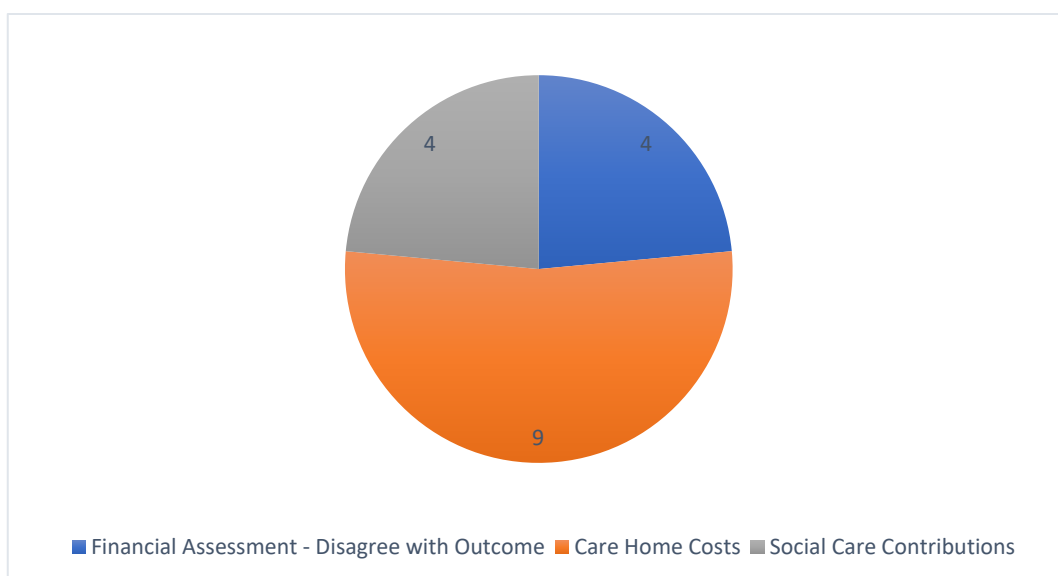
32      **Table 6:** Complaint Primary Causes in Q1 and Q2



33 **Table 7:** Themes Tracker – Top 3 Services



34 **Table 8:** Themes by Service – Social Care Business Support & Finance

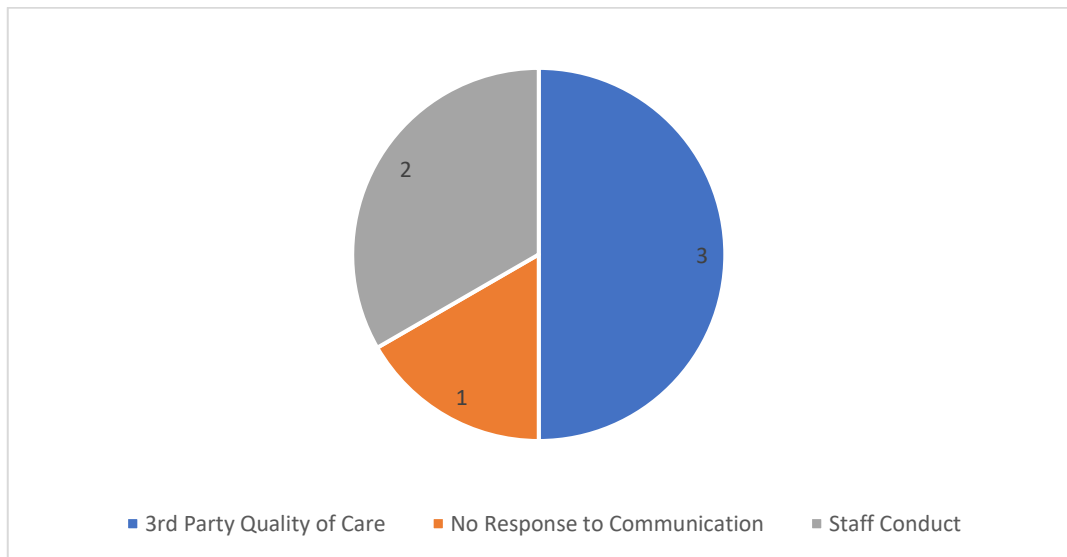


35 **Table 9:** Theme by Service outcomes - Social Care Business Support & Finance

| Theme  | Upheld | Partly Upheld | Not Upheld |
|--|--------|---------------|------------|
| Financial Assessment – Disagree with Outcome | 0      | 0             | 4          |
| Care Home Costs                              | 0      | 7             | 2          |

|                           |   |   |   |
|---------------------------|---|---|---|
| Social Care Contributions | 1 | 1 | 2 |
|---------------------------|---|---|---|

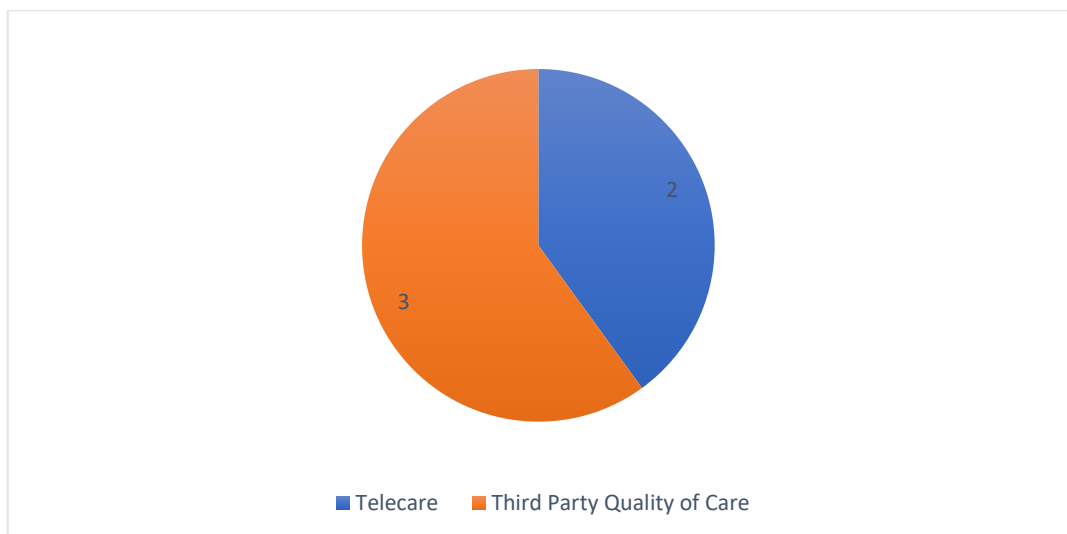
36 **Table 10:** Themes by Service – Adults



37 **Table 11:** Themes by Service outcomes – Adults

| Theme                        | Upheld | Partly Upheld | Not Upheld |
|------------------------------|--------|---------------|------------|
| Third Party Quality of Care  | 1      | 2             | 0          |
| No Response to Communication | 1      | 0             | 0          |
| Staff Conduct                | 0      | 0             | 2          |

38 **Table 12:** Themes by Service – Commissioning



39 **Table 13:** Themes by Service outcomes – Commissioning

| Theme                       | Upheld | Partly Upheld | Not Upheld |
|-----------------------------|--------|---------------|------------|
| Telecare                    | 0      | 2             | 0          |
| Third Party Quality of Care | 1      | 0             | 2          |

40 **Table 14:** Adults and Health received 254 compliments between April and September 2024, spread across 25 services.

| Service                                  | Total Q1   | Total Q2   |
|--|------------|------------|
| Adults                                   | 4          | 0          |
| Adults Commissioning                     | 0          | 1          |
| Social Care Business Support and Finance | 0          | 2          |
| Dementia Reablement North                | 4          | 17         |
| Dementia Reablement South                | 21         | 14         |
| Domiciliary Reablement North             | 23         | 26         |
| Domiciliary Reablement South             | 24         | 19         |
| MH Providers and Reablement North        | 11         | 10         |
| MH Providers and Reablement South        | 9          | 4          |
| Reablement Crewe                         | 1          | 1          |
| Reablement Macclesfield                  | 9          | 4          |
| Reablement Wilmslow                      | 18         | 3          |
| Salinae Centre                           | 1          | 0          |
| SLN Heather Brae                         | 0          | 1          |
| FPOC East                                | 1          | 4          |
| Knutsford, Poynton, Bollington & Disley  | 2          | 1          |
| Macclesfield Team                        | 1          | 0          |
| Short Term Intervention East             | 0          | 1          |
| Wilmslow Team                            | 2          | 0          |
| Congleton & Holmes Chapel                | 1          | 0          |
| Eaglebridge                              | 1          | 1          |
| FPOC South                               | 2          | 5          |
| Nantwich & Rural                         | 2          | 0          |
| Short Term Intervention South            | 1          | 1          |
| Safeguarding                             | 1          | 0          |
| <b>TOTAL</b>                             | <b>139</b> | <b>115</b> |

41 Examples of Compliments in Q1 and Q2

*We wanted to drop you a note of thanks for all that you've done for Dad. He was thrilled to get home a couple of weeks ago and has surprised us all by managing very well with the help of the care team. The care team are absolutely outstanding. It is their high quality, diligent, professional and attentive person-centred care, which has made his return home a success - at least for now, as we're all clear that there are risks. But we wanted you to know that he's happy and content which is lovely to see. Thanks again from X, Y and Z.*

*Thank you for your time, patience, support and understanding. Without which, I would not be able to look at the future with any confidence. I'm*



*massively indebted to you and a simple thank you just doesn't do you and your hard work justice. Thank you again for providing me with the platform to start the process of rebuilding my health.*

*X it was really important to me that you know just what an impact you had on me and of course my family. In a time of great distress, fear and uncertainty, you moved around us with such gentleness, genuine concern, a listening ear, an understanding and professionalism. I am so grateful it was you supporting us.*

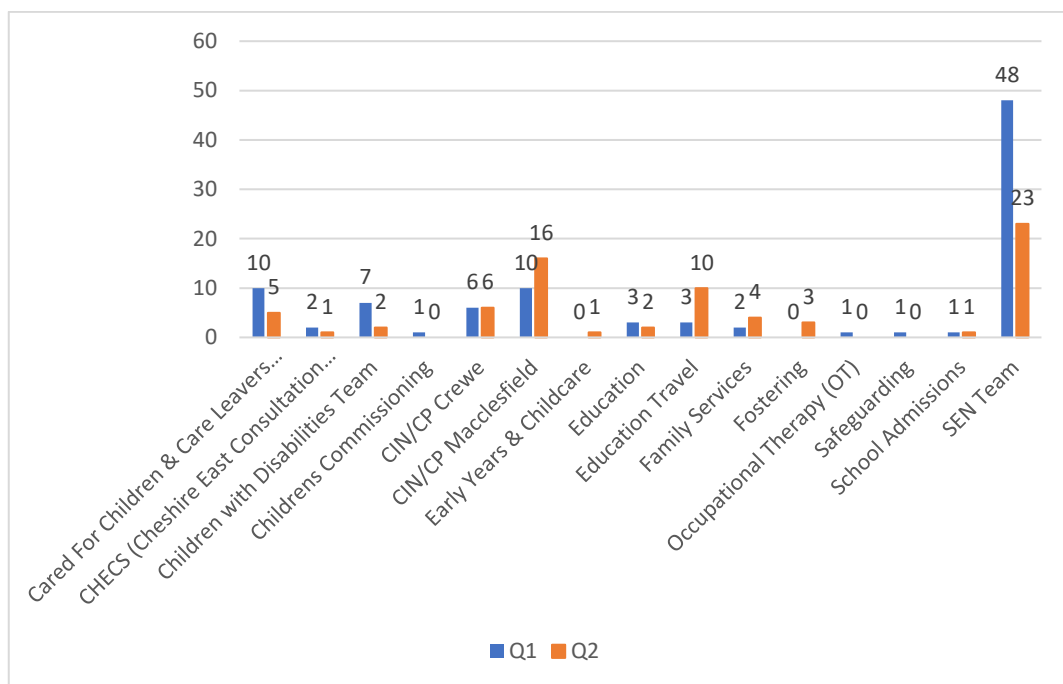
*We have had very good support from the Dementia team at Crewe – in particular X who has visited my husband at home. X has been kind, understanding and listened to our concerns. My husband now has good medication which enables him to continue his pastimes of bowls and table tennis and I hope this will continue for a long time. Thank you, X, and the team behind the scenes. I know I can contact you if I need any help or support in the future.*

## Children and Families

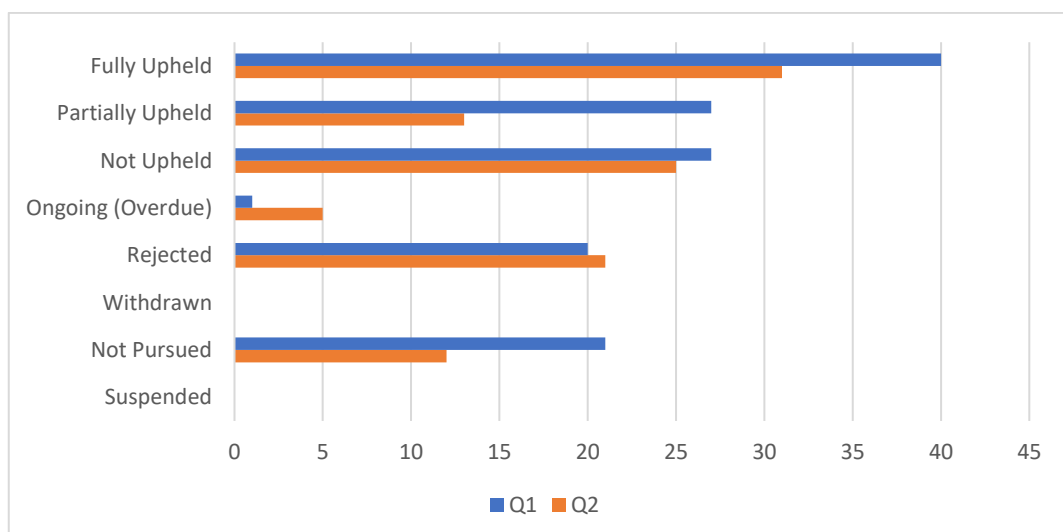
- 42 Children and Families received 243 complaints in Quarters 1 and 2 of 2024/25, 12% of the total received by the council. Of these, 74 complaints were rejected, withdrawn, or not pursued; the remaining 169 were processed as official complaints.
- 43 Quarter 2 saw a 22% decrease in processed complaints compared with Quarter 1 (74 and 95 respectively). There were 6 Stage 2 complaints and 0 Stage 3 complaints in the 6 months.

- 44 Children and Families received 57 compliments between April and September 2024.

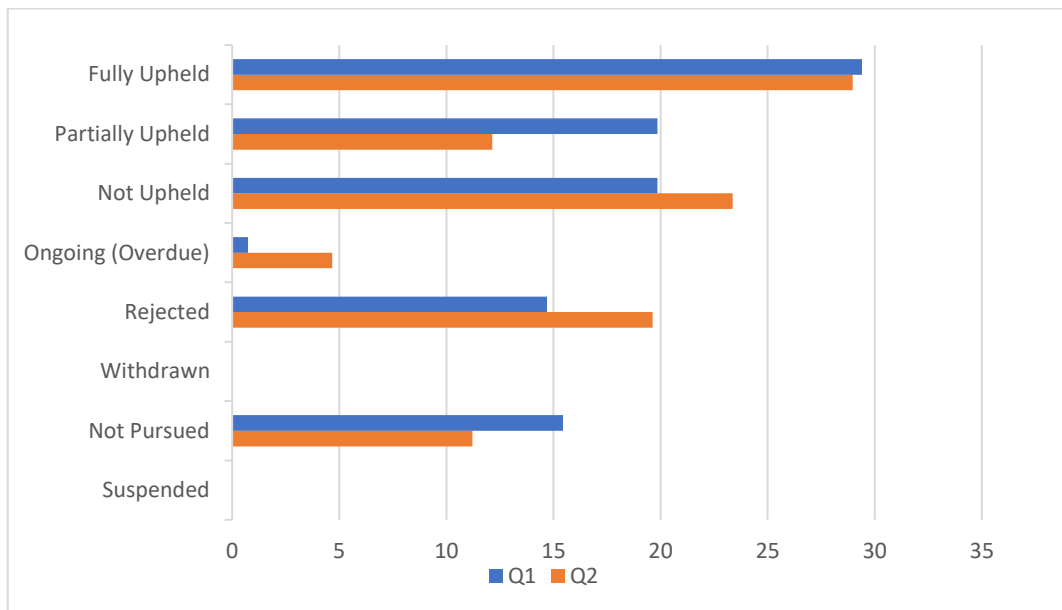
- 45 **Table 15: Complaint Volumes by Service**



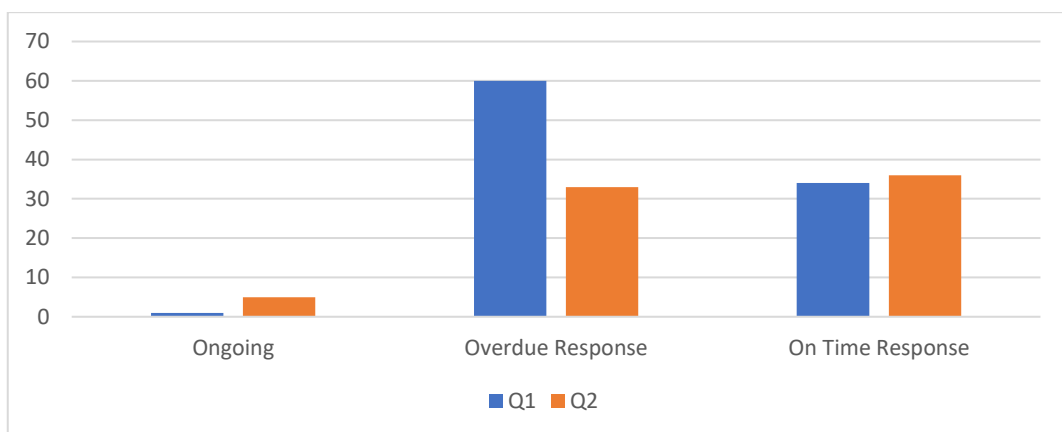
- 46 **Table 16: Complaints by Outcome - Numbers**



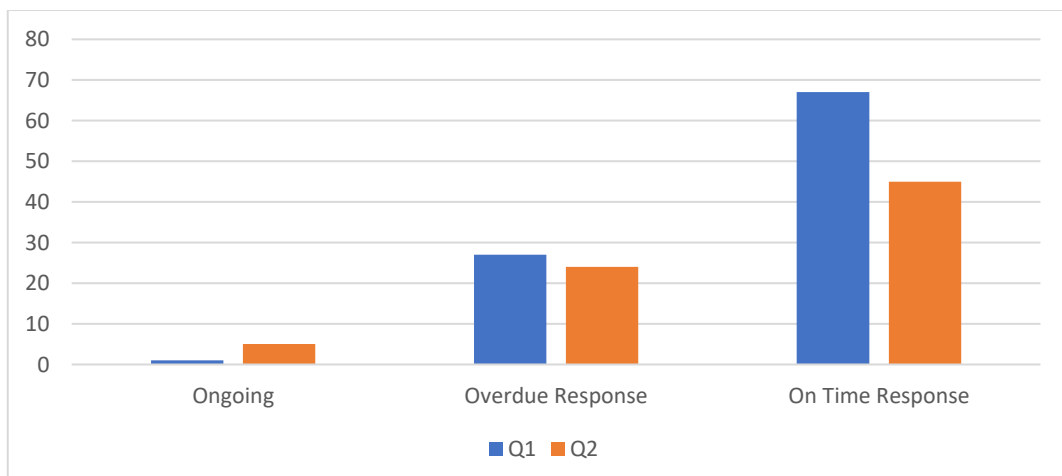
47 **Table 17: Complaints by Outcome – Percentages**



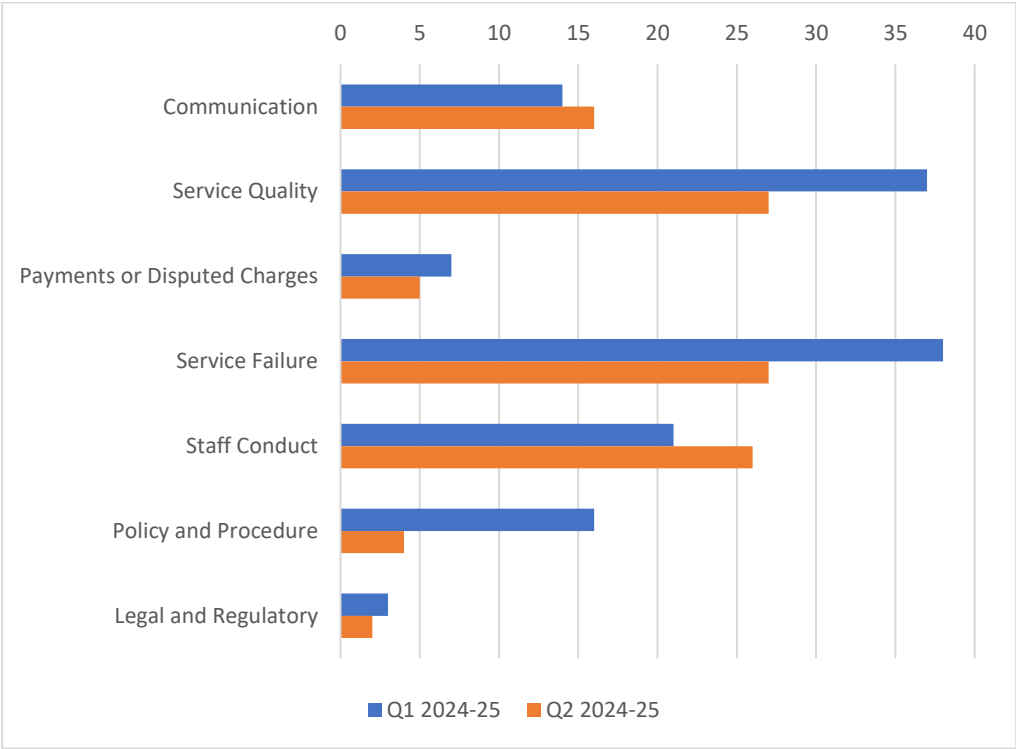
48 **Table 18: Complaint Timeframes in Q1 & Q2 – Static**



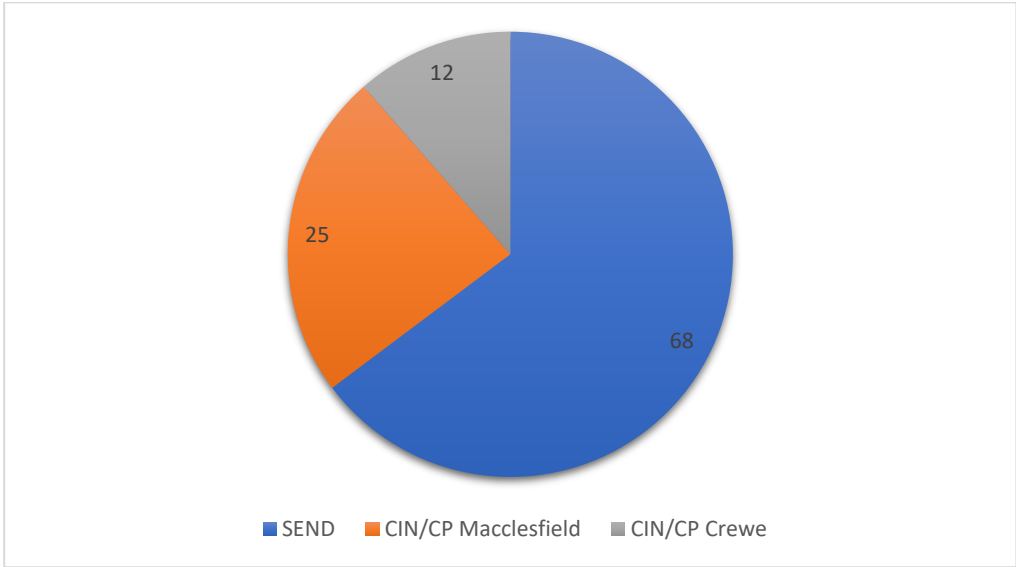
49 **Table 19: Complaint Timeframes in Q1 & Q2 – Non-Static**

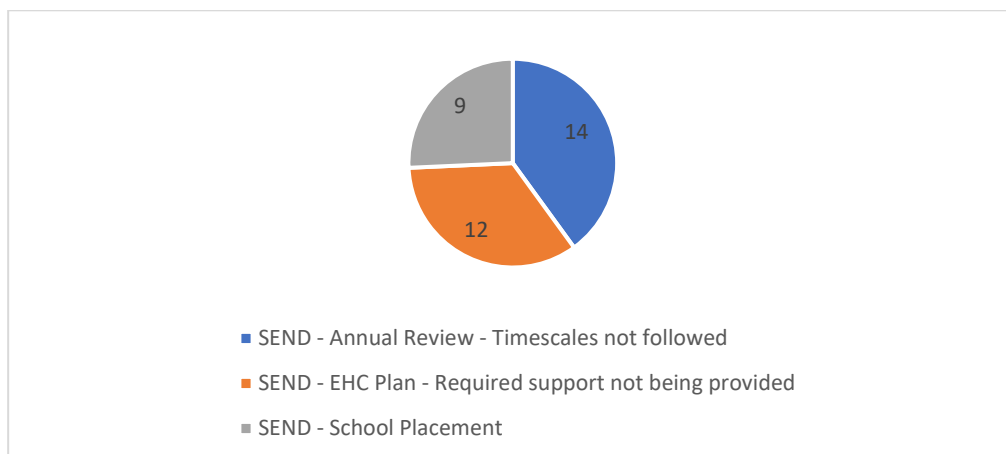


50 **Table 20:** Complaint Primary Causes in Q1 & Q2

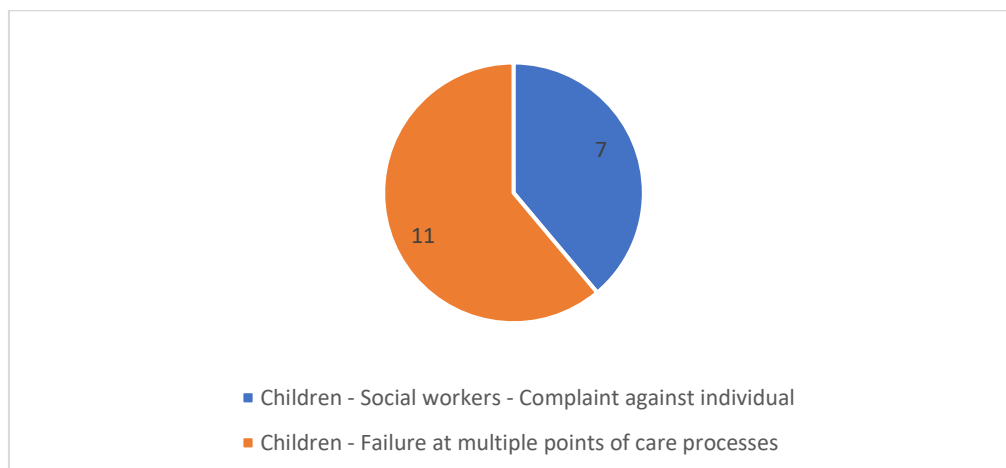


51 **Table 21:** Themes Tracker – Top 3 Services



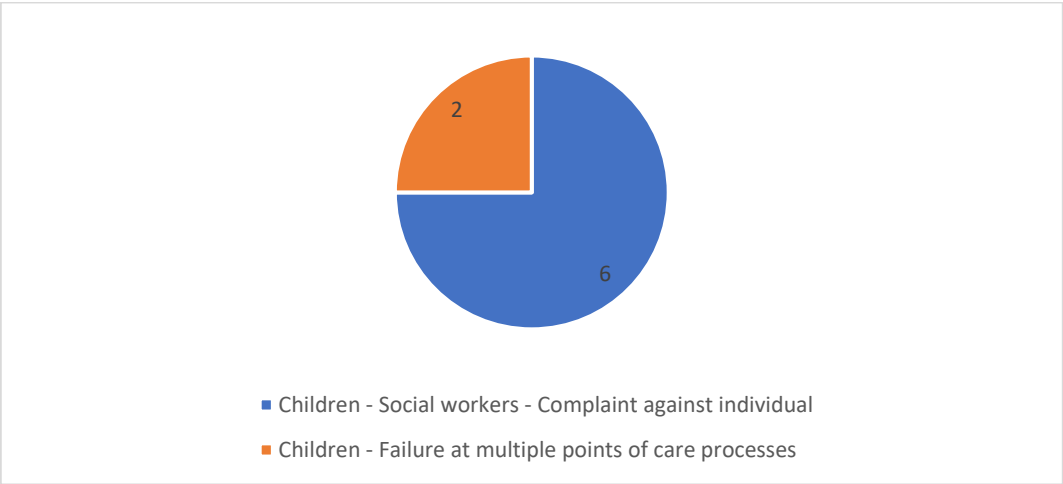
52 **Table 22:** Top 3 themes by Service – SEND53 **Table 23:** Top 3 themes by Service outcomes – SEND

| Theme   | Upheld | Partly Upheld | Not Upheld |
|---|--------|---------------|------------|
| SEND - Annual Review - Timescales not followed        | 8      | 1             | 0          |
| SEND - EHC Plan - Required support not being provided | 6      | 4             | 2          |
| SEND - School Placement                               | 9      | 4             | 1          |

54 **Table 24:** Top 2 Themes by Service – CIN/CP Macclesfield55 **Table 25:** Top 2 Themes by Service outcomes – CIN/CP Macclesfield

| Theme  | Upheld | Partly Upheld | Not Upheld |
|--|--------|---------------|------------|
| Children - Failure at multiple points of care processes  | 1      | 3             | 3          |
| Children - Social workers - Complaint against individual | 4      | 2             | 5          |

56      **Table 26:** Top 2 themes by Service – CIN/CP Crewe



57      **Table 27:** Top 2 themes by Service outcomes – CIN/CP Crewe

| Theme  | Upheld | Partly Upheld | Not Upheld |
|--|--------|---------------|------------|
| Children - Social workers - Complaint against individual | 3      | 0             | 3          |
| Children - Failure at multiple points of care processes  | 0      | 1             | 1          |

58      **Table 28:** Children and Families received 57 compliments between April and September 2024, spread across 9 services

| Service                                   | Total Q1  | Total Q2  |
|---|-----------|-----------|
| Autism Team                               | 2         | 0         |
| Cared For Children & Care Leavers Service | 0         | 1         |
| Children with Disabilities Team           | 2         | 0         |
| CIN/CP Crewe                              | 0         | 0         |
| CIN/CP Macclesfield                       | 2         | 1         |
| Education                                 | 2         | 3         |
| Education Travel                          | 1         | 2         |
| Family Services                           | 3         | 8         |
| SEN Team                                  | 15        | 15        |
| <b>TOTAL</b>                              | <b>27</b> | <b>30</b> |

59      Examples of Compliments in Q1 and Q2

*Could you please convey my gratitude to the SEN team at Cheshire East, including the Plan Writers, Educational Psychologist, and everyone involved in drafting this EHCP for X. The plans and reports written for this EHCP are very comprehensive and easy to follow, particularly with the clear formatting that distinguishes quality first teaching from the additional support required. It's evident that a lot of work has gone into this plan during a time when I know the*

*service is extremely busy, and we are deeply thankful for the time and effort invested in supporting our son's educational journey.*

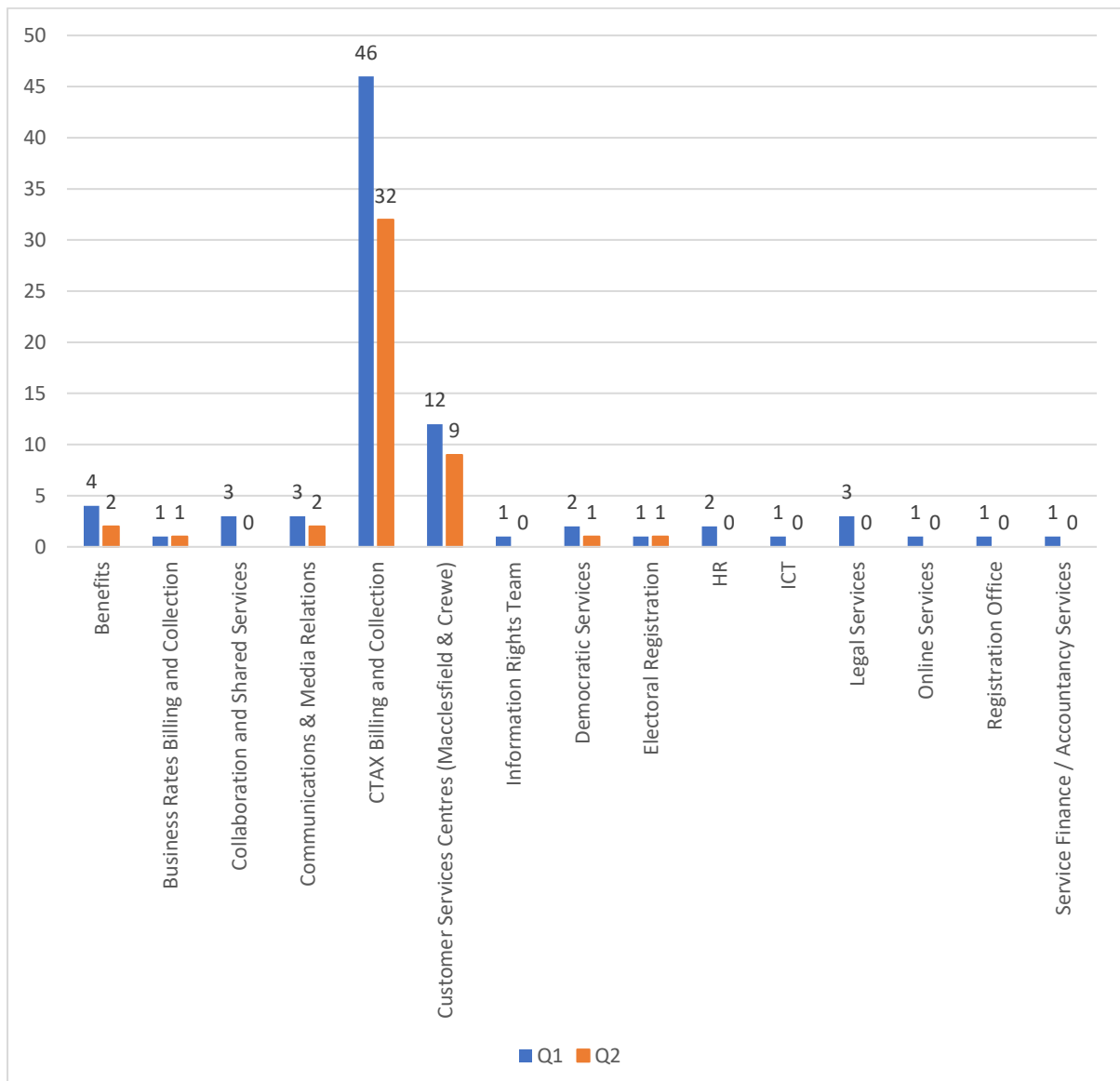
*I just wanted to express a sincere and heartfelt thank you to everyone. I appreciate your time is valuable, but despite those time constraints, you have all dedicated your time to discussing X's wellbeing and looking into developing a thorough support plan.*

*We just wanted to say a big thank you for taking the time to listen to us about X and her needs. We appreciate the time you have spent on this to find out more information from us and school.*

*Both my husband and I found yesterday's session incredibly useful. As parents just starting to navigate the world of neurodiversity and the school system, we gained an awful lot. Your talk was particularly helpful in putting autism and other behaviours in context and was wonderfully affirming. Beyond the well-known autistic traits, your overview of the spectrum of issues that children can face gave us many lightbulb moments that have helped us understand our son and why he struggles with so many aspects of school. Both talks were full of really useful tips and suggestions, which we can apply at home*

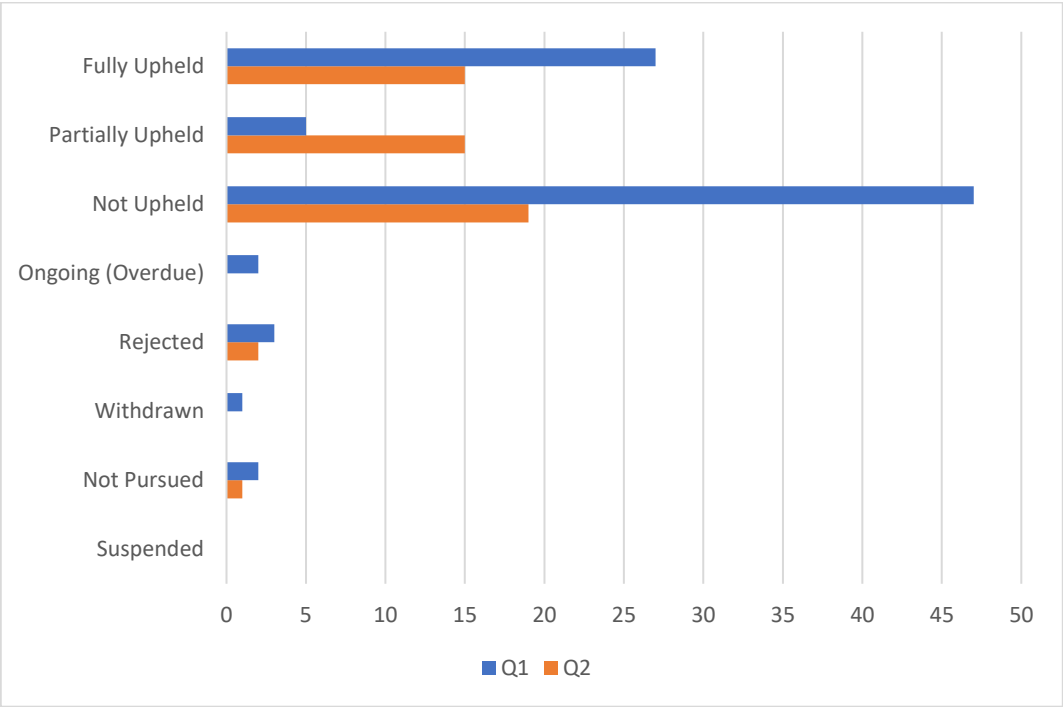
## Corporate Policy

- 60 Corporate Policy received 139 complaints in Quarters 1 and 2 of 2024/25. 7% of the total received by the council. Of these, 9 complaints were rejected, withdrawn, or not pursued; the remaining 130 were processed as official complaints.
- 61 Quarter 2 saw a 40% decrease in processed complaints compared with Quarter 1 (49 and 81 respectively). There were 12 Stage 2 complaints in the 6 months.
- 62 Corporate Policy received 137 compliments between April and September 2024.
- 63 **Table 29: Complaint Volumes by Service**

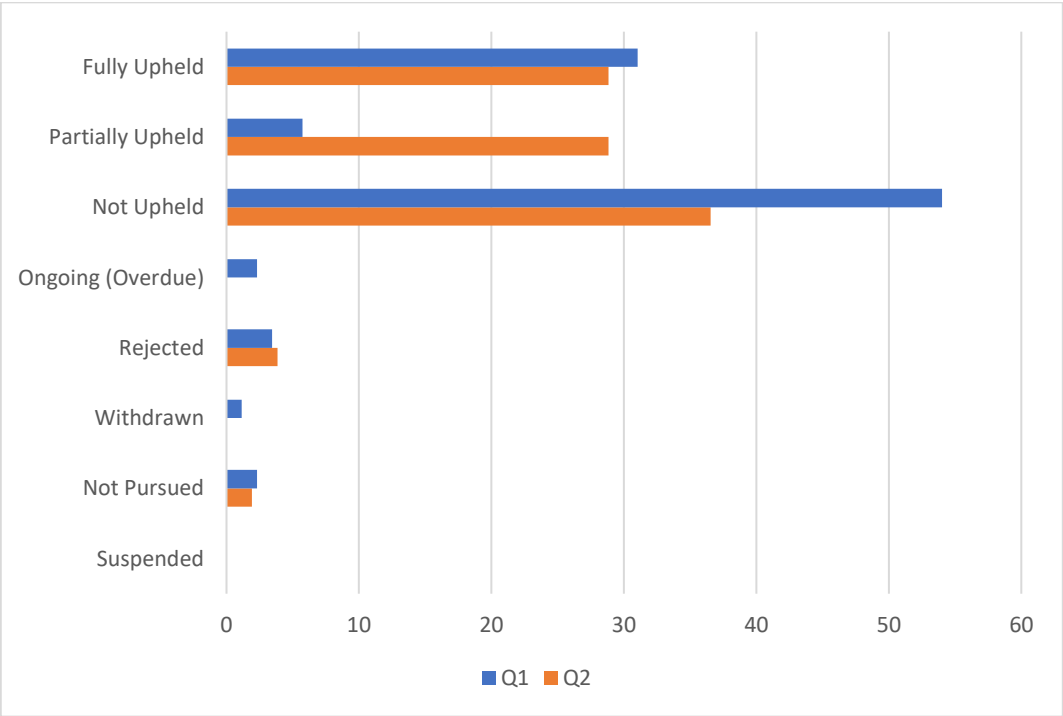




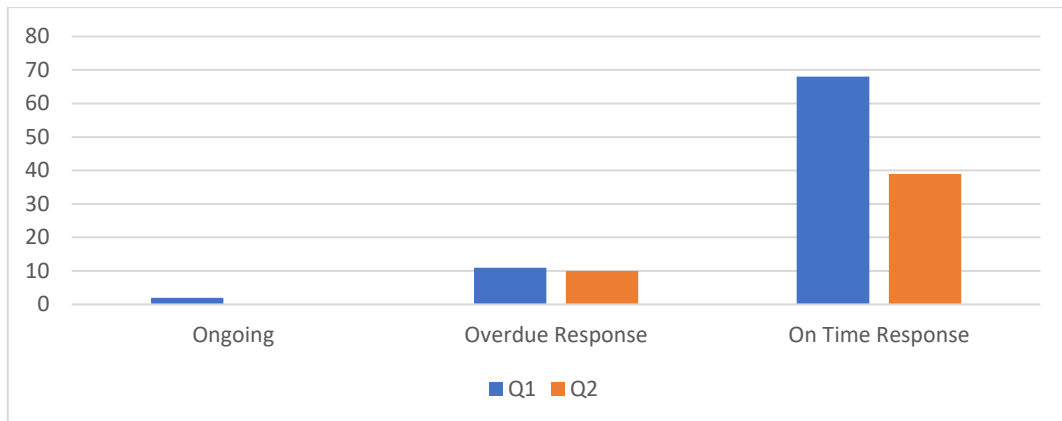
64 **Table 30:** Complaint by Outcome – Numbers



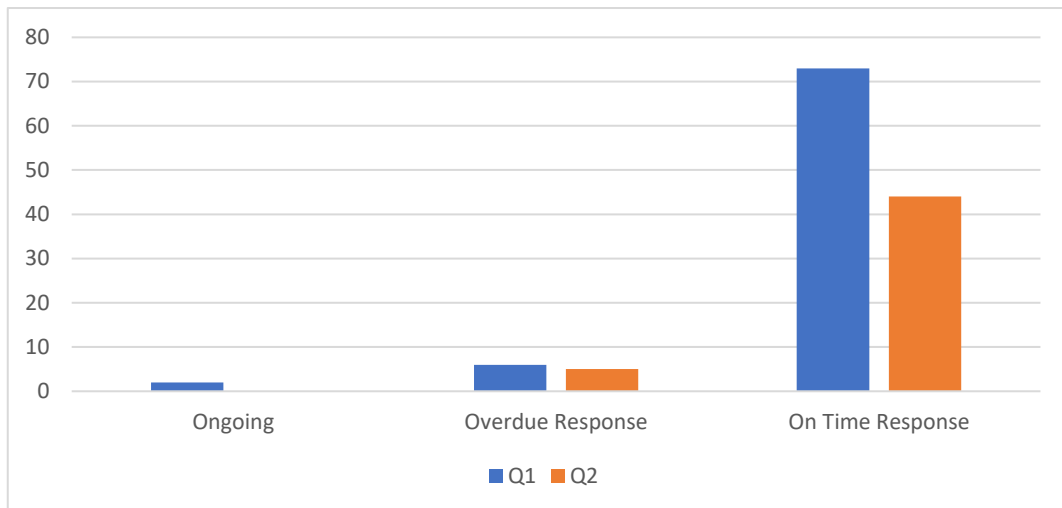
65 **Table 31:** Complaints by Outcome – Percentages



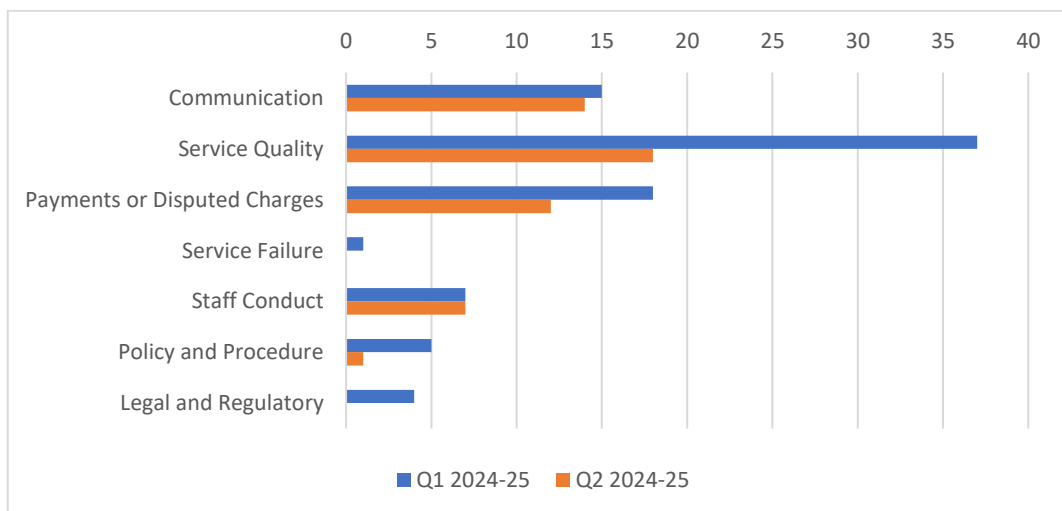
66 **Table 32:** Complaint Timeframes in Q1 and Q2 – Static (answered within 10 working days)

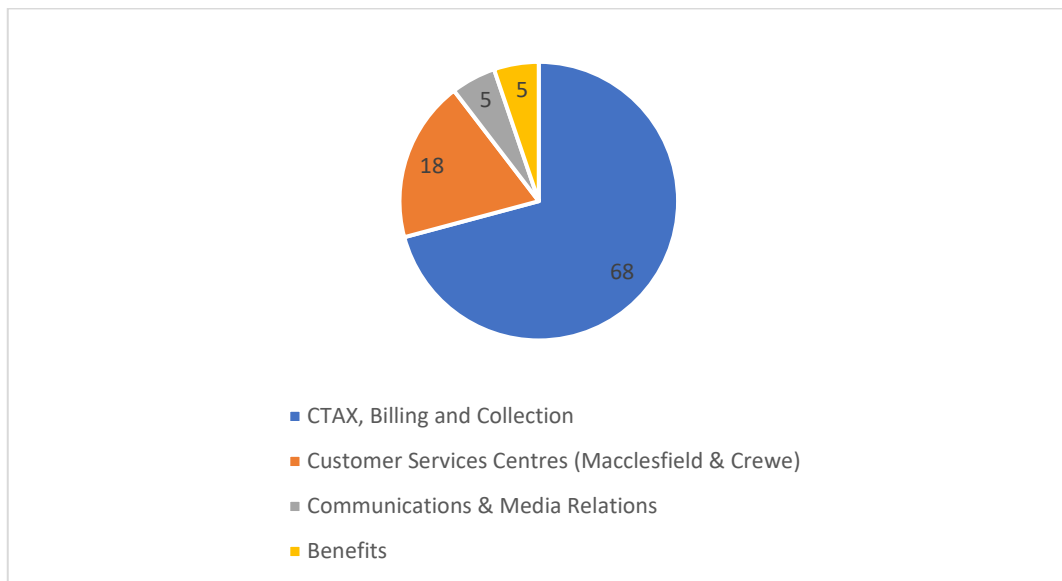
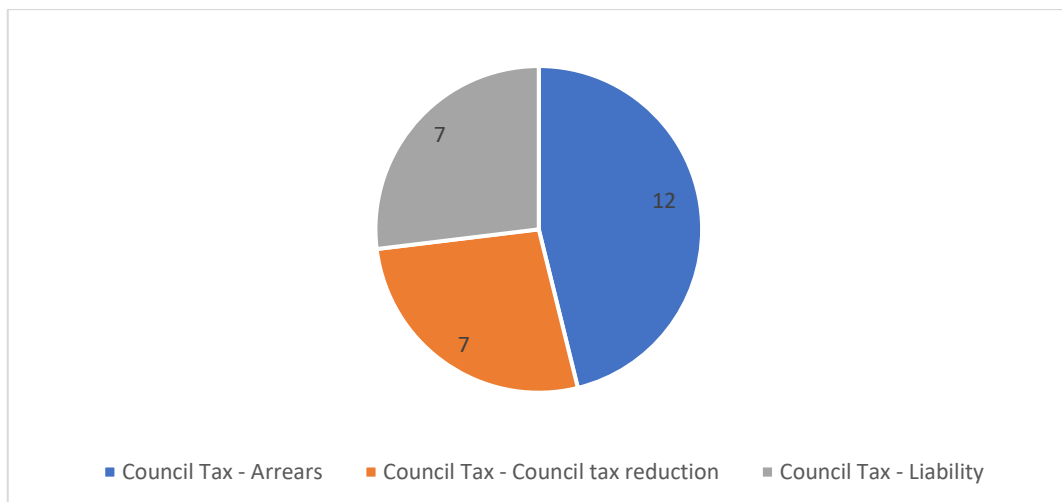


67 **Table 33:** Complaint Timeframes in Q1 and Q2 – Non-Static



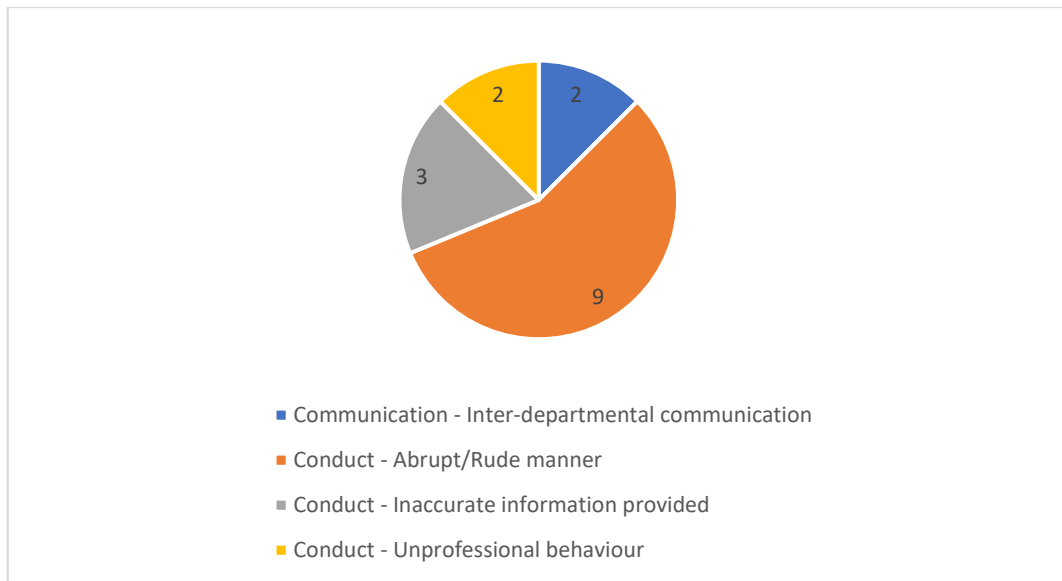
68 **Table 34:** Complaint Primary Causes in Q1 and Q2



69 **Table 35:** Themes Tracker – Top 4 Services70 **Table 36:** Top 3 themes by Service – CTAX, Billing and Collection71 **Table 37:** Top 3 themes by Service outcomes – CTAX, Billing and Collection

| Theme                               | Upheld | Partly Upheld | Not Upheld |
|-------------------------------------|--------|---------------|------------|
| Council Tax - Arrears               | 2      | 3             | 7          |
| Council Tax - Council tax reduction | 2      | 0             | 5          |
| Council Tax - Liability             | 4      | 1             | 2          |

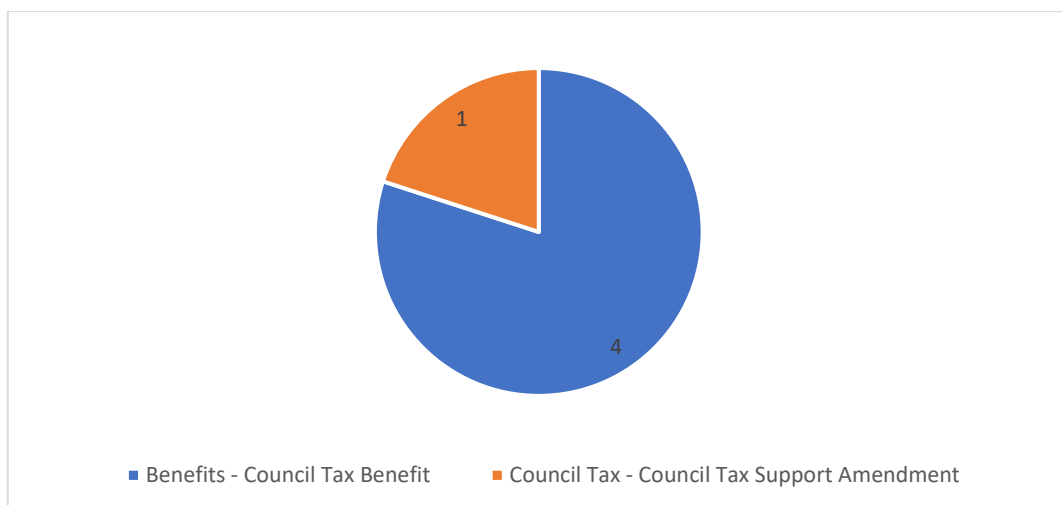
72 **Table 38:** Top 4 Themes by Service - Customer Services Centres (Macclesfield & Crewe)



73 **Table 39:** Top 4 Themes by Service outcomes - Customer Services Centres (Macclesfield & Crewe)

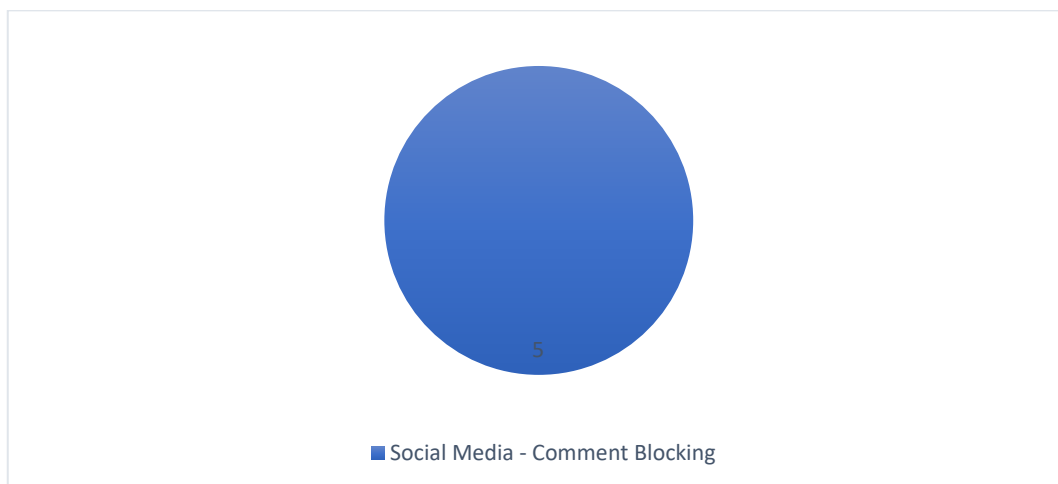
| Theme  | Upheld | Partly Upheld | Not Upheld |
|--|--------|---------------|------------|
| Conduct - Abrupt/Rude manner                     | 8      | 0             | 1          |
| Conduct - Inaccurate information provided        | 2      | 0             | 1          |
| Conduct - Unprofessional behaviour               | 0      | 1             | 1          |
| Communication - Inter-departmental communication | 1      | 0             | 1          |

74 **Table 40:** Top 2 Themes by Service – Benefits



75 **Table 41:** Top 2 Themes by Service outcomes – Benefits

| Theme                                       | Upheld | Partly Upheld | Not Upheld |
|---|--------|---------------|------------|
| Benefits - Council Tax Benefit              | 1      | 0             | 3          |
| Council Tax - Council Tax Support Amendment | 0      | 1             | 0          |

76 **Table 42:** Top themes by service - Communications & Media Relations77 **Table 43:** Top themes by service - Communications & Media Relations

| Theme                           | Upheld | Partly Upheld | Not Upheld |
|---------------------------------|--------|---------------|------------|
| Social Media - Comment Blocking | 0      | 0             | 5          |

78 **Table 44:** Corporate Policy received 137 compliments between April and September 2024 across 3 services

| Service  | Total Q1  | Total Q2  |
|--|-----------|-----------|
| Business Rates Billing and Collection            | 5         | 3         |
| CTAX Billing and Collection                      | 11        | 9         |
| Customer Services Centres (Macclesfield & Crewe) | 26        | 83        |
| <b>TOTAL</b>                                     | <b>42</b> | <b>95</b> |

79 Examples of Compliments in Q1 and Q2

*Thank you so much for handling everything so quickly and efficiently. I am extremely grateful for your help.*

*Thank you so much for your prompt response to my request. This has been most helpful, and I thoroughly appreciate your attention to my needs. In these days when it is so easy to be critical of public officials, you set an example of the high standards to follow. I am also grateful to X for initially taking the call and handing it onto you, for delivery. Both of you make a great team.*

*My advisor X is a credit, he was polite, helped me understand what was happening and explained step by step what I needed to do, and as I have terminal cancer it's so overwhelming with information and he made it so easy, thank you.*

*The Board formally asked us to pass on their appreciation of what they view as outstanding work undertaken by the CEC Business Rates Team in preparing and issuing the BID Levy bills and collecting the BID levy. Groundwork Cheshire, Lancashire, Merseyside manage the BID and are involved with BIDs across the region. They therefore have experience in dealing with Business Rates teams in other Councils and can compare our services to those provided elsewhere. They have mentioned in several meetings how extremely impressed they have been by X and other members of the BR team involved in the collection of the BID Levy. The Board wanted us to pass upward their thanks for such an excellent service to ensure the team get some recognition.*

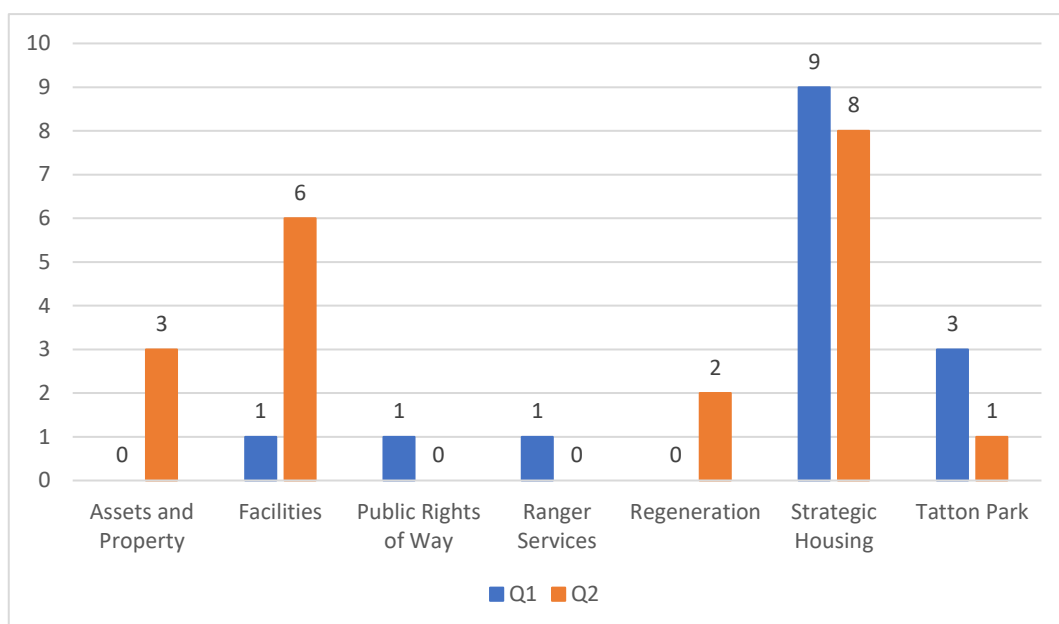
## Economy and Growth

80 Economy and Growth received 39 complaints in Quarters 1 and 2 of 2024/25. 2% of the total received by the council. Of these, 4 complaints were rejected, withdrawn, or not pursued; the remaining 35 were processed as official complaints.

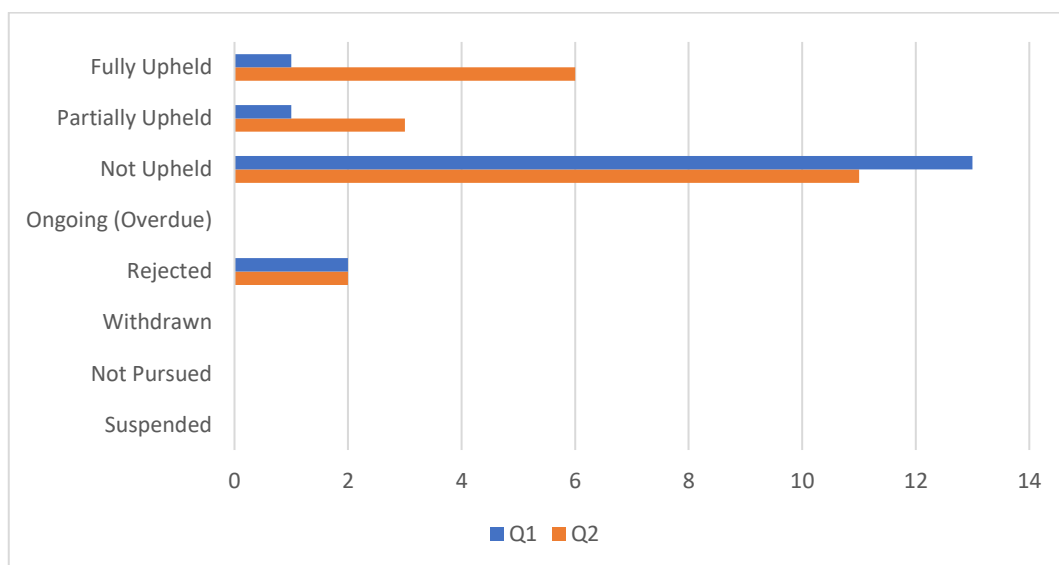
81 Quarter 2 saw a 33% increase in processed complaints compared with Quarter 1 (15 and 20 respectively). There were 5 Stage 2 complaints in the 6 months.

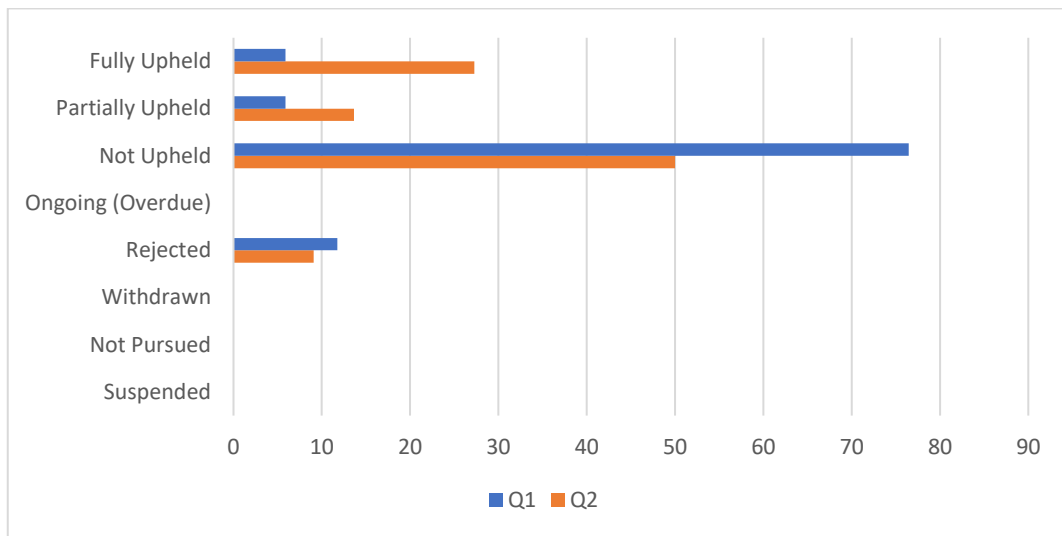
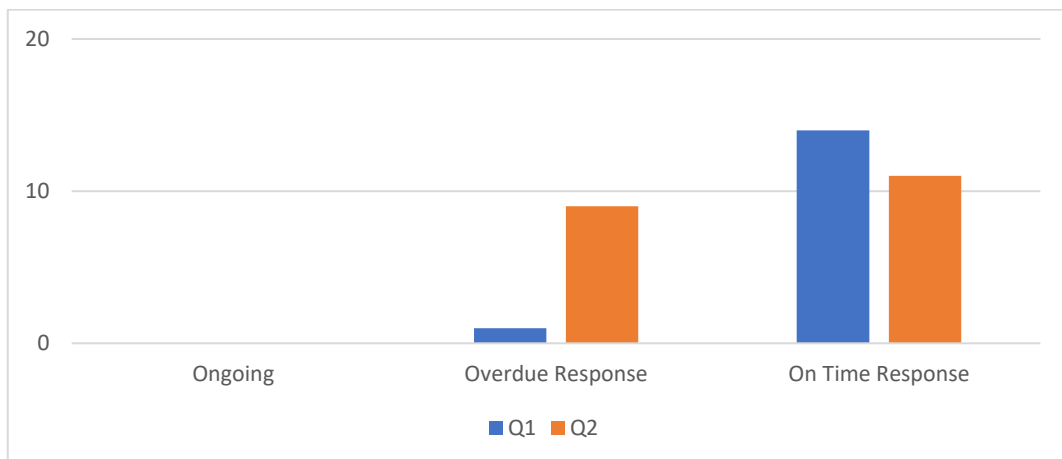
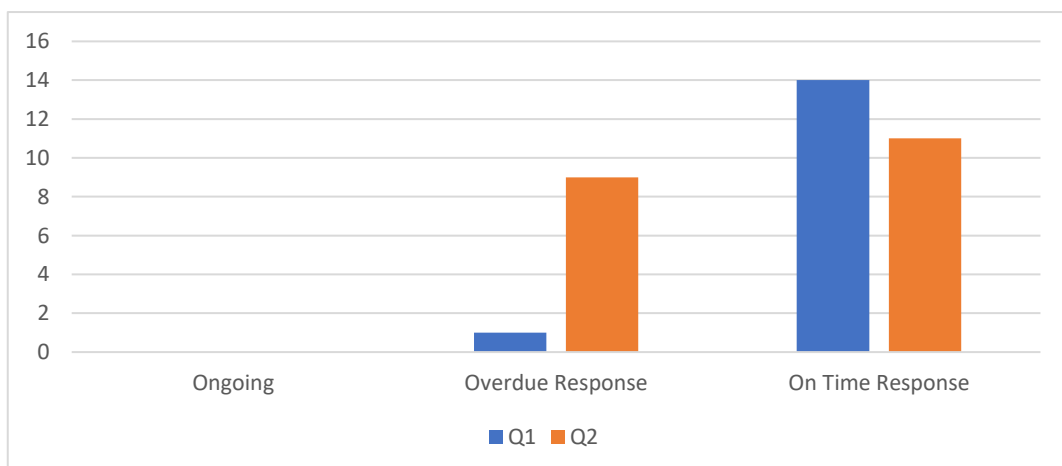
82 Economy and Growth received 0 compliments between April and September 2024.

83 **Table 45: Complaints Volumes by Service**



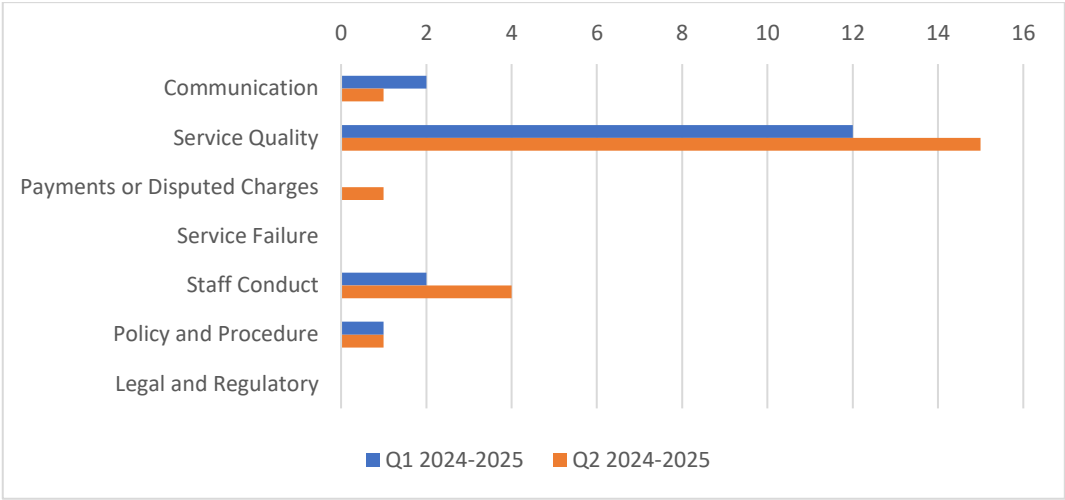
84 **Table 46: Complaints by Outcome – Numbers**



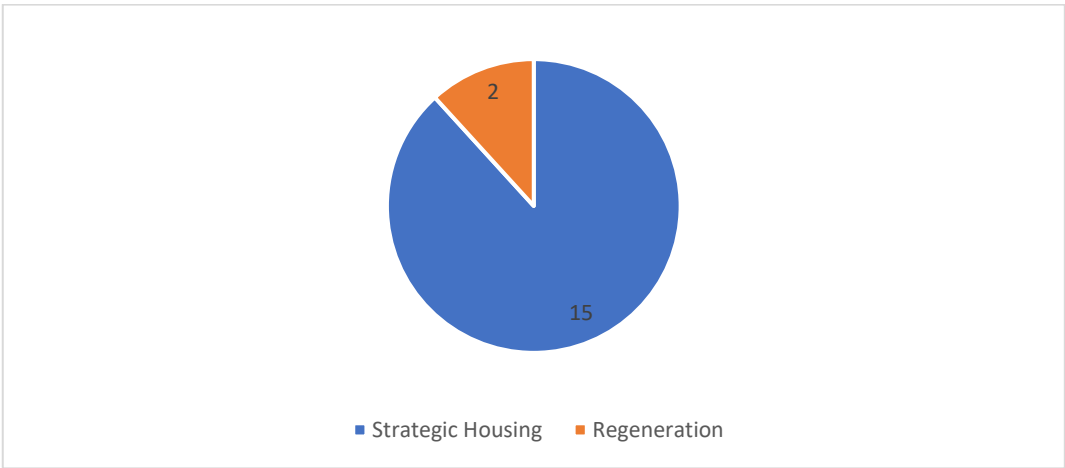
85 **Table 47: Complaints by Outcome – Percentages**86 **Table 48: Complaint Timeframes in Q1 and Q2 – Static (answered within 10 working days)**87 **Table 49: Complaint Timeframes in Q1 and Q2 – Non-Static**



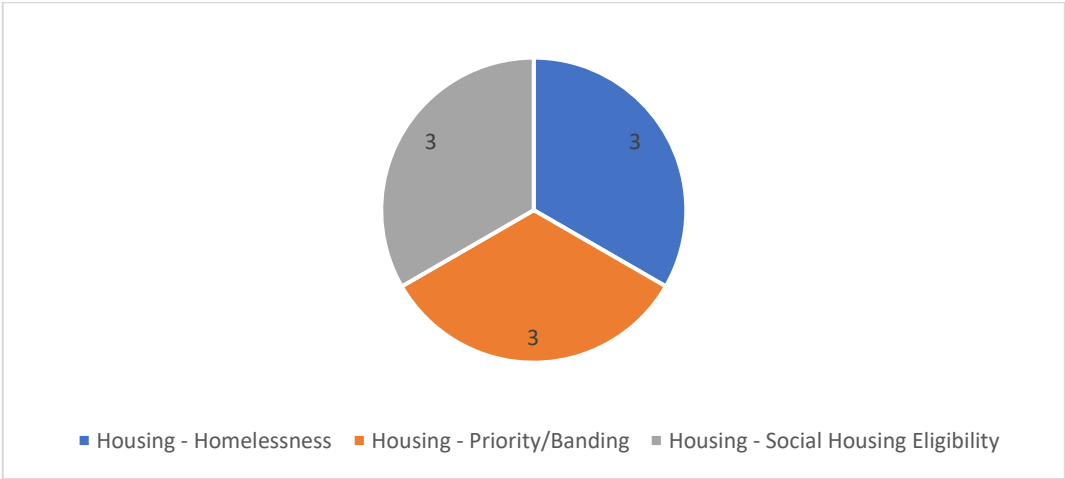
88      **Table 50:** Complaint Primary Causes in Q1 and Q2



89      **Table 51:** Themes Tracker – Top 2 Services

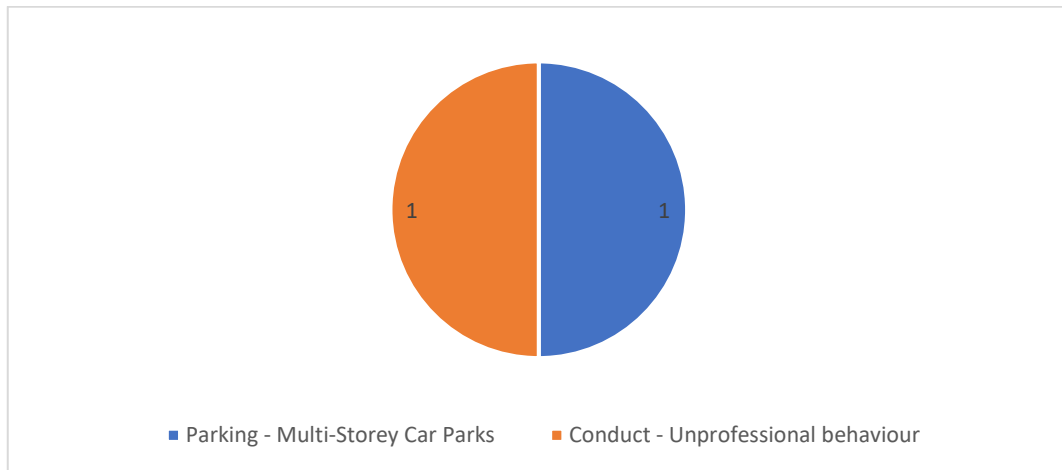


90      **Table 52:** Top 3 themes by Service – Strategic Housing



91 **Table 53:** Top 3 themes by Service outcomes – Strategic Housing

| Theme                                | Upheld | Partly Upheld | Not Upheld |
|--------------------------------------|--------|---------------|------------|
| Housing - Homelessness               | 0      | 0             | 3          |
| Housing - Priority/Banding           | 0      | 0             | 3          |
| Housing - Social Housing Eligibility | 0      | 1             | 2          |

92 **Table 54:** Top 2 themes by Service – Regeneration93 **Table 55:** Top 2 themes by Service outcomes – Regeneration

| Theme                              | Upheld | Partly Upheld | Not Upheld |
|------------------------------------|--------|---------------|------------|
| Parking - Multi-Storey Car Parks   | 0      | 0             | 1          |
| Conduct - Unprofessional behaviour | 0      | 1             | 0          |

94 There were no compliments recorded for Economy and Growth between April and September 2024.

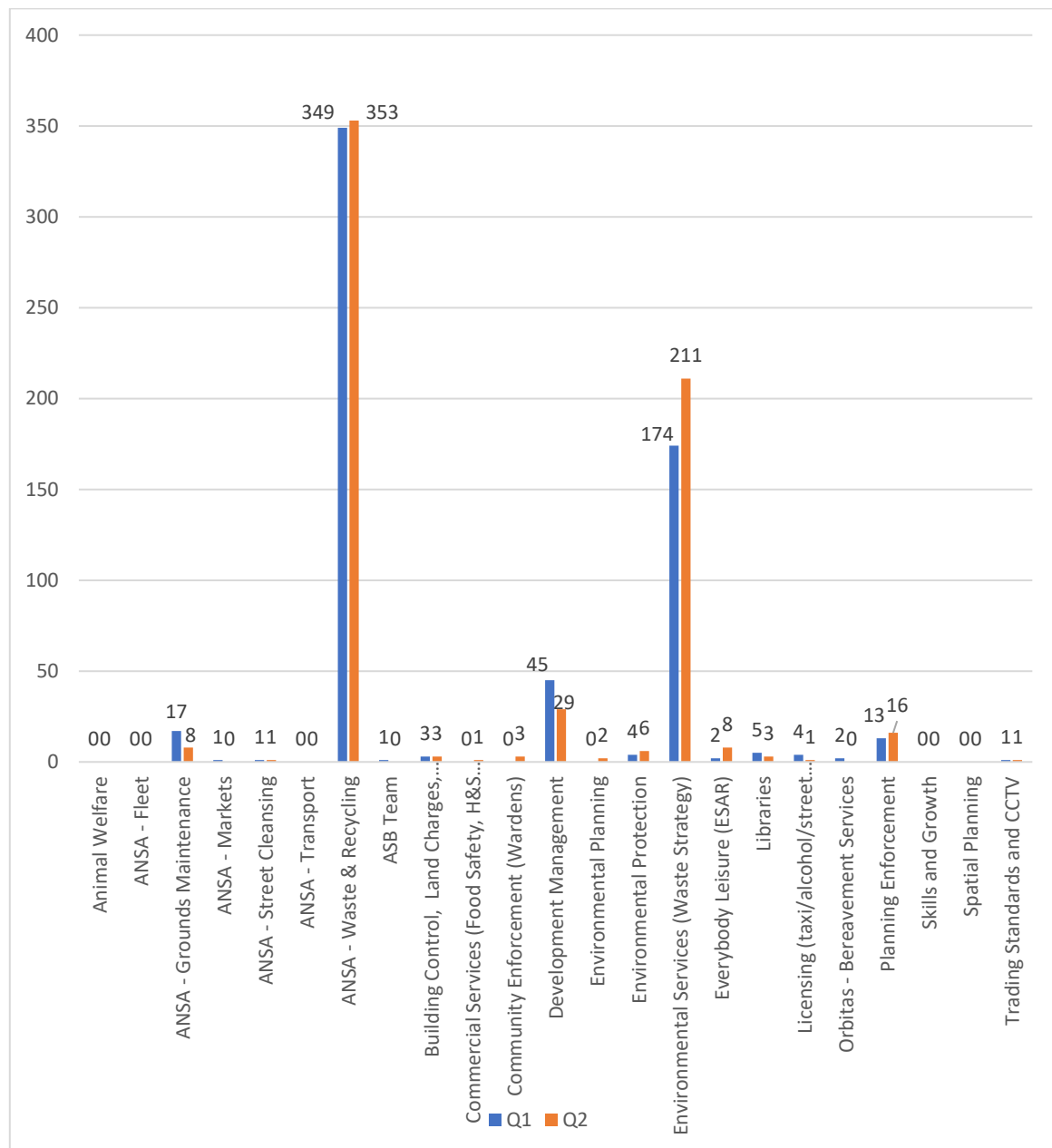
## Environment and Communities

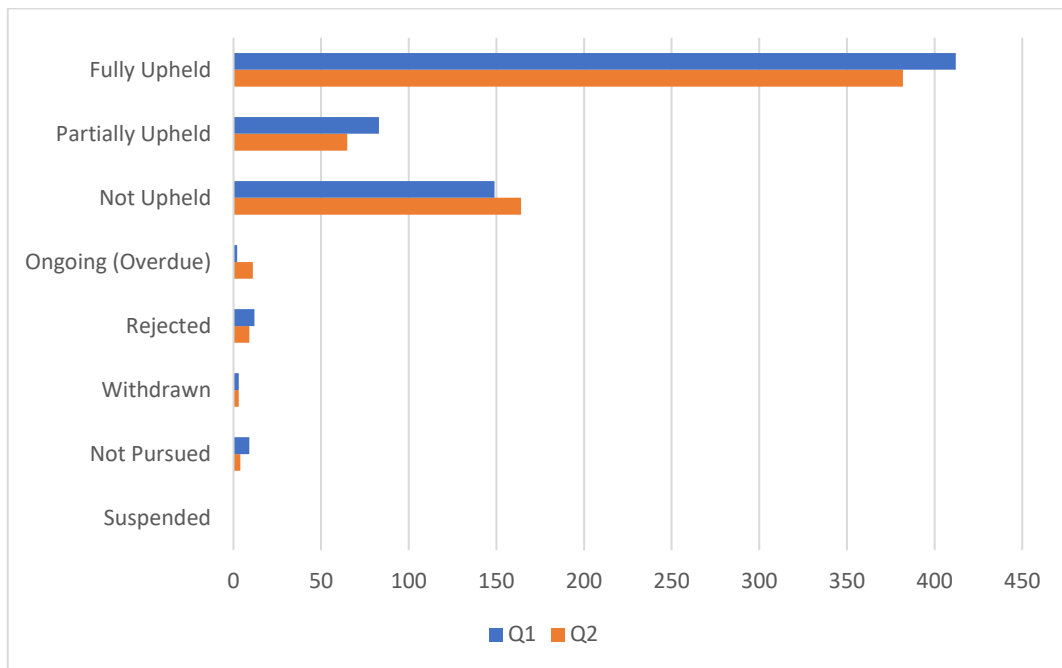
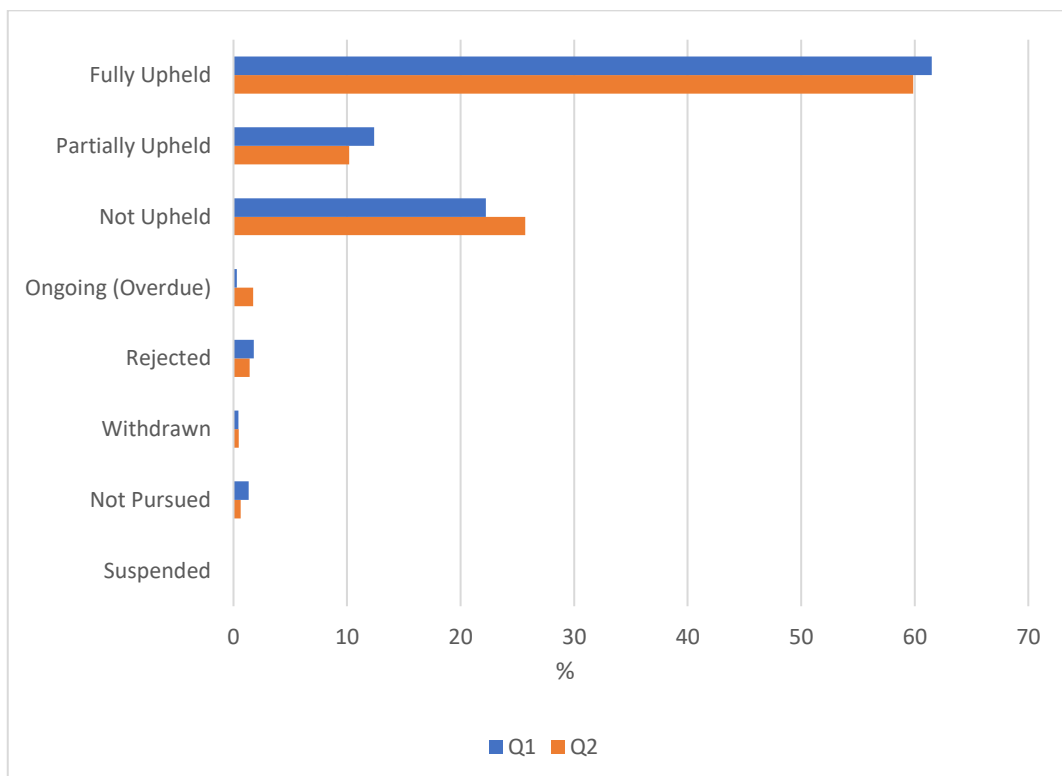
95 Environment and Communities received 1,308 complaints in Quarters 1 and 2 of 2024/25. 62% of the total received by the council. Of these, 40 complaints were rejected, withdrawn, or not pursued; the remaining 1,268 were processed as official complaints.

96 Quarter 2 saw a 4% decrease in processed complaints compared with Quarter 1 (622 and 646 respectively). There were 60 Stage 2 complaints in the 6 months.

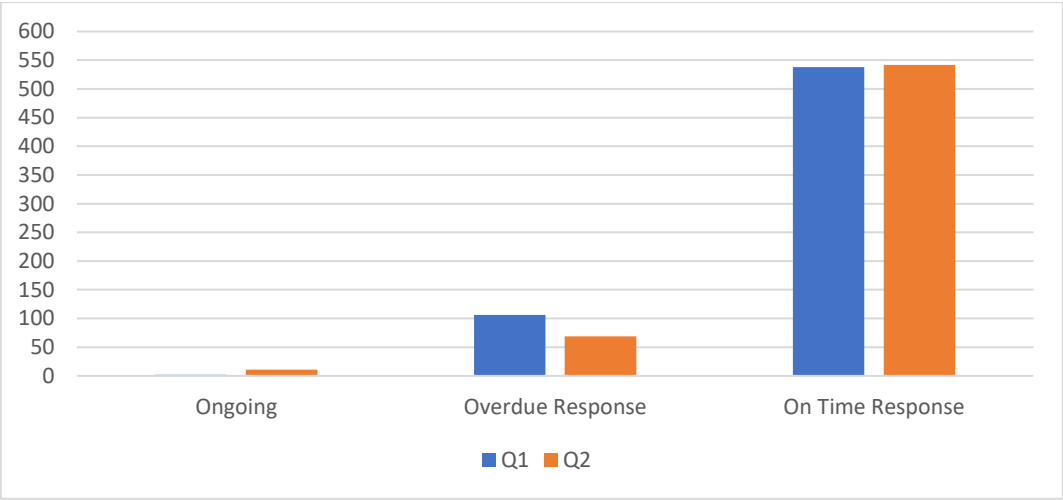
97 Environment and Communities received 66 compliments between April and September 2024

98 **Table 56:** Complaints Volumes by Service

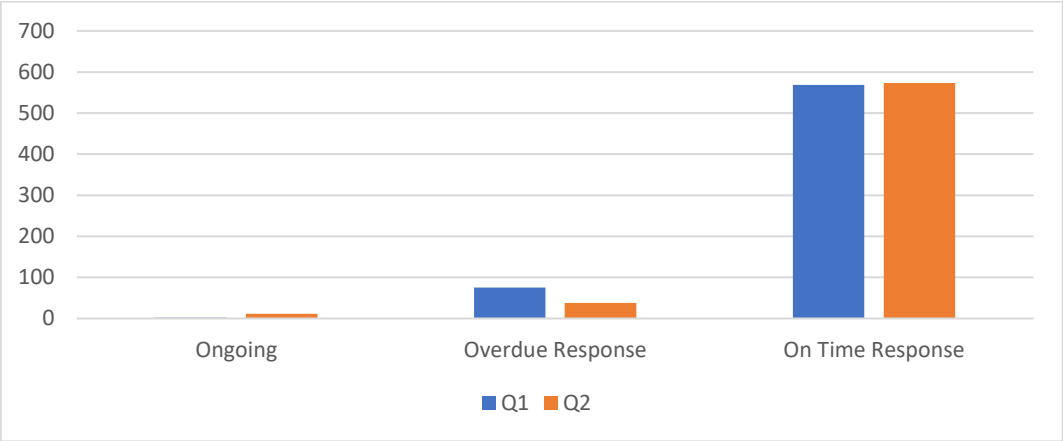


99 **Table 57: Complaints by Outcome – Numbers**100 **Table 58: Complaints by Outcome – Percentage**

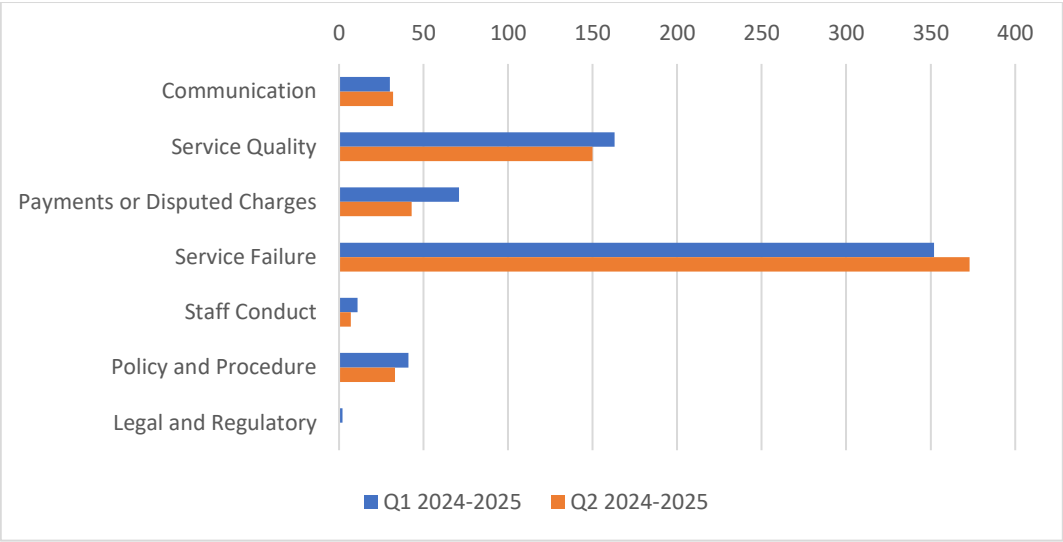
101 **Table 59:** Complaint Timeframes in Q1 and Q2 – Static (answered within 10 working days)

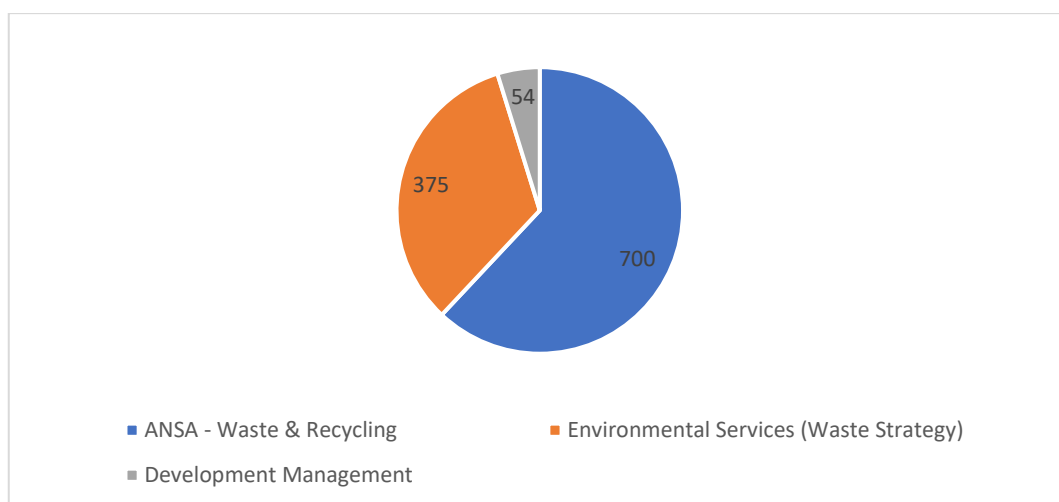
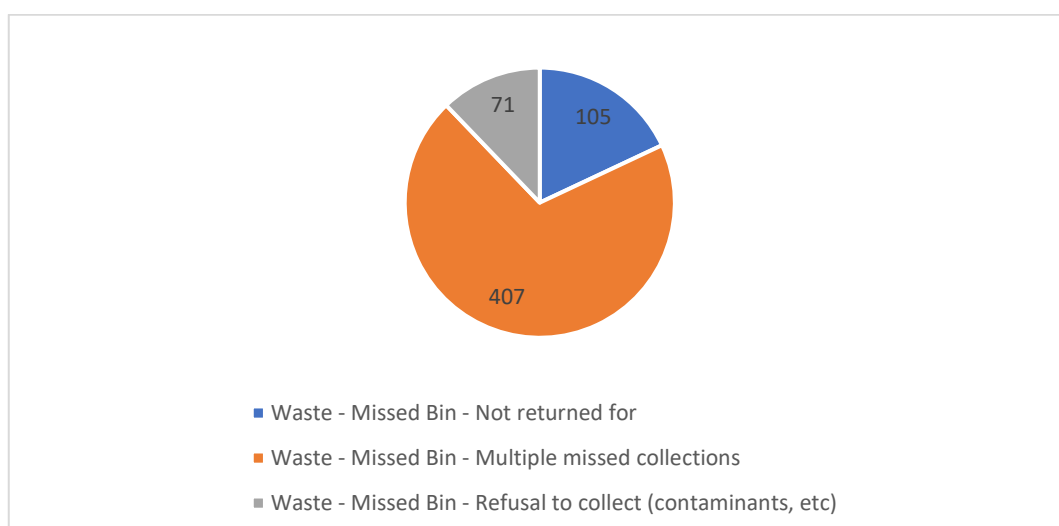


102 **Table 60:** Complaint Timeframes in Q1 and Q2 – Non-Static



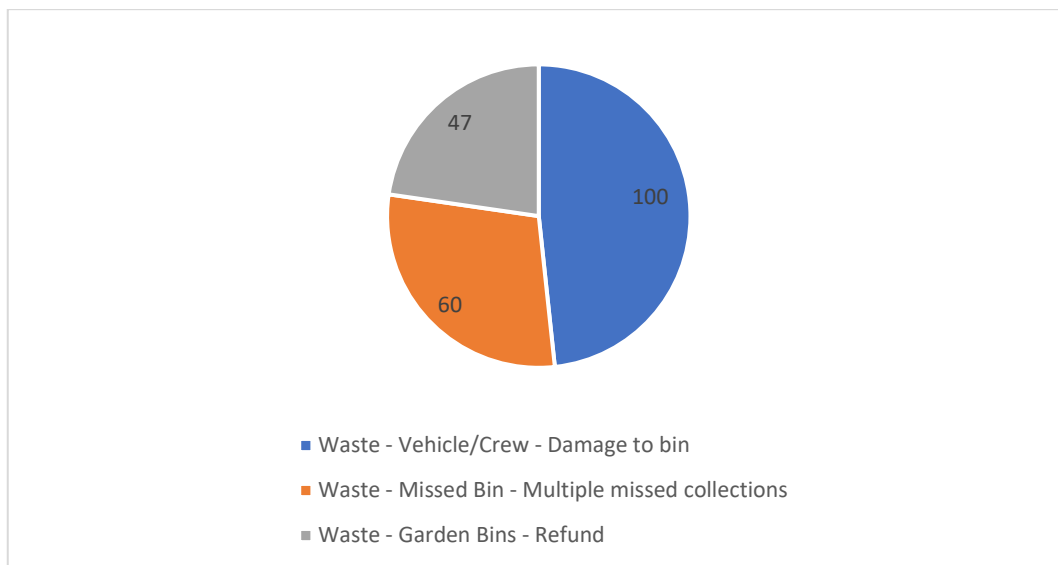
103 **Table 61:** Complaint Primary Causes in Q1 and Q2



104 **Table 62:** Themes Tracker – Top 3 Services105 **Table 63:** Top 3 themes by Service – ANSA Waste & Recycling106 **Table 64:** Top 3 themes by Service outcomes – ANSA Waste & Recycling

| Theme   | Upheld | Partly Upheld | Not Upheld |
|---|--------|---------------|------------|
| Waste - Missed Bin - Multiple missed collections            | 374    | 11            | 22         |
| Waste - Missed Bin - Not returned for                       | 101    | 0             | 4          |
| Waste - Missed Bin - Refusal to collect (contaminants, etc) | 42     | 3             | 26         |

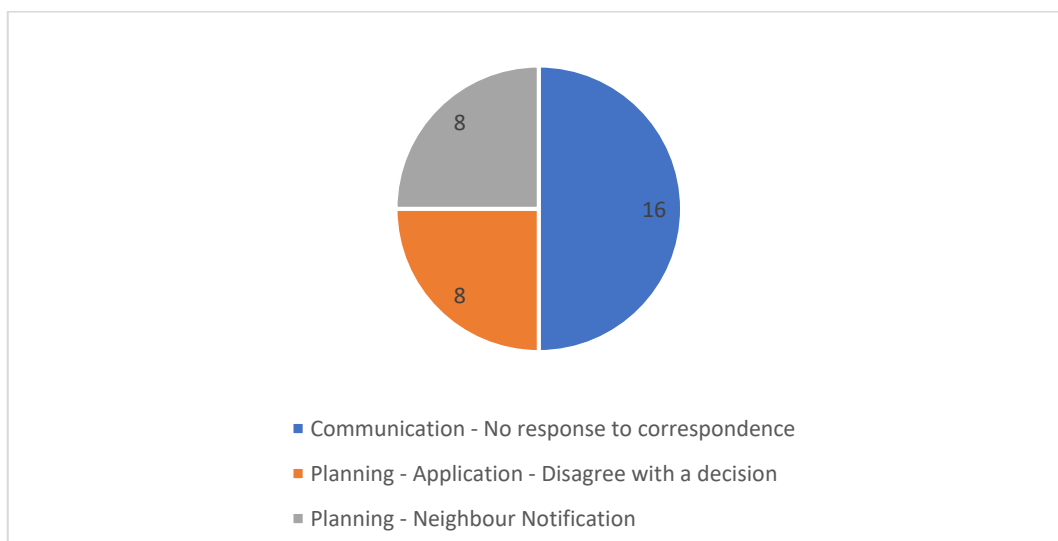
107 **Table 65:** Top 3 themes by Service - Environmental Services (Waste Strategy)



108 **Table 66:** Top 3 themes by Service outcomes - Environmental Services (Waste Strategy)

| Theme  | Upheld | Partly Upheld | Not Upheld |
|--|--------|---------------|------------|
| Waste - Vehicle/Crew - Damage to bin             | 54     | 1             | 45         |
| Waste - Missed Bin - Multiple missed collections | 24     | 35            | 1          |
| Waste - Garden Bins - Refund                     | 5      | 36            | 6          |

109 **Table 67:** Top 3 themes by Service - Development Management



110 **Table 68:** Top 3 themes by Service outcomes - Development Management

| Theme   | Upheld | Partly Upheld | Not Upheld |
|---|--------|---------------|------------|
| Communication - No response to correspondence     | 8      | 3             | 5          |
| Planning - Application - Disagree with a decision | 0      | 0             | 8          |
| Planning - Neighbour Notification                 | 2      | 1             | 5          |

111 **Table 69:** Environment and Communities received 66 compliments between April and September 2024 across 9 services.

| Service                                 | Total Q1  | Total Q2  |
|---|-----------|-----------|
| ANSA - Grounds Maintenance              | 3         | 13        |
| ANSA - Street Cleansing                 | 3         | 2         |
| ANSA - Transport                        | 1         | 0         |
| ANSA - Waste & Recycling                | 15        | 7         |
| Development Management                  | 0         | 1         |
| Environmental Protection                | 1         | 0         |
| Environmental Services (Waste Strategy) | 6         | 7         |
| Everybody Leisure (ESAR)                | 1         | 0         |
| Libraries                               | 1         | 5         |
| <b>TOTAL</b>                            | <b>31</b> | <b>35</b> |

112 Examples of Compliments in Q1 and Q2

*May I take this opportunity to say thank you to the waste and recycling teams, as in the 4 years of living in this authority not one collection has been missed, even on Bank Holidays, and everything has always been collected in a professional way. We have been so impressed, and it is much appreciated and never goes unnoticed. Please pass on our sincere thanks. Many thanks for your help.*

*Resident called to advise that the two guys who are mowing and strimming at Wybunbury Cemetery are doing a really good job and she wanted to let us know.*

*Resident called up to say X, their bin operative spoke to her yesterday regards the assisted collection, as he could see she was struggling. She has just come out of hospital after 3 weeks and her husband returned home from respite care, and she said X was lovely and really helpful. He has gone back to the wagon and the crew added the note on Bartec and she was so grateful.*

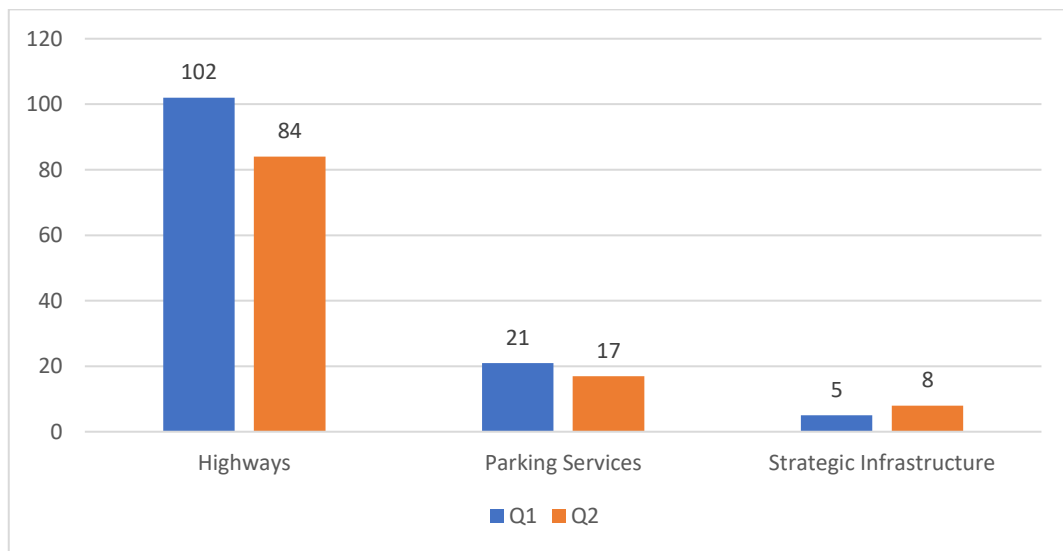
*I would like to thank the refuse collectors please, that collected rubbish from X [address], as they were very helpful and went out of their way to collect another bag of rubbish. It actually made my day. It was pouring with rain. Thank you so much.*



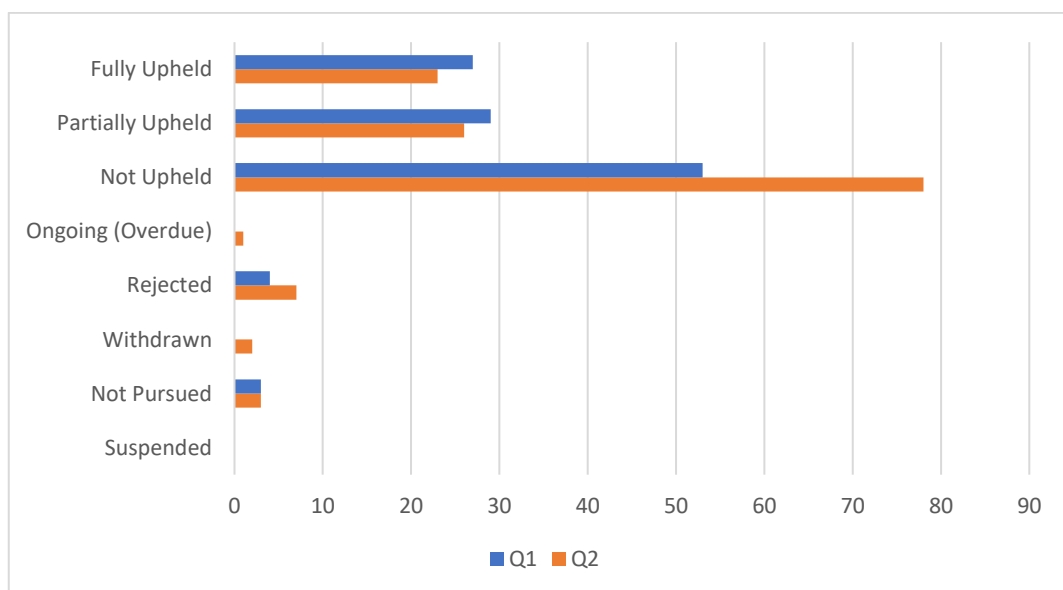
## Highways and Transport

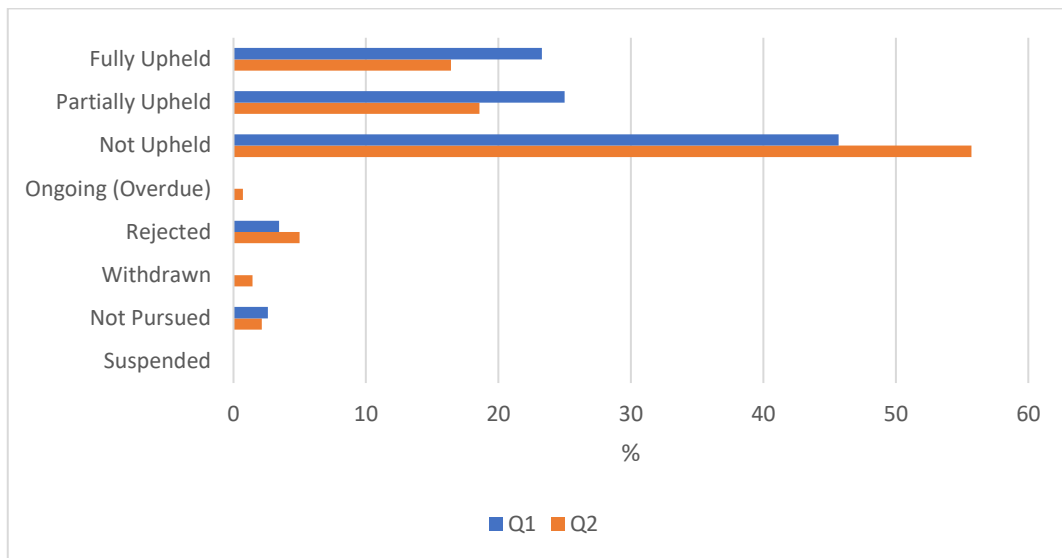
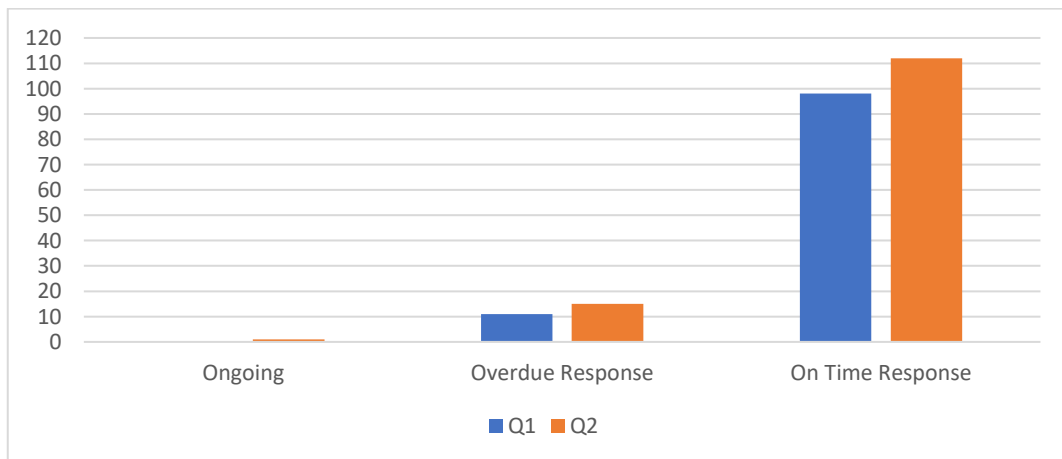
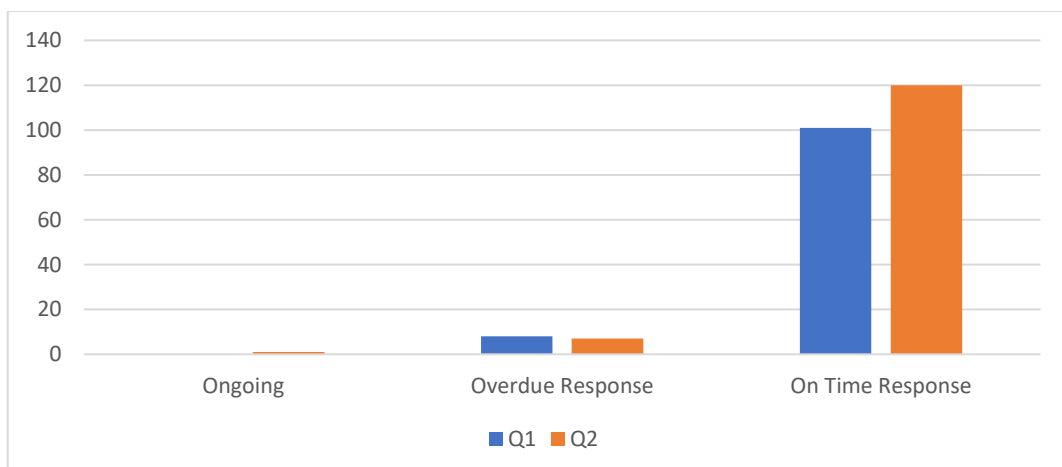
- 113 Highways and Transport received 256 complaints in Quarters 1 and 2 of 2024/25. 12% of the total received by the council. Of these, 19 complaints were rejected, withdrawn, or not pursued; the remaining 237 were processed as official complaints.
- 114 Quarter 2 saw a 17% increase in processed complaints compared with Quarter 1 (109 and 128 respectively). There were 20 Stage 2 complaints in the 6 months.
- 115 Highways and Transport received 10 compliments between April and September 2024

116 **Table 70:** Complaints Volumes by Service

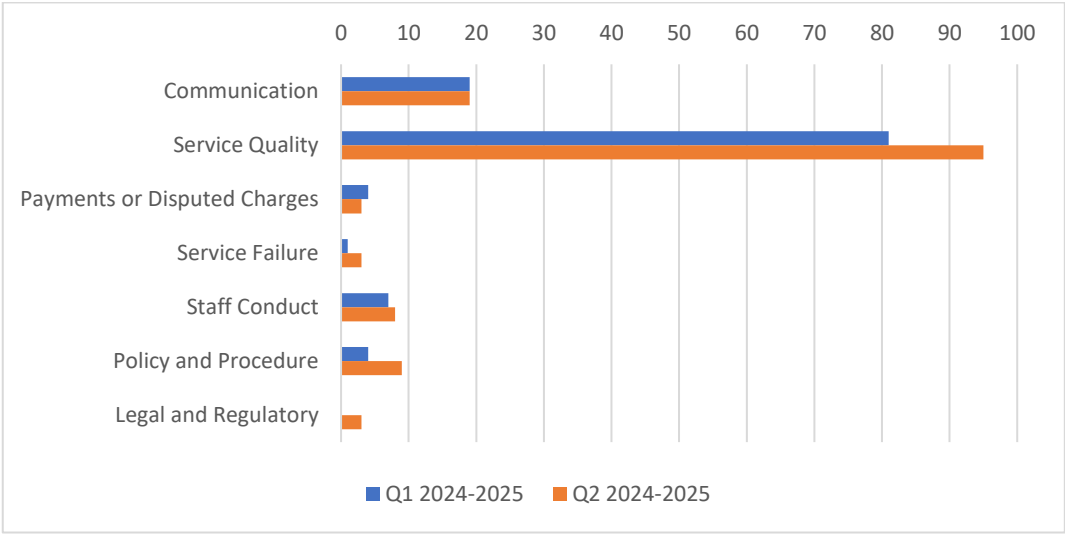


117 **Table 71:** Complaints by Outcome – Numbers

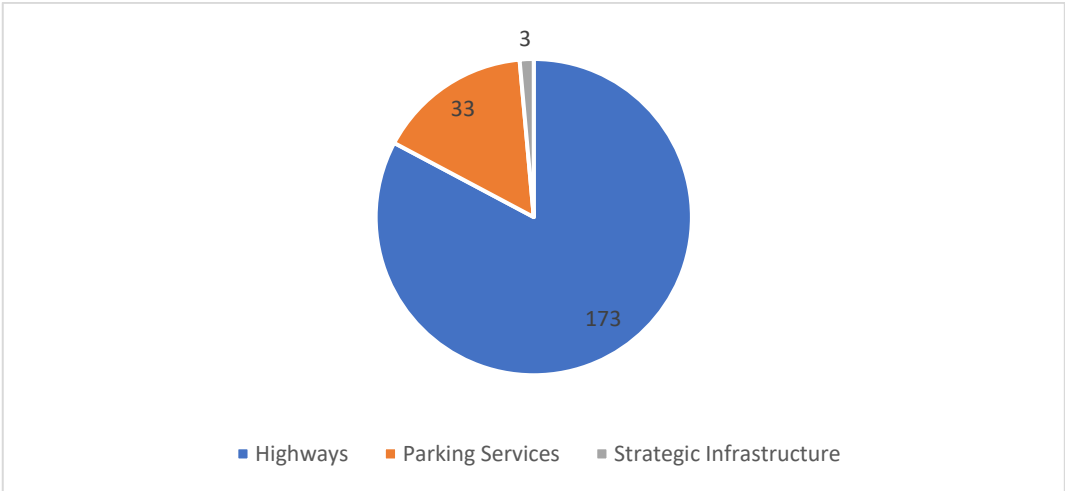


118 **Table 72:** Complaints by Outcome – Percentages119 **Table 73:** Complaint Timeframes in Q1 and Q2 – Static (answered within 10 working days)120 **Table 74:** Complaint Timeframes in Q1 and Q2 – Non-Static

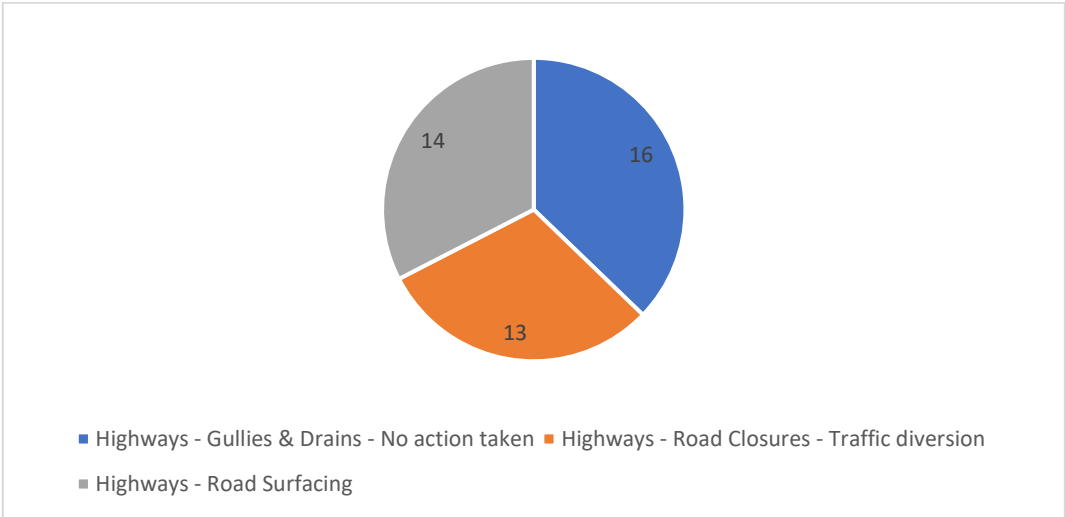
121 **Table 75:** Complaint Primary Causes in Q1 and Q2



122 **Table 76:** Themes Tracker – Top 3 Services

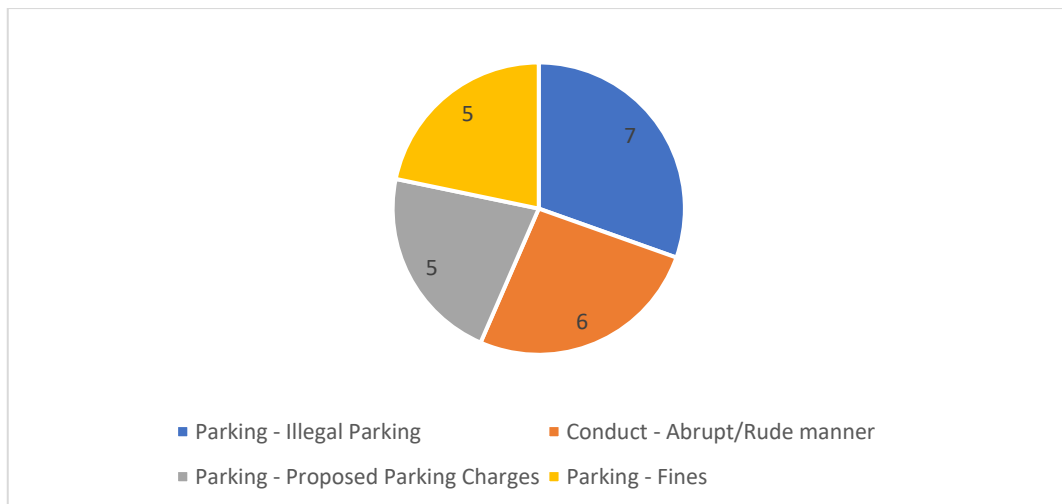


123 **Table 77:** Top 3 themes by Service – Highways

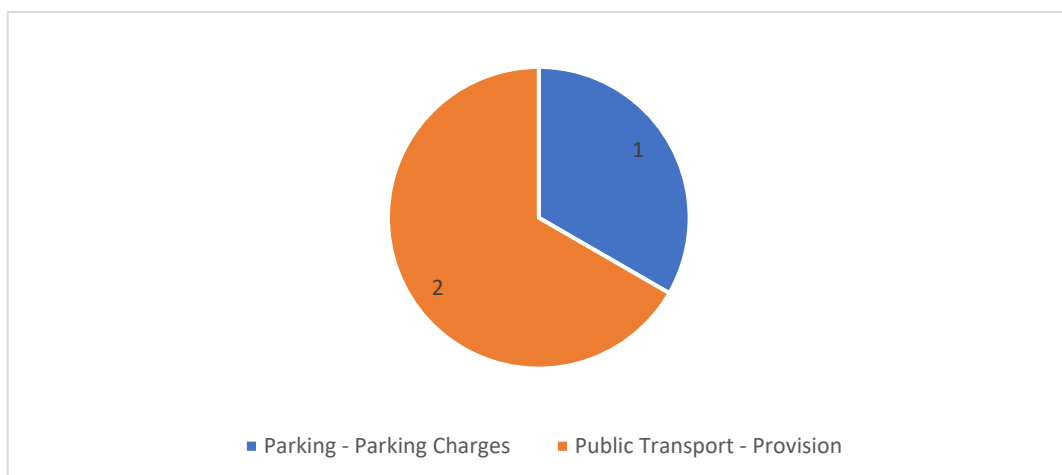


124 **Table 78:** Top 3 themes by Service outcomes – Highways

| Theme   | Upheld | Partly Upheld | Not Upheld |
|---|--------|---------------|------------|
| Highways - Gullies & Drains - No action taken | 7      | 7             | 2          |
| Highways - Road Surfacing                     | 1      | 1             | 12         |
| Highways - Road Closures - Traffic diversion  | 0      | 2             | 11         |

125 **Table 79:** Top 4 themes by Service – Parking Services126 **Table 80:** Top 4 themes by Service – Parking Services

| Theme                              | Upheld | Partly Upheld | Not Upheld |
|------------------------------------|--------|---------------|------------|
| Parking - Illegal Parking          | 0      | 0             | 7          |
| Conduct - Abrupt/Rude manner       | 0      | 1             | 5          |
| Parking - Proposed Parking Charges | 0      | 0             | 5          |
| Parking - Fines                    | 0      | 0             | 5          |

127 **Table 81:** Top 2 themes by Service - Strategic Infrastructure

128 **Table 82:** Top 2 themes by Service outcomes - Strategic Infrastructure

| Theme                        | Upheld | Partly Upheld | Not Upheld |
|------------------------------|--------|---------------|------------|
| Public Transport - Provision | 2      | 0             | 0          |
| Parking - Parking Charges    | 1      | 0             | 0          |

129 **Table 83:** Highways and Transport received 10 compliments between April and September 2024 which were all for the Highways Service.

| Service      | Total Q1 | Total Q2 |
|--------------|----------|----------|
| Highways     | 6        | 4        |
| <b>TOTAL</b> | <b>6</b> | <b>4</b> |

130 Examples of Compliments in Q1 and Q2

*I would like to commend X supervisor on the Elm Drive, Crewe project on his professional work ethic, he is so helpful and knowledgeable of what is happening at what stage, as the works get carried out. His friendly demeanour means he's been very approachable. In my opinion he is irreplaceable, please thank him for his hard work and friendly attitude. Thank you.*

*I reported a loose kerb with East Cheshire Council and it was noted through "Fix My Street " giving a 20 day follow up repair. I noticed within less than a week, white markers on the kerb in question within a few days. Following that a team arrived in less than 10 days and the kerb was promptly rectified to its correct location. Excellent service given where it is due and an impressive follow up on my complaint from start to finish was achieved. Thanks to the team and Cheshire Council for the rapid response!*

*As a resident of Evans Street, I would like to thank the highways team for the work they have done on our pavements. We now have easier access to our property without having to go across the grass verge. The team were very accommodating in helping us, especially as I have to use a wheelchair. So please thank all involved for a good job well done.*

*I wish to record the excellent work completed by the team working on the lane near Knarr Farm, Wildboarclough, SK11 0BQ last week, yesterday and today. They have filled and worked on a large quantity of potholes and the edges of the road failing using the Velocity machine, professional skills using care and attention to the difficult conditions. Taking into account limitations of the weather as well as conditions of the lane. I have thanked the team personally but want to ensure that this is recorded officially with yourselves.*

## Consultation and Engagement

- 131 Quarterly reports on complaints and compliments are provided to all directorates highlighting areas of concern and of good practice specific to their directorate. By recognising the key themes and primary causes of complaints, management teams are enabled to consider opportunities to drive improvements and to share best practice. This can form the basis of developing forward action plans to improve the service and its delivery. A key theme in complaints received across all directorates is communication with customers, and the work we are doing with customer service standards is important to making improvements.

## Reasons for Recommendations

- 132 To ensure that the Committee is provided with assurances of service departments use of complaints to deliver service improvements in line with the Customer Experience Strategy.
- 133 To ensure that the Committee is kept informed of the Ombudsman's findings and to provide assurance that the Council is complying with the Corporate Complaints Policy and any recommendations made by the Ombudsman.

| Option     | Impact  | Risk  |
|------------|---|---|
| Do nothing | Poor customer experience would not be addressed, lessons would not be learned, and service improvements would not be made | Likely increase in complaints to Local Government Ombudsman with the potential for financial penalties and poor reputational impact |

## Implications and Comments

### *Monitoring Officer/Legal*

- 134 Whilst there are no legal implications flowing directly from the content of this report, there are legal, reputational and resource implications in complaints that are taken through the corporate process and in addressing complaints which reach LGO and Public Report. Providing services with the data and trends is a means to influence and improve customer engagement.

### *Section 151 Officer/Finance*

- 135 If Fault causing Injustice is found, the Council can be asked to pay compensation to a complainant, the level of which is determined on a case by-case basis. The cost of such compensation is paid for by the service at fault. In 9 cases where the Ombudsman found Fault with Injustice between April and September 2024, the Council was required to make compensation payments totalling £95,529.54. An

increase of 494% on the last 6 months of 2023/24 where payments totalled £16,075. £71,479.54 of this cost relates to one Adults complaint. The exact value of the compensation for this case is being appealed with the Ombudsman, and so may be subject to change. 50% of the final agreed value of this case's compensation will be recouped from the NHS.

### *Policy*

- 136 Analysis of complaints enables services to identify and deliver improvements in service aligned with the Council's Customer Experience Strategy. If a high volume of complaints were received about a specific policy, a review of the relevant policy could be triggered and referred to the relevant service committee.

| <b>An open and enabling organisation</b>   | <b>A council which empowers and cares about people</b> | <b>A thriving and sustainable place</b> |
|--|--|---|
| 1.Listen, learn and respond to our residents, promoting opportunities for a two-way conversation |  |   |

### *Equality, Diversity and Inclusion*

- 137 When responding to complaints, the Council must ensure that people are treated fairly and that we comply with the Equality Act 2010, making reasonable adjustments where necessary. This may include providing responses in large font, using coloured paper, or communicating by specific means such as email only.

### *Human Resources*

- 138 Whilst the primary purpose of this report is to inform Members of the outcome of complaints and to seek to secure improvements in performance, resource implications arise from the high numbers of complaints. These relate to the increased demand upon officers in researching the background to complaints and responding appropriately. Where complaints relate to specific staff members, for example because of behaviour or attitude, these are escalated to the appropriate manager.

### *Risk Management*

- 139 If recommendations made by the Ombudsman are not followed, this could trigger a public report, as detailed in paragraphs 15 to 17.

### *Rural Communities*

- 140 There are no direct implications for rural communities.

### *Public Health*

- 141 *There are no direct implications for public health.*

*Climate Change*

142 There are no direct implications for climate change.

| <b>Access to Information</b> |   |
|------------------------------|---|
| Contact Officer:             | Paul Manning, Head of Revenues & Benefits and Acting Head of Customer Experience<br><br><a href="mailto:paul.manning@cheshireeast.gov.uk">paul.manning@cheshireeast.gov.uk</a>            |
| Appendices:                  | Appendix 1 - Outcome of complaints to the LGSCO by committee<br><br>Appendix 2 - Summary of Recommended Actions from Ombudsman Decision Notices where Fault was found (as per Appendix 1) |
| Background Papers:           | N/A   |



**Appendix 1 - Outcome of complaints to the LGSCO by committee**

| Committee                 | Total number of final decisions | Outcomes of final decisions |          |                        |                      | Total Compensation Awarded |
|---------------------------|---------------------------------|-----------------------------|----------|------------------------|----------------------|----------------------------|
|                           |                                 | Rejected                    | No Fault | Fault but no Injustice | Fault with Injustice |                            |
| Adults & Health           | 5                               | 3                           | 1        | 0                      | 1                    | £71,479.54                 |
| Children & Families       | 21                              | 13                          | 0        | 1                      | 7                    | £23,550                    |
| Corporate Policy          | 0                               | 0                           | 0        | 0                      | 0                    | £0                         |
| Economy & Growth          | 1                               | 0                           | 0        | 0                      | 1                    | £500                       |
| Environment & Communities | 23                              | 21                          | 2        | 0                      | 0                    | £0                         |
| Highways & Transport      | 7                               | 7                           | 0        | 0                      | 0                    | £0                         |

## Appendix 2 - Summary of Recommended Actions from Ombudsman Decision Notices where Fault was found (as per Appendix 1)

### Adults and Health Committee

| Service           | Summary and Ombudsman's Final Decision  | Agreed Action   | Action Taken  |
|-------------------|---|---|---|
| Adult Social Care | <p><b>The Ombudsmen's final decision</b></p> <p><b>11 September 2024</b></p> <p>Summary: Mrs K complained the Council and the Integrated Care Board (ICB) stopped paying for Miss D's housing costs when the property changed to supported housing. She said this resulted in Miss D depleting her savings because she had to pay rent and incurring legal charges as she had to seek specialist legal advice. We found fault in the way the Council and the ICB decided to stop paying for Miss D's housing costs as her accommodation should have been provided without charge in line with the terms of the Mental Health Act 1983. The legal fees she owes could have been avoided were it not for the faults. The Council and the ICB have agreed to</p> | <p><b>Recommendations</b></p> <p>The Council and the ICB have agreed to our recommendations and within two months of our final decision they will take the following action to remedy the injustice caused by the faults:</p> <ul style="list-style-type: none"> <li>Agree a lead agency and arrange for £59,149.86 to be repaid to Miss D via her Deputy Mrs K which totals the amount she paid for rent between February 2019 to April 2024. They should also apologise in writing for the impact the faults had on Miss D's finances and the time Mrs K spent pursuing this complaint.</li> <li>Calculate the interest owed to Miss D based on the sum of £59,149.86 in line with the average retail price index starting from February 2019 when Miss D started paying rent to the date when the Council and the ICB repay</li> </ul> | <p>Actions Due 11 Nov 2024</p> <p>Based on the figures provided by the Ombudsman, the interest has been calculated to a value of £3,186.68.</p> <p>CEC believe that the ombudsman's calculations are incorrect and will be appealing the exact amount, so the value of this compensation may be subject to change.</p> <p>Payment pending. 50% of this payment will be recouped from the NHS.</p> |

| Service | Summary and Ombudsman's Final Decision  | Agreed Action   | Action Taken |
|---------|---|---|--------------|
|         | <p>our recommendations and will repay Miss D over £59,000 she paid for rent plus interest and pay her avoidable legal fees. They will also improve their processes and determine if others have been affected in a similar way.</p> | <p>the sum owed to Miss D following our final decision.</p> <ul style="list-style-type: none"> <li>• Liaise with Mrs K and arrange to pay the avoidable expenses Miss D incurred which totals £9,143.</li> <li>• Review Miss D's care and support arrangements fully involving Miss D and an independent advocate if necessary and ensure the costs for her accommodation such as rent and service charges are included as part of her section 117 aftercare services rather than funded via housing benefit. This should continue until the Council and the ICB are satisfied she is well enough and can be discharged from section 117 aftercare. Any discharge meeting should be carried out in line with the MHA 1983 and the code of practice.</li> <li>• Write to Mrs K to confirm the outcome of their review so she can manage Miss D's financial affairs in line with her Deputy responsibilities.</li> </ul> <p>Within six months of our final decision the Council and the ICB will:</p> <ul style="list-style-type: none"> <li>• complete a review and determine whether any other residents of the 21 identified remained entitled to section</li> </ul> |              |

| Service | Summary and Ombudsman's Final Decision | Agreed Action  | Action Taken                      |
|---------|--|--|-----------------------------------|
|         |  | <p>117 aftercare accommodation but were told to claim housing benefit. They will decide whether these residents have been caused injustice and are out of pocket due to having to pay rent, council tax and service charges. They will refund them accordingly providing a written explanation and apology as necessary with information of how to complain if they want to. They should ensure these residents are funded under the terms of section 117 of the MHA 1983 until the authorities are satisfied the person is well enough and can be discharged from section 117 aftercare. Any discharge meeting should be carried out in line with the MHA 1983 and the MHA code of practice.</p> <ul style="list-style-type: none"> <li>confirm the outcome of their review of other residents to the Ombudsmen once they have determined if others were affected in a similar way. They will confirm any action taken or planned to put things right.</li> <li>ensure all staff whose responsibilities may include administering, commissioning, assessing for or providing section 117 aftercare have knowledge of the relevant law,</li> </ul> | <p>Actions Due 11 March 2025.</p> |

| Service | Summary and Ombudsman's Final Decision | Agreed Action  | Action Taken |
|---------|--|--|--------------|
|         |  | <p>guidance and policy, as appropriate to their roles. They will provide training as necessary.</p> <ul style="list-style-type: none"> <li>• remind all their staff involved in this case that the duty to pay for accommodation which is part of section 117 aftercare services is imposed on the Council and the ICB until such time they are satisfied a person can be discharged from section 117 and not simply because the status of a property may change to supported living accommodation. They will remind their staff that those entitled to section 117 aftercare accommodation should not be told to claim housing benefit as set out in their joint policy.</li> </ul> |              |

Children and Families Committee

| <u>Service</u> | <u>Summary and Ombudsman's Final Decision</u>   | <u>Agreed Action</u>  | <u>Action Taken</u>  |
|----------------|---|---|--|
| SEND           | <p><b>The Ombudsman's final decision</b></p> <p><b>5 July 2024</b></p> <p>Summary: Ms P complained the Council unfairly made changes to a short breaks plan which had been working well for her son. We found the Council at fault for a delay in carrying out its short breaks plan review, and in failing to follow the statutory complaints process. The Council has agreed to make a symbolic payment to Ms P in acknowledgement of the injustice caused.</p> | <p>The Council has agreed to, within one month:</p> <p>Apologise to Ms P in accordance with our guidance on apologies;</p> <p>Pay £250 to Ms P in acknowledgement of the injustice caused by the faults identified.</p> | <p>Apology Letter dated 5 August 2024 issued.</p> <p>Payment made on 1 August 2024</p> |
| SEND           | <p><b>The Ombudsman's final decision</b></p> <p><b>1 August 2024</b></p>  | <p>Within one month of my final decision the Council will:</p> <ul style="list-style-type: none"> <li>• apologise to Miss X for the uncertainty and frustration caused by delays in arranging the speech</li> </ul>     | <p>Letter of apology dated 13 August 2024 issued.</p>                                  |

| <u><b>Service</b></u> | <u><b>Summary and Ombudsman's Final Decision</b></u>   | <u><b>Agreed Action</b></u>  | <u><b>Action Taken</b></u>                        |
|-----------------------|--|--|---|
|                       | <p>Summary: Miss X complained the Council failed to provide all the support it should have done for her son, Y's, special educational needs. There was fault in how the Council took too long to arrange the speech and language therapy in Y's Education Health and Care plan.</p> <p>This caused Miss X avoidable uncertainty and frustration for which the Council should apologise and pay a financial remedy.</p> | <p>and language therapy in Y's November 2023 EHC plan; and</p> <ul style="list-style-type: none"> <li>• pay Miss X £300 to recognise that distress.</li> </ul>   | <p>Payment of £300 made on 12 September 2024.</p> |
| SEND                  | <p><b>The Ombudsman's final decision</b></p> <p><b>9 August 2024</b></p> <p>Summary: Ms X complained the Council failed to provide the specialist educational provision in her children, Y and Z's, Education, Health and Care (EHC) Plans when they moved into the</p>  | <p>Within one month of this decision the Council will:</p> <ul style="list-style-type: none"> <li>• Write to Ms X and apologise for the distress, frustration and uncertainty caused to her by the Council's faults and pay her £500 to recognise the same. We publish guidance on remedies which sets out our expectations for how organisations should apologise effectively to remedy injustice. The Council</li> </ul> |   |

| <u>Service</u> | <u>Summary and Ombudsman's Final Decision</u>  | <u>Agreed Action</u>  | <u>Action Taken</u>   |
|----------------|--|---|---|
|                | <p>Council's area. The Council failed to provide the specialist provision in Y and Z's Plans between September and October 2023 and did not have due regard to the Armed Forces Covenant. The Council will pay Ms X £2,500 to recognise the injustice caused to her, Y and Z and will review how it manages the transfer of Service children with EHC Plans.</p> | <p>will consider this guidance in making the apology I have recommended.</p> <ul style="list-style-type: none"> <li>• Pay Ms X £2,000, £1,000 each for Y and for Z for the specialist educational provision they did not receive between September and October 2023.</li> </ul> <p>Within three months of this decision the Council will:</p> <ul style="list-style-type: none"> <li>• complete the review of its transfer processes to ensure they are in line with the SEND code of practice in relation to Service children, and have due regard to the Armed Forces Covenant. The Council will produce a timebound action plan to implement any improvements it identifies as necessary as a result of that review; and</li> <li>• remind relevant staff members dealing with transfers of children with EHC Plans that it should accept the EHC Plan as it is, provide a placement and/or the provision in the Plan and then complete the annual review process set out in the SEND code of practice.</li> </ul> | <p>Payment of £2500 made on 30 August 2024.</p> <p>Actions Due 9 Nov 2024</p> |



| <u>Service</u> | <u>Summary and Ombudsman's Final Decision</u>  | <u>Agreed Action</u>   | <u>Action Taken</u>  |
|----------------|--|--|--|
| SEND           | <p><b>The Ombudsman's final decision</b></p> <p><b>5 September 2024</b></p> <p>Summary: Mrs X complained the Council did not provide information she requested about applying for a personal budget to secure the specialist educational provision set out in the Education, Health and Care Plans of her two children. The Council failed to provide Mrs X the information she requested which caused her avoidable frustration. The Council will apologise and now provide her with the personal budget information she requested.</p> | <p>28. Within one month of the final decision the Council will:</p> <p>a) write to Mrs X and apologise for the avoidable frustration she has been caused by the Council's faults; and</p> <p>b) contact Mrs X and provide the information she has requested about personal budgets; and</p> <p>c) remind Council officers responding to complaints to ensure it provides a full complaint response when it becomes aware it has omitted to respond to a point of complaint initially.</p>  | <p>Letter of apology dated 3 October 2024 issued.</p> <p>Email sent to Mrs X with information about personal budgets dated 3 October 2024.</p> <p>Email reminder issued to key staff and teams involved in responding to complaints on 8 October 2024.</p> |
| SEND           | <p><b>The Ombudsman's final decision</b></p> <p><b>28 June 2024</b></p> <p>Summary: Mrs X complained the Council did not review her child's education, health and care plan within the statutory timescales, failed to provide the provision in the plan and failed to provide alternative education when her child was out of school. We found fault by the Council causing Mrs X and her child an</p>  | <p>Within one month of my final decision the Council will:</p> <ul style="list-style-type: none"> <li>• Apologise to Mrs X and Y for the distress and lack of education caused by the fault I have found; and</li> <li>• Pay Mrs X £8000, made up of: <ul style="list-style-type: none"> <li>a) £7500 for the benefit of Y's education. This payment is in recognition of the education Y missed out on between September 2021 and April 2023. The payment has been worked out £1500 per term during this period.</li> </ul> </li> </ul> | <p>Letter of apology issued 16 July 2024</p> <p>Payment of £8000 made on 25 July 2024</p>  |

| <u>Service</u>                    | <u>Summary and Ombudsman's Final Decision</u>  | <u>Agreed Action</u>   | <u>Action Taken</u> |
|-----------------------------------|--|--|---------------------|
|                                   | injustice. The Council agreed to apologise and make a payment in recognition of the injustice caused. We could not investigate all parts of Mrs X's complaint. This is because they are outside of the Ombudsman's jurisdiction. | <p>b) £300 to recognise the frustration, distress and uncertainty caused by the delays in issuing Y's EHC plan.</p> <p>c) £200 to recognise the frustration caused to Mrs X in having to pursue this matter.</p> <p>In arriving at the recommended payment, I have had regard to:</p> <ul style="list-style-type: none"> <li>• Our guidance on remedies which suggests a financial remedy of between £900 to £2400 per term to acknowledge the impact of that loss;</li> <li>• that Y received four hours of 1:1 tuition per week between 18 October 2021-24 November 2021 and that Y attended School 2 intermittently between January 2022 and December 2022.</li> <li>• the impact on Y of missing education and provision in her EHC plan; and</li> <li>• the remedy must cover both her missed education and the provision in her EHC plan.</li> </ul> |                     |
| <u>Children with Disabilities</u> | <b>The Ombudsman's final decision</b>  | To remedy the injustice caused by the above faults and, within four weeks from   |                     |

| <u>Service</u> | <u>Summary and Ombudsman's Final Decision</u>  | <u>Agreed Action</u>  | <u>Action Taken</u>   |
|----------------|--|---|---|
|                | <p><b>2 July 2024</b></p> <p>Summary: Mrs X complained about the way in which the Council completed the children's statutory complaints procedure in response to her complaint it failed to provide her family with appropriate support. We have found fault with the way in which some parts of the procedure were completed, causing injustice. The faults are: the recommended payment to recognise the impact of the Council's failings on the family did not properly reflect the extent of this injustice in line with our published remedies guidance; and the Council did not properly implement some of the other recommendations. To remedy the injustice the Council has agreed to: apologise to Mrs X; make a payment to properly reflect the impact of the failings; make a payment to recognise the distress caused by the failure to properly implement some of the recommendations; carry out a new statutory carer's assessment; hold a meeting with Mrs X to discuss the family's support needs and develop an action plan for options for assessing and providing support for the family; and</p> | <p>the date of our final decision, the Council has agreed to:</p> <p>a) apologise to Mrs X for its failure to properly implement the recommendations to address Z's support needs and hold a meeting with her and carry out an updated carer's assessment. This apology should be in line with our guidance on Making an effective apology;</p> <p>b) pay Mrs X £2,750, to be used for her and Y and Z's benefit, in recognition of the impact on the family of the failings found by the statutory complaints procedure;</p> <p>c) carry out an updated statutory carer's assessment for Mrs Y;</p> <p>d) pay Mrs X £550 to reflect the additional upset and uncertainty caused by the Council's failure to properly implement all the IO and panel's recommendations</p> <p>This is a symbolic amount based on our guidance on remedies;</p> <p><b>Total Payment = £3300</b></p> <p>e) arrange a meeting with Mrs X, attended by senior managers in the Children's Social Care, SEN and</p> | <p>Apology Letter dated 24 July 2024 issued.</p> <p>Carer's Assessment completed and finalised 11 September 2024 and a copy sent to LGSCO.</p> <p>Payment of £3300 made on 5 August 2024.</p> |

| <u>Service</u> | <u>Summary and Ombudsman's Final Decision</u>                | <u>Agreed Action</u>  | <u>Action Taken</u>   |
|----------------|--|---|---|
|                | complete the outstanding service improvement recommendation. | <p>Adult Social Care (ASC) teams to discuss her concerns and the family's support needs;</p> <p>f) develop a clear action plan, involving Children's Social Care, SEN and ASC, for assessing and providing support for Y, Z, and Mrs X stating who is responsible for taking the actions and by when. The action plan should be sent to Mrs X;</p> <p>g) report back to us on the outcome of the meeting and with a copy of the action plan; and</p> <p>h) report back on the action it has taken to implement recommendation at 29 (d) and ensure minutes of CSS meetings are sent to all participants in a timely way and in accordance with local protocols.</p> | <p>Meeting held on 20 August 2024.</p> <p>Copy of minutes with agreed actions from meeting held on 20 August 2024 sent to LGSCO.</p> <p>Email sent to LGSCO 10 September 2024: "Business Support colleagues in Children's Services have a policy to send out Strategy Meeting minutes within 10 working days. In relation to Child in Need meeting minutes they work to send them out within 48</p> |

| <u>Service</u> | <u>Summary and Ombudsman's Final Decision</u>  | <u>Agreed Action</u>   | <u>Action Taken</u>   |
|----------------|--|--|---|
|                |  |  | hours of them receiving them."  |
| SEND           | <p><b>The Ombudsman's final decision</b></p> <p><b>30 May 2024</b></p> <p>Summary: The Council delayed finalising Ms X's child, Z's, Education, Health and Care (EHC) Plan in 2023, failed to make sufficient efforts to find Z a placement in a specialist school and relied on a mainstream school which said it could not meet Z's needs to provide their education. As a result, Z has not received all the education in their EHC Plan for four terms and this continues to date. To recognise the period of missed education and the uncertainty caused, the Council has agreed to apologise, pay Ms X £7,200, and pay her £2,000 for each additional term this academic year that Z continues</p> <p>not to receive the education in their Plan. To prevent reoccurrence of</p> <p>fault the Council has also agreed to carry out service improvements.</p> | <p>Within one month of the date of the final decision, the Council has agreed to:</p> <p>a) Apologise to Ms X for the injustice caused by the faults in this case;</p> <p>b) Carry out an annual review of Z's EHC Plan which can consider their current provision and needs (this EHC Plan should then be finalised within twelve weeks of the annual review meeting, informing Ms X of her appeal rights if she disagrees with the content of the Plan);</p> <p>c) Pay Ms X £3,000 to reflect the two terms Z did not receive all the education and SEN provision in their EHC Plan, or have any alternative provision put in place, between January and July 2023. This figure reflects that some education was received during this time, albeit at a school which could not properly meet Z's needs;</p> <p>d) Pay Ms X £4,000 to reflect the two terms Z did not receive any of the specialist school education set out in their EHC Plan between September 2023 and approximately mid-April 2024. This amount per term is increased to reflect the fact no education was received at all, only equine therapy, and the cumulative impact of a second academic year of missed education;</p> | <p>Letter of apology dated 14 June 2024 issued.</p> <p>Evidence submitted to Ombudsman to show that an annual review was completed on 19 March 2024.</p> <p>Payment of £7200 made 19 June 2024.</p> |

| <u>Service</u> | <u>Summary and Ombudsman's Final Decision</u> | <u>Agreed Action</u>  | <u>Action Taken</u>   |
|----------------|---|---|---|
|                |   | <p>e) Pay Ms X £2,000 for each further term in the 2023/24 academic year where Z does not receive the education in their EHC Plan; and</p> <p>f) Pay Ms X £200 to recognise the frustration and uncertainty she was caused due to the Council's delay in finalising Z's EHC Plan.</p> <p>Within three months of the date of the final decision, the Council has agreed to:</p> <p>a) Set out to the Ombudsman what steps the Council is taking as part of its SEND sufficiency planning to increase its number of specialist school placements, including expected timeframes for this;</p> <p>b) Outline what steps the Council is currently taking as part of its SEND improvement strategy to improve its timeliness in carrying out annual reviews and finalising EHC Plans and when it expects it will begin to see improvements in this area;</p> <p>c) Remind SEND staff that EHC Plans must be finalized within twelve weeks of annual review meetings; and</p> <p>d) Remind SEND staff that where a school has told the Council it can no longer meet a child or young person's needs, it cannot rely on that school to continue providing the education in a person's EHC</p> | <p>Payment of £2000 in respect of the Summer Term 2024 made 29 July 2024.</p> <p>Sent to LGSCO on 22 August 2024.</p> <p>Sent to LGSCO on 22 August 2024.</p> |

| <u>Service</u>    | <u>Summary and Ombudsman's Final Decision</u>  | <u>Agreed Action</u>  | <u>Action Taken</u>   |
|-------------------|--|---|---|
|                   |  | Plan. Instead a suitable alternative education placement must be found for them.  | Reminder email sent to all SEND staff on 22 July 2024.                                    |
| School Admissions | <p><b>The Ombudsman's final decision</b></p> <p><b>30 September 2024</b></p> <p>Summary: Ms X complained the Council failed to provide suitable fulltime alternative provision for her son Y when he was unable to attend school from September 2023 until July 2024. The Council delayed in responding to Ms X's concerns which caused her frustration. The Council was not at fault in its actions around Y's attendance and education. The Council should apologise to Ms X for the avoidable frustration she was caused.</p> | <p>Within one month of this decision the Council will:</p> <p>a) write to Ms X and apologise for the frustration caused to her by its initial delay in responding to her concerns about Y's attendance.</p> <p>b) remind relevant staff to respond to parent's concerns within three to five working days;</p> <p>c) remind relevant staff to avoid drift and delay in considering whether a child should receive a section 19 education.</p> | <p>Actions Due 30 October 2024</p> <p>Letter of apology issued dated 29 October 2024.</p> |

Economy and Growth Committee

| Service | Summary and Ombudsman's Final Decision   | Agreed Action   | Action Taken   |
|---------|--|---|--|
| Housing | <p><b>The Ombudsman's final decision</b></p> <p><b>26 April 2024</b></p> <p>Summary: Mr and Mrs X complained the Council signed off installation works of a specialist electrical bath for their child without getting an electrical safety certificate from the contractors. Mr and Mrs X also complained the Council installed the incorrect bath. We found fault with the Council failing to get the correct electrical safety certificate and for delays in making this safe. The Council agreed to apologise to Mr and Mrs X and pay them £500 for the avoidable distress and inconvenience caused. We did not find fault with the Council's installation of the bath or later changing this to a wet-room.</p> | <p>Within one month of the Ombudsman's final decision the Council should:</p> <ul style="list-style-type: none"><li>• Apologise to Mr and Mrs X and pay them £500 for the delays in acting on concerns about the safety of the electrical installation.</li></ul> | <p>Letter of apology issued 24 May 2024 and payment made on 14 May 2024.</p> |



OPEN

## **Corporate Policy Committee**

**Thursday 28 November 2024**

### **Changes to the Council's Constitution**

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**Report of: Janet Witkowski, Acting Governance, Compliance and Monitoring Officer**

**Report Reference No: CPC/50/24-25**

**Wards Affected: (All Wards);**

**For Decision or Scrutiny: Decision**

#### **Purpose of Report**

- 1 The purpose of the report is to recommend proposed changes to the Constitution, as agreed and recommended by the Council's Constitution Working Group (CWG).
- 2 The proposed changes relate to Notices of Motion, the Petitions Scheme and revised Job Descriptions for Leader and Deputy Leader, Chairs and Vice-Chairs and Opposition Spokespersons, significant decisions and electronic voting.

#### **Executive Summary**

- 3 The Constitution sets out the governance framework for decision-making within the Council. This provides for the consideration and recommendation for approval, of any proposed changes to the Constitution to Full Council.
- 4 The Council's CWG has received a series of reports detailing proposed changes to the Council's Constitution, and the reasoning for such changes. These related to various matters that are in line with the Council's corporate priorities.

- 5 After consideration of the proposals, the CWG agreed that they should be recommended to the Corporate Policy Committee for consideration and in turn recommended to Full Council. These proposals relate to the following matters:

- The Council's Petition Scheme.
- Job descriptions for the Leader and Deputy Leader, Chairs and Vice-Chairs and Opposition Spokespersons.
- Amendments to Rules on Notices of Motion.
- Significant Decisions.
- Electronic voting.

## RECOMMENDATIONS

That the Corporate Policy Committee recommend to Full Council that:

1. The revised Petition Scheme, as appended to this report at Appendix 1, be approved.
2. The revised Job Descriptions for the Leader and Deputy Leader, Chairs and Vice-Chairs and Opposition Spokespersons, as appended to this report at Appendices 2,3 and 4, be approved.
3. The amendments to the Constitution in relation to rules of Notices of Motion, Significant Decisions and electronic voting as set out in paragraphs 17 to 19, 26 to 28 and 32 to 35 of the report be approved.
4. The Acting Governance, Compliance and Monitoring Officer be given delegated powers to make any necessary changes to the Council's Constitution as she deems are required to implement the decision of Full Council.

## Background

- 6 The Constitution sets out the governance framework for decision making within the council.
- 7 On 16 July 2024 and 6 November 2024, the Council's Constitution Working Group (CWG) received a series of reports detailing proposed changes to the Council's Constitution.
- 8 **Petitions Scheme**
- 9 The Council's Constitution provides for a procedure for dealing with Petitions and a link to it is provided in [Chapter 7](#). This procedure

provides a process for receipt of Petitions, but lacks clarity in certain areas, including;

- Which committee petitions should be reported to
- Whether petitions should be listed as an item on the agenda
- Whether a covering officer report is required
- The appropriateness of the next steps
- Whether petitions should just be received, speakers allowed to address the relevant meeting without debate, and the petition be noted.

10 As a consequence of certain issues arising in respect of petitions at recent services committee meetings, the CWG agreed that the revised Petition Scheme attached at Appendix 1 should be approved. The revised petition scheme provides clarity in respect of the above matters.

11 **Job Descriptions for the Leader and Deputy Leader, Chairs and Vice-Chairs and Opposition Spokespersons.**

12 At its meeting held on [27 February 2024](#), Council gave consideration to a report on a Targeted Review of Member Allowances. At that meeting it was agreed that the CWG should review the job descriptions for the Leader and Deputy Leader of the Council, Service Committee Chairs and Vice Chairs and Opposition Spokespersons, and that its recommendations in respect of these job descriptions should then be submitted to the Independent Remuneration Panel.

13 Following consideration by the CWG, the reviewed job descriptions are now attached at Appendices 2,3 and 4.

14 **Notices of Motion**

15 In reviewing the Constitution, the CWG has given further consideration to the Council Procedure Rules regarding notices of motion and, in particular, the power of the Mayor to decide that any motion moved and seconded shall stand referred without discussion to such bodies as the Mayor may determine.

16 To ensure that important matters remain before Full Council and to provide further clarity in the Constitution, the CWG recommends that this power should not relate to certain functions, in particular those relating to those that are the sole responsibility of full Council and also motions regarding the confidence in, or otherwise, of the Leader.

17 Proposed Amendment - Chapter 3 Part 1 Section 1:

18 1.37.1 When a Motion has been moved and seconded the mover and seconder shall not be permitted to speak in support of the Motion, nor

shall there be any debate or vote upon it. The Mayor may then decide (subject to paragraph 1.37.2) that the motion should stand referred without discussion to the appropriate committee for determination. However, if the Mayor, having consulted the Monitoring Officer, considers it conducive to the despatch of business, the motion may be dealt with at the meeting at which it is initially considered.

- 19 1.37.2 No item relating to a matter which is a function that is the responsibility of the full council as set out in Chapter 2 Part 3 paragraph 1.4 to 1.19 or to the confidence in or otherwise of the Leader of the Council, may be referred and must remain the responsibility of and be discharged by the full council.

## 20 **Significant Decisions**

- 21 Recommendation 8 of the Corporate Peer Challenge Review advised that the Council needs to streamline current decision-making arrangements to avoid siloed working across committees, ensure that Committees are working through effective work programmes, and reduce confusion and lost capacity caused by the current system. This should include consideration of governance structures, schemes of delegation, and report approval arrangements ahead of committee meetings.
- 22 As part of Cheshire East Council's response to the recommendation, it was agreed in the [action plan](#), that all "significant decisions" should be made via a committee or, where delegated to an officer under a committee decision, that they are clearly recorded. It was also agreed that the significant decision threshold be reviewed.
- 23 A significant decision is currently defined in the Council's Constitution as:
- 'a decision which is likely to result in the Council incurring non-routine expenditure which is, or the making of non-routine savings which are, significant having regard to the Council's budget for the service or function to which the decision relates,
  - and/or is likely to be significant in terms of its effects on communities living or working in an area comprising one or more wards or electoral divisions in the area of the Council.
- 24 For these purposes, savings and expenditure are "significant" if they are equal to or greater than £1 million, unless the context requires otherwise. For clarification, no decision previously approved by the Finance Sub- Committee, and no treasury management decision, shall constitute a Significant Decision'.

- 25 It is proposed that the definition of significant decision, along with the current financial thresholds, be considered as part of the review of the committee system, which will be separately addressed. In the meantime, to ensure that there is clarity around the decision-making process for significant decisions, the following amendments to the Council's Constitution are recommended:
- 26 Chapter 2 Part 2, Paragraph 8 - Significant decisions are ~~likely~~ to be taken by Committees and ~~will may therefore~~ appear on the Council's Forward Plan.
- 27 Chapter 3 Part 2, Paragraph 29 - Public access to records of individual decision. As soon as reasonably practicable after any decision has been made by an officer, he/she will prepare, or instruct the Proper Officer to prepare, a record of the decision, a statement of the reasons for it and any alternative options considered and rejected. **Significant decisions delegated to officers by a committee or Full Council will also be open to inspection.** This does not require the disclosure of exempt or confidential information, or advice from a political adviser or assistant.
- 28 Chapter 6 – Definition of a Significant Decision - A decision, which is likely to result in the Council incurring non-routine expenditure which is, or the making of non-routine savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, and/or is likely to be significant in terms of its effects on communities living or working in an area comprising one or more wards or electoral divisions in the area of the Council. For these purposes, savings and expenditure are "significant" if they are equal to or greater than £1 million, unless the context requires otherwise. For clarification, **significant decisions must be made by a Committee, Full Council or delegated to an officer by a Committee or Full Council**, no decision previously approved by the Finance Sub- Committee, and no treasury management decision, shall constitute a Significant Decision.
- 29 **Electronic Voting**
- 30 Due to recent issues relating to the accuracy of the vote at Full Council meetings, it is proposed that an electronic voting system be introduced for Committee and Full Council meetings at a cost of approximately £4,500. The system would allow for members to vote for, against a proposition, or to abstain from a vote and also raise their hand when they wish to speak.

- 31 The proposal would require the following insertions to the Council's Constitution:
- 32 Chapter 3, Part 1, paragraph 1.59 - Voting will be by **electronic means or** by a show of hands.
- 33 Chapter 3, Part 1, paragraph 1.61 - A recorded vote will not be taken if the vote has already begun to be taken **electronically or** by a show of hands.
- 34 Chapter 3, Part 1, Page 109, paragraph 2.31 - Voting at Committee and Sub-Committee meetings will be by **electronic means or** by a show of hands.
- 35 Chapter 3, Part 1, Page 103, paragraph 2.33 - A recorded vote will not be taken if the vote has already begun to be taken by **electronic means or** by a show of hands.
- 36 **Minor and Consequential Changes to the Council's Constitution**
- 37 Members are requested to note that the Acting Monitoring Officer intends to make minor and consequential amendments to the Council's Constitution, under her delegated powers in relation to:
- changes in job titles arising from the recent management restructure.
  - consistency in how in year appointments to Committees, Chairs/Vice Chairs and Outside Organisations are made, (via Group Leader/ Group Administrator notification to the Head of Democratic Services).

### **Consultation and Engagement**

- 38 All proposed changes have been considered and approved for recommendation to committee by the Constitution Working Group or noted in relation to those made by the Monitoring Officer.

### **Reasons for Recommendations**

- 39 To ensure that the Council's Constitution is updated to ensure that it is fit for purpose and that it meets the needs of the Council.

### **Other Options Considered**

- 40 An alternative option would be to leave the constitution unchanged and not achieve the outcomes identified within the reasons for the recommendations.

| Option                                      | Impact   | Risk   |
|---|--|--|
| Do nothing                                  | This is not considered to be a suitable alternative option as there needs to be clarity within the constitution. The Constitution is a living document, which needs to be kept under review to ensure that it is fit for purpose and that it meets the needs of the Council. | Failure to achieve the outcomes identified and impacts stated. |
| Adopt only some of the proposed amendments. | Same as above  | Same as above  |

## Implications and Comments

### *Monitoring Officer/Legal*

- 41 The proposed amendments to the Constitution are part of the continuing development of the committee system. Failure to keep the Constitution under review and adapt to the changing needs of the organisation will build in levels of risk into the decision-making process. Those risks may manifest themselves as delay, poor quality decisions or ultimately a challenge to the decision itself.

### *Section 151 Officer/Finance*

- 42 Electronic voting equipment will cost approximately £4,500, which will be met from existing budgets.

### *Policy*

- 43 The recommended changes to the Constitution will, if agreed, result in constitutional change. They will facilitate an open and enabling organisation and ensure that there is transparency in all aspects of council decision making.

**An open and enabling organisation**

Ensure that there is transparency in all aspects of council decision making. The council to be seen as being a fair open and transparent organisation and able to demonstrate it. To increase local democracy

*Equality, Diversity and Inclusion*

44 There are no implications arising from this report.

*Human Resources*

45 There are no implications arising from this report.

*Risk Management*

46 There are no implications arising from this report.

*Rural*

47 There are no implications arising from this report.

*Communities*

48 There are no implications arising from this report.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

49 There are no implications arising from this report.

*Public Health*

50 There are no implications arising from this report.

*Climate Change*

51 There are no implications arising from this report.

| <b>Access to Information</b> |  |
|------------------------------|--|
| Contact Officer:             | Janet Witkowski, Acting Governance, Compliance and Monitoring Officer -<br>Janet.Witkowski@cheshireeast.gov.uk |
| Appendices:                  | Appendix 1 - Draft Petitions Procedure   |



|                    |   |
|--------------------|---|
|                    | Appendix 2 – Job Description – Leader and Deputy<br>Appendix 3 – Job Description – Chairs and Vice Chairs<br>Appendix 4 – Job Description – Opposition Spokesperson |
| Background Papers: | None  |

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## PETITION SCHEME

### Petitions of 5000 plus signatures (petition for debate)

Petitions regarding matters affecting the area or the functions of the Council or relating to consultation exercises or pursuant to specific legislation, may be accepted at the start of an ordinary Council meeting or a service committee, subject to the decision of the Monitoring Officer as to meeting will receive it.

Petitions will not be considered at the Annual Meeting of Council or at Extraordinary Meetings of Council unless the Extraordinary Council Meeting is convened to consider the subject matter of the petition.

The petition organiser must register the petition with the Head of Democratic Services and Governance. Petitions must relate to the functions of the Council and the area of Cheshire East.

Petitions will not be accepted that are considered by the Monitoring Officer to be:

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

Petitions will also not be accepted if they apply to a current or future planning or licensing application, are is a statutory petition (for example requesting a referendum), or are on a matter where there is already an existing right of appeal, such as council tax banding and non-domestic rates, or where other review or appeal procedures exist. (For instance, Planning Committee and Licensing Committee have to make decisions based on the evidence put before them and the planning/licensing merits, as defined by law, and there are defined rights of review and/or appeal. se sSuch matters cannot be debated in a full council or committee meeting as it would leave the Council exposed to legal challenge and/or subject to prejudice.)

Following consultation with the Mayor and relevant Committee Chair, tThe Monitoring Officer will also decide which meeting should receive the petition, based upon the views of the petition organiser, the subject matter and its place in terms of Council/committee business.

## OFFICIAL

**If the petition is accepted**

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

Each signature must be supported with a clear indication that the signatory is a resident of the Borough and on the electoral register, and the requisite number of signatures was achieved within 6 months.

If accepted, the petition will stand referred to the Council meeting or relevant committee for consideration. The petition will be listed as an item on the summons or agenda of the relevant meeting, where it is received in sufficient time to be included. If received after the issue of the summons or agenda, it will be dealt with as the first main item after public speaking.

The petition organiser will be permitted to speak at the Council meeting or committee for 3 minutes to outline the background to the petition. If the Petitioner is unable to present the petition in person, they may appoint a spokesperson to present on their behalf.

The relevant Executive Director will be given an opportunity to verbally address the subject matter of the petition and will give guidance and direction as to the appropriate next steps.

The Council or Committee can choose to:

- note the petition or
- write to the petition organiser outlining the Council's views If the Council or Committee feels no further action should be taken, this will be the end of the matter.
- The Council or Committee can also request that an officer report on the matter be submitted to the Council or Committee at a later date, or if the matter is referred to Council, it may refer the matter to a relevant committee for further consideration.

If the petition is referred to a relevant Committee and that committee decides the petition is of significant importance to the whole borough, the committee may decide the petition should be debated at Full Council.

The petition must be considered at Full Council if referred to a committee and the Committee recommends any action which may amend the budgetary or policy framework of the Council's Constitution.

If the requisite number of signatures are not achieved within 6 months, the petition will not be accepted for debate, but will be sent to the relevant service committee chair, service department and kept on file.

## **Role and Powers of the Leader and Deputy Leader of the Council**

**In the case of a joint administration, the Council will expect the Leader and Deputy Leader to determine how these responsibilities are divided between them.**

### **1. Appointment and General Role**

2. The Annual General Meeting of the Council will appoint the Leader and the Deputy Leader of the Council for the forthcoming municipal year.
3. The Councillors appointed will hold these offices until:
  - (a) The next Annual Meeting of the Council; or
  - (b) The Leader or the Deputy Leader resigns from the office; or
  - (c) The Leader or the Deputy Leader is no longer a Councillor; or
  - (d) The Leader or the Deputy Leader is removed from the office by resolution of the Council requiring a simple majority, in respect of which the motion has been fully set out in the agenda for the meeting.
4. A notice of motion under paragraph 3 must be submitted to a Full Council or Annual Council meeting, if it is proposed to remove the Leader or Deputy Leader from this office and must be submitted 7 clear working days before the meeting.
5. If the Council meeting resolves to remove the Leader or Deputy Leader from office but fails to appoint a successor, then an item to appoint a new Leader/Deputy must be included on the next and successive Council agendas until a replacement Leader or Deputy Leader has been appointed.
6. Where there is a vacancy in the office of Leader, the Deputy Leader will assume the responsibilities of the Leader until the vacancy has been filled.
7. Where both the Leader and Deputy Leader cease to hold office at the same time, the Council's Mayor shall call a meeting of the Full Council as soon as possible, to appoint a new Leader and Deputy Leader.
8. The role of the Leader/Deputy is not a formal legal role, but in practice, these office holders are jointly the political heads of the Council, and the Members with greatest responsibility for driving forward the broad policies of the Council.

### **9. Fulfilling the Roles of Leader and Deputy Leader**

The Council expects that they will:

10. be the political (rather than ceremonial) leaders of the Council, for the benefit of all the Borough's Communities - its citizens, taxpayers, businesses, public bodies and other public authorities.
11. lead and work with the Council, particularly the Chairs of its Committees and Sub-Committees.
12. lead upon the development of the Council's political vision for the future, policy framework, budgets and strategies.

13. represent and pursue the interests of the Council in the community and at international, national and regional levels.
14. the Leader to serve as Chair of the Corporate Committee.
15. the Deputy Leader will be appointed as the Vice Chair of the Corporate Policy Committee of the Council.
16. fulfil the role of Leader and Deputy Leader at full Council.
17. lead in providing political policy direction and guidance to the Chief Executive and Chief Officers.
18. meet regularly to progress the Council's objectives with Committee Chairs, Vice Chairs, the Chief Executive and Chief Officers, Leaders of other political groups on the Council, partner organisations, stakeholders, community representatives, government representatives, local Members of Parliament etc.
19. They shall be recognised in the following ways:
  - (a) Attend and speak at any meeting of a Committee or Sub-Committee of the Council, provided that they will only be entitled to vote if appointed as a voting member of that Committee or Sub-Committee.
  - (b) Be available to respond to questions at Full Council meetings.
  - (c) Establish policy direction, and the Council's priorities, and to facilitate discussion thereon.
  - (d) Be principal ambassadors for the Borough and the Council (recognising the role of the Mayor).
  - (e) Represent the Council on external bodies, as considered appropriate, and to make decisions and vote on behalf of the Council at meetings of such bodies.
  - (f) Be involved in arrangements relating to major emergencies. They must be informed if an emergency is likely to take place or has been declared under the Council's emergency planning or business continuity procedures.
  - (g) Promote and uphold high standards of ethical conduct by Members and the Council's equalities policies.

## **20. Powers**

21. As the Council operates a committee system of decision-making governance, the Leader and Deputy Leader have no formal legal powers and duties vested in them under the Local Government Act 1972, or the Local Government Act 2000. However, in practice, all local authorities need to appoint to these offices, and will and will be the chief advocate and ambassador for the Borough.

## **The Role of Committee Chairs and Vice Chairs**

**Vice-Chairs will be required to step in and support the role of chair and all of the responsibilities below therefore apply equally to Chairs and Vice Chairs.**

### **1. Appointment**

1.1 The annual appointments made by the Council include the office of Chair and Vice Chair for each Committee and Sub-Committee. Vice Chairs are empowered and required to exercise the powers vested in the Chairs of their Committees, if the Chairs are not available to do so.

1.2 Nominations by political groups for appointments to these offices should be based on relevant skills, knowledge, experience and suitability.

1.3 As further explained below, the role of Chair includes some powers and responsibilities which are formally recognised by law and which relate to the conduct of meetings.

### **2. Fulfilling the Role of Chair and Vice Chair**

The Council expects that its Chairs and Vice Chairs will:

2.1 Have a good working knowledge of the functions, policies, practices, procedures, services and budgets of the Committee or Sub-Committee in question.

2.2 Attend all training sessions as required by the Council's Training and Development Plan.

2.3 Lead in the development of the work of their Committee or Sub-Committee. This should take into account of matters such as strategic, budgetary, corporate, cross-service and partnership issues, service delivery and the implementation of policies approved by the Council where these relate to their Committee or Sub-Committee.

2.4 Be the spokespersons for their Committee or Sub-Committee, in relation to external affairs and communications (this responsibility applies only to Vice Chairs in circumstances where the Chair is unable to do so).

2.5 Progress their Committee's or Sub-Committee's objectives with officers and Members and, as appropriate, other people, groups and organisations.

2.6 Represent and pursue the interests of their Committee or Sub-Committee in the community and, if appropriate, at regionally and more widely.

2.7 Promote and uphold high standards of ethical conduct by Members, and the Council's equalities policies.

2.8 In accordance with the Council's Constitution, ensure that:

(a) the meetings of their Committee or Sub-Committee are properly conducted, and

(b) reports of proceedings are appropriately administered, for example by the making of recommendations to full Council.

2.9 Maintain professional working relationships and establish mutual respect with all Members and officers.

### **3. Preparation for the meeting**

3.1 To ensure that they are fully aware of the business and objectives of the meeting. To be familiar with the content of reports and, in all other respects, ensure that they are properly prepared for the meeting.

3.2 To be familiar with the rules of debate, as contained in the [Council's Constitution](#).

3.3 To guide officers in the administration of committee business e.g. where meeting arrangements need to change, such as time and venue changes.

### **4. During the meeting**

4.1 To be responsible for the regulation of the conduct of the meeting they chair, including by adopting measures to aid debate:

- (a) To make the business of the meeting efficient and effective.
- (b) Encouraging members of the committee not to repeat points already made in debate.
- (c) Ensuring that all those participating keep to their allocated speaking time and are succinct in making contributions, always ensuring that appropriate opportunity is given for those entitled to speak to do so.
- (d) Taking appropriate advice from officers prior to, and in attendance at, the meeting.

4.2 To control discussion in order to ensure that it is within the scope of the meeting and within reasonable limits of time.

4.3 To decide whether proposed motions and amendments are procedurally appropriate, taking legal and procedural advice where necessary.

4.4 To formulate for debate and decision, questions that have been submitted for consideration at the meeting.

4.5 To decide points of order and other incidental questions that require decision at the time, taking into account legal and procedural advice.

4.6 Where appropriate, to ascertain the “sense of the meeting” by putting relevant questions to the meeting and conducting a vote.

4.7 Where appropriate, to summarise the outcome of the debate.

4.8 To declare the result of each vote.

4.9 To determine when to conduct a vote upon any proposed adjournment of the meeting when circumstances justify or require that course of action.

4.10 To exercise a second or casting vote where there is an equality of votes cast.

### **5. Preserving order at the meeting**



5.1 To call upon any person behaving in a disorderly manner to behave properly and to ask that person to withdraw from the meeting if they fail to do so, always taking account of the requirements of the Council's Procedure Rules and in line with the Rules:

5.2 Where necessary, to direct that such person be removed from the meeting, provided that only such force as is reasonable may be used in doing so.

5.3 To determine whether to call for the meeting to be suspended or adjourned in circumstances where there is disorder.

5.4 To determine whether to propose that a Member "be not further heard" in circumstances of misconduct and, where such misconduct continues after the vote:

- (a) to propose that the Member "do leave the meeting".
- (b) to order that such Member be removed from the meeting, provided that only such force as is reasonable may be used in doing so.

5.5 To determine whether to order, where general disturbance occurs, that the appropriate part of the meeting room be cleared.

## **6. Legal powers and Duties**

6.1 The responsibility of a Chair (or Vice Chair, in their absence) for the proper conduct of meetings is formally recognised in law. There are provisions in the Local Government Act 1972, which apply to the holding and chairing of meetings, but much of the detail is contained within the Council's Procedure Rules, which are standing orders made under powers in the 1972 Act. For any eventuality not covered in the legislation or the Procedure Rules, it may be possible to turn to the body of common law which the Courts have developed in relation to meetings.

6.2 The following are specific functions which a chair of a meeting has under the Local Government Act 1972:

- A power to exercise a second (casting) vote in the event of an equality of votes on any matter.
- A duty to sign the minutes of the previous meeting.
- A power to agree the addition of a late item of business to the agenda, if the Chair is of the opinion that it should be considered at the meeting as a matter of urgency.

6.3 To help their Committee or Sub-Committee make effective decisions, they will not only ensure that the procedural rules applying to their Committee or Sub-Committee are observed, but also that any decisions made are sound in law. With assistance from officers as necessary, Chairs will ensure that the Committee or Sub-Committee:

- (a) Observes any legal duties relevant to a proposed decision and
- (b) Has regard as necessary to any general duties such as:
- (c) compliance with the Human Rights Act 1998.

(d) equalities.

(e) the general fiduciary duties to its Council Taxpayers to act with financial prudence.

6.4 Finally, they will ensure that their Committee or Sub-Committee reaches its decisions rationally, taking into account relevant factors and disregarding those which are irrelevant, including advice taken from the Monitoring Officer and Section 151 Officer.

## **7. Powers and Duties of Chairs, or Vice Chairs in their absence, under the Council's Constitution**

Under the Council's constitution, the role and powers of Chairs and, in their absence, Vice Chairs, are recognised in a number of ways, including the following:

7.1 Manage the Agenda: they have power to direct that items of business are placed on the agenda of their Committee or Sub-Committee and the order in which business is arranged on the agenda.

7.2 Conducting the meeting: Under the Procedure Rules they control the proper conduct of meetings of their Committee or Sub-Committee. They have discretion to depart from the formality of the Rules of Debate applicable to full Council meetings.

7.3 Power to call special Meetings: The Council's Procedure Rules permit a Chair to call a special meeting of their Committee or Sub Committee at any time and agree that urgent reports be added to agendas.

7.4 Reporting to full Council: It usually falls to Chairs to present any reports which need approval of full Council.

7.5 Duty to be available for Questions: The Council's Procedure Rules permit any Member of the Council to ask questions of any Chair at full Council meetings. Also, a Chair can be questioned about any report which they are putting before the Council.

7.6 Right to be consulted: Under the Council's Scheme of Delegations to Officers, a number of delegated powers can only be exercised by officers. Where there is a joint administration it is normally expected that the Chair and Vice Chair will be consulted

### Role of Opposition Spokesperson

**A Group Spokesperson is a position that is held by an opposition member in relation to each Service Committee. The overall role is to provide an effective political counter-balance to the role of the Committee Chair and ensure each decision is appropriately considered by each Service Committee.**

1. The role of the spokesperson is to champion the principles of open, timely efficient and affordable decision making in accordance with legal obligations and the needs of the residents of Cheshire East.
2. Given that the Council's Administration groups hold the chairs and vice chairs of service committees, the Opposition Spokesperson's role is to champion the benefits and necessity of internal scrutiny, and to be a conduit of information from the committee to the main opposition group.
3. A spokesperson will be expected to:
  - a. To support the democratic process by ensuring that, in their roles as committee members, the activities of the political administration are scrutinised, and where necessary challenged.

**b.** To work in cooperation with the Committee Chair and Vice Chair to facilitate the efficient and timely conduct of the committee business **subject to fulfilling the role as described in (a) and (e).**

**Add the additional text (in red) at the end of bullet point (b).**

**REASON:** Opposition Spokespersons have a pivotal role in holding the administration to account as described in (a). Whilst in (b) efficiency and timeliness is desirable, it must not be at the expense of appropriate debate, challenge or time to present alternative options (see (e)).

- c. To inform, discuss and where appropriate agree with the Chair and Vice Chair an approach to contentious issues which support the principles of openness, timely and efficient decision making which meets the needs of the residents of Cheshire East
- d. To work with the Chair and Vice Chair to provide recommendations for training, development, and improved learning for all committee members.
- e. Champion the effective scrutiny of the **committee's** decisions and to support the democratic process by ensuring that the activities of the administration are examined, tested and, where appropriate, to promote consideration of alternative options.

~~f. To ensure that committee decisions and administration **align** with and **reflect** the **policy**, budgetary **and** constitutional and policy framework of the Council.~~

**Remove this bullet point (f)**

REASON: Section (f) is ambiguous, suggesting that the Opposition Spokesperson must support administration-led policy decisions, that may create a conflict of interest where members may have voted against these in previous forums.

In the context of previous bullet points, where it is already acknowledged that the role is required to support the democratic process, section (f) is unnecessary and should therefore be deleted.

- g. To contribute to policy development and the operational role of the committee, from the perspective of non-administration groups
- h. To meet regularly with senior officers and receive briefings on the work programme of the committee and share information with Councillors from opposition Groups. This will enable them to make evidence-based interventions, where appropriate, at the committee meeting itself, which would add to the quality of the debate and ensure effective self-scrutiny.
- i. To be the committee's first political point of contact for non-Administration Councillors
- j. To establish and maintain effective working relationships with Chief Officers, Heads of Service and other key officers.

k. To support key officers in the delivery of reports to the committee which meet the needs of Councillors to make informed decisions.

Bullet point (k) is ambiguous. Opposition Spokespersons do not attend Chair and Vice-Chair meetings with officers and do not see Officer Reports prior to publication. Whilst the introduction of regular meetings with senior officers may provide an opportunity to 'influence' how reports are presented to the committee, this bullet point is not deliverable as currently written.

- l. To champion Cheshire East Council's programme for Brighter Futures, encourage positive behaviour, and challenge inappropriate conduct in the Committee.

**Corporate Policy Committee****28 November 2024****Appointments to Outside Organisations**

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**Report of: Janet Witkowski, Acting Governance, Compliance and Monitoring Officer****Report Reference No: CP/42/24-25****Ward(s) Affected: No specific wards.****For Decision or Scrutiny: Decision****Purpose of Report**

- 1 This report seeks approval from the Corporate Policy Committee to make appointments to a number of Outside Organisations as set out within the report.

**Executive Summary**

- 2 In line with the Constitution and revised procedure for dealing with vacancies on outside organisations, agreed by the Corporate Policy Committee in June 2023, this report seeks agreement from the Corporate Policy Committee to the appointment of replacement councillors to outside organisations, upon vacancies arising.
- 3 The report seeks approval to make appointments to the following Outside Organisations:
  - Cheshire Brine Subsidence Board
  - Transport for the North: General Purposes Committee
  - Cheshire Pension Fund Committee
  - Manchester Airport Consultative Committee.

## **RECOMMENDATIONS**

That the Corporate Policy Committee

1. Approve the appointment of Councillor Ben Wye as one of the Council's representatives on the Cheshire Brine Subsidence Compensation Board.
2. Approve the appointment of Councillor Michael Gorman as the Council's representative on the Transport for the North: General Purposes Committee.
3. Approve the appointment of Councillor Cllr Joy Bratherton as one of the Council's representatives on the Cheshire Pension Fund.
4. Approve the appointment of Councillor Mark Goldsmith as the Council's representative on the Manchester Airport Consultative Committee.
5. Note that these appointments will run until the Council's representation on all outside organisations is reviewed following the election of the new Council in 2027.

## **Background**

- 4 The Constitution states that the Corporate Policy Committee will appoint representatives to serve on outside bodies and organisations. Appointments to outside organisations were last made in July 2023 and members who were appointed will serve until such time as representation is reviewed following the election of a new Council in 2027.
- 5 When making appointments to Outside Organisations there is no requirement to adopt the rules of proportionality applicable to the distribution of committee seats.

## **Cheshire Brine Subsidence Compensation Board**

- 6 The Corporate Policy Committee, at its meeting on 11 July 2023 appointed Councillors Anna Burton, Laura Crane, Steven Edgar, Garnett Marshall and John Wray as the Council's representatives on the Cheshire Brine Subsidence Compensation Board.
- 7 Councillor Anna Burton has requested to stand-down from her position on this outside organisation.
- 8 Previous appointment

Councillor Anna Burton

9 Proposed new appointment

Councillor Ben Wye

- 10 The Cheshire Brine Pumping (Compensation for Subsidence) Act, 1952 set up a single Compensation District covering the areas of Cheshire where there was the potential for subsidence resulting from the pumping of brine. The Cheshire Brine Subsidence Compensation Board was formed in order to discharge the duties set out in the Act.

**Transport for the North: General Purposes Committee**

- 11 At its meeting on 11 July 2023, the Corporate Policy Committee appointed Councillor Laura Crane to the Transport for the North: General Purposes Committee.

- 12 The Transport for the North requires that members appointed to the General Purposes Committee must be a member of the Transport for the North Board. Councillor Michael Gorman was appointed to the Transport for the North Board as the Council's representative and therefore, should be appointed as the representative on the General Purposes Committee.

13 Previous appointment

Councillor Laura Crane

14 Proposed new appointment

Councillor Michael Gorman

**Cheshire Pension Fund Committee**

- 15 At its meeting on 11 July 2023, the Corporate Policy Committee appointed Cllrs Rachel Bailey, Sam Corcoran, Michael Gorman and Judy Snowball as the Council's representatives on the Cheshire Pension Fund Committee.

- 16 Councillor Judy Snowball has requested to stand-down from her position on this outside organisation.

17 Previous appointment

Councillor Judy Snowball

18 Proposed new appointment

Cllr Joy Bratherton

### Manchester Airport Consultative Committee

- 19 At its meeting on 11 July 2023, the Corporate Policy Committee appointed Cllr Chris Hillard as the Council's representative on the Manchester Airport Consultative Committee.
- 20 Councillor Chris Hillard has requested to stand-down from their position on this outside organisation.
- 21 Previous appointment  
Councillor Chris Hillard
- 22 Proposed new appointment  
Councillor Mark Goldsmith

### Consultation and Engagement

- 23 There is no requirement for public consultation on this report. The Political Groups have previously been consulted upon the political representation on all outside bodies.

### Reasons for Recommendations

- 24 In accordance with the Constitution, the Corporate Policy Committee is responsible for the appointment of replacement members to the outside bodies referred to in this report.
- 25 It is important for the Council to appoint members to Outside Organisations to ensure that it continues to represent the interests of both the Authority and the wider community.

### Other Options Considered

|    |               |   |   |
|----|---------------|---|---|
| 26 | <b>Option</b> | <b>Impact</b>   | <b>Risk</b>   |
|    | Do nothing    | Failure to appoint Members could have a direct or indirect impact on the organisation and could lead to the Council and its communities' interests not being fully represented. | Not appointing to Outside Organisations would not be of benefit to the Council as making appointments ensures the interests of the Council and wider community are represented. |



## Implications and Comments

### *Monitoring Officer/Legal*

- 27 Whilst membership of outside organisations carries with it the potential for personal liability for elected Members undertaking such roles as ancillary to their status as a Councillor, particularly in respect of trusteeships, Cheshire East Borough Council's Cabinet resolved on 9 February 2016 to put in place for elected Members the maximum indemnity which is allowed by law (Minute 105 refers).
- 28 Appointments to outside organisations and bodies lies within the remit of the Corporate Policy Committee.
- 29 Section 111 of the Local Government Act 1972 empowers local authorities to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of their functions, and Section 2 of the Local Government Act 2000 empowers them to do anything they consider likely to achieve the object of the promotion of the economic, social, or environmental well-being of their area. In addition, there is now the general power of competence under the Localism Act 2011. These are the main provisions which the Council would rely on to appoint members to outside organisations or to select those bodies to which they are appointed.

### *Section 151 Officer/Finance*

- 30 There are no financial implications that require an amendment to the Medium-Term Financial Strategy.
- 31 The Members Allowance Scheme states that attendance at meetings of outside organisations on which Cheshire East Council is invited to be represented is an approved duty for the claiming of travel expenses and allowances.

### *Policy*

- 32 There are no direct policy implications.

#### **An open and enabling organisation**

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

### *Equality, Diversity and Inclusion*

- 33 There are no direct equality, diversity and inclusion implications.

*Human Resources*

- 34 There are no direct human resources implications.

*Risk Management*

- 35 Failure to appoint Members to Outside Organisations could have a direct or indirect impact on the organisations, which can be mitigated by the operations of a procedure for making timely appointments to ensure Council representation.

*Rural Communities*

- 36 There are no direct implications for rural communities.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 37 There are no direct implications for children and young people.

*Public Health*

- 38 There are no direct implications for public health.

*Climate Change*

- 39 There are no direct implications for climate change.

| <b>Access to Information</b> |   |
|------------------------------|---|
| Contact Officer:             | Brian Reed<br>Head of Democratic Services<br><a href="mailto:Brian.reed@cheshireeast.gov.uk">Brian.reed@cheshireeast.gov.uk</a> |
| Appendices:                  | None.   |
| Background Papers:           | None.   |

# Corporate Policy Committee

## Work Programme 2024-25

Contact: Nikki Bishop, Democratic Services Officer: [nikki.bishop@cheshireeast.gov.uk](mailto:nikki.bishop@cheshireeast.gov.uk)

| Reference   | Corporate Policy Committee | Report Title  | Purpose  | Lead Officer  | Consultation | EIA | Budget /Policy Framework | Corporate Plan Priority | Exempt Item | Scrutiny or Decision |
|-------------|----------------------------|---|--|---|--------------|-----|--------------------------|-------------------------|-------------|----------------------|
| CP/07/24-25 | 28/11/24                   | Amendments to the Constitution  | To give consideration to changes to the petitions scheme and other constitutional changes  | Governance, Compliance and Monitoring Officer         | Yes          | No  | No                       | Open                    | No          | Decision             |
| CP/13/24-25 | 28/11/24                   | Council Tax Base 2025/26 (Corporate Policy Committee)   | This report notifies of the Council Tax Base for Cheshire East and identifies any changes to the calculation of the tax base for 2025/26, so that they can recommend the amount calculated to Council. In accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 Cheshire East Council is required to agree its tax base before 31st January 2025. | Interim Executive Director Resources and S151 Officer | No           | No  | Yes                      | Open                    | No          | Both                 |
| CP/17/24-25 | 28/11/24                   | Second Financial Review of 2024/25 (Corporate Policy Committee)                                       | To note and comment on the Second Financial Review and Performance position of 2024/25, including progress on policy proposals and material variances from the MTFS and (if necessary) approve Supplementary Estimates and Virements.  | Interim Executive Director Resources and S151 Officer | No           | No  | Yes                      | Open                    | No          | Both                 |
| CP/21/24-25 | 28/11/24                   | Medium Term Financial Strategy Update and Consultation 2025/26 - 2028/29 (Corporate Policy Committee) | To update the committee on development of the MTFS 2025-29 which will be approved at full Council in February 2025 and to agree the approach to the Budget Consultation for 2025/26 as part of the MTFS 2025-29.   | Interim Executive Director Resources and S151 Officer | No           | No  | Yes                      | Open                    | No          | Both                 |
| CP/34/24-25 | 28/11/24                   | Performance Report – Q2 2024/25   | To provide the Committee with an oversight of organisational performance against the priorities and vision set out within the Council's Corporate Plan 2021-25.  | Interim Assistant Chief Executive                     | No           | No  | No                       | Open; Fair; Green       | No          | Scrutiny             |
| CP/39/24-25 | 28/11/24                   | Strategic Risk Update Q2 2024/25  | To provides the Corporate Policy Committee with an update on the activity of the Strategic Risk Register   | Governance, Compliance                                | N/A          | No  | No                       | Open; Fair; Green       | Yes in part | Scrutiny             |

|              |          |   |   |   |     |     |     |                   |    |          |
|--------------|----------|---|---|---|-----|-----|-----|-------------------|----|----------|
|              |          |   |   | and Monitoring Officer                                |     |     |     |                   |    |          |
| HTC/36/24-25 | 28/11/24 | Cheshire East Council Support for Proposed Future Rail Schemes              | <p>To seek a recommendation to Full Council to endorse a position on the Council's support to two proposed rail investments.</p> <p>1. The Liverpool to Manchester Railway (part of Northern Powerhouse Rail)</p> <p>2. The HS2 alternative north-south Rail Link</p> <p>To also seek approval to repurpose and update membership of the former HS2 Member Reference Group to support the work in formulating and implementing the Council's response to these two schemes.</p> | Acting Executive Director, Place                      | N/A | No  | No  | Open; Green; Fair | No | Decision |
| CP/42/24-25  | 28/11/24 | Changes to Appointments to Outside Organisations                            | To approve changes to outside organisations following changes requested by the Labour Group (membership of the Brine Subsidence Board).   | Governance, Compliance and Monitoring Officer         | No  | No  | No  | Open              | No | Decision |
| CP/45/24-25  | 28/11/24 | New and amended HR Policies   | To seek approve of new policies and existing HR policies which have been updated significantly.<br>Sexual Harassment Policy<br>Social Media<br>Absence Management<br>Equality, Diversity and Inclusion  | Interim Executive Director Resources and S151 Officer | No  | TBC | Yes | Fair              | No | Both     |
| CP/46/24-25  | 28/11/24 | Six Monthly Complaints Report   | To provide a summary of numbers of complaints received and key themes for the period 1 April to 30 September 2024.  | Interim Executive Director Resources and S151 Officer | No  | No  | No  | Open              | No | Scrutiny |
| CP/16/24-25  | 06/02/25 | Medium Term Financial Strategy 2025/26-2028/29 (Corporate Policy Committee) | To recommend the Medium-Term Financial Strategy for 2025 to 2029 to Council for approval. The report will incorporate the Council's Priorities, Budget, Policy Proposals and Capital Programme. The report will also include the Capital, Treasury Management, Investment and Reserves Strategies.  | Interim Executive Director Resources and S151 Officer | No  | No  | Yes | Open              | No | Both     |

|              |          |  |  |   |    |    |     |                   |    |          |
|--------------|----------|--|--|---|----|----|-----|-------------------|----|----------|
| CP/18/24-25  | 06/02/25 | Third Financial Review of 2024/25 (Corporate Policy Committee)   | To note and comment on the Third Financial Review and Performance position of 2024/25, including progress on policy proposals and material variances from the MTFS and (if necessary) approve Supplementary Estimates and Virements.   | Interim Executive Director Resources and S151 Officer | No | No | Yes | Open              | No | Scrutiny |
| CP/23/24-25  | 06/02/25 | Medium Term Financial Strategy Consultation 2025/26 - 2028/29 Provisional Settlement Update (Corporate Policy Committee) | All Committees were being asked to provide feedback in relation to their financial responsibilities as identified within the Constitution and linked to the budget alignment approved by the Finance Sub-Committee in March 2024. Responses to the consultation would be reported to the Corporate Policy Committee to support that Committee in making recommendations to Council on changes to the current financial strategy. | Interim Executive Director Resources and S151 Officer | No | No | Yes | Open              | No | Scrutiny |
| CP/40/23-25  | 06/02/25 | Calendar of Meetings 2025/26   | To approve the calendar of meetings for 2025/26 municipal year.  | Governance, Compliance and Monitoring Officer         | No | No | No  | Open              | No | Decision |
| CPC/43/24-25 | 06/02/25 | Notice of Motion: The Council's Governance Arrangements  | To receive a report in response to the Notice of Motion of the Council's Governance Arrangements referred to the Corporate Policy Committee by Full Council in October 2024.   | Governance, Compliance and Monitoring Officer         | No | No | No  | Open; Green; Fair | No | Both     |
| CP/44/24-25  | 06/02/25 | Notice of Motion: Broadcasting and Recording Equipment   | To receive a report in response to the Notice of Motion of the Council's Broadcasting and Recording arrangements, referred to the Corporate Policy Committee by Full Council in October 2024   | Governance, Compliance and Monitoring Officer         | No | No | No  | Open              | No | Both     |
| CPC/51/24-25 | 06/02/25 | Notice of Motion: Agreed Framework for Delivery of Services at a Local Level   | To receive a report in response to the Notice of Motion to Full Council.   | Director of Transformation                            | No | No | No  | Open              | No | Both     |
| CP/22/24-25  | 20/03/25 | Service Budgets 2025/26 (Corporate Policy Committee)   | The purpose of this report is to set out the allocation of approved budgets for 2025/26 for services under the Committee's remit, as determined by Finance Sub Committee   | Interim Executive Director Resources and S151 Officer | No | No | Yes | Open              | No | Both     |

|             |          |                                 |   |                                   |    |    |    |                   |    |          |
|-------------|----------|---------------------------------|---|-----------------------------------|----|----|----|-------------------|----|----------|
| CP/35/24-25 | 20/03/25 | Performance Report – Q3 2024/25 | To provide the Committee with an oversight of organisational performance against the priorities and vision set out within the Council's Corporate Plan 2021-25. | Interim Assistant Chief Executive | No | No | No | Open; Fair; Green | No | Scrutiny |
|-------------|----------|---------------------------------|---|-----------------------------------|----|----|----|-------------------|----|----------|

**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **General Appeals Sub Committee**  
held on Tuesday, 5th November, 2024 in the Committee Suite 1,2 & 3,  
Westfields, Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor S Edgar (Chair)

Councillors E Gilman and B Puddicombe

**OFFICERS IN ATTENDANCE**

Rebecca Dearden, Legal Clerk  
Nicola Hyde, School Transport Lead  
Helen Rawlinson, School Transport Manager  
Josie Lloyd, Democratic Services Officer  
Lucy-Anna Jones, Legal (Observer)  
Frances Handley, Democratic Services Officer (Observer)

**22 APPOINTMENT OF CHAIR****RESOLVED:**

That Councillor Edgar be appointed as Chair of the meeting.

**23 APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**24 DECLARATIONS OF INTEREST**

Cllr Edgar declared, in the interest of openness, that the appellant for case 1 was a resident of his ward. The appellant was not known to Cllr Edgar and he had not discussed the case.

**25 PUBLIC SPEAKING TIME/OPEN SESSION**

There were no public speakers.

**26 EXCLUSION OF THE PRESS AND PUBLIC**

That the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)4 of the Local Government Act 1972 as amended on the grounds that it involves the likely discussion of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

**27 SCHOOL TRANSPORT APPEALS**

Consideration was given to the following school transport appeals.

**28 CASE 1 - 10.05AM**

The Sub-Committee considered an appeal against a decision of the Council not to offer assisted school transport. The Sub-Committee heard the appeal based on the written and oral evidence of the Presenting Officer, who detailed the local authority's case, and the written and oral evidence of the appellant. Members of the Sub-Committee asked questions by way of clarification. The Presenting Officer and the appellant withdrew from the meeting, following which the Sub-Committee reached its decision.

**RESOLVED:**

That the appeal be partially upheld with travel assistance awarded in the form of an enhanced Personal Travel Budget.

**29 CASE 2 - 10.50AM**

The Sub-Committee considered an appeal against a decision of the Council not to offer assisted school transport. The Sub-Committee heard the appeal based on the written and oral evidence of the Presenting Officer, who detailed the local authority's case, and the written and oral evidence of the appellant. Members of the Sub-Committee asked questions by way of clarification. The Presenting Officer and the appellant withdrew from the meeting, following which the Sub-Committee reached its decision.

**RESOLVED:**

That the appeal be partially upheld with travel assistance awarded in the form of an enhanced Personal Travel Budget.

The meeting commenced at 10:00 and concluded at 12:00

Councillor S Edgar



OPEN

## Corporate Policy Committee

28 November 2024

### Strategic Risk Assurance Report Quarter 2 2024/25

**Report of: Janet Witkowski – Acting Governance, Compliance and Monitoring Officer**

**Report Reference No: CP/39/24-25**

**Ward(s) Affected: All**

**For Decision or Scrutiny: Scrutiny**

### Purpose of Report

- 1 One of the responsibilities of the Corporate Policy Committee is to have a co-ordinating role across all other committees and exercise a corporate view of outcomes, performance, budget monitoring and risk management. Reporting on the Strategic Risk Register supports effective risk management, is central to good governance and supports the efficient delivery of the council's corporate plan objectives.

### Executive Summary

- 2 This report provides an update on the activity of the council's Strategic Risk Register for Quarter 2 2024/25; July to September 2024. This report also includes the equivalent level risk registers for the Council's wholly owned companies; Orbitas, Tatton Park Enterprises and ANSA. The Council's Strategic Risk Register is set out in detail in Appendix A, and the equivalent risk registers of the Council's Wholly Owned Companies are included in the Part 2 appendices of this report (Appendix B).

### RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

- Note the position of the Council's Strategic Risk Register and those of the wholly owned companies for Quarter 2 2024/25, in respect of the content, description, scoring and risk management activity outlined.

## Background

- 3 Risks included on the Strategic Risk Register are those which materially threaten the organisation's ability to achieve its strategic goals, in this case our corporate objectives in the Corporate Plan. This could be in the form of an individual threat to a specific objective, or the compound effect of a threat across several areas.
- 4 Items on the Strategic Risk Register are "owned" by members of the Corporate Leadership Team (CLT) and are reviewed on a quarterly basis. Co-ordination and administration of the Strategic Risk Register and the Risk Management Framework is undertaken by the Head of Audit, Risk and Assurance.
- 5 The content of the Strategic Risk Register has been updated in preparing this assurance report for the Corporate Policy Committee. Members of the Corporate Leadership Team have assessed their risks as at the end of Quarter 2 2024/25.
- 6 Revisions to the register are made on an on-going basis to ensure that the scope and detail of the individual risks, and the overall coverage of the register is reflective of the current threats to the organisation achieving its strategic objectives and maintaining business as usual service delivery. When items are removed from the Strategic Risk Register, they continue to be considered at operational levels and can be escalated back for inclusion based on the risk owner's judgement as at that time.
- 7 Full details of the Council's individual strategic risks are provided in Appendix A. The content of this covering report relations to the key changes in risks from Quarter 1 to Quarter 2.

## Summary of Quarter 2 Changes

- 8 The strategic register contains 20 risks with the directorate split shown in Table 1 below:

**Table 1 – Strategic Risks by Directorate<sup>1</sup>**

| Directorate | Number of Risks | Average Net Score | Highest Net Score |
|-------------|-----------------|-------------------|-------------------|
| Adult       | 2               | 11                | 12                |
| Childrens   | 5               | 12                | 16                |
| Corporate   | 9               | 11                | 16                |
| Place       | 4               | 11                | 16                |

<sup>1</sup> In future reports, the Corporate directorate will be shown as Resources and Chief Executive's Office separately.

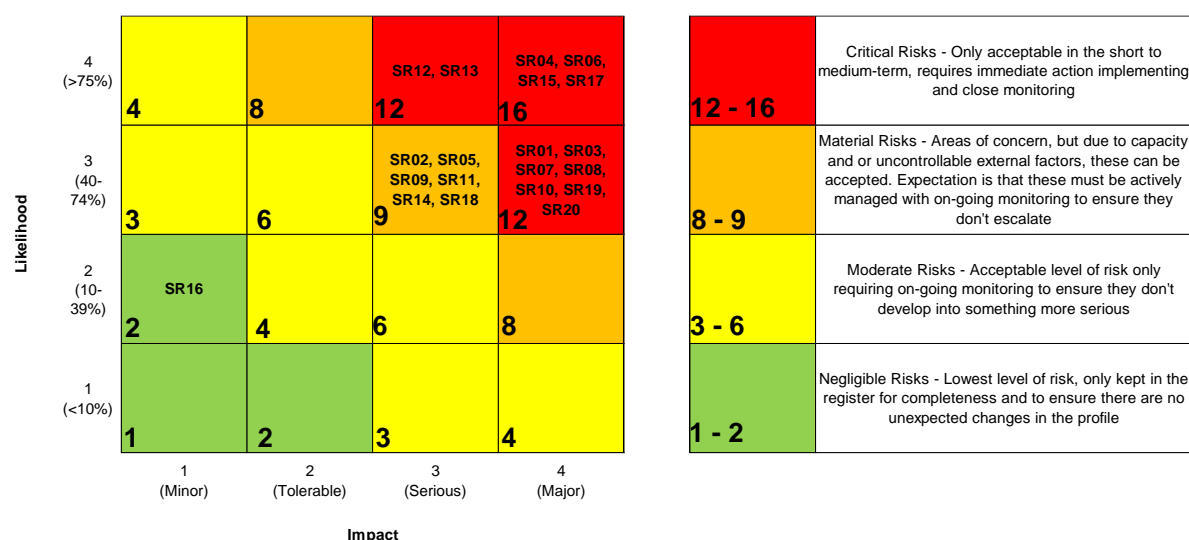
- 9 Table 2 shows the position of the Strategic Risk Register after the Quarter 2 assessments: with the gross, net and target score for each risk. The table is organised by highest to lowest net risk for Q2.
- 10 Table 3 shows the position of the Strategic Risk Register in terms of net scores, based on the Q2 assessments, and showing any direction of travel against the net scores of the previous quarter.
- 11 The heat map below the tables (Chart 1) shows the concentration of critical and material rated risks. All strategic risks continue to sit in the top righthand of the quadrant.
- 12 As requested by Corporate Policy Committee the strategic risk registers of the Council's Wholly Owned Companies are included in this report. Full details are included in the Part 2 paper for Appendix B.
- 13 There are no additional items for inclusion in the Strategic Risk Register following the quarter 2 review, and the net scores of each of the 20 risks has not changed since quarter 1.
- 14 SR16, Failure of the Local Economy, is recommended for removal from the Strategic Register. The net score for this risk has been assessed at 2 for the last two quarters, with the target risk score having been 12. As set out in detail in the Economy and Growth Committee section of the report, the likelihood and impact of this risk have lowered as the UK economy has settled down after the general election and confidence in "UK plc" has returned.
- 15 There are a number of other risks where the net score is equivalent to the target score set out for the risk. In considering the risk appetite for each risk, which can also be thought of as the "acceptable" or "manageable" level of risk for the organisation, the net and target score being equal prompts consideration of whether further action to manage the risk is required, and indeed, whether the risk continues to be included on the strategic list.
- 16 The main underlying driver of uncertainty, and challenge to overall risk management, the financial position of the Council remains. The ability to effectively reduce risk scores for each strategic risk continues to be predicated on the availability of resources.
- 17 During the Quarter 3 assessments of risks there will be a focus and challenge through CLT on whether those risks which now net scores at their target level have can/should be further reduced, in terms of organisational risk appetite, and the most effective use of available resources or whether they remain at the same target and the risk is tolerated at that level.

**Table 2 – Strategic Risk Register, highest net score to lowest**

| <b>Ref</b> | <b>Risk</b>   | <b>Q2<br/>Gross</b> | <b>Q2<br/>Net</b> | <b>Q2<br/>Target</b> |
|------------|---|---------------------|-------------------|----------------------|
| SR04       | Dedicated School Grant Deficit  | 16                  | 16                | 16                   |
| SR17       | CEC Carbon Neutral Status   | 16                  | 16                | 16                   |
| SR15       | Capital Projects – Place  | 16                  | 16                | 12                   |
| SR06       | Failure to Achieve the MTFS   | 16                  | 16                | 9                    |
| SR03       | Complexity and Demand for Children's Services   | 16                  | 12                | 12                   |
| SR13       | Information Security and Cyber Threat   | 16                  | 12                | 12                   |
| SR19       | Delivery of the ILAC Improvement Plan   | 16                  | 12                | 12                   |
| SR01       | Increased Demand for Adult's Services   | 16                  | 12                | 9                    |
| SR07       | Leadership Capacity   | 16                  | 12                | 9                    |
| SR12       | Stakeholder Expectation & Communication   | 16                  | 12                | 9                    |
| SR08       | Ability to Achieve Organisational Change  | 16                  | 12                | 8                    |
| SR20       | SEND Inspection   | 16                  | 12                | 8                    |
| SR10       | Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks | 12                  | 12                | 8                    |
| SR02       | Fragility and failure in the Social Care Market   | 16                  | 9                 | 9                    |
| SR09       | Recruitment & Retention   | 16                  | 9                 | 9                    |
| SR05       | Failure to Protect Vulnerable Children  | 16                  | 9                 | 6                    |
| SR11       | Failure to Adhere to Agreed Governance Processes  | 16                  | 9                 | 6                    |
| SR14       | Business Continuity   | 12                  | 9                 | 6                    |
| SR18       | Local Planning Authority Modernisation Plan   | 16                  | 9                 | 6                    |
| SR16       | Failure of the Local Economy  | 4                   | 2                 | 12                   |

**Table 3 – Strategic Risks Direction of Travel**

| Ref  | Risk  | Q3 Net | Q4 Net | Q1 Net | Q2 Net | Direction of Travel (Q1 to Q2) |
|------|---|--------|--------|--------|--------|--------------------------------|
| SR01 | Increased Demand for Adult's Services   | 12     | 12     | 12     | 12     | ↔                              |
| SR02 | Fragility and failure in the Social Care Market   | 9      | 9      | 9      | 9      | ↔                              |
| SR03 | Complexity and Demand for Children's Services   | 12     | 12     | 12     | 12     | ↔                              |
| SR04 | Dedicated School Grant Deficit  | 16     | 16     | 16     | 16     | ↔                              |
| SR05 | Failure to Protect Vulnerable Children  | N/A    | 9      | 9      | 9      | ↔                              |
| SR06 | Failure to Achieve the MTFS   | 16     | 16     | 16     | 16     | ↔                              |
| SR07 | Leadership Capacity   | 12     | 12     | 12     | 12     | ↔                              |
| SR08 | Ability to Achieve Organisation Change  | 12     | 12     | 12     | 12     | ↔                              |
| SR09 | Recruitment & Retention   | 9      | 9      | 9      | 9      | ↔                              |
| SR10 | Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks | 12     | 12     | 12     | 12     | ↔                              |
| SR11 | Failure to Adhere to Agreed Governance Processes  | 9      | 9      | 9      | 9      | ↔                              |
| SR12 | Stakeholder Expectation & Communication   | 12     | 12     | 12     | 12     | ↔                              |
| SR13 | Information Security and Cyber Threat   | 12     | 12     | 12     | 12     | ↔                              |
| SR14 | Business Continuity   | 9      | 9      | 9      | 9      | ↔                              |
| SR15 | Capital Projects - Place  | 8      | 12     | 16     | 16     | ↔                              |
| SR16 | Failure of the Local Economy  | 12     | 12     | 2      | 2      | ↔                              |
| SR17 | CEC Carbon Neutral Status   | 12     | 16     | 16     | 16     | ↔                              |
| SR18 | Local Planning Authority Modernisation Plan   | 9      | 9      | 9      | 9      | ↔                              |
| SR19 | Delivery of the ILAC Improvement Plan   | -      | -      | 12     | 12     | ↔                              |
| SR20 | SEND Inspection   | -      | -      | 12     | 12     | ↔                              |

**Chart 1 – Strategic Risks Heat Map**

## Risks Updates by Service Committee

### Adults and Health Committee

- 18 **Increased Demand for Adults Services:** As predicted the reduction of agency staff within the service has resulted in increased waiting times for assessments, this reduction has been seen in the services provided during quarter two.
- 19 All waiting lists are monitored weekly to manage the risks. Providers of services continue to push for increased fees; however we have started to implement the care cubed model to scrutinise care costs, we are working through the analysis of the initial tranche of providers who have been through this process and will report in quarter three. We are seeing a rise in demand from self-funded residents where their funds have reduced to a level that makes them eligible for funded social care and this demand is expected to increase.
- 20 Scrutiny of cases continues at Quality, Performance and Authorisation Boards takes place three times a week. We are very aware of the risks of falling on the wrong side of the legislative framework where the council could be subject to legal challenge and therefore, we review our decision-making process to avoid this risk. The demand in terms of the numbers of residents requiring a service continues to be stable however the rise in the complexity of cases is seen in the scale of the assessment process and the financial costs of challenging cases.
- 21 We continue to meet weekly to discuss risks and budget pressures. The deficit within the Cheshire and Mersey ICB will increase pressure on the council to pick up funding for previously funded health patients and this will require robust challenge and discussion.

- 22 **Fragility and failure in the Social Care Market:** A revised Market Sustainability Delivery Plan for 2024/25 has been introduced which monitors the following domains:
- A sufficient supply of services to ensure continuity of care with minimal disruption in the event of provider exit from the market
  - A range of high-quality services for people to choose from
  - Sufficient investment in the workforce to attract and retain high-quality staff.
  - Evidence of innovation and service diversity in order to evolve and meet changing user needs.
  - Being attractive to new market entrants and able to manage the impact of future market changes.
  - Regulatory Quality and Safety Oversight and compliance
  - Provider emerging risks and trends across the provider market
- 23 There is currently only one care home that has been rated as inadequate by the Care Quality Commission, Riseley House. They have 10 service users in the home and 4 are CEC funded. The Quality Assurance Team visit the home fortnightly to review the action plan and progress made. The home is discussed in Contract and Quality governance oversight meeting, so system partners are aware of any risks and issues. The quality assurance officers will check on residents and report any concerns to Social Care, safeguarding etc. The current care at home waiting list remains at 12 people which equates to 90 hours per week. Operational colleagues continue to RAG rate individuals placed on the waiting list for care at home.

## Children and Families Committee

- 24 **Complexity and Demand for Children's Services:** No change to the net rating, it remains 12, a material risk, equal to the target score. A new interim Executive Director of Children's Services, Thersa Leavy and interim Director of Improvement, Lisa Davies, are now in post. These two post holders have an established track record of transforming services to deliver better outcomes for children and young people and also achieving savings. New arrangements have been put in place to strengthen the oversight of children's outcomes and to review opportunities for developing services to deliver better for less. This work will be aligned with the council's transformation programme.
- 25 **Dedicated Schools Grant (DSG) Deficit:** The in-year forecast deficit is £42.9m, resulting in a forecast cumulative deficit of £121.6m at 31 March 25. The DSG management plan has been reprofiled to take in to account of the reduced growth of Education Health Care Plan (EHCP) numbers (13.5% EHCP growth - 5.5% lower than anticipated) and a

considerably lower deficit position than forecast on 31 March 2024 (£10 million reduction in the deficit position – giving a position of £79 million).

- 26 A report to demonstrate the impact of reprofiling the DSG management plan will be reported to Children and Families Committee on 11 November 2024. The unmitigated forecast deficit is £1.07 billion 2030/31 and the mitigated forecast deficit is £237 million, a reduction of £48 million.
- 27 The overall strategy remains the same, of “Right Support, Right Place, Right Time”. Elements of the plan include increased specialist provision. The timely opening of the provisions is reliant on circumstances which maybe out of our control and therefore carry elements of uncertainty, such as delivering by the Department of Education (DfE), planning approvals and public consultations. Increased specialist provision includes a new free special school which will be delivered by the DfE, additional special school satellite sites and additional resource provisions/SEN units within mainstream schools. The newly created SEND Transformation Team, although not yet fully operational, is helping to drive forward key mitigations detailed in the DSG management plan.
- 28 **Failure to Protect Vulnerable Children:** A review and reflections session has taken place within the Strategic Contextual Safeguarding board and has evidenced that there are areas of practice, as recommended in the Joint Targeted Area Inspection (JTAI), that we are currently not meeting. There has been an increase in children being identified as at high risk of exploitation and there are a number of the cohort who are not in education. This is a significant risk regarding safeguarding. We are not able to provide evidence or data to demonstrate if we have safely reduced the number of children coming into care as a result of exploitation.
- 29 The Contextual Safeguarding strategy ends in January 2025 and a number of changes are proposed to how this risk is managed and monitored and therefore there is a lack of clarity around the expectations of the partnership. There is currently a single Team Manager leading the Contextual Safeguarding operational work and this seems a significant risk that this is a single point of failure. An increase in the net score is not recommended at this time. Whilst the review and reflections findings evidenced some gaps, this is broadly in line with expectations. These will be addressed through the strategy being updated and providing clear oversight to the partnership of the practice standards. This shows the oversight of this cohort through the Contextual Safeguarding and Serious Organised Crime Strategic Board and the Quality and Impact Executive Board is working as intended.



- 30 **Delivery of the ILAC Improvement Plan:** Our Improvement Plan was submitted to Ofsted within the required timescales and we received feedback from them on our improvement plan in September. Ofsted said “Your action plan is detailed and addresses the areas for improvement identified in the inspection. It also demonstrates engagement with partners and the wider council.” To strengthen our plan, Ofsted suggested that we include specific actions in each area on how we will coproduce improvements with children and young people. We have included additional actions on coproduction in the plan in line with their feedback and have sent an updated version back to Ofsted.
- 31 The interim Director for Improvement joined Cheshire East on the 30 September and will be overseeing progress and updates against the improvement plan going forward. As part of this work, the process of scrutiny and challenge to the plan has been reviewed and strengthened. New governance arrangements are now in place to support this going forward. All new policies, procedures, and strategies developed as part of the plan will be quality assured and signed off by the Quality Assurance Service acting as independent scrutiny and challenge. This will give additional assurance that work evidenced as completed has had the right level of scrutiny prior to implementation and provides confidence to the service that they are delivering quality work.
- 32 Finally, to ensure we utilise our resources, time and efforts efficiently work is being undertaken to review interdependencies within the improvement plan and this will include those where we require corporate and partnership support. Actions identified from internal assessment activities will also be added to the plan.
- 33 **SEND Inspection:** In September 2024, Children and Families Committee approved a revised governance structure for the 0-25 Cheshire East SEND Partnership and also noted plans for a new, single SEND and Alternative Provision Strategy and Improvement Plan. Work was then undertaken on implementing the revised governance arrangements, including assigning initial delivery leads and improvement actions for the first set of task and finish groups, alongside pulling together all actions that may require inclusion in the new Improvement Plan.
- 34 Alongside this, work has continued on logistical arrangements for the inspection. Colleagues across the partnership have also continued to update and scrutinise the evidence that will be submitted to inspectors under Annex A and have collated updates that will be required for the next iteration of our SEND self-evaluation (due end of Q3 2024/25).

## Corporate Policy Committee

- 35 **Failure to achieve the MTFS:** No change to the risk ratings. The Council's Second Financial Review (FR2) shows a forecast £20.1m overspend for the current financial year, which is a reduction from FR1 by £6.5m. This was reported to Finance Sub-Committee on 7 November and will also be reported to service committees through the November cycle of meetings.
- 36 Whilst an improvement on the First Financial Review, the forecast overspend remains a significant financial challenge for the Council. After agreed movements, reserves are currently estimated to be £10m (£0.5m General Fund balance; £9.5m in earmarked reserves); clearly this is insufficient to cover the current forecast outturn and further action is required.
- 37 The forecast does not assume use of the £17.6m Exceptional Financial Support (EFS). If spending cannot be brought back into line with budget, it will be necessary to take up the EFS and plan for its financing. The Council faces a significant four-year funding gap, with the shortfall in 2025/26 identified in February 2024 MTFS estimated at £41.9m. More detailed papers on the MTFS latest position are on the same agenda of this committee.
- 38 There is a risk that pressures leading to the latest FR2 forecast position may increase that shortfall figure if further rapid action does not take place to stabilise our financial position. As noted in Q1, the Council's Transformation Programme is underway, and its outcomes will help to shape the development of the Council's updated MTFS for 2025-29.
- 39 **Leadership Capacity:** No change to the net risk in Q2 although expectations are that it will be reduced in Q3. A consultation process on a proposed new senior management structure has been conducted and the recruitment to the new senior management structure will increase leadership capacity across the organisation. The recruitment process will start in November.
- 40 Recruitment has taken place to the Executive Director, Place. The postholder will commence with the Council in November 2024. Senior interim arrangements will remain in place until recruitment has taken place and postholders take up their new positions. An Interim Executive Director of Children's Services and an interim Improvement Director joined CEC in September 2024.
- 41 **Ability to Achieve Organisational Change:** As Q1 there is no change to the overall risk rating, The Transformation Plan was submitted to MHCLG ahead of the required deadline and the council continues to be

supported by its delivery partner, Inner Circle. A great deal of work to mobilise the programme has taken place including:

- Establishment of a Programme Management Office (PMO)
- Standardised ways of working through programme and project delivery framework and associated tools
- Establishment of formalised reporting and governance
- Establishment of the six programme workstream and associated governance.
- Workforce, Social Care, Place, Early Intervention and Prevention, Digital and Special Projects
- Identification of CEC Sponsor, supported by Programme Directors from ICC

- 42 Further work to refine the more than 100 opportunities that were original identified is ongoing and will be concluded by early December, at which point the broad range of savings target (£59m to £91m) will be refined in more detail and built into the MTFS. In addition to this the independent assurance Board has met twice and several staff engagement session have taken place with more planned in Q3 and Q4.
- 43 **Recruitment and Retention:** No change to the risk ratings at this time. A consultation process on a proposed new senior management structure has been conducted and concluded and the recruitment to the new senior management structure will increase capacity across the organisation. The recruitment process will start in November.
- 44 The new benefits platform has been launched and introduces to the organisation a series of additional benefits for all employees, improving the employee value proposition and bring CEC in line with its competitors. A transformation skills audit has been completed providing further insight into transformation skills across all directorates.
- 45 A further review of the establishment in Children's Services has provided accurate data in relation to vacancies and the skills gap needed to be filled to support the improvement journey and recruitment to roles is being prioritised. An Interim Executive Director of Children's Services and an interim Improvement Director joined CEC in September. Cultural workshops have been held in Children's Services to support from an Organisational Development perspective the retention of employees.
- 46 Recent Government announcements about the proposed reforms to the apprenticeship levy will need to be considered in more detail in Q3 once further information is available post the Budget on 30th October 2024.

These may impact on the Council's ability to use the apprenticeship levy as it has up until now to recruit and retain staff in hard to fill areas such as Social Work.

- 47 **Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks:** No material changes to the risk, the impact of the new government's first budget and plans for local government are yet to be known during this quarter, but clarification will begin to emerge with the budget in October 2024. Oflog's long term role and remit are currently under review. The implementation of the Transformation Programme and the Corporate Peer Challenge actions are critical to ensuring that the organisation has the ability to further adapt in response to external policy changes.
- 48 **Failure to Adhere to Agreed Governance Processes:** There remains a high volume of change and decision making required during 2024/25 and ensuring our processes enable timely and lawful decision making, and there is compliance with them, is key to the future successful operations of the council and its ability to avoid a section 114 notice.
- 49 Quarter 2 has seen a number of key reports and decisions made to ensure the Council sets out its response to the Corporate Peer Challenge and has the necessary arrangements in place to deliver these, and to provide oversight on the implementation of the action plan. Details of some of these are highlighted below.
- 50 At the meeting of Council in July, the Cheshire East Plan 2024-25, as recommended by the Corporate Policy Committee in June was approved, as well as plans for the development of a new strategic plan. The adoption on the 24-25 plan provides a model for the development of the next strategic plan as well as a simpler view of the strategic vision, aims, priorities and associated actions of the Council, a key framework for decision-making, monitoring and performance and risk management.
- 51 This Council meeting also considered the Corporate Peer Challenge report issued by the Local Government Association and a draft of the action plan developed in response to the recommendations. The final version was brought to Corporate Policy Committee in August for agreement. Council also approved the establishment of an Assurance Panel to support the Council with the changes recommended by the Peer Review.
- 52 August's Corporate Policy Committee agenda included a number of key decisions to shape ongoing transformation and improvement, including the approval of the transformation plan, to ensure submission to central government by the deadline, the approval of the Corporate Peer

Challenge action plan, again, to ensure compliance with the required timescale, and the approval of the Senior Management Structure following the Decision-Making Accountability (DMA) review.

- 53 July's Audit and Governance Committee received the annual Head of Audit Opinion for 2023/24. As anticipated in a report to the Committee in May, whilst sufficient work had been undertaken to deliver the opinion, the Council's framework of risk management, governance, and internal control was assessed as "limited" for that period. In providing that opinion, it is recognised that the Council is in a period of significant financial pressure, and on a journey of transformation and change, and reports to the Committee on the 24/25 plan will provide an assessment of how the implementation of plans is delivering positive change to the framework.
- 54 As part of the Q3 review of this risk, the Notice of Motion in relation to the Council's Governance Arrangements approved by the October Council meeting will be considered; this may change the scope and nature of the existing risk.
- 55 **Stakeholder Expectation & Communication:** There have been a number of significant developments that have impacted on stakeholder perception of the organisation in Q2. These have included:
  - Household Waste Recycling Centres review
  - Parking review implementation
  - Cllr Nick Mannion elected as Leader of the Council following Cllr Corcoran stepping down
  - Crewe Bus Station and town centre car park open
  - Transformation Plan published
  - Corporate Peer Challenge action plan published
  - Senior management restructuring and staff changes
  - Libraries strategy proposals and consultation
  - Council funding pressures
  - Crewe fire major incident
  - Devolution – talks with Government
  - Armed Forces Covenant Gold Award
- 56 This period saw a number of decisions being taken that had been delayed due to the pre-election period. This condensed a period of decision-making and services changes, meaning that stakeholders had a lot of change to understand and respond and adapt to. This period also saw a change of national government, we continue to monitor the new Government's policy agenda to assess impact on local government.

- 57 Consultation during the period has continued to focus upon significant and high interest activities, such as food waste collection, library strategy development. There have been over 28,000 responses to consultation undertaken this financial year, illustrating the levels of engagement during the period.
- 58 Capacity within the team is still a challenge and needs to be addressed. There are likely to be several demanding consultations being undertaken in the next period as the Council seeks to undertake the MTFS consultation, develop a new Cheshire East Plan and Equality, Diversity and Inclusion strategy and support the actions from the Corporate Peer Challenge and transformation activities.
- 59 The development of a forward plan for consultation activity and an analysis of the validity of the Digital Influence Panel will ensure that the workload of the team can be prioritised, and that the robustness of the Panel can be reinforced. Both activities supporting key actions highlighted in the Corporate Peer Challenge.
- 60 **Information Security and Cyber Threat:** No change to the risk rating currently. There is continued heightened risk currently through state sponsored attacks and increased ransomware activity. There has been activity to minimise any increase in the risk rating such as.
- 61 Several communications have been given to the organisation, its staff, and members to raise awareness on good security practises and techniques as well as assurance on how prepared the councils technologies and tools are:
  - Briefings and presentations were given to the Audit and Governance Committee on the Council's cyber initiatives and protections
  - Several articles on cyber have been produced by the communication team as part of 'cyber security awareness' month
  - A new Cyber learning experience (prepared by NCSC) has been made available on Learning Lounge
- 62 Work is progressing of requirements for a Security Operations Centre (SOC) that can provide round-the-clock monitoring and protection of the council's network and systems. Several sessions have been held to the wider leadership team as part of the Business Continuity Planning sessions, the sessions were scenario based with one of the themes being a cyber-attack. The scenario was preceded by a briefing describing similar attacks across the public and private sector. These sessions are invaluable to raise awareness and prepare services to reduce vulnerabilities.

- 63 **Business Continuity:** During Q2, Business Continuity Workshops were scheduled for October, which have now taken place. The workshops were attended by senior managers from across the organisation, and in addition to working through event scenarios which allowed attendees from teams such as ICT security, Communications, Audit and Risk and Emergency Planning, to answer questions and to take feedback; the output and outcomes from these sessions will be used to support the refresh of individual and organisational BC plans.

## Economy and Growth

- 64 **Capital Projects – Place:** The Capital Projects risk (SR15) has seen no increase in its net score, because it is already at the highest possible rating. There are developments in relation to the Middlewich Eastern Bypass (MEB), which was highlighted as an emerging risk in the Q1 report. The Full Business case for MEB is scheduled to go to the DfT investment committee on 26 November. It is hoped a positive decision should be made by DfT by Feb 2025 to allow a 2025 start. Further delays will lead to increased costs and affordability / cancellation impacts. The recent service of a blight notice by a landowner on the council now raises the risk of the council having to purchase the land required for the scheme, whether the scheme goes ahead or not, which would obviously increase the financial risk further and add to current financial issues.
- 65 **Failure of the Local Economy:** The intention will be to remove this risk from the Strategic Risk Register at this point. The net score is significantly low in comparison with the other strategic risks. Until June we were still seeing a weakness in the economy due to political uncertainty across all indicators. Since the general election, national commentators and indicators are demonstrating that UK economy is settling down and has adapted to these exogenous shocks:
- The pound is increasing and is at highs compared to post Brexit periods
  - FTSE performing strong
  - Mortgages are being given out Nationwide for the first time is lending on 6 x income.
  - Post general elections there seems to be political stability and faith from the markets
- 66 All this suggest that confidence in UK plc has returned. The markets are expecting that moral hazard is not an issue as the state has demonstrated twice this century it will step in to rescue the economy, (Financial Crash and COVID). Govt policy is about growth and investment not austerity:

- Set 1.5m target for house building and is putting in place planning reforms to achieve this, plus joint ventures with the private sector
- It is talking about industrial strategies
- Devolution for areas that want it
- Rhetoric such as NHS is the HR dept of UK plc – again provides confidence is about getting people back to work

67 All the above should provide stable investment which will provide multiplier effects on the national and local economies and reinforce confidence.

### **Environment and Communities Committee**

68 **CEC's Carbon Neutral Status:** The ongoing review of the Council's capital programme which has halted further spend on carbon related projects now presents a significant risk to the ability to achieve the Council's commitment to be a carbon neutral organisation by 2027. This pause on spend has prevented the ordering of the next phase of EV vehicles and progression of the Council's second solar farm as the two key initiatives requiring delivery in order to meet the 2027 target. Net and target scores are therefore left at the highest possible rating as a result of this 6-month delay

69 **Local Planning Authority Modernisation:** Although this risk remains challenging until the IT system adoption is complete, positive and tangible progress across many aspects of the Service Improvement Plan has been made. The IT system has been further delayed until mid-October with Land Charges to go live 4-6 weeks afterwards. Some system workarounds will be required until future development and additional software likely to be procured to fill gaps not provided by the supplier in accordance with original specification. The staffing restructure in the area is now confirmed and staff have been slotted to posts where applicable. Recruitment to vacancies will commence as soon as possible.

70 The application backlog remains static at just above the normal level of live applications, albeit the caseload per officer remains high. S106 systems processes completed with adoption across services. There is ongoing refinement of system data to continue into Q3, but ward level reports for members are ready for October. Various other customer and communication improvements including website enhancements and briefings to staff and members have taken place during the period.

### **Highways and Transport Committee**

71 The Highways and Transport Committee have no specific strategic risks at this time, but this remains under on-going review.



## Emerging Risks

- 72 The Strategic Risk Register will be reviewed by the Corporate Leadership Team in a workshop at the end of Q3, which will review the existing content of the register in the context of the Council's current corporate plan, the development of the next Corporate Plan, utilise the content of operational risk registers from across the organisation, as well as horizon scanning. This is likely to result in further changes to the Strategic Risk Register, in terms of content, risk descriptions and provides an opportunity to ensure the organisation's risk appetite and treatment of risk are clearly being articulated and presented to through the strategic risk register updates.
- 73 An assessment has also been carried out against the Institute of Internal Auditors (IIA)'s Risk in Focus 2025 report; this annual report identifies the top risks that organisations currently face globally, in both the public and private sectors. The report presents the feedback of 985 respondents on their Top 5 risk areas, and although the specific risk descriptions on the Council's register are naturally more localised to CEC, there is significant correlation between the topics covered in the IIA 2025 report and the Council's own Strategic Risk Register.
- 74 Over 80% of respondents identified cybersecurity and data security as the most pressing risk for organisations in the survey, which is recognised in our register under SR13 Information Security and Cyber Threat.
- 75 The second highest risk on the IIA report is Human Capital, Diversity, Talent Management and Retention, with 52% of respondents identifying it as a Top 5 risk. This particularly aligns with strategic risks SR07 Leadership Capacity and SR09 Recruitment and Retention.
- 76 One area identified in the IIA report which isn't currently captured on the Strategic Risk Register is Digital disruption, new technology and AI. Respondents to the survey identified this as the fastest rising risk from the previous two surveys, recognising the challenges of keeping pace with utilising AI technology; having sufficient numbers of suitably skilled staff available to deliver digital transformation, and balancing the threat of technological advancement at speed whilst regulation and governance develops at a slower rate. This is an area which will be examined in the horizon scanning with CLT during Q3.
- 77 The table below summarises the comparison of the themes highlighted in the IIA Risk in Focus 2025 survey with the CEC Strategic Risk Register.

| IIA Risk in Focus 2025   |     | CEC Strategic Risks   |
|--|-----|---|
| Cybersecurity and Data Security  | 83% | SR13 Information Security and Cyber Threat.   |
| Human Capital  | 52% | SR07 Leadership Capacity<br>SR09 Recruitment and Retention  |
| Changes in laws and regulation   | 46% | SR10 Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks              |
| Digital disruption, new technology and AI  | 40% | No current equivalent   |
| Macroeconomic and geopolitical uncertainty   | 38% | SR10 Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks              |
| Climate change, biodiversity and environmental sustainability                        | 33% | SR17 CEC Carbon Neutral Status  |
| Business continuity, operational resilience, crisis management and disaster response | 32% | SR14 Business Continuity  |
| Market changes, competition and changing consumer behaviour                          | 32% | Aspects of the risks on complexity and demand for services (SR01 and SR03)                                |
| Supply chain, outsourcing and 'nth' party risk                                       | 28% | SR02 Fragility and failure in the Social Care Market  |
| Financial, liquidity and insolvency risks  | 26% | SR06 Failure to Achieve the MTFS  |
| Organisational culture   | 21% | SR08 – Ability to Achieve Organisational Change   |
| Organisational governance and corporate reporting                                    | 19% | SR11 Failure to Adhere to Agreed Governance Processes   |
| Fraud, bribery and the criminal exploitation of disruption                           | 14% | No current equivalent on the strategic risk register – recognised in operational and fraud risk register. |
| Communications, reputation and stakeholder relationships                             | 14% | SR12 Stakeholder Expectation & Communication  |
| Health, safety and security  | 12% | No current equivalent on the strategic risk register – recognised in operational risk registers.          |
| Mergers and acquisitions   | 8%  | No current equivalent – unlikely to be relevant to a local authority                                      |

## Consultation and Engagement

- 78 Each risk included in on the Strategic Risk Register is “owned” by a member of the Council’s Corporate Leadership Team. At each quarter, the risk detail is updated through managers in their areas of responsibility, and the updated register is reviewed collectively by the Corporate Leadership Team.

## Reasons for Recommendations

- 79 Risk management is central to facilitating good governance and the achievement of corporate objectives. As a publicly accountable body,

the Council must demonstrate effective identification and management of the risks that threaten the achievement of its corporate objectives and the effectiveness of its operations.

### **Other Options Considered**

- 80 No alternative options considered; this is an assurance update report to support the Committee in meeting its responsibilities under its Terms of Reference.

### **Implications and Comments**

#### **Monitoring Officer/Legal**

- 81 There are no direct legal implications arising from the recommendations of this report. This report provides assurance that the Council achieves its strategic aims and operates its business, under general principles of good governance, that it identifies risks which threaten its ability to be legally compliant and operates within the confines of the legislative framework.

#### **Section 151 Officer/Finance**

- 82 There is no direct impact upon the MTFS from the recommendations of this update report. Costs relating to implementing risk treatment plans are included within service budgets. The need to provide financial security against the impact of risks is considered on a case-by-case basis and either included within specific budgets within the MTFS or considered under the overall assessment of the required level of General Reserves as part of the Reserves Strategy. The risk to the Council of failing to achieve savings identified in the MTFS has been identified as an emerging risk.

### **Policy**

- 83 Cheshire East Council has adopted the Risk Management Framework approved by Cabinet in June 2020. Risk management is integral to the overall management of the authority and, therefore, considerations regarding key policy implications and their effective implementation are considered within departmental risk registers and as part of the risk management framework.

|  |  |   |
|--|--|---|
| <b>An open and enabling organisation</b> | <b>A council which empowers and cares about people</b> | <b>A thriving and sustainable place</b> |
|--|--|---|

## **Equality, Diversity and Inclusion**

- 84 There are no direct implications arising from the recommendations of this update report.

## **Human Resources**

- 85 There are no direct implications arising from the recommendations of this update report.

## **Risk Management**

- 86 This report relates to overall risk management and provides the Corporate Policy Committee with awareness of the most significant risks facing the Council, where strategic risks are emerging and assuring the Committee on how these are being managed.

## **Rural Communities**

- 87 There are no direct implications arising from the recommendations of this update report.

## **Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)**

- 88 There are no direct implications arising from the recommendations of this update report.

## **Public Health**

- 89 There are no direct implications arising from the recommendations of this update report.

## **Climate Change**

- 90 There are no direct implications arising from the recommendations of this update report.

| <b>Access to Information</b> |   |
|------------------------------|---|
| Contact Officer:             | Josie Griffiths, Head of Audit, Risk and Assurance<br>josie.griffiths@cheshireeast.gov.uk   |
| Appendices:                  | CPC Q2 Strategic Risk Register (Detailed) - Appendix A<br>CPC Q2 Strategic Risk Assurance – Appendix B ANSA, Orbitas and Tatton Park Enterprises Ltd. |

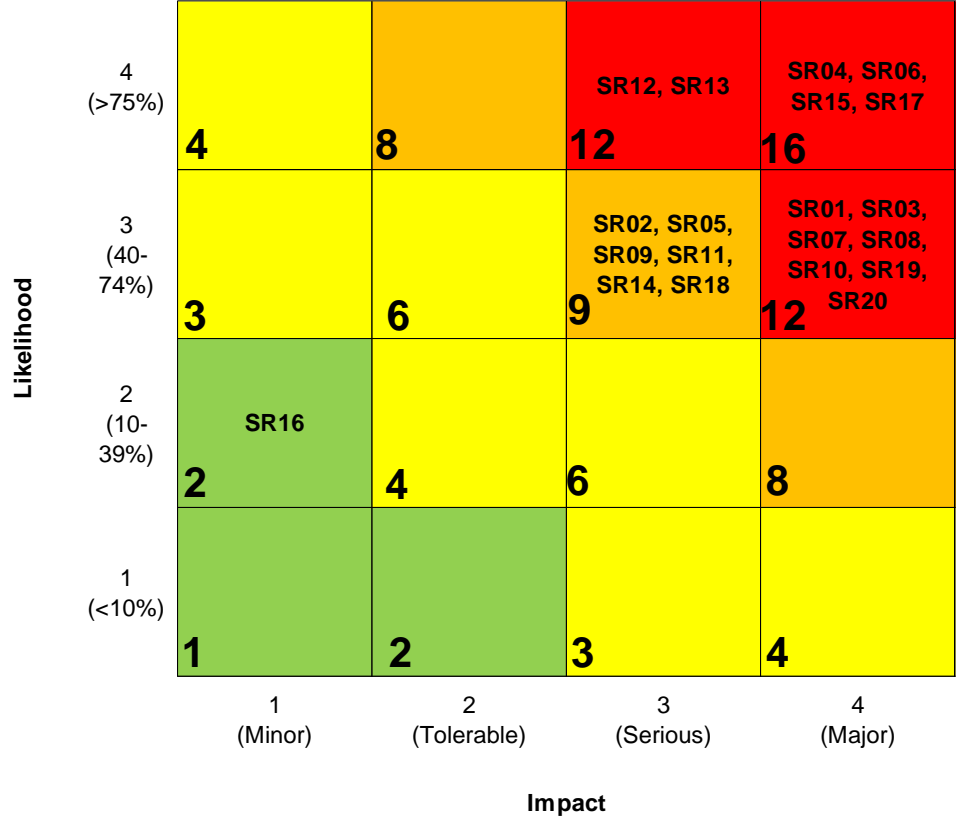
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| Background Papers: | CPC Q1 Strategic Risk Assurance Report 3 October 2024 |
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**Strategic Risk Summary – Changes in Net Scores Q2 2024/25**

| Ref  | Risk  | Q1 Net | Q2 Net | Travel | Target |
|------|---|--------|--------|--------|--------|
| SR01 | Increased Demand for Adult's Services   | 12     | 12     | ↔      | 9      |
| SR02 | Fragility and failure in the Social Care Market   | 9      | 9      | ↔      | 9      |
| SR03 | Complexity and Demand for Children's Services   | 12     | 12     | ↔      | 12     |
| SR04 | Dedicated School Grant Deficit  | 16     | 16     | ↔      | 16     |
| SR05 | Failure to Protect Vulnerable Children  | 9      | 9      | ↔      | 6      |
| SR06 | Failure to Achieve the MTFs   | 16     | 16     | ↔      | 9      |
| SR07 | Leadership Capacity   | 12     | 12     | ↔      | 9      |
| SR08 | Ability to Achieve Organisation Change  | 12     | 12     | ↔      | 8      |
| SR09 | Recruitment & Retention   | 9      | 9      | ↔      | 9      |
| SR10 | Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks | 12     | 12     | ↔      | 8      |
| SR11 | Failure to Adhere to Agreed Governance Processes  | 9      | 9      | ↔      | 6      |
| SR12 | Stakeholder Expectation & Communication   | 12     | 12     | ↔      | 9      |
| SR13 | Information Security and Cyber Threat   | 12     | 12     | ↔      | 12     |
| SR14 | Business Continuity   | 9      | 9      | ↔      | 6      |
| SR15 | Capital Projects - Place  | 16     | 16     | ↔      | 12     |
| SR16 | Failure of the Local Economy  | 2      | 2      | ↔      | 2      |
| SR17 | CEC Carbon Neutral Status   | 16     | 16     | ↔      | 16     |
| SR18 | Local Planning Authority Modernisation Plan   | 9      | 9      | ↔      | 6      |
| SR19 | Delivery of the ILACS improvement plan  | 12     | 12     | ↔      | 12     |
| SR20 | SEND Inspection   | 12     | 12     | ↔      | 8      |
|      |   |        |        |        |        |

**Strategic Risks Heat Map Q2 2024/25**



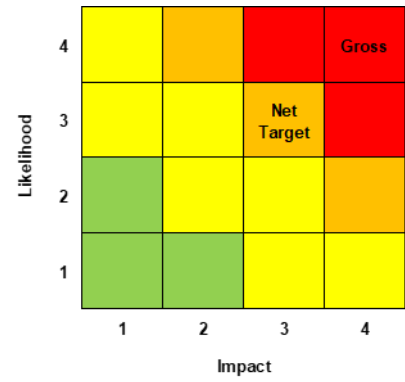
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| 12 - 16 | Critical Risks - Only acceptable in the short to medium-term, requires immediate action implementing and close monitoring   |
| 8 - 9   | Material Risks - Areas of concern, but due to capacity and or uncontrollable external factors, these can be accepted. Expectation is that these must be actively managed with on-going monitoring to ensure they don't escalate |
| 3 - 6   | Moderate Risks - Acceptable level of risk only requiring on-going monitoring to ensure they don't develop into something more serious   |
| 1 - 2   | Negligible Risks - Lowest level of risk, only kept in the register for completeness and to ensure there are no unexpected changes in the profile  |



**Individual Risk Details – Q2 2024/25**

|   |                                     |  |
|---|-------------------------------------|--|
| <b>Risk Name:</b> Increased Demand for Adult Services   |                                     | <b>Risk Owner:</b> Executive Director of Adults, Health, and Integration |
| <b>Risk Ref:</b> SR01   | <b>Date updated:</b> 4 October 2024 | <b>Risk Manager:</b> Director of Adult Social Care Operations            |
| <p><b>Risk Description:</b> An increase in demand for adult social services that cannot be met within the existing budget.</p> <p>There is currently a historically high demand for services from young adults right through to the elderly. This has been caused by an overall decrease in national adult health and wellbeing and other socio-economic factors. There has been an increase in responsibility and duties being transferred to LA i.e. RCRP.</p> <p>Detailed consequences; a failure in one area of social care, either internal or external to the council, has knock-on effects and increases pressure on other services. This can cause an on-going downwards trend in adult health and wellbeing. In addition, the council may fail in its duty of care and its objective of supporting its most vulnerable individuals. Specific failures that have been seen are a reduction in preventative measure and early intervention, which ultimately increase demand. Increased pressure on practitioners causes stress related issues and reduces the appeal of working in the sector.</p> <p>Detailed causes; due to the additional wellbeing pressures placed on residents, council staff, third-party providers and the NHS, the volume and complexity of demand for adult services has increased materially. As have political factors such as changes in legislation and resettlement agreements. Due to several different socio-economic factors recruitment and retention of staff is difficult resulting in increased use of agency staff. The increase in demand and complexity for services has not been recognised with increased established staffing, resulting in use of Agency Staff to fill the void.</p>   |                                     | <p>Likelihood</p> <p>Impact</p>  |
| <b>Interdependencies (risks):</b> Failure of Council Funding, Fragility in the social care market, Failure of the local economy, Organisational capacity and demand   |                                     | <b>Lead Service Committee:</b> Adults and Health Committee               |
| <p><b>Key Mitigating Controls (Existing):</b></p> <ul style="list-style-type: none"> <li>• Delivery of market engagement events, keeping providers / people informed of preventative change resulting from the People Live Well, for Longer Transformation Programme.</li> <li>• Contracts and Quality Monitoring Policy Framework, monitoring the user outcomes that partners are delivering. This helps to inform the managed decommissioning of services, in an effort to reduce service disruption. Maintaining a provider risk register with the Care Quality Commission to ensure market oversight. A standard set of fit for the future contracts, designed to ensure quality outcomes for users and ensure provider's business models remain sustainable as demand changes.</li> <li>• Monthly quality monitoring partnership forum that reports to relevant DMTs and the Safeguarding Board. Attendees include the Police, Safeguarding, Care Quality Commission, ASC operations, Legal, CCG's and ASC lead commissioner.</li> <li>• People Helping People programme, working collaboratively with partners and local volunteers to channel community-based support, reducing demand on adult social care. The sourcing/brokerage team support the co-ordination of these services, helping vulnerable people to access non-council support where appropriate.</li> <li>• Direct payment scheme, allowing users identify and manage their own care support.</li> <li>• The preventative policy framework standardises the approach to prevention across adult social care "front door. When appropriate, directing users to approved community solutions, which can provide non-traditional benefits to those individuals and help maintain their independence.</li> </ul> |                                     |  |

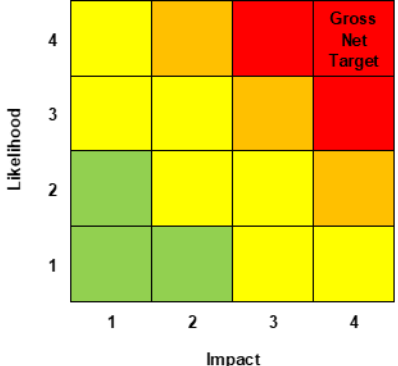
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| <ul style="list-style-type: none"> <li>• Annual financial and resource planning by ASC services, considering expected demand, funding, the local social care market and other socio-economic trends.</li> <li>• Regular service/team meetings to disseminate information and discuss operational issues.</li> <li>• Involvement in the North West regional and local programme of work pertaining to health and care staff recruitment, retention, and selection – resulting in a robust career path being developed with key partners and in being clear pertaining to local strategy.</li> <li>• Collaborative working with other services, such Public Health, where objectives align and communication is required to delivery value for money. Utilisation of Public Health JSNA and wider regional data sets inform future planning. The joint commissioning management monthly working group seeks to ensure ASC is working effectively and efficiently with other Children and Family services.</li> <li>• Engagement with the Integrated Care Partnership, including health partners.</li> <li>• Regular ASC reporting to CLT and Adult and Health Committee on performance, expenditure/budget and demand. On-going management of services, based on performance, expenditure/budget and demand management information. Trend analysis used to help predict future demand.</li> <li>• Engagement with service users, collaboration with Healthwatch and other independent organisations to help drive service improvements and cost savings.</li> <li>• Business continuity assessments and resiliency preparation, both internally and with key partners.</li> <li>• Implementing recommendations of independent review. All care plans presented to senior leasers board for authorisation of spend.</li> <li>• Tighter controls on hospital discharge will impact relationship with ICB colleagues.</li> <li>• 3 times weekly Quality, Performance and Authorisation Board to review every request for care, since the start of this regime over 2000 cases have been reviewed to ensure that the package of care is effective and efficient.</li> <li>• Weekly Extended leadership meeting to review budget, spend and activity.</li> <li>• Inner Circle Transformation Partners working alongside ASC staff to transform services and reduce spend.</li> </ul> |                                    |
| <b>Actions (Monitoring):</b>  | <b>Target Date for Completion:</b> |
| Implementation of Impower Consulting review (Weekly CEBERT meetings)  | Q4 2023/24                         |
| <p><b>Comments this quarter:</b> As predicted the reduction of agency staff within the service has resulted in increased waiting times for assessments, this reduction has been seen in the services provided during quarter two. All waiting lists are monitored weekly to manage the risks. Providers of services continue to push for increased fees, however we have started to implement the care cubed model to scrutinise care costs, we are working through the analysis of the initial tranche of providers who have been through this process and will report in quarter three. We are seeing a rise in demand from self-funded residents where their funds have reduced to a level that makes them eligible for funded social care and this demand is expected to increase.</p> <p>Scrutiny of cases continues at 3 x weekly Quality, Performance and Authorisation Boards we are very aware of the risks of falling on the wrong side of the legislative framework where the council could be subject to legal challenge and therefore we review our decision making process to avoid this risk. The demand in terms of the numbers of residents requiring a service continues to be stable however the rise in the complexity of cases is seen in the scale of the assessment process and the financial costs of challenging cases. We continue to meet weekly to discuss risks and budget pressures. The deficit within the Cheshire and Mersey ICB will increase pressure on the council to pick up funding for previously funded health patients and this will require robust challenge and discussion.</p>   |                                    |
| <p><b>Timescale for managing risk to an acceptable level:</b> The outcomes from the work commissioned with Impower is being actioned via HLBC, we are monitoring all support and care plans and calls for services on a 3x per week basis, Director is monitoring approx150 cases per week. Demand is constant especially for those who are 90+yrs, and for those with dementia. Cost of individual care packages remains very high with an increasing number£2000 per week.</p>  |                                    |

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| <b>Risk Name:</b> Fragility and Failure in the Social Care Market  |                                     | <b>Risk Owner:</b> Executive Director of Adults, Health and Integration             |
| <b>Risk Ref:</b> SR02  | <b>Date updated:</b> 9 October 2024 | <b>Risk Manager:</b> Director of Adult and Children's Commissioning                 |
| <p><b>Risk Description:</b> A failure of the local social care market. Increases in the volume and complexity in demand and financial pressures have caused weaknesses in the national social care market which have yet to be resolved.</p> <p>Detailed consequences; the council is unable to deliver a robust adult social care package without the use of third-party providers, without these outsourced services the overall social adult care package would fail and the council would not be able to achieve its objective of people living well and for longer. If the Council is unable to increase fees for providers it will impact on the sustainability of some care providers and result in some packages of care being handed back to the Council or notices served on care home resident's placements. This could lead to a need to increase the use of care providers who have not been through a formal tendering process which in some cases could result in higher costs and/or poorer quality. While due diligence is undertaken for these providers, some providers do not fully co-operate with this process. It will also bring challenges in managing budgets in 2024/25.</p> <p>Detailed causes: the major risk going forward is the financial impacts on providers resulting from the 9.8% uplift in National Living Wage from April 2024 and high rates of inflation. The current financial position of the Local Authority precludes it from uplifting care fees for all care contracts in 2024/25.</p>  |                                     |  |
| <b>Interdependencies (risks):</b> Failure to Achieve the MTFs, Business Continuity, Failure of the Local Economy   |                                     | <b>Lead Service Committee:</b> Adults and Health Committee                          |
| <p><b>Key Mitigating Controls:</b></p> <ul style="list-style-type: none"> <li>Contracts and Quality Monitoring Policy Framework, monitoring the people's outcomes that partners are delivering.</li> <li>Localised quality assurance risk management oversight tool embedded which provides pertinent intelligence that will identify any escalation of providers quality and safety of service delivery in an effort to reduce service disruption. This risk matrix connects to an overarching provider risk register with the Care Quality Commissioning to ensure market oversight.</li> <li>A standard set of fit for the future contracts, designed to ensure quality outcomes for users and ensure provider's business models remain sustainable as demand changes.</li> <li>Increasing the robustness of due diligence on care providers who have not been through a formal tendering process.</li> <li>Comprehensive cost of care exercise to be undertaken with all care providers to ensure that care packages are sustainable and available resources are distributed fairly.</li> <li>Delivery of market engagement events, keeping providers / people informed of preventative change resulting from the People Live Well, for Longer Transformation Programme.</li> <li>The preventative policy framework standardises the approach to prevention across adult social care "front door. When appropriate, directing users to approved community solutions, which can provide non-traditional benefits to those individuals and help maintain their independence.</li> <li>Annual financial and resource planning by ASC services, undertaken capacity and demand modelling, funding, the local social care market, and other socio-economic trends. Development and publication of the Market Sustainability Plan. Completion and submission of the Cheshire East Market Availability and Capacity Plan to DHSC.</li> <li>Involvement in the Northwest regional and local programme of work pertaining to health and care staff recruitment, retention, and selection – resulting in a robust career path being developed with key partners and in being clear pertaining to local strategy.</li> <li>Update of the joint Market Position Statement with ICB to ensure that care providers receive timely information about commissioning intentions.</li> </ul> |                                     |   |

|  |                                    |
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| <ul style="list-style-type: none"> <li>Regular ASC reporting to DLT, CLT and Adult and Health Committee on performance, expenditure/budget and demand. On-going management of services, based on performance, expenditure/budget and demand management information. Trend analysis used to help predict future demand.</li> <li>Engagement with service users, collaboration with Healthwatch and other independent organisations to help drive service improvements and cost savings.</li> <li>Business continuity assessments and resiliency preparation, both internally and with key partners.</li> <li>The Council is working with skills for care to see what support it can give to the market in terms of recruitment and retention and build knowledge. Providers have access to recruiting staff from abroad if there isn't a sufficient supply available locally. Development of a Workforce Strategy for the external care workforce.</li> <li>Investigation and investment into new health and care technologies. Use of new technologies to be driven by considering performance, capacity, and value for more against more traditional methods.</li> <li>Quality Performance Authorisation Board meets three times a week to ensure that the Council is obtaining value for care money for commissioned placements and making best use of all commissioned block booked assets across the Borough.</li> <li>A Transfer of Care Hub has been set up in both hospitals with key staff from CEC and Hospital Trusts co-located to improve joint working and ease pressures on hospital discharge and ensure people are supported through the correct pathway at the point of discharge.</li> <li>Commissioners undertake Market Engagement activities with Care at home Providers to Coproduce new models of care. Joint working with 'Skills for Care' to encourage individuals to take up employment within the care sector. 'Hidden Carer's' initiative launched through Carer's Hub to help identify and support carers not known to the system.</li> <li>Low level support for the British Red Cross who respond to crisis situations in the community.</li> <li>A tool called Care Cubed has been commissioned to assess the actual cost of delivering care for individual care providers and benchmark against market prices.</li> <li>On-going engagement and development with the community voluntary faith sector to enhance our offer and support to people.</li> </ul> |                                    |
| <b>Actions (Monitoring):</b>   | <b>Target Date for Completion:</b> |
| Care at home re-commissioning (SRO and Work Programme in place)  | September 2025                     |
| Accommodation with care re-commission (SRO and Work Programme in place)  | September 2025                     |
| <p><b>Comments this quarter:</b> A revised Market Sustainability Delivery Plan for 2024/25 has been introduced which monitors the following domains:</p> <ul style="list-style-type: none"> <li>A sufficient supply of services to ensure continuity of care with minimal disruption in the event of provider exit from the market.</li> <li>A range of high-quality services for people to choose from</li> <li>Sufficient investment in the workforce to attract and retain high-quality staff.</li> <li>Evidence of innovation and service diversity in order to evolve and meet changing user needs.</li> <li>Being attractive to new market entrants and able to manage the impact of future market changes.</li> <li>Regulatory Quality and Safety Oversight and compliance</li> <li>Provider emerging risks and trends across the provider market</li> </ul> <p>There is currently only have 1 care home that has been rated as inadequate – Riseley House. They have 10 service users in the home and 4 are CEC funded. The Quality Assurance Team visit the home fortnightly to review the action plan and progress made. The home is discussed in Contract and Quality governance oversight meeting, so system partners are aware of any risks and issues. The quality assurance officers will check on residents and report any concerns to Social Care, safeguarding etc. The current care at home waiting list remains at 12 people which equates to 90 hours per week. Operational colleagues continue to RAG rate individuals placed on the waiting list for care at home. No further risks to note or escalate for Q2.</p>   |                                    |
| <p><b>Timescale for managing risk to an acceptable level:</b> N/A (Net score is equal to target). To a certain extent the risk is outside the Council's control as there is a reduced pool of people who wish to work in Social Care.</p>  |                                    |

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| <b>Risk Name:</b> Complexity and Demand for Children's Services  |  | <b>Risk Owner:</b> Executive Director of Children's Services   |
| <b>Risk Ref:</b> SR03  | <b>Date updated:</b> 21 <sup>st</sup> October 2024 | <b>Risk Manager:</b> Children's Services Directorate Leadership Team   |
| <p><b>Risk Description:</b> That Cheshire East's local social, economic and demographic factors, including the impact of the pandemic, lead to an increase in the level and/or complexity of need and demand for children's services, which the council cannot meet effectively. This risk would mean that we would not achieve the council's desired outcomes for children and young people as set out in the council's Corporate Plan.</p> <p>The service received growth through the MTFS to help address the pressures but the challenge to deliver to budget and achieve the required savings remains present. Significant action is still required to deliver savings to live within the budget as all indications are that demand, complexity and cost will continue to increase.</p>   |  | <p>The risk matrix is a 4x4 grid with Likelihood on the y-axis (1 to 4) and Impact on the x-axis (1 to 4). The colors represent risk levels: Green (Low), Yellow (Medium), Orange (High), and Red (Very High). The current risk level is at Impact 4, Likelihood 3 (orange). The 'Gross' risk level is at Impact 4, Likelihood 4 (red). The 'Net Target' risk level is at Impact 4, Likelihood 2 (orange).</p> |
| <b>Interdependencies (risks):</b> Increased Demand for Adult Services, Insufficient and Non-Compliance with Financial Processes, Organisation Capacity and Demand, Failure to Achieve the MTFS, Failure of the Local Economy   |  | <b>Lead Service Committee:</b> Children and Families Committee   |
| <p><b>Key Mitigating Controls:</b></p> <ul style="list-style-type: none"> <li>• Growth to address budget pressures within services was agreed in the MTFS for 2024/25, including £10.8m to address placement costs for children.</li> <li>• Extensive activity is taking place to manage and reduce costs.</li> <li>• We are closely monitoring the demand to services and the reasons that are driving demand so that we can be responsive and mitigate any risks to service delivery.</li> <li>• We have a range of support available to families through early help and prevention services, including council, partner, voluntary, community, faith sector and commissioned services. These services support families and help prevent needs from escalating and requiring higher level intervention.</li> <li>• We have implemented Family Hubs, bringing council, health and community services together – improving access and reach of services, supporting earlier intervention, and improving partnership working. Over the past 12 months the council has opened five family hubs across the borough, including a SEND Centre of Excellence, as well as a new digital offer so families can also access advice and information online.</li> <li>• Our approach is to ensure only the right children come into care; this is right for children and young people and will also reduce demand to Children's Social Care services. We will continue look to identify options for children to live within their family networks where this is the best outcome for them.</li> <li>• We are continuing to support children and young people who are most vulnerable through the Household Support Fund and the Holiday Activity Fund.</li> </ul> |  |  |
| <b>Actions (Monitoring):</b>   |  | <b>Target Date for Completion:</b>   |
| Review and realign children's services to deliver better outcomes for less (Children's social care senior leadership team)   |  | March 2027   |
| Review and strengthen how we support children at child in need to prevent their needs from escalating (Children's social care senior leadership team)  |  | March 2027   |
| Review entries to care to understand how we can strengthen our approach (Children's social care senior leadership team)  |  | December 2024  |
| Expand our in-house residential provision to offer more local and cost effective homes for children and young people (Children's social care senior leadership team)   |  | Initial mobilisation to be complete by April 2025  |
| <b>Comments this quarter:</b> No change to the net rating, it remains 12, a material risk, equal to the target score.  |  |  |

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| A new Executive Director of Children's Services and Director of Improvement are now in post. These two post holders have an established track record of transforming services to deliver better outcomes for children and young people and also achieving savings. New arrangements have been put in place to strengthen the oversight of children's outcomes and to review opportunities for developing services to deliver better for less. This work will be aligned with the council's transformation programme. |
| <b>Timescale for managing risk to an acceptable level:</b> March 2026  |

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|---|--|---|
| <b>Risk Name:</b> Dedicated School Grant Deficit  |  | <b>Risk Owner:</b> Executive Director of Children's Services                        |
| <b>Risk Ref:</b> SR04   | <b>Date updated:</b> 30 <sup>th</sup> October 2024 | <b>Risk Manager:</b> Children's Services Directorate Leadership Team                |
| <p><b>Risk Description:</b> That the deficit held in the dedicated schools grant (DSG) continues to rise and/or is not recoverable.</p> <p>The final outturn position for the financial year 2023-24 outlines a reduced deficit position of the DSG high needs budget of £79.5M compared to the forecast deficit of £89.6M resulting in a reduction of £10.1m. The mitigated cumulative forecast reserve deficit identified through the Safety Valve programme is £285m. This is in part as a result of the growth in the number of pupils with an education, health and care plan greatly exceeding the funding and insufficient local placement options. This is a national issue and local authorities are required to hold a negative reserve for this purpose which is in place until March 2026. This position is unaffordable and unsustainable. The arrangements beyond March 2026 are not confirmed by the Department for Levelling Up, Housing and Communities (DLUHC). This risk continues to be a feature of ongoing liaison with the Department for Education and the DLUHC.</p> <p>Without significant changes to funding the DSG reserve deficit is not recoverable. Significant action is required to deliver savings to live within the budget as all indications are that demand, complexity and cost will continue to increase.</p>  |  |  |
| <b>Interdependencies (risks):</b> Increased Demand for Adult Services, Insufficient and Non-Compliance with Financial Processes, Organisation Capacity and Demand, Failure to Achieve the MTFS, Failure of the Local Economy  |  | <b>Lead Service Committee:</b> Children and Families Committee                      |
| <p><b>Key Mitigating Controls:</b></p> <ul style="list-style-type: none"> <li>On 7 September 2023, we accepted an invitation from the Department for Education to start negotiations to join their Safety Valve programme, which would provide more help from the government to balance our budget. The aim of the Safety Valve programme is to agree a package of reform to improve the performance of local authorities' high needs systems and ensure this is delivered in a sustainable way, for the benefit of children and young people, whilst bringing DSG deficits under control. We submitted detailed plans to the government in January 2024. In March 2024 Ministers advised that they are currently unable to enter into an agreement with Cheshire East as Cheshire East's Safety Valve submission included an ask of the Department which is significantly above the level which the Department could reasonably afford in comparison to other agreements. Ministers recognise that the DSG deficit as forecasted poses a substantial risk to Cheshire East, and propose to work with us over the coming months, alongside colleagues from DLUHC, to seek an appropriate solution.</li> <li>The DSG management plan is in place to monitor the impact of demand to SEND services on financial pressures and monitor the delivery and impact of mitigations that have been put in place. A revised DSG management plan for 2024/25 to 2030/31 was approved by the Children and Families Committee on 29 April 2024. The committee also received an update on the Safety Valve submission. The Children and Families Committee is receiving monthly updates on the DSG management plan.</li> <li>The council has updated the SEN sufficiency statement for 2023/24 to 2025/26, and the SEND strategy, which were received and agreed by the Children and Families Committee in September 2023. The SEN sufficiency statement sets out the additional provision needed over the next three years. The SEND strategy has been refreshed to include priority actions relating to the mitigations with the revisited DSG management plan 2024-2031.</li> <li>There is significant capital investment in local SEND provision to meets children's needs more locally but also reduce dependency on high-cost independent school placements. As part of the Safety Valve programme we were invited to submit a Capital bid. The bid was successful and we have been awarded £16m to create more specialist provision.</li> <li>The capital grant will allow us to create the following <ul style="list-style-type: none"> <li>3 x special school satellite sites providing in total 140 additional places</li> <li>1 x 14 place new SEN unit</li> </ul> </li> </ul> |  |   |



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| <ul style="list-style-type: none"> <li>○ Generic funding to support the refurbishment/adaption of space within mainstream settings which could support the current demand by way of resource provisions and/or SEN units.</li> <li>• We are embedding a graduated approach and inclusion across all schools and settings and strengthening SEN support.</li> <li>• We participated in the DfE's delivering better value (DBV) programme to support the council to achieve a more sustainable financial position in relation to SEND. This identified two priority areas of cultural change that will make the biggest difference on managing demand – inclusive practice and transition. Cheshire East has been awarded £1 million to support the delivery of this transformational change. These areas have been incorporated within our SEND Strategy.</li> <li>• A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy.</li> <li>• We have a range of support available to families through early help and prevention services, including council, partner, voluntary, community, faith sector and commissioned services. These services support families and help prevent needs from escalating and requiring higher level intervention.</li> </ul>   |                                    |
| <b>Actions (Monitoring):</b>   | <b>Target Date for Completion:</b> |
| A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy. (Progress will be monitored through the MTFS arrangements)   | March 2027                         |
| Delivery of the delivering better value implementation plan (Children's services senior leadership team)   | March 2025                         |
| Continue to increase SEND provision in Cheshire East (Reviewed quarterly)  | September 2024                     |
| Embed the graduated approach and inclusion across all schools and settings and strengthen SEN support (Reviewed quarterly)   | September 2025                     |
| Implement the Safety Valve plan (Quarterly by the DfE if accepted onto the programme. If not accepted the plan will be monitored internally through a CEX lead board with member involvement).   | March 2031                         |
| <p><b>Comments this quarter:</b> The in year forecast deficit is £42.9m, resulting a forecast cumulative deficit of £121.6m x 31 March 25. The DSG management plan has been reprofiled to take in to account of the reduced growth of EHCP numbers (13.5% EHCP growth - 5.5% lower than anticipated) and a considerably lower deficit position than forecast on 31 March 2024 (£10 million reduction in the deficit position – giving a position of £79 million).</p> <p>A report to demonstrate the impact of reprofiling the DSG management plan will be reported to Children and Families Committee on 11 November 2024. The unmitigated forecast deficit is £1.07 billion 2030/31 and the mitigated forecast deficit is £237 million, a reduction of £48 million.</p> <p>The overall strategy remains the same, of RIGHT SUPPORT, RIGHT PLACE, RIGHT TIME. Elements of the plan include increased specialist provision. The timely opening of the provisions is reliant on circumstances which maybe out of our control and therefore carry a risk, such as delivering by the Department of Education, planning approvals and public consultations. Increased specialist provision include: a new free special school, which will be delivered by the Department of Education (DfE), additional special school satellite sites and additional resource provisions/SEN units within mainstream schools. The newly created SEND Transformation Team, although not fully operational, is helping to drive forward key mitigations detailed in the DSG management plan.</p> <p><b>Timescale for managing risk to an acceptable level:</b> March 2025. We aim to see an incremental reduction in the risk as we implement our plan. By the end of March 2025, we aim for the risk to be reduced to a score of 12, then to see this continue to reduce over the following years with aim to be at an acceptable level of risk by 2026.</p> |                                    |



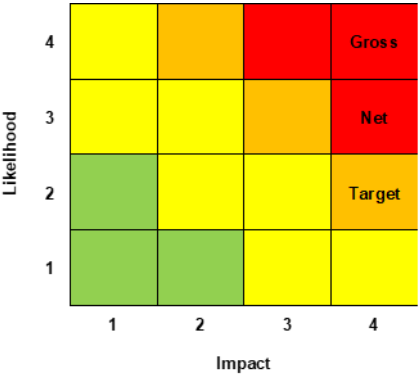
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| <b>Risk Name:</b> Failure to Protect Vulnerable Children  |  | <b>Risk Owner:</b> Executive Director of Children's Services   |
| <b>Risk Ref:</b> SR05   | <b>Date updated:</b> 31 <sup>st</sup> October 2024 | <b>Risk Manager:</b> Quality and Impact Board                  |
| <b>Risk Description:</b> The risk, that as a part of the local safeguarding children's partnership, Cheshire East Council's children's services are unable to fulfil their responsibilities relating to the protection of vulnerable children at risk of criminal exploitation and child sexual abuse. To do this Cheshire East seeks to be an effective and collaborative partner in the partnership. Ofsted are responsible for conducting inspections into the quality of children's social care provided by Cheshire East and as the local authority responsible Cheshire East is continually looking to meet those expectations in an ever-changing and challenging environment.   |  |  |
| <b>Interdependencies (risks):</b> Increased Demand for Adult Services, Complexity and Demand for Children's Services  |  | <b>Lead Service Committee:</b> Children and Families Committee |
| <b>Key Mitigating Controls:</b> <ul style="list-style-type: none"> <li>The Quarterly Quality and Impact board has oversight of the Multi Agency Safeguarding Arrangements. There are 3 Statutory Partners; Health, Local Authority and Police. The Statutory Partners form the Cheshire East Safeguarding Children's Partnership. Working Together 2023 outlines the responsibility of the Statutory Partners to involve other agencies.</li> <li>A Children's Partnership Executive Board is in place which consists of the Chief Executive of the council, Chief Constable and Chief Nurse, which scrutinises partnership progress against the improvement plan.</li> <li>Ofsted regularly inspect the Local Authority and the partnership arrangements.</li> <li>The partnership ensures awareness within all agencies by providing regular training focused on exploitation. The training facilitates communication, increased knowledge and understanding and working together.</li> <li>We have an Exploitation Strategy, practice guidance, and training for frontline practitioners. This all ensures there is a clear partnership approach to supporting children and young people at risk of exploitation. This requires updating before the end of January 2025 which will provide a clear oversight of governance and practice standards across the partnership.</li> <li>There is a shared understanding of the children and young people who are at risk of exploitation across the partnership.</li> <li>There are regular multi agency audit of practice are completed for children at risk of exploitation to evaluate the impact of changes on quality of practice.</li> <li>Committee will have oversight through the annual report and any inspection reports.</li> <li>Quarterly reports are developed through the Learning and Improvement sub group and the CS/SOC Strategic group to provide the direct line of sight from practitioners to Executive members.</li> <li>Voice of the child case study is presented at every Executive Board. This demonstrates the impact that services and intervention are making for the child.</li> <li>Improvement board following the recent Ofsted inspection and this has oversight of the ILACS Improvement plan, with independent scrutiny from the DfE.</li> </ul> |  |  |
| <b>Actions (Monitoring):</b>  |  | <b>Target Date for Completion</b>                              |
| CS SOC Impact report to be presented to the Quality and Impact board (Quality and Impact Board)   |  | Q3 2024  |

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| <p><b>Comments this quarter:</b> A review and reflections session has taken place within the Strategic Contextual Safeguarding board and has evidenced that there are areas of practice, as recommended in the JTAI, that we are currently not meeting. There has been an increase in children being identified as high risk of exploitation and there are a number of the cohort who are not in education. This is a significant risk regarding safeguarding. We are not able to provide evidence or data to demonstrate if we have safely reduced the number of children coming into care as a result of exploitation.</p> <p>The Contextual Safeguarding strategy ends in January 2025 and a number of changes are proposed to how this risk is managed and monitored and therefore there is a lack of clarity around the expectations of the partnership. There is currently a single Team Manager leading the Contextual Safeguarding operational work and this seems a significant risk that this is a single point of failure. An increase in the net score is not recommended at this time. Whilst the review and reflections findings evidenced some gaps, this is broadly in line with expectations. These will be addressed through the strategy being updated and providing clear oversight to the partnership of the practice standards. This shows the oversight of this cohort through the CS SOC Strategic Board and the Quality and Impact Executive Board is working as intended.</p> <p><b>Timescale for managing risk to an acceptable level:</b> December 2024</p> |
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| <b>Risk Name:</b> Failure to Achieve the MTFS   |   | <b>Risk Owner:</b> Executive Director of Resources (S151 Officer)  |   |            |        |           |  |  |           |   |  |  |        |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| <b>Risk Ref:</b> SR06   | <b>Date updated:</b> 12 <sup>th</sup> November 2024 | <b>Risk Manager:</b> Director of Finance (Deputy S151 Officer)   |   |            |        |           |  |  |           |   |  |  |        |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| <b>Risk Description:</b> Failure to achieve approved changes and manage net spending within the MTFS agreed by Council within the expected timescales will undermine the Council’s ability to manage its budget effectively in the current and future years.<br><br>Potential impacts:<br>Failure to achieve the agreed annual budget will reduce the Councils reserves and may endanger its medium-term financial stability, ultimately leading to reduction in the services it can provide to its residents, due to having to issue a Section 114 Notice. Poor management of specific grant funding can also result in the Council having to repay those monies.<br><br>Drivers of likelihood:<br>Key drivers of this risk are a lack of effective strategic and/ or operational management, and a lack of ability and/ or authority to implement change, along with global and national events adversely affecting levels of inflation and prices.   |   | <table><tr><td rowspan="4">Likelihood</td><td>4</td><td></td><td></td><td></td><td>Gross Net</td></tr><tr><td>3</td><td></td><td></td><td>Target</td><td></td></tr><tr><td>2</td><td></td><td></td><td></td><td></td></tr><tr><td>1</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td></td><td></td><td colspan="4">Impact</td></tr></table> |   | Likelihood | 4      |           |  |  | Gross Net | 3 |  |  | Target |  | 2 |  |  |  |  | 1 |  |  |  |  |  |  | 1 | 2 | 3 | 4 |  |  | Impact |  |  |  |
| Likelihood  | 4   |  |   |            |        | Gross Net |  |  |           |   |  |  |        |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
|   | 3   |  |   |            | Target |           |  |  |           |   |  |  |        |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
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|   |   | 1  | 2 | 3          | 4      |           |  |  |           |   |  |  |        |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
|   |   | Impact   |   |            |        |           |  |  |           |   |  |  |        |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| <b>Interdependencies (risks):</b> all   |   | <b>Lead Service Committee:</b> Corporate Policy Committee  |   |            |        |           |  |  |           |   |  |  |        |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| <b>Key Mitigating Controls:</b> <ul style="list-style-type: none"><li>Financial planning arrangements include preparation by the Finance Team, in liaison with senior operational managers, of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice.</li><li>Use of quality financial systems, with appropriate training and subsequent audit of their effectiveness to provide management and control of the Council's finances</li><li>Balanced budget to put into effect the Council's service plans for the forthcoming year, matched by available funding and including a risk assessment of the adequacy of general reserves</li><li>MTFS sets out how the Council will deliver the Council's Corporate Plan</li><li>Use of a standard report format and report clearance process which ensures provision of relevant information on financial impact and risk exposure to the decision makers.</li><li>Clear and effective communication of changes or updates to Finance and Contract Procedure Rules with the Constitution</li><li>Sources of specialist advice and guidance</li><li>Budget monitoring, comparing actual performance against approved budget, is undertaken throughout the financial year and presented to service committees, in the form of forward-looking forecast outturn reports</li><li>Outturn reporting and audit of statements supports in-year monitoring and future year planning</li><li>Risk-based approach to the use of reserves, identifying appropriate reserve levels and ensuring that reserves are not depleted without first identifying a strategy to restore them to risk-assessed levels during the MTFS period.</li><li>Where a residual deficit is forecast in a financial year, a number of actions will be explored including:-<ul style="list-style-type: none"><li>use of any service or non-specific underspend to offset pressures elsewhere within the budget</li><li>accessing external funding, ensuring compliance with any funding conditions</li><li>use of reserves</li><li>use of general balances</li></ul></li></ul> |   |  |   |            |        |           |  |  |           |   |  |  |        |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |

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| <ul style="list-style-type: none"> <li>Treasury Management Strategy to manage the Council's cash flows, including an investment strategy focused on the security of principal sums and a borrowing strategy to manage interest payable and other charges</li> <li>A Capital Strategy that prioritises capital investment programmes, identifies the financial impact of investment in schemes and limits the amount of unsupported borrowing to be taken</li> <li>Engagement with government departments related to financial models and consultation</li> <li>Education and training for officers and Members, including financial management in local government, the CIPFA FM Code, and Finance and Contract Procedure rules</li> <li>Reporting of status and action plan on CIPFA FM Code</li> <li>Budget management regime implemented early in 2023/24 to track activities relating to delivery of approved budget changes</li> <li>Spending management regime implemented in October 2023, to control and reduce spending on staffing and supplies and services; review fees and charges to customers; and approaches to charging costs to capital projects and using capital receipts</li> <li>Strategic Financial Management Board, with a number of groups – Procurement; Strategic Assets; Workforce Oversight; Financial Management – each with terms of reference and various assigned tasks; and with a further link for all groups/ activities to the Transformation Programme. any Directorate forecasting spend &gt;5% over approved budget is subject to focussed budget management, reporting progress to SFMB weekly</li> </ul> |                                    |
| <b>Actions (Monitoring):</b>  | <b>Target Date for Completion:</b> |
| Ongoing reporting of spending management effectiveness and latest forecasts to SFMB/CLT (Weekly reporting and review by SFMB/CLT)   | March 2025                         |
| Directly or via professional or political networks, liaise with Government departments on the severity of the many financial issues (Reporting to CLT, and to Members in the MTFS update)   | February 2025                      |
| Preparation and approval of the 2025/26 annual budget (Formal Financial Reviews to Committees; with progress on all change proposals reported to each committee cycle)  | February 2025                      |
| <p><b>Comments this quarter:</b> No change to the risk ratings. The Council's Second Financial Review (FR2) shows a forecast £20.1m overspend for the current financial year. This was reported to Finance Sub-Committee on 7 November and will also be reported to service committees through the November cycle of meetings.</p> <p>Whilst an improvement on the First Financial Review by £6.5m, the forecast overspend remains a significant financial challenge for the Council. After agreed movements, reserves are currently estimated to be £10m (£0.5m General Fund balance; £9.5m in earmarked reserves); clearly this is insufficient to cover the current forecast outturn and further action is required. The forecast does not assume use of the £17.6m Exceptional Financial Support (EFS). If spending cannot be brought back into line with budget, it will be necessary to take up the EFS and plan for its financing.</p> <p>The Council faces a significant four-year funding gap, with the shortfall in 2025/26 identified in February 2024 MTFS estimated at £41.9m. There is a risk that pressures leading to the latest FR2 forecast position may increase that shortfall figure if further rapid action does not take place to stabilise our financial position. As noted in Q1, the Council's Transformation Programme is underway and its outcomes will help to shape the development of the Council's updated MTFS for 2025-29.</p>  |                                    |
| <b>Timescale for managing risk to an acceptable level:</b> March 2025   |                                    |

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| Risk Name: Leadership Capacity  |  | Risk Owner: Chief Executive                        |  |
| Risk Ref: SR07  |  | Date updated: 15 <sup>th</sup> October 2024        |  |
| Risk Manager: Head of HR  |  |  |  |
| Risk Description: There are a number of vacancies and temporary acting up arrangements in place across CEC's leadership team are not functioning. These limit its capacity and prevents the team from operating as effectively as possible. Without the right capacity across the leadership team, the organisation is unable to flex and be respond to its challenges.   |  |  |  |
| Potential impacts: The impact may be a failure to achieve priorities, which is ever more critical in light of current financial challenges as well as the Council's requirement to deliver a large-scale transformation programme. It could also be the case that priorities are delivered at higher cost than could otherwise be achieved. Without maintaining value for money throughout the organisation, overall amount of effectiveness is reduced.  |  |  |  |
| Drivers of likelihood: Reputational risk from Section 114 notice and impact on recruitment and retention. Failure to recruit and retain individuals for senior management positions. Failure to complete DMA exercise and implement a revised structure, Failure to implement management development for the leadership team. Failure to communicate and motivate the wider workforce.  |  |  |  |
| Interdependencies (risks): All other strategic and operational risks.   |  | Lead Service Committee: Corporate Policy Committee |  |
| Key Mitigating Controls: <ul style="list-style-type: none"><li>• Council Constitution and decision-making structure, including the Committee system and defined terms of reference.</li><li>• Corporate Plan and Annual Service Business Plans.</li><li>• Support from Governance functions.</li><li>• Leadership team recruitment processes, including skills and experience requirements.</li><li>• Leadership team performance management processes.</li><li>• Organisation structure and internal reporting.</li><li>• Workforce Strategy</li></ul> |  |  |  |
| Actions (Monitoring):   |  | Target Date for Completion:                        |  |
| Undertake Decision Making Accountability (DMA) exercise from Heads of Service level to develop a revised organisational structure and implement new structure (Introduction of new populated structure)   |  | 01/11/2024   |  |
| Leadership development programme for CLT and WLC (Evaluation of programme once completed and sessions delivered)  |  | 31/12/2024   |  |
| Interim arrangements for key posts (Interim recruitment exercise to a number of key posts)  |  | 31/05/2024   |  |
| Comments this quarter: A consultation process on a proposed new senior management structure has been conducted and the recruitment to the new senior management structure will increase leadership capacity across the organisation. The recruitment process will start in November.  |  |  |  |
| Recruitment has taken place to the Executive Director, Place. The postholder will commence with the Council in November 2024. Senior interim arrangements will remain in place until recruitment has taken place and postholders take up their new positions. An Interim Executive Director of Children's Services and an interim Improvement Director joined CEC in September 2024.  |  |  |  |
| Timescale for managing risk to an acceptable level: November 2024   |  |  |  |

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| <b>Risk Name:</b> Ability to Achieve Organisation Change  |                                    | <b>Risk Owner:</b> Assistant Chief Executive  |
| <b>Risk Ref:</b> SR08   | <b>Date updated:</b> November 2024 | <b>Risk Manager:</b> Director of Transformation                                     |
| <p><b>Risk Description:</b> The risk that the council is unable to achieve organisational change due to a lack of resources and capacity to focus on transformation as people focus on the delivery of business as usual. Recently received advice from government commissioners advised that organisational change capacity is a key ingredient to support the council in delivering transformation to achieve medium to long term change that will support achievement of savings and also, in the event of a section 114 notice being issued, organisational change capacity is also essential to deliver necessary actions arising from interventions.</p> <p>Potential impacts: The council is required to deliver transformation activity at pace in order to balance the budget and avoid section 114. If a section 114 notice is issued and commissioners intervene, the council bears their costs. These costs are estimated at up to £200K per commissioner and there are usually 2-6 commissioners, for a period of up to 5 years. Therefore it is more prudent to ensure that there is capacity for organisational transformation to avoid more significant costs and reputational damage.</p> <p>Drivers of likelihood: A focus on delivery of frontline and statutory services and a de-prioritisation of corporate, enabling functions. A lack of clear governance and oversight of delivery of transformation. No clearly identified medium- and long-term transformation programme. Failure to recruit and retain individuals for senior management positions. Failure to identify and implement required change initiatives effectively and in a timely fashion. Failure to oversee efficient and effective operations, including dealing with poor performing individuals and to communicate and motivate the wider workforce.</p> |                                    |  |
| <b>Interdependencies (risks):</b> Recruitment and Retention, Failure to Achieve the MTFS  |                                    | <b>Lead Service Committee:</b> Corporate Policy Committee                           |
| <p><b>Key Mitigating Controls:</b></p> <ul style="list-style-type: none"> <li>A “doing things differently” initial list of change proposals has been collated and is being discussed with members.</li> <li>A weekly Strategic Finance Management Board (SFMB) meeting is in place with Senior Level Membership to review the activities required to meet budget savings targets</li> <li>A Bright Ideas scheme is in operation to enable the workforce to contribute their ideas for transformation</li> <li>A new Corporate Plan has been consulted on to clarify the vision and priorities for Cheshire East</li> <li>Appointment of a Delivery Partner to provide additional capacity and to produce the council transformation plan</li> <li>Formation and weekly meetings of the transformation board</li> <li>Establishment of a core project team to support the next phase of transformation</li> </ul>  |                                    |   |
| <b>Actions (Monitoring):</b>  |                                    | <b>Target Date for Completion:</b>  |
| Strategic CLT discussion planned on structure necessary to achieve transformation.  |                                    | January 2025  |
| Medium to Long Term Transformation Plan to be developed linked to revised structure for phase 3 (March 25 onwards)  |                                    | January 2025  |
| <p><b>Comments this quarter:</b> As Q1 there is no change to the overall risk rating, The Transformation Plan was submitted to MHCLG ahead of the required deadline and the council continues to be supported by its delivery partner- Inner Circle. A great deal of work to mobilise the programme has taken place including:</p> <ul style="list-style-type: none"> <li>Establishment of a Programme Management Office (PMO)</li> <li>Standardised ways of working through programme and project delivery framework and associated tools</li> <li>Establishment of formalised reporting and governance</li> <li>Establishment of the six programme workstream and associated governance.</li> <li>Workforce, Social Care, Place, Early Intervention and Prevention, Digital and Special Projects</li> </ul>   |                                    |   |

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| <ul style="list-style-type: none"><li>• Identification of CEC Sponsor, supported by Programme Directors from ICC</li></ul> <p>Further work to refine the more than 100 opportunities that were original identified is ongoing and will be concluded by early December, at which point the broad range of savings target (£59m £91m) will be refined in more detail. In addition to this the independent assurance Board has met twice and several staff engagement session have taken place with more planned in Q3 and Q4</p> <p><b>Timescale for managing risk to an acceptable level: TBC</b></p> |
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| Risk Name: Recruitment and Retention   |   | Risk Owner: Executive Director of Resources, Section 151 Officer   |   |            |            |       |  |  |       |   |  |  |            |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| Risk Ref: SR09   | Date updated: 10 <sup>th</sup> October 2024 | Risk Manager: Head of HR   |   |            |            |       |  |  |       |   |  |  |            |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| <p><b>Risk Description:</b> Recruitment and retention of skilled and motivated staff is required to allow the organisation to deliver its Corporate Plan, LGA Corporate Peer Challenge Action Plan, Children’s Improvement Plan and its transformation programme. Achievement of the plan and programme requires operational changes which allow the council to adapt and improve.</p> <p>Impact of the risk occurring:<br/>High staff turnover and, or skills shortages, insufficient capacity within services. Failure to achieve annual budget and deliver the council’s transformation and improvement programme and a detrimental impact upon the physical, emotional, and mental wellbeing of staff.</p> <p>Drivers of failure:<br/>National and local demographics alongside external factors led to increasing and changing demands on services. Increases to the cost of living also present risks to the resilience and wellbeing of our workforce and therefore the capacity to respond to demand. Outcome of Ofsted inspections as well as current financial challenges. WorkplaCE programme and the DMA review also impact.</p>   |   | <table><tr><td rowspan="4">Likelihood</td><td>4</td><td></td><td></td><td></td><td>Gross</td></tr><tr><td>3</td><td></td><td></td><td>Net Target</td><td></td></tr><tr><td>2</td><td></td><td></td><td></td><td></td></tr><tr><td>1</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td></td><td></td><td colspan="4">Impact</td></tr></table> |   | Likelihood | 4          |       |  |  | Gross | 3 |  |  | Net Target |  | 2 |  |  |  |  | 1 |  |  |  |  |  |  | 1 | 2 | 3 | 4 |  |  | Impact |  |  |  |
| Likelihood   | 4   |  |   |            |            | Gross |  |  |       |   |  |  |            |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
|  | 3   |  |   |            | Net Target |       |  |  |       |   |  |  |            |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
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|  |   | Impact   |   |            |            |       |  |  |       |   |  |  |            |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| Interdependencies (risks): Business Continuity, Increased demand for Adults Services, Complexity and Demand for Children’s Services  |   | Lead Service Committee: Corporate Policy Committee   |   |            |            |       |  |  |       |   |  |  |            |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| <p><b>Key Mitigating Controls:</b></p> <ul style="list-style-type: none"><li>• Workforce planning is in place via the Council’s Workforce Strategy 2021-2025. This is a 4-year strategy with ongoing review. Work is underway on the development of a new Workforce Strategy for 2025-2028. Service Workforce Plans are also undertaken on an annual basis as part of the wider business planning process to review and support workforce planning on a service-by-service level</li><li>• Benchmarking exercises and workforce metrics are used to identify potential issues and service workforce plans developed as above to mitigate. Work on the refinement of a workforce assessment for the Council has been completed and a monthly workforce dashboard is available to identify potential issues. The workforce assessment is then updated twice a year, to ensure services have regular focused workforce data available.</li><li>• Focused apprenticeship levy funding, specific succession planning and talent management initiatives are used to support high priority areas. This is supported by the introduction of a manager and director dashboard on Learning Lounge that will help the identification of training and skills gaps.</li><li>• Recruitment and retention programme has delivered attendance at a programme of local and regional recruitment fairs, an end-to-end review of the recruitment process, improved recruitment advertising, an employee offer brochure, a review, and the planned implementation of additional employee benefits, a social work academy in Children’s Services and the development of additional career pathways. The introduction of employee profile videos on social media and on Cheshire East Council’s website to enhance the Council’s profile have also been introduced. Further work will be undertaken to streamline the recruitment process to ensure improved efficiency and a better user experience.</li><li>• Review of the provision of agency staff, including an audit of spending, to reduce reliance and transition to a more stable permanent workforce base with reduced costs has also been undertaken. The Council has implemented the provisions of the Government proposal on capping the pay rates for agency social workers and has also engaged with the proposals for capping agency pay rates for Children’s Social Workers as part of the Greater Manchester Pledge.</li><li>• Analysis of exit interview and questionnaire data with the relevant Executive Director to support the retention of staff.</li><li>• Wellbeing and engagement support, including delivery of EAP services, the introduction of ‘In the Know’ sessions for all staff, a revitalised recognition scheme, monthly organisation wide wellbeing updates for all staff, and the promotion of the government funded initiative Able Futures.</li><li>• Senior manager support in the redesign and restructure of services to meet MTFs targets, including MARS to minimise the impact on the workforce. A workforce planning toolkit is now in place to support services in identifying skills gaps and identify actions to address any identified gaps.</li></ul> |   |  |   |            |            |       |  |  |       |   |  |  |            |  |   |  |  |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |

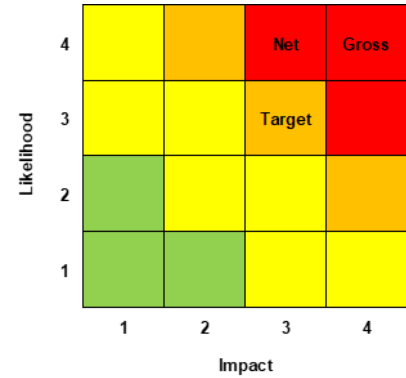


| Actions (Monitoring):  | Target Date for Completion: |
|--|-----------------------------|
| Recruitment to new senior management structure   | April 2025                  |
| Introduction of a range of additional employee benefits, enhancing the existing offer (Monthly review by HRMT/Ongoing briefing to CLT on progress and implementation).   | September 2024              |
| Use Pulse Survey and Exit Interview data results to gauge employee satisfaction (Reviewed by HRMT and shared with DMTs).   | On-going                    |
| Completion of a transformation skills audit (Reviewed by HRMT monthly)   | July 2024                   |
| <p><b>Comments this quarter:</b> No change to the risk ratings at this time. A consultation process on a proposed new senior management structure has been conducted and the recruitment to the new senior management structure, once approved, will increase capacity across the organisation. The recruitment process will start in November.</p> <p>The new benefits platform has been launched and introduces to the organisation a series of additional benefits for all employees, improving the employee value proposition and bring CEC in line with its competitors. A transformation skills audit has been completed providing further insight into transformation skills across all directorates.</p> <p>A further review of the establishment in Children's Services has provided accurate data in relation to vacancies and the skills gap needed to be filled to support the improvement journey. An Interim Executive Director of Children's Services and an interim Improvement Director joined CEC in September. Cultural workshops have been held in Children's Services to support from an OD perspective the retention of employees.</p> <p>Recent Government announcements about the proposed reforms to the apprenticeship levy will need to be considered in more detail in quarter 3 once further information is available post the Budget on 30th October, 2024. These may impact on the Council's ability to use the apprenticeship levy as it has up until now to recruit and retain staff in hard to fill areas such as Social Work.</p> |                             |
| <b>Timescale for managing risk to an acceptable level:</b> N/A   |                             |

|   |  |   |   |   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
|---|--|---|---|---|---|-----------|--|--|--|---|--|--|--|-----------|---|--|--|--|--------|---|--|--|--|--|--|--|---|---|---|---|--|--|--------|--|--|--|--|--|-----|--|--|--|
| <b>Risk Name:</b> Failure to manage the Consequences of Policy Uncertainty and National Policy Frameworks   |  | <b>Risk Owner:</b> Governance, Compliance and Monitoring Officer  |   |   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
| <b>Risk Ref:</b> SR10   | <b>Date updated:</b> 10 <sup>th</sup> October 2024 | <b>Risk Manager:</b> Governance, Compliance and Monitoring Officer  |   |   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
| <b>Risk Description:</b> The risk that the council cannot adequately understand and react to national policy changes or effectively implement them. The scope of the risk covers all central and local government decisions which relate to the operations of local government.<br><br>The Corporate Plan guides the council's decision-making, it informs what is considered a 'good' policy outcome and areas of priority. Political changes may result in stakeholders no longer being aligned with that current plan. Central government policy decisions can materially impact the council in many ways, while other risks might draw out specific changes and capture their direct impact, this risk brings together the total effect of political uncertainty for consideration.   |  | <table><tr><td rowspan="4">Likelihood</td><td>4</td><td></td><td></td><td></td><td></td></tr><tr><td>3</td><td></td><td></td><td></td><td>Gross Net</td></tr><tr><td>2</td><td></td><td></td><td></td><td>Target</td></tr><tr><td>1</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td></td><td></td><td colspan="4">Impact</td></tr><tr><td></td><td></td><td colspan="4">TBC</td></tr></table> |   | Likelihood  | 4 |           |  |  |  | 3 |  |  |  | Gross Net | 2 |  |  |  | Target | 1 |  |  |  |  |  |  | 1 | 2 | 3 | 4 |  |  | Impact |  |  |  |  |  | TBC |  |  |  |
| Likelihood  | 4  |   |   |   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
|   | 3  |   |   |   |   | Gross Net |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
|   | 2  |   |   |   |   | Target    |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
|   | 1  |   |   |   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
|   |  | 1   | 2 | 3   | 4 |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
|   |  | Impact  |   |   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
|   |  | TBC   |   |   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
| <b>Interdependencies (risks):</b> Stakeholder Expectations and Communications, Failure to Achieve the MTFS, Failure to Adhere to Agreed Governance Processes  |  | <b>Lead Service Committee:</b> Corporate Policy Committee   |   |   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
| <b>Key Mitigating Controls:</b> <ul style="list-style-type: none"><li>Engagement with national government, consultations and requests for feedback</li><li>Application for and funding agreement processes, governance process for ad hoc grants</li><li>Engagement with political administration of CEBC</li><li>Engagement with group leaders of CEBC parties</li><li>Induction, on-going training and committee briefings for CEBC members</li><li>Service Committee support and briefings for members and senior officers</li><li>Corporate Plan and MTFS regular and ad hoc (post material changes) review process, including contingency planning</li><li>Preparation for elections and promoting engagement in democracy.</li><li>Forward planning for each committee's policy development and areas of political sensitivity</li><li>The development and delivery of the Corporate Plan</li><li>New member induction &amp; training programme</li></ul> |  |   |   |   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
| <b>Actions (Monitoring):</b>  |  |   |   | <b>Target Date for Completion</b>                   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
| A review of the Committee briefing process to increase flexibility to draw out impact on residents more clearly   |  |   |   | 2024/2025   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
| Oflog reporting requirements awaiting the outcome of its review   |  |   |   | Oflog review should be completed by the end of 2024 |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
| <b>Comments this quarter:</b> No material changes to the risk, the impact of the new government's first budget and plans for local government are yet to be known during this quarter, but clarification will begin to emerge with the first budget in October 2024. Oflog's long term role and remit are currently under review. In organisational terms, the council's plans to adapt to the current landscape are central to the transformation plan, and there are Corporate Peer Challenge actions.  |  |   |   |   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |
| <b>Timescale for managing risk to an acceptable level:</b> Controls that mitigate this risk are based on the current landscape and timetable for local and national elections. The ability to manage this risk is not completely within the council's gift.   |  |   |   |   |   |           |  |  |  |   |  |  |  |           |   |  |  |  |        |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |  |  |     |  |  |  |

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| <b>Risk Name:</b> Failure to Adhere to Agreed Governance Processes   |  | <b>Risk Owner:</b> Director of Governance, Compliance and Monitoring Officer   |
| <b>Risk Ref:</b> SR11  | <b>Date updated:</b> 10 <sup>th</sup> October 2024 | <b>Risk Manager:</b> Governance, Compliance and Monitoring Officer   |
| <p><b>Risk Description:</b> The council is a complex public sector organisation with a broad range of objectives, some of which it is legally obligated to deliver, its goals for the borough are identified within its Corporate Plan. Formal reporting and decision-making within the council is, to a degree, prescribed by local authority regulation. The decision-making process at all levels, must comply with regulatory requirements while also delivering those stated goals.</p> <p>Detailed consequences: Robust governance requires clear aims and policy objectives and identified and delivered. Governance processes should facilitate the lawful delivery of those objectives and prevent the misapplication of resources in achieving other goals. Ultimately this can result in a reduction of living standards and physical health and mental wellbeing of residents. Failure to provide a reasonable level of service to residents at an appropriate cost, or to follow legal decision-making protocols, can result in increased regulatory scrutiny and reputational damage. Possible outcomes of which may be, public censure, financial penalties or direct central government intervention.</p> <p>Detailed causes: The volume and complexity of the council's services and objectives, coupled with finite resources and differing stakeholder views, make the application of the Corporate Plan into 'good' decision-making, a challenge. Examples of governance failures are:</p> <ul style="list-style-type: none"> <li>• Variations in interpretation and non-compliance with agreed process and internal controls.</li> <li>• Deviation from core objectives as result of prioritising presenting issues.</li> <li>• Failure to allocate limited resources in line with the requirements of agreed objectives.</li> <li>• Inadequate internal controls across the organisation or vertically with a directorate.</li> </ul>  |  | <p>The risk matrix shows a risk level of 'Gross' (Red) for a Likelihood of 4 and an Impact of 4. The risk is categorized as 'Gross' based on the matrix.</p> |
| <p><b>Interdependencies (risks):</b> Failure to Achieve the MTFs, Stakeholder Expectation &amp; Communication, Leadership Capacity, Ability to Achieve Organisation Change, Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks</p> <p><b>Key Mitigating Controls:</b></p> <p>Council's Constitution covers decision making processes, including finance and contract procedure rules. The Constitution is reviewed and amended on an on-going basis to ensure legal compliance and operational continuity. Following the adoption of the Committee system, mechanisms were put in place to capture Member's feedback and are reported to the (Constitution Working Group). The number, nature and terms of references of the Committees are assessed on an on-going basis, with refinements being implemented via full council decision.</p> <p>Constitution is a publicly available document; guidance on the use of the decision-making processes is provided by enabling services including Legal, Finance, Democratic Services, and Audit and Risk. Constitutional updates are overseen (recommended and administrated) by the Governance, Compliance and Monitoring Officer in response to regulatory changes and Full Council decisions. Administration of local, regional and national elections and monitoring of behaviour in the period of heightened sensitivity beforehand. During which time, appropriate adjustments are made to the publishing or reporting of controversial issues or anything that seeks to influence voters. Reports to Committees are developed and reviewed by senior officers and enabler sign off, briefings are arranged with Committee Members to address any further knowledge requirements ahead of the relevant meeting. All decisions are formally recorded in meeting minutes and administrated in line with delegated authorities as per the constitution.</p> <p>Schemes of delegation; local and financial are in place to provide clarity on responsibilities ensure separation of duties is in place where required and minimise the risk of inappropriate management override.</p> |  | <b>Lead Service Committee:</b> Corporate Policy Committee  |

| <p>Assurance mechanisms on the organisations' compliance with its decision-making processes are provided through the external audit (Statement of Accounts) and the work of the Internal Audit team. Internal Audit's assurance is achieved through the development and delivery of an annual plan and follow-up monitoring of agreed actions. There are other external inspections, such as Ofsted, which may examine elements of our decision-making processes through their work, although this is not usually the primary focus. The organisation publishes an Annual Governance Statement identifying significant governance issues which have occurred, any known areas which may cause issues if not managed effectively and updates on issues previously identified.</p>  |                                   |
|---|-----------------------------------|
| <b>Actions (Monitoring):</b>  | <b>Target Date for Completion</b> |
| Review of shared service governance arrangements with specific actions to be identified   | 2024/25                           |
|   |                                   |
| <p><b>Comments this quarter:</b> There remains a high volume of change and decision making required during 2024/25 and ensuring our processes enable timely and lawful decision making, and there is compliance with them, is key to the future successful operations of the council and its ability to avoid a section 114 notice.</p> <p>Quarter 2 has seen a number of key reports and decisions made to ensure the Council sets out its response to the Corporate Peer Challenge, and has the necessary arrangements in place to deliver these, and to provide oversight on the implementation of the action plan. Details of some of these are highlighted below.</p> <p>At the meeting of Council in July, the Cheshire East Plan 2024-25, as recommended by the Corporate Policy Committee in June was approved, as well as plans for the development of a new strategic plan. The adoption on the 24-25 plan provides a model for the development of the next strategic plan as well as a simpler view of the strategic vision, aims, priorities and associated actions of the Council, a key framework for decision-making, monitoring and performance and risk management.</p> <p>This Council meeting also considered the Corporate Peer Challenge report issued by the Local Government Association and a draft of the action plan developed in response to the recommendations. The final version was brought to Corporate Policy Committee in August for agreement. Council also approved the establishment of an Assurance Panel to support the Council with the changes recommended by the Peer Review.</p> <p>August's Corporate Policy Committee agenda included a number of key decisions to shape ongoing transformation and improvement, including the approval of the transformation plan, to ensure submission to central government by the deadline, the approval of the Corporate Peer Challenge action plan, again, to ensure compliance with the required timescale, and the approval of the Senior Management Structure following the Decision-Making Accountability (DMA) review.</p> <p>July's Audit and Governance Committee received the annual Head of Audit Opinion for 2023/24. As anticipated in a report to the Committee in May, whilst sufficient work had been undertaken to deliver the opinion, the Council's framework of risk management, governance, and internal control was assessed as "limited" for that period. In providing that opinion, it is recognised that the Council is in a period of significant financial pressure, and on a journey of transformation and change, and reports to the Committee on the 24/25 plan will provide an assessment of how the implementation of plans is delivering positive change to the framework.</p> <p>As part of the Q3 review of this risk, the Notice of Motion in relation to the Council's Governance Arrangements approved by the October Council meeting will be considered; this may change the scope and nature of the existing risk.</p> |                                   |
| <b>Timescale for managing risk to an acceptable level:</b> TBC  |                                   |

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| <b>Risk Name:</b> Stakeholder Expectations and Communication   |  | <b>Risk Owner:</b> Assistant Chief Executive  |
| <b>Risk Ref:</b> SR12  | <b>Date updated:</b> 16 <sup>th</sup> October 2024 | <b>Risk Manager:</b> Head of Engagement & Communications                            |
| <p><b>Risk Description:</b> The risk that the council does not understand the expectations of its stakeholders and that its communication and engagement with those stakeholders does not result in their understanding of the council's actions, nor appropriate involvement and influence. The council has an obligation to provide as high a level of service to its residents as its funding will allow. This requires not only considering both the short and long-term but also the expectations of all of its stakeholders.</p> <p><b>Potential impacts:</b> A lack of understanding and poor communication and/or failure to effectively engage with stakeholders will cause damage to the council's reputation, if this is severe enough it may result in poor performance, increased complaints, regulatory inspection, challenge from central government, low morale, increased staff turnover and make the borough a less desirable place to live and work in. Consultation fatigue will result in a poor experience, reduced engagement and a lack of clarity over the changes being proposed.</p> <p><b>Potential drivers:</b> To a certain degree the council cannot fully control the views that its stakeholders form. At times it will have to make decisions that are unpopular, this can be due to the context of these decisions not being effectively communicated, understood or just being disregarded by stakeholders. Management of this risk should be considered on the basis of the objective regard for and interest in the council its policies and its services (measured via surveys, media coverage, customer relations activity, etc.) and an assessment of the quality of its engagement (both listening and telling).</p> <p><b>Interdependencies:</b> Increased Demand for Adult's Services, Complexity and Demand for Children's Services, Failure to Achieve the MTFS</p>  |  |  |
| <b>Key Mitigating Controls:</b>  |  | <b>Lead Service Committee:</b> Corporate Policy Committee                           |
| <p><b>Communication &amp; Media</b></p> <ul style="list-style-type: none"> <li>• Ensure that information about the Council, its services and how to access them is easily available in a range of formats for a wide range of audiences</li> <li>• Communications strategies for key projects, issues, decisions and service changes developed agreed and reviewed with senior stakeholders and decision makers (internal and external communication)</li> <li>• Positive proactive communication across multiple channels to celebrate the council's successes and achievements.</li> <li>• Comms programme is planned and reviewed over the short-term (daily) and the long-term (monthly / annually), including review of committee forward plans, council service plans, consultation and engagement programmes.</li> <li>• Communications handling requirement for each service committee/full council meeting agreed with lead officer(s)</li> <li>• Continue to develop proactive direct comms to be issued via e-mail / SMS – we currently have 56,426 subscribers for 'push' notifications across a range of topics</li> <li>• Regular internal communications to members and officers</li> <li>• Monitoring and reporting of organisational reputation and sentiment, (social and traditional media). This includes weekly analysis report for senior managers.</li> <li>• Monitor public sector press (e.g. MJ and LGC) and maintain and develop relationships with these media outlets to maximise opportunities for positive coverage.</li> <li>• Communications and media function advised at an early stage of all future demand and emerging issues to enable effective planning</li> <li>• Media training programme for key spokespersons</li> <li>• Use performance management reports for council services and programmes to identify reputational opportunities and risks at an early stage.</li> <li>• Providing a 24/7 emergency communications on call function</li> <li>• Media relations protocol and approvals process – including protocol(s) for partnership communications where required.</li> </ul> |  |   |

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| <ul style="list-style-type: none"> <li>Review communications business continuity, priorities and emergency / crisis comms protocols and plans</li> <li>Regular meetings with comms leads from public sector partner organisations to collaborate, share plans and intelligence</li> <li>Flexible use of social media and digital communication platforms</li> </ul>  |   |
| <b>Consultation</b> <ul style="list-style-type: none"> <li>Endeavor to undertaken consultation when proposals are still at a formative stage.</li> <li>Design consultation which gives sufficient reasons for any proposal or change to permit stakeholders to undertake intelligent consideration and response to the options.</li> <li>Consultation and engagement activity will be used as evidence when making decisions and adequate time will be given between the end of a consultation and a decision is made, to allow for consideration of and where required, a response to, the output of a consultation or engagement.</li> <li>Equality Impact Assessments (EIA) are completed, appropriate for the purpose of use and that they are approved by Head of Service before any consultation can begin.</li> <li>Make it clear HOW consultation and engagement activity, EIA and other intelligence has been conscientiously taken into account when finalising the decision.</li> <li>Use the equality impact assessment toolkit, guidance, and template to provide clarity around what the equality impact assessment is and how it should be used.</li> <li>Equality champions to be supported by annual impact assessment training</li> <li>Resident surveys findings to be used to assess levels of resident satisfaction with the Council</li> </ul> |   |
| <b>Actions (Monitoring):</b>   | <b>Target Date for Completion</b>                             |
| <b>Communication &amp; Media</b>   |   |
| Review communications and engagement strategy in the context of Corporate Peer Challenge Action plan, new Cheshire East plan, and wider transformation and improvement work (Provide progress reports to CPC every six months – once a revised communications and engagement strategy has been approved and adopted)   | Q3/Q4 2024/25 (aligned to new Cheshire East plan development) |
| Provide communications support for transformation and improvement, financial management and implementation of MTFS proposals to ensure all stakeholders are well-informed about any changes to service and policy (Review annually)  | March 2025  |
| <b>Consultation:</b>   |   |
| Complete the service restructure to enable recruitment to vacant posts in the research and consultation team   | 2024/25   |
| Better align the relationship between communication, engagement and consultation functions (Review annually)   | Q3 2024/25  |
| Explore options to strengthen resident engagement to inform decision making e.g. citizen/resident panel (Review annually)  | October 2024  |
| Develop a consultation and engagement programme (Review annually)  | October 2024  |
| Ensure that officers undertake regular training aligned with roles and responsibilities (Review annually)  | March 2025  |
| <b>Comments this quarter:</b>  |   |
| <b>Communication &amp; Media:</b> There have been a number of significant developments that have impacted on stakeholder perception of the organisation in Q2. These have included: <ul style="list-style-type: none"> <li>Household Waste Recycling Centres review</li> <li>Parking review implementation</li> <li>Cllr Nick Mannion elected as Leader of the Council following Cllr Corcoran stepping down.</li> <li>Crewe Bus Station and town centre car park open</li> <li>Transformation Plan published</li> <li>Corporate Peer Challenge action plan published</li> <li>Senior management restructuring and staff changes</li> </ul>  |   |

- Libraries strategy proposals and consultation
- Council funding pressures
- Crewe fire major incident
- Devolution – talks with Government
- Armed Forces Covenant Gold Award

This period saw a number of decisions being taken that had been delayed due to pre-election period. This condensed a period of decision-making and services changes, meaning that stakeholders had a lot of change to understand and respond and adapt to. This period also saw a change of national government – we continue to monitor the new Government's policy agenda to assess impact on local government.

**Consultation:** Consultation during the period has continued to focus upon significant and high interest activities, such as food waste collection, library strategy development. There have been over 28,000 responses to consultation undertaken this financial year, illustrating the levels of engagement during the period.

Capacity within the team is still a challenge and needs to be addressed. There are likely to be several demanding consultations being undertaken in the next period as the Council seeks to undertake the MTFS consultation, develop a new Cheshire East Plan and Equality, Diversity and Inclusion strategy and support the actions from the Corporate Peer Review and transformation activities.

The development of a forward plan for consultation activity and an analysis of the validity of the Digital Influence Panel will ensure that the workload of the team can be prioritised, and that the robustness of the Panel can be reinforced. Both activities supporting key actions highlighted in the Corporate Peer Review.

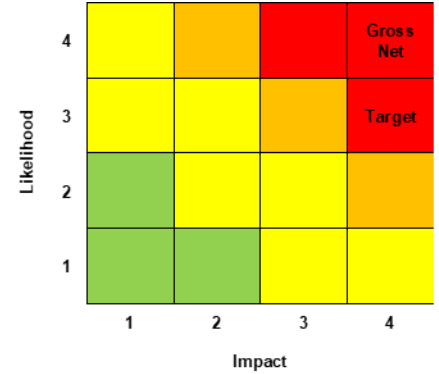
**Timescale for managing risk to an acceptable level:** Q4 2024/25

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|---|--|---|
| <b>Risk Name:</b> Information Security and Cyber Threat   |  | <b>Risk Owner:</b> Executive Director of Resources, Section 151 Officer |
| <b>Risk Ref:</b> SR13   | <b>Date Updated:</b> 9 <sup>th</sup> October | <b>Risk Manager:</b> ICT Programme Managers                             |
| <b>Risk Description:</b> (Cause) There is a risk that as the Council continues to move towards using new technology systems to reduce costs and fulfil communication, accessibility, and transaction requirements, (threat) it becomes increasingly vulnerable to a security breach, and, or loss of information, either maliciously or inadvertently from within the Council or from external attacks by cyber-criminals. (Impact) This could result in many negative impacts, such as loss of information, distress to individuals, legal, financial, and reputational damage to the Council, in addition to the possible penetration and crippling of the Council's IT systems preventing it from delivering its Corporate Outcomes.   |  |   |
| <b>Interdependencies:</b> This risk has interdependencies with corporate risk Business Continuity and Stakeholder Expectations and Communication. It also has links to the Financial Resilience risk, as funds for maintenance and replacement will be stretched, placing additional strain on assets and resilience of information security controls.  |  | <b>Lead Service Committee:</b> Corporate Policy Committee               |
| <b>Key Mitigating Controls:</b> <ul style="list-style-type: none"> <li>The CIO is an advocate of and reports on Information Risk to the Corporate Leadership Team and the Audit and Governance Committee and makes the Annual Statement of Internal Control of Information Risk.</li> <li>The Council has a number of Information and Data Security policies which are published on the Centranet and help to protect from the Council from inappropriate and unauthorised access and communicates what to do in the case of an incident. Policies; Information Security Policy Overview, ICT Access Policy, ICT Communications and Operations Policy, ICT Computer, Telephone and Desk Use Policy, ICT Email and Messaging Policy, ICT Flexible and Mobile Device Policy, ICT Incident management Policy, ICT Infrastructure Policy, ICT Internet Policy, ICT Legal Responsibilities for Data Policy, ICT Personnel Standards for Information Security, ICT Protection Policy, ICT Removable Media Policy and ICT Software Policy. Policies review and guidance materials updated to strengthen advice to staff on how to manage various information types</li> <li>Progress on Information Risk and Information Security is monitored through the Information Security Steering Committee (ISSC), Strategic Information Governance Group (SIGG) and the IG Collaboration Group.</li> <li>The Council has an Incident Reporting process which has been communicated to staff, all incidents are scored and assessed by SIGG to ensure that the breaches are minimised, and future breaches are reduced.</li> <li>The Council complies with the Public Services Network PSN Code of Connection, NHS Data Security and Protection Toolkit, DWP's MOU and NHS Digital controls, work continues with the consolidation and enhancement of elements of the security estate to meet the ever-developing threat profiles. This includes third party IT hardware and software tests undertaken by accredited security vendors, these validate that the network and hardware are secure and robust, if any vulnerabilities are found then a mitigation plan is drawn up and actioned.</li> <li>The Council has an Information Asset Register which is reviewed on an annual basis and has been published on the open data portal.</li> <li>There is also an Information Assurance Data Management (IADM) programme of activity to increase awareness and maturity of information assurance and governance across the Council. The programme is tasked with guiding the organisation to manage its information in a compliant and efficient way.</li> <li>Data Classification has been rolled out to the organisation; this allows the categorisation of information so that appropriate controls can be employed to protect the information.</li> </ul> |  |   |



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| <ul style="list-style-type: none"> <li>The Council provides security and compliance e-learning modules (which are mandatory for all employees) on the Learning Lounge. This includes several modules of Data handling, Cyber Security, and Information Assurance. There are also several best practice guides on the Council's Lighthouse on the best ways to use technology and to protect information. These modules and best practice guides are updated regularly to reflect changes in working practices and as a response to additional threats.</li> <li>In addition, proactive testing is carried out across the council to gauge the level of compliance and understanding of cyber best practice, this testing is followed up with additional support and training for those that need it. This process will raise the maturity and level of understanding to ensure that the Council has an adequate level of cyber readiness across its workforce.</li> <li>Controls are in place to restrict access to the data centres and network equipment and risk assessments of existing systems and networks are on-going.</li> <li>The Council's ICT Services have a strategic direction to move to a "Cloud First" principle, whilst this enables an evergreen environment which is always up to date, additional controls are needed to prevent compromise or inappropriate use and access. This includes contract compliance and monitoring to ensure ongoing protection of information. To support the strategic direction and architecture principles all technical solutions are reviewed at the Technical Design Authority to ensure correct alignment.</li> <li>In addition, the Council is moving to Zero Trust architecture, this is a direct result of increased threats posed to the working infrastructure. This shift is in line with the latest thinking and guidelines issued by the NCSC.</li> <li>In support of this a high-level business case for Infrastructure Investment of which Security &amp; Compliance is an element was submitted and subsequently approved. This additional funding will be used to develop the necessary tools to start the implementation.</li> </ul> |                                    |
| <b>Actions (Monitoring):</b>   | <b>Target Date for Completion:</b> |
| Identity Management (Information Security Steering Committee (ISSC), Information Assurance and Data Management (IADM))   | March 2025 (Multiyear project)     |
| Application Management (Information Security Steering Committee (ISSC))  | March 2025 (Multiyear project)     |
| Data Security (Information Security Steering Committee (ISSC))   | March 2025 (Multiyear project)     |
| Data Quality (Information Assurance and Data Management (IADM))  | March 2025 (Multiyear project)     |
| Information Management (Information Assurance and Data Management (IADM))  | March 2025 (Multiyear project)     |
| <p><b>Comments this quarter:</b> No change to the risk rating currently. There is continued heightened risk currently through state sponsored attacks and increased ransomware activity. There has been activity to minimise any increase in the risk rating such as.</p> <p>Several communications have been given to the organisation, its staff, and members to raise awareness on good security practises and techniques as well as assurance on how prepared the councils technologies and tools are.</p> <ul style="list-style-type: none"> <li>Briefings and presentations were given to the Audit and Governance Committee on the Council's cyber initiatives and protections.</li> <li>Several articles on cyber have been produced by the communication team as part of 'cyber security awareness' month.</li> <li>A new Cyber learning experience (prepared by NCSC) has been made available on Learning Lounge</li> </ul> <p>Work is progressing of requirements for a Security Operations Centre (SOC) that can provide round-the-clock monitoring and protection of the council's network and systems.</p> <p>Several sessions have been held to the wider leadership team as part of the Business Continuity Planning sessions, the sessions were scenario based with one of the themes being a cyber-attack. The scenario was preceded by a briefing describing similar attacks across the public and private sector. These sessions are invaluable to raise awareness and prepare services to reduce vulnerabilities.</p>   |                                    |
| <b>Timescale for managing risk to an acceptable level:</b> N/A   |                                    |

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| <b>Risk Name:</b> Business Continuity   |                                | <b>Risk Owner:</b> Director of Governance, Compliance and Monitoring Officer |
| <b>Risk Ref:</b> SR14   | <b>Date updated:</b> Q2 Update | <b>Risk Manager:</b> Head of Audit, Risk & Assurance                         |
| <p><b>Risk Description:</b> Failure to maintain business continuity after an unusual or unexpected, disruptive event or events. The risk that, some or all, of the council's services, projects or initiatives are unable to resume operations within the expected timeframes after a disruption. A disruptive event, or multiple events, may occur either in isolation, or across the whole organisation.</p> <p>Detailed consequences: The council has a number of safeguarding obligations to its residents, a failure could result in it being unable to fulfil those obligations, and as such not protect them from mental or physical harm. Failures may also cause an unacceptable loss of local services.</p> <p>Detailed causes: The unavailability of staff, ICT systems, equipment or a suitable working environment are the most common causes of a material failure. Many different social, economic, environmental or public health factors can drive these causes to manifest themselves. Underlying this may also be a failure to reasonably allocate resources to eliminate single points of failure in these areas.</p> |                                |  |
| <b>Interdependencies (risks):</b> Information Security and Cyber Threat, Pandemic Virus, Fragility in the Social Care Market, Council Funding, Organisational Capacity & Demand   |                                | <b>Lead Service Committee:</b> Corporate Policy Committee                    |
| <p><b>Key Mitigating Controls:</b></p> <ul style="list-style-type: none"> <li>BC Plans held for each service area – clear format, identifying critical and serious priority activities with recovery time objectives.</li> <li>BC impact assessments undertaken across the organisation to understand challenges to service delivery ahead of known events, informing decision making and mitigation plans.</li> <li>High level course on Business Continuity Management has been added to the Council's Learning Lounge</li> <li>ICT Shared Service also have a Crisis Recovery Plan that has been updated to take account of lessons learned as a result of ICT outage incidents. This Crisis recovery plan overview contains key information for the ICT Shared Service disaster recovery</li> <li>Ongoing liaison with Emergency Planning Shared Service</li> </ul>   |                                |  |
| <b>Actions (Monitoring):</b>  |                                | <b>Target Date for Completion:</b>   |
| Review and refresh of the Business Continuity Framework (2-year review cycle, delayed start due to other work pressures, involvement of BC workshops, policy framework changes more broadly)  |                                | November 2024  |
| Development of SharePoint BC system (Work to begin January 2024 - began, but paused for scoping/testing of ideas through BC workshops)  |                                | TBC  |
| Rollout and training for the SharePoint BC system (2-year review cycle)   |                                | Post SharePoint system development   |
| Work with Emergency Planning on scenario exercises (ad hoc pieces of work since March 2023 – and ongoing)   |                                | Began March 2023 – on-going  |
| <b>Comments this quarter:</b> BC workshops have been scheduled in October – feedback from these sessions will be used to support the refresh of individual and organisational BC plans.   |                                |  |
| <b>Timescale for managing risk to an acceptable level:</b> Q4 2023/24   |                                |  |

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| <b>Risk Name:</b> Capital Projects - Place   |  | <b>Risk Owner:</b> Executive Director of Place   |
| <b>Risk Ref:</b> SR15  | <b>Date updated:</b> 23 <sup>rd</sup> October 2024 | <b>Risk Manager:</b> Place Directors and Business Managers   |
| <b>Risk Description:</b> Failure to deliver major capital projects. (particular focus on Middlewich Eastern Bypass) <p><b>Impact:</b><br/>The council delivers a broad range of capital projects in support of the aims and objectives of its Corporate Plan. The delay to the DfT decision on the Middlewich Eastern Bypass and to the Council's Capital Programme Review has brought uncertainty to overall programme delivery. It is impacting the ability to deliver economic growth as published in the Local Plan Strategy.</p> <p>Continued delay, or ultimately cancellation of the MEB would have significant financial and reputational implications for the Council. Delays cause increased costs and affect affordability. The delivery uncertainty could lead to cancellation of major economic regeneration projects and would mean that the very significant costs (c£25m) expended to date would need to be charged to revenue budgets in the year of cancellation. These costs would significantly worsen the Council's current financial situation.</p> <p><b>Likelihood:</b><br/>Medium to High- there have already been significant delays to the DfT decision and the council's own review. Coupled with the recent exceptionally high inflation rates in construction, the uncertainty this leads to is very likely to lead to budgetary challenges...</p> |  |                     |
| <b>Interdependencies (risks):</b> Failure to Achieve the MTFS, CEC Carbon Neutral Status, Failure of the Local Economy   |  | <b>Lead Service Committee:</b> Economy and Growth, Environment and Communities, Highways and Transport |
| <b>Key Mitigating Controls:</b> <ul style="list-style-type: none"> <li>• Appropriate and proportionate governance has been established to oversee the MEB.</li> <li>• Internal governance is in place to monitor the impacts of delay and increased costs at a project level. These processes have been independently assessed as appropriate for a project of this size.</li> <li>• At a strategic level, internal decisions were taken to support the resubmission of the Full Business case to the department for Transport in September.</li> <li>• The overall Capital Strategy and overall Capital Programme is presented annually as part of the Medium-Term Financial Strategy to show the MEB project alongside the rest of the capital programme.</li> <li>• A capital programme review has been underway for some time of all schemes included in the MTFS underway to consider affordability. The outcome is awaited.</li> </ul>   |  |  |
| <b>Actions (Monitoring):</b>   |  | <b>Target Date for Completion:</b>   |
| Lobbying at a political level for a quick positive decision on the MEB to minimise uncertainty (By CLT – regular performance updates)  |  | November 2024  |
| Updating costs estimates and funding advanced works where possible to maintain the programme and current cost estimates so that construction can start asap after funding decision (MEB monthly project board)   |  | November 2024  |
| <b>Comments this quarter:</b> The Full Business case for MEB is scheduled to go to the DfT investment committee on 26 November. It is hoped a positive decision should be made by DfT by Feb 2025 to allow a 2025 start. Further delays will lead to increased costs and affordability / cancellation impacts. The recent service of a blight notice by a landowner on the council now raises the risk of the council having to purchase the land required for the scheme, whether the scheme goes ahead or not, which would obviously increase the financial risk further and add to current financial issues.  |  |  |

**Timescale for managing risk to an acceptable level:** Major capital projects by their nature are high risk. The controls are designed to proactively manage risks and mitigate their impact if a risk is realised. It is not realistic to expect the risk to be managed any lower.

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| Risk Name: Failure of the Local Economy  |   | Risk Owner: Executive Director of Place  |            |       |   |  |  |  |   |  |  |  |  |   |            |       |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| Risk Ref: SR16   | Date updated: 30 <sup>th</sup> September 2024 | Risk Manager: Head of Economic Development   |            |       |   |  |  |  |   |  |  |  |  |   |            |       |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| <p><b>Risk Description:</b> Failure of the local economy</p> <p>The risk that the local economy does not realise the expected level of growth due to an inability to attract, grow and retain commercial enterprises, residents and visitors. The borough has a strong local economy, an above average Gross Value Added (GVA), some areas of deprivation and is reliant on a number of different industries.</p> <p>Consequences: The failure of enterprises reduces the local money supply, reducing the standard of living for residents and council income. Secondary effects can include a reduction in public health and the loss of highly trained or skilled individuals. Consequences and causes, over the medium to long-term can have a symbiotic relationship, creating either an upward or downwards spiral. An example of this is shops closing in a town centre, then reduced footfall resulting in further closures.</p> <p>Causes: The local economy is significantly driven by changes in the national economy, taxation and other government policies. However the failure to maintain parity, or offer benefits above other boroughs, can lead to a relatively larger economic downturn. As noted above poverty and deprivation, like other issues, can be both a consequence and cause causing a snowball effect.</p> |   | <table><tr><td rowspan="4">Likelihood</td><td>4</td><td></td><td></td><td></td><td></td></tr><tr><td>3</td><td></td><td></td><td></td><td></td></tr><tr><td>2</td><td>Net Target</td><td>Gross</td><td></td><td></td></tr><tr><td>1</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td></td><td></td><td colspan="4">Impact</td></tr></table> | Likelihood | 4     |   |  |  |  | 3 |  |  |  |  | 2 | Net Target | Gross |  |  | 1 |  |  |  |  |  |  | 1 | 2 | 3 | 4 |  |  | Impact |  |  |  |
| Likelihood   | 4   |  |            |       |   |  |  |  |   |  |  |  |  |   |            |       |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
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|  | 2   | Net Target   |            | Gross |   |  |  |  |   |  |  |  |  |   |            |       |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
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|  |   | 1  | 2          | 3     | 4 |  |  |  |   |  |  |  |  |   |            |       |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
|  |   | Impact   |            |       |   |  |  |  |   |  |  |  |  |   |            |       |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| Interdependencies (risks): Capital Projects, HS2 Infrastructure Investment, Pandemic Virus, Climate Change   |   | Lead Service Committee: Economy and Growth   |            |       |   |  |  |  |   |  |  |  |  |   |            |       |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| <p><b>Key Mitigating Controls:</b></p> <ul style="list-style-type: none"><li>Cheshire East Business support hub has been launched.</li><li>Business forum to engage and plan future support.</li><li>Investment plans to support regeneration and development.</li><li>Place marketing and inward investment.</li></ul>  |   |  |            |       |   |  |  |  |   |  |  |  |  |   |            |       |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| Actions (Monitoring):  |   | Target Date for Completion:  |            |       |   |  |  |  |   |  |  |  |  |   |            |       |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| Launch of business support grants: (Quarterly returns to government) <ul style="list-style-type: none"><li>Repurposing our high street grants from Crewe town centre</li><li>Decarbonisation grants for business</li><li>New employment space grant</li></ul>  |   | March 2025   |            |       |   |  |  |  |   |  |  |  |  |   |            |       |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |
| <p><b>Comments this quarter:</b> No change, the net score is particularly low in comparison with the other strategic risks. Until June we were still seeing a weakness in the economy due to political uncertainty across all indicators. Since the general election, national commentators and indicators are demonstrating that UK economy is settling down and has adapted to these exogenous shocks:</p> <ul style="list-style-type: none"><li>The pound is increasing and is at highs compared to post Brexit periods</li><li>FTSE performing strong</li><li>Mortgages are being given out Nationwide for the first time is lending on 6 x income.</li><li>Post general elections there seems to be political stability and faith from the markets</li></ul> <p>All this suggest that confidence in UK plc has returned. The markets are expecting that moral hazard is not an issue as the state has demonstrated twice this century it will step in to rescue the economy, (Financial Crash and COVID). Govt policy is about growth and investment not austerity:</p> <ul style="list-style-type: none"><li>Set 1.5m target for house building and is putting in place planning reforms to achieve this, plus joint ventures with the private sector</li><li>It is talking about industrial strategies</li></ul>                    |   |  |            |       |   |  |  |  |   |  |  |  |  |   |            |       |  |  |   |  |  |  |  |  |  |   |   |   |   |  |  |        |  |  |  |

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| <ul style="list-style-type: none"><li>• Devolution for areas that want it</li><li>• Rhetoric such as NHS is the HR dept of UK plc – again provides confidence is about getting people back to work</li></ul> <p>All the above should provide stable investment Which will provide multiplier effects on the national and local economies and reinforce confidence. We are expecting white papers and bills including devolution its doom and gloom in LAs but not elsewhere.</p> <p><b>Timescale for managing risk to an acceptable level:</b> N/A</p> |
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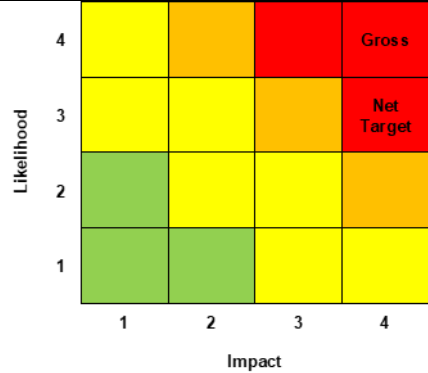
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| <b>Risk Name:</b> CEC Carbon Neutral Status   |   | <b>Risk Owner:</b> Executive Director of Place             |
| <b>Risk Ref:</b> SR17   | <b>Date updated:</b> 3 <sup>rd</sup> October 2024 | <b>Risk Manager:</b> Head of Environmental Services        |
| <p><b>Risk Description:</b> Failure to achieve Carbon Neutral status for the Council by the 2027 milestone target due to requirement to secure statutory consents, seek viable and affordable solutions and other external market forces outside the Councils control.</p> <p>Likelihood is based on a number of external factors, partnerships and key outcomes being delivered in a timely manner.</p> <p>Impact will result in non-delivery of a key priority in the Council's Corporate Plan. It will also contribute to climate change temperature rise and severe weather events which could have an impact on public health and safety. It could also have financial implications with increased need for adaptation of key infrastructure for severe weather events across the borough.</p> |   | <p>Likelihood</p> <p>Impact</p>                            |
| <b>Interdependencies (risks):</b> Economy and World Events, Recruitment and Retention, Council funding, Capital Projects  |   | <b>Lead Service Committee:</b> Environment and Communities |
| <p><b>Key Mitigating Controls:</b></p> <ul style="list-style-type: none"> <li>• Risk is reviewed as part of the Brighter Futures Transformation Projects Board, operational board and member steering group</li> <li>• Carbon Neutral Program established with Program Board reviewing progress and risks monthly</li> <li>• Member Advisory group overseeing its delivery</li> <li>• Annual update on progress reported to relevant committee</li> <li>• Climate change is a key consideration as part of our statutory planning duties as an authority and within the development of local planning policy</li> <li>• Planned natural offset set at 10% more than required to reduce risk of non-delivery in any one project area</li> </ul>  |   |  |
| <b>Actions (Monitoring):</b>  |   | <b>Target Date for Completion:</b>                         |
| Cheshire East Capital Spend Review (Awaiting outcome of the corporate capital review, progress paused on 2nd Solar farm, next phase of EV and next tree planting program until the review is complete)  |   | TBC  |
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| <p><b>Comments this quarter:</b> The ongoing review of the Council's capital programme which has halted further spend on carbon related projects now presents a significant risk to the ability to achieve the Council's commitment to be a carbon neutral organisation by 2027. This pause on spend has prevented the ordering of the next phase of EV vehicles and progression of the Council's second solar farm as the two key initiatives requiring delivery in order to meet the 2027 target. Net and target scores are therefore left at the highest possible rating as a result of this 6-month delay</p>   |   |  |
| <b>Timescale for managing risk to an acceptable level:</b> TBC  |   |  |

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| <b>Risk Name:</b> Local Planning Authority Modernisation Plan   |  | <b>Risk Owner:</b> Executive Director of Place             |
| <b>Risk Ref:</b> SR18   | <b>Date updated:</b> 21 <sup>st</sup> October 2024 | <b>Risk Manager:</b> Head of Planning                      |
| <p><b>Risk Description:</b><br/>Following the completion of the 'Local Planning Authority Review and Service Transformation' report and presentation to Environment &amp; Communities Committee on 31 October 2022 a Modernisation Plan has been developed to achieve the transformation of the service. This Plan will carry forward the recommendations made, document actions and monitor progress. The recommendations are many and varied but failure to complete the actions of the Modernisation Plan will undermine the planned transformation of the service, perpetuating and potentially extending the issues identified and undermining the reputation of the organisation.</p> <p>Detailed consequences: Failure to achieve completion of the Modernisation Plan will undermine the performance of the Council in its Local Planning Authority role, result in non-compliance with statutory processes, and reputational damage to the Council. By not achieving the Modernisation Plan within agreed timescales, the potential for additional budget pressure increases.</p> <p>Detailed causes: Insufficient resource to ensure completion of priority actions in the required timescales (staff and skills) while also 'doing the day job', Interim Service Review Lead/Planning Director limited contract duration, supplier resource to deliver new ICT system, failure to engage with internal and external stakeholders to affect necessary changes, lack of oversight from the Planning Transformation Board/Steering Group.</p> |  |  |
| <b>Interdependencies (risks):</b> Organisational Capacity and Demand, Reputation, Council Funding,  |  | <b>Lead Service Committee:</b> Environment and Communities |
| <p><b>Key Mitigating Controls:</b></p> <ul style="list-style-type: none"> <li>Environment and Communities Report 31/10/2022; Local Planning Authority Review and Service Transformation Report and Modernisation Plan.</li> <li>Monitoring of progress against Modernisation Plan by Transformation Board and Environment and Communities Committee.</li> <li>Regular meetings of Interim Director of Planning and Head of Planning and team managers to review action logs and progress on key priorities. Steering Group established to review workstream and focus priorities feeding into Transformation Board.</li> <li>Internal Audit reports on Community Infrastructure Levy and Section 106 will inform the scope of a member/officer working group.</li> <li>IT System Project has its own Project Board attended by supplier.</li> <li>Weekly monitoring of resources / recruitment during manager's meetings.</li> </ul>  |  |  |
| <b>Actions (Monitoring):</b>  |  | <b>Target Date for Completion</b>                          |
| IT System Project escalation due to breach of contract (Weekly team and fortnightly Project Board meetings or as needed)  |  | Q3 2024/25   |
| External support from Capita retained to assist with backlog. Backlog funding secured from DLUHC, intervention from senior officers on older applications (Continued monthly reporting on application backlog)  |  | Q2 2024/25   |
| Continued monitoring of resources – recruitment to critical posts ahead of restructure (Weekly manager meetings)  |  | Q4 2024/25   |
| Modernisation Plan recast as Service Improvement Plan (Service Improvement Board reporting against workstreams)   |  | Q4 2024/25   |
| <p><b>Comments this quarter:</b> Risk remains until IT system adoption but positive and tangible progress across many aspects of the Service Improvement Plan has been made.</p> <p>IT system further delayed until mid-October with Land Charges 4-6 weeks afterwards. Some system workarounds will be required until future development and additional software likely to be procured to fill gaps as not provided by supplier in accordance with original specification. Planning Restructure now confirmed and posts slotted where applicable. Recruitment to vacancies to commence asap.</p>   |  |  |

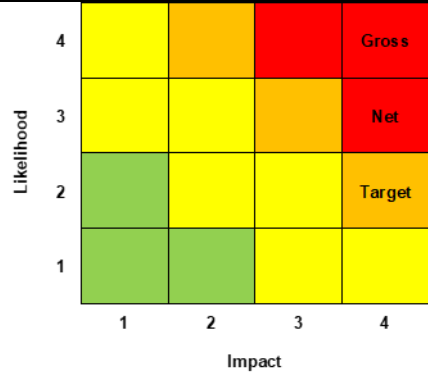


Application backlog remains static at just above the normal level of live applications (albeit caseload per officer remains high). S106 systems and processes completed with adoption across Services – ongoing refinement of system data to continue into Q3, but Ward reports ready for October. Various other customer and communication improvements including website enhancements and briefings to staff and members.

**Timescale for managing risk to an acceptable level:** 3-12 months (depending on priority)

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| <b>Risk Name:</b> Delivery of the ILACS Improvement Plan   |  | <b>Risk Owner:</b> Executive Director of Children's Services                        |
| <b>Risk Ref:</b> SR19  | <b>Date updated:</b> 21 <sup>st</sup> October 2024 | <b>Risk Manager:</b> Improvement and Impact Board                                   |
| <p><b>Risk Description:</b> That children's services do not achieve the improvements needed at the necessary pace to address the findings from the Ofsted inspection in February and March 2024, where children's services received an overall judgement of inadequate. This would mean that vulnerable children and young people in need of a children's social care service would not receive consistently good quality support.</p> <p>There is a significant reputational and financial risk to not delivering improvements. If services remain inadequate at the next inspection, further intervention measures may need to be put in place, for example escalation to a Statutory Direction notice, or Direction that another person or organisation performs the functions on the local authority's behalf. These measures will have a significant cost to the council and mean that we are not meeting children and young people's needs effectively.</p>  |  |  |
| <p><b>Interdependencies (risks):</b> Increased Demand for Adult's Services, Complexity and Demand for Children's Services, Failure to Achieve the MTFS</p> <p><b>Key Mitigating Controls:</b></p> <ul style="list-style-type: none"> <li>A comprehensive improvement plan is in place to address the inspection findings. The plan has been scrutinised by the Safeguarding Children's Partnership, the council's leadership team, members of the two children's committees, and full Council. Advice from the LGA and Ofsted, along with good practice from other authorities, has been sought and incorporated into the plan.</li> <li>Progress and impact against the improvement plan is monitored monthly through an independently chaired Improvement and Impact Board. This includes scrutiny of quality assurance and performance in relation to the plan. Independent improvement specialists from the DfE and LGA are members of the board.</li> <li>Reports on progress against the plan are provided to every Children and Families Committee meeting for oversight and scrutiny.</li> <li>Progress and impact will be externally evaluated through Ofsted monitoring visits and DfE reviews.</li> </ul> |  | <b>Lead Service Committee:</b> Children and Families Committee                      |
| <b>Actions (Monitoring):</b>   |  | <b>Target Date for Completion:</b>  |
| Monitor delivery and impact of the improvement plan (Improvement and Impact Board)   |  | 6 weekly until April 2025   |
| Report to the Children and Families Committee on progress against the improvement plan (At each Children and Families Committee Meeting)   |  | Every committee meeting from September  |
| Adapt the improvement plan to respond to areas for improvement from Ofsted and DfE monitoring (Improvement and Impact Board and Children and Families Committee following monitoring activity)   |  | January 2025  |
| Provide scrutiny and challenge to the delivery of the improvement plan through the Children's Services Leadership Team – Improvement and Performance Meetings (Improvement and Performance Meetings)   |  | Monthly from October 2024   |
| Develop an independent team to quality assure progress and impact against the improvement plan (Improvement and Performance Meetings)  |  | October 2024  |
| Review and develop the improvement plan to ensure this addresses the priority areas for improvement (Improvement and Performance Meetings)   |  | November 2024   |

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| <p><b>Comments this quarter:</b> Our Improvement Plan was submitted to Ofsted within the required timescales and we received feedback from them on our improvement plan in September. Ofsted said “Your action plan is detailed and addresses the areas for improvement identified in the inspection. It also demonstrates engagement with partners and the wider council.” To strengthen our plan, Ofsted suggested that we include specific actions in each area on how we will coproduce improvements with children and young people. We have included additional actions on coproduction in the plan in line with their feedback and have sent an updated version back to Ofsted.</p> <p>The Director for Improvement joined Cheshire East on the 30 September and will be overseeing progress and updates against the improvement plan going forward. As part of this work, the process of scrutiny and challenge to the plan has been reviewed and strengthened. New governance arrangements are now in place to support this going forward. All new policies, procedures, and strategies developed as part of the plan will be quality assured and signed off by the Quality Assurance Service acting as independent scrutiny and challenge. This will give additional assurance that work evidenced as completed has had the right level of scrutiny prior to implementation and provides confidence to the service that they are delivering quality work.</p> <p>Finally, to ensure we utilise our resources, time and efforts efficiently work is being undertaken to review interdependencies within the improvement plan and this will include those where we require corporate and partnership support. Actions identified from internal assessment activities will also be added to the plan.</p> <p><b>Timescale for managing risk to an acceptable level:</b> April 2026</p> |
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| <b>Risk Name:</b> SEND Inspection  |  | <b>Risk Owner:</b> Executive Director of Children's Services  |
| <b>Risk Ref:</b> SR20  | <b>Date updated:</b> 29 <sup>th</sup> October 2024 | <b>Risk Manager:</b> 0-25 SEND and AP Partnership Board and 0-25 SEND Executive Oversight Panel   |
| <b>Risk Description:</b> That as a partnership, Cheshire East's children's and adults services do not receive a positive outcome from an <u>Ofsted and CQC area SEND inspection</u> . This would mean that vulnerable children and young people with SEND would not have been receiving consistently good quality support. There is also a significant reputational and financial risk to a poor inspection outcome.   |  |  <p>The Risk Matrix is a 4x4 grid. The vertical axis is labeled 'Likelihood' with values 1, 2, 3, 4. The horizontal axis is labeled 'Impact' with values 1, 2, 3, 4. The cells are colored as follows: (1,1) Green, (1,2) Green, (1,3) Yellow, (1,4) Yellow; (2,1) Green, (2,2) Yellow, (2,3) Yellow, (2,4) Orange; (3,1) Yellow, (3,2) Yellow, (3,3) Orange, (3,4) Red; (4,1) Yellow, (4,2) Orange, (4,3) Red, (4,4) Red. The labels 'Gross', 'Net', and 'Target' are placed in the top-right, middle-right, and bottom-right cells respectively.</p> |
| <b>Interdependencies (risks):</b> Increased Demand for Adult's Services, Complexity and Demand for Children's Services, Failure to Achieve the MTFS  |  | <b>Lead Service Committee:</b>  |
| <b>Key Mitigating Controls:</b> <ul style="list-style-type: none"> <li>A partnership SEND inspection planning group is in place to drive and monitor activity to support inspection readiness</li> <li>A self-evaluation of the quality of our SEND services has been completed ensuring we understand ourselves well against the Ofsted framework. This will continue to be refreshed on at least a six monthly basis</li> <li>A SEND improvement team is being stepped up to drive service transformation</li> <li>A project plan is being developed for the transformation activity, based on the Safety Valve submission and the SEND Strategy priorities</li> </ul>   |  |   |
| <b>Actions (Monitoring):</b>   |  | <b>Target Date for Completion:</b>  |
| Establish the SEND transformation plan, with delivery firmly underway (Bi-monthly (every 2 months) through the SEND Partnership Board)   |  | April 2025  |
| Refresh the self evaluation of SEND support (Six monthly through the SEND inspection planning group)   |  | Refreshed every six months as a minimum   |
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| <b>Comments this quarter:</b> In September 2024, Children and Families Committee approved a revised governance structure for the 0-25 Cheshire East SEND Partnership and also noted plans for a new, single SEND and Alternative Provision Strategy and Improvement Plan. Work was then undertaken on implementing the revised governance arrangements, including assigning initial delivery leads and improvement actions for the first set of task and finish groups, alongside pulling together all actions that may require inclusion in the new Improvement Plan. Alongside this, work has continued on logistical arrangements for the inspection. Colleagues across the partnership have also continued to update and scrutinise the evidence that will be submitted to inspectors under Annex A, and have collated updates that will be required for the next iteration of our SEND self-evaluation (due end of Q3 2024/25). |  |   |
| <b>Timescale for managing risk to an acceptable level:</b> December 2024   |  |   |

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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